

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

CERTIFICATION AUDIT REPORT

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

TH Plantations Berhad, Kluang Complex (Estates)

MAIN ASSESSMENT
05th May 2018 – 06th May 2018

Revision History					
Rev	Date	Description	Done by	Role	Signature
A	13/07/18	Issued as Draf Report	Muhammad Syafiq	Lead Auditor	
A	27/07/18	Peer Review 1 Comments	Mohamad Padil	Peer Reviewer 1	
A	27/07/18	Peer Review 2 Comments	Mohd Isa	Peer Reviewer 2	
B	30/07/18	Incorporated Peer Review Comments and Issued for Final Report	Muhammad Syafiq	Lead Auditor	



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1. Executive Summary

1.1. Objective, Audit Methodology, Certification Scope and Recommendation

Objective of Certification Assessment

Global Gateway Certifications Sdn. Bhd. [hereafter known as GGC] has conducted the Certification Assessment of TH Plantations Berhad, Kluang Complex (Estates). During this Main Assessment (Stage 2) Audit, the audit team briefed by sustainability member, 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 05th May 2018 to 06th May 2018 by 3 auditors to assess the compliance of the certification unit against the MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders.

Audit Methodology

The methodology for collecting of objective evidence included physical site inspections, observation of tasks and processes, interviews of stakeholders, officers, review of documentation and data. Checklists and questionnaires were used to guide the collection of information and the comments made by external stakeholders were also taken into account in the assessment.

Certification Scope Methodology

The approach to the audit was to treat the TH Plantations Berhad, Kluang Complex (Estates) as a MSPO Certification Unit. The assessment focused on compliance to legal requirements on the land title, land use rights, trainings on good agriculture practices, awareness towards environmental and conservation value management, waste management and disposal and plantation activities such as fertilising, chemical spraying and harvesting. Details of the actual assessment programme are given in Appendix A (Audit Plan). Some stakeholders were consulted randomly during the assessment to get their feedback on the management compliance and performance.

The assessment was conducted based on sampling approach as specified in MSPO Certification Requirement. The purpose of sampling audit, risk assessment of the certification unit was carried out prior to the assessment through the documentation (MSPO-Questionnaire Self-Assessment-RA). Result of the self-assessment is then considered when considering the sampling calculations. Therefore, total numbers of supply based assessed in the audit are 2 estates.

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, Kluang Complex (Estates). All Estate Senior Manager/Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures



stated in this manual. Both site also assist by TH Plantations Berhad, Sustainability and Investor Relations Department.

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

This report will be internally reviewed prior to certification decision by GGC and externally peer reviewed by independents panel reviewers (qualified and trained by MPOCC). During this Main Assessment (Stage 2) Audit [based on MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO)] Part 3: General Principles for Oil Palm Plantations and Organized Smallholders), 7 major non conformities and 1 minor non-conformity have been raised to the facilities that being audited. All the evidence submitted were found adequate and therefore all major non-conformities are closed. (Refer to Appendix B, non-conformity table for details).

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 award the certificate of compliance MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders to TH Plantations Berhad, Kluang Complex (Estates).

1.2. Company details and Contact information

Company Name	TH Plantations Berhad
Business Address	Menara TH Platinum, Level 31-35, No. 9 Persiaran KLCC, 50088 Kuala Lumpur.
Contact Person	Miss Aisyatul Aizzura Salha Abdul Rahim
Office Telephone	+603 2603 4800
E-Mail	aizzura@thplantations.com

1.3. Certification Unit

No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Bukit Lawiang Estate	Karung Berkunci 522, 86009 Kluang, Johor.	E 103°26'4.48"	N 1°57'7.45"
2.	Gunung Sumalayang Estate	Karung Berkunci 535, 86009 – Kluang, Johor.	E 103°26'4.48"	N 1°57'7.45"

1.4. Production Area, Actual and Projected FFB Production (MT)

Name of the Certification Unit	Area Summary (HA)		
	Land Title	Planted	Mature
Bukit Lawiang Estate	1,932.82	1,857.09	1,076.66
Gunung Sumalayang Estate	2,125.06	2,059.29	1,150.23
Total	4,057.88	3,916.38	2,226.89

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [June 2017-May 2018]	Projected Production for next 12 Months [June 2018-May 2019]
Bukit Lawiang Estate	NIL	30,474.24	32,045.99
Gunung Sumalayang Estate	NIL	25,887.57	22,448.72
Total	NIL	56,361.81	54,494.71

1.5. Certification 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 - www.ggc.my
Assessment standard	(MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders
Certificate number	To be release after report approved
Initial certificate issued date	To be release after report approved
Certificate expiry date	To be release after report approved
Stage 1 assessment date	28 th March 2018



Stage 2 / Main Assessment	05 th - 06 th May 2018
Annual Surveillance 1 [ASA 1]	NA
Annual Surveillance 2 [ASA 2]	NA
Annual Surveillance 3 [ASA 3]	NA
Annual Surveillance 4 [ASA 4]	NA



2. Assessment Process

2.1. Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: **Muhammad Syafiq bin Abd Razak**

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

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

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

Auditor

Name: **Ismadi bin 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. Member of GGC MSPO audit team.

During this assessment, he assessed on the aspect of 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: **Ahmad bin Sukiman**

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

During this assessment, he assessed on the aspect of Legal, Best Practices, stakeholder's consultation and workers welfare. Able to speak and understand Bahasa Malaysia and English.

2.2. Stakeholder Consultation

GGC has published the public notification on 03rd April 2018 and as to accommodate a stakeholders' consultation meeting for mill and estates. Therefore, it was conducted on 05/05/2018-06/05/2018 in TH Plantations Berhad, Kluang Complex (Mill & Estates) to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements.

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

At the start of meeting, the auditor explained the purpose of the audit followed by an evaluation of the relationship between the stakeholders before discussions continued. The auditor recorded comments made by stakeholders and verified with the mill/estates management before incorporating into the assessment findings. There was no complaint or feedback received during the audit or during the field assessment when interviewing with the external and internal stakeholders. (Refer to part 4 table for details)

3. ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA

3.1. Principle 1 : Management commitment and responsibility

Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy

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

Summary TH Plantations Berhad has established Sustainability Policy. The policy has been proved by Dato' Sri Zainal Azwar bin Zainal Aminuddin; Chief Executive Officer/Executive Director dated on 10th January 2018.

Communication and consultation process are also communicated through training programs and attendance lists was sighted and duly recorded. As evidence at Gunung Sumalayang Estate, MSPO awareness for:

- 1) Contractor
 - Conducted on 2nd May 2018 by Mr. Mohd Rizuan bin Razman (Sr. Estate Assistant Manager) attended by 5 contractors.
- 2) Staffs
 - Conducted on 30th April 2018 by Mr. Mohd Rizuan bin Razman (Sr. Estate Assistant Manager) attended by 6 staffs
- 3) Workers
 - Conducted on 27th March 2018 by Mr. Mohd Rizuan bin Razman (Sr. Estate Assistant Manager) attended by 126 workers.

As per audit and interviewed with estate workers, all workers are aware and answered to auditors very well the MSPO Policy. Also sighted the implementation on site. As evidence, sighted in the notice board the Sustainability Policy.

In Compliance **Yes** No Not Applicable

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

Summary TH Plantations Berhad has established Sustainability Policy. Approved by Dato' Sri Zainal Azwar bin Zainal Aminuddin; Chief Executive Officer/Executive Director; Date on 10th January 2018. 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 an internal audit procedure to determine the strong and weak points or potential areas for improvements. The procedure is available in MSPO Procedure; Internal Audit (MSPO-TH-01; Rev 0; Date 10/01/2018).

As per interviewed with Mr. Mohd Uzair bin Rozali (Assistant Manager) from Sustainability & Investor Relations Department, the internal audit frequency has been planned at least once a year or when required. Internal audit for MSPO program will be conducted by Sustainability & Investor Relations Department from Head Office.

Sighted latest internal audit done by TH Plantations Head Office on 25th – 26th February 2018 for both estate. Result is summarized in Internal Audit Findings Summary. Issues raised during the internal audit have been closed and actions taken on issues raised are evident.

In Compliance **Yes** No Not Applicable

Indicator 2 The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.

Summary TH Plantations Berhad has established MSPO Procedure on the Internal Audit. MSPO-TH-01; Rev 0; Date 10/01/2018. Sighted 1st internal audit conducted by Mr. Mohd Uzair bin Rozali, Mr. Mohd Hidayat bin Mohd Hussein and Mr. Mahazan bin Mat Isa on 25th – 26th February 2018 for both estate. The findings were documented in the Internal Audit Findings Summary.

Corrective action has been taken by both estate management on 09th April 2018. Seen the action taken by Estate Sr. Manager/Manager for all the findings done by the Sustainability & Investor Relations Department. All details well documented by estate management.

In Compliance **Yes** No Not Applicable



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

Summary The internal audit conducted by Mr. Mohd Uzair bin Rozali, Mr. Mohd Hidayat bin Mohd Hussein and Mr. Mahazan bin Mat Isa on 25th – 26th February 2018 for both estate. The findings were documented in the Internal Audit Findings Summary.

Corrective action has been taken by both estate management on 09th April 2018. Seen the action taken by Estate Sr. Manager/Manager for all the findings done by the Sustainability & Investor Relations Department. All details well documented by estate management.

As per interviewed with Mr. Mohd Uzair Rozali (Assistant Manager) from Sustainability & Investor Relations 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 Sighted Management Review Procedure for TH Plantations Berhad; MSPO-TH-02; Rev 0; Date 10/01/2018. The management review had included internal and external sustainable palm oil audit results review. The status of the correction and preventive actions are being discuss and reviewed.

As evidence in TH Plantations Berhad - Kluang Complex, management review was done on 09th April 2018. As per interviewed with Estate Sr. Manager/Manager, the internal audit (MSPO) findings for site audit has been discussed during management review meeting.

In Compliance **Yes** No Not Applicable

Criterion 4 Continual improvement

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

Summary TH Plantations Berhad has established Sustainability Policy. Approved by Dato' Sri Zainal Azwar bin Zainal Aminuddin; Chief Executive Officer/Executive Director; Date on 10th January 2018.

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

As evidence in Bukit Lawiang Estate, sighted a few management plan covering safety, environment and social. The plan has been documented in Continuous Improvement

Plan for year 2018. Sighted two Continuous Improvement Plan on Environmental being developed on reduce of pesticide usage and reduce herbicide usage. The programme under reduce of pesticide usage are:-

- 1) Planting beneficial plant
- 2) Rat census
- 3) Felling, chipping and deboiling of ganoderma and death palm
- 4) Proper EFB and Compost application

Whereas under reduce herbicide usage are:-

- 1) Legume Cover Crop establishment
- 2) Nephrolepis establishment

In Compliance **Yes** No Not Applicable

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

Summary Sighted FY2018 budget has include training budget and operations improvement including environmental improvement, worker welfare, OHS and etc. As evidence, one of new technology that will be used by the company is cantas. The project is still on trial to study the effectiveness and cost benefit.

In Compliance **Yes** No Not Applicable

Indicator 3 An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.

Summary The staff/workers competency training plan for year 2018 was established. The training identified including operations, understanding of MSPO requirements, human rights, company policies, health and safety etc.

As evidence in Gunung Sumalayang Estate, sighted 33 training programmes have been conducted which comprising OSH, Environmental and social until 3rd May 2018.

In Compliance **Yes** No Not Applicable

3.2. Principle 2 : Transparency

Criterion 1 Transparency of information and documents relevant to MSPO requirements

Indicator 1 The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.

Summary TH Plantations Berhad has established the Stakeholder Communication & Consultation Procedure. MSPO-TH-03; Rev 0; Date 10/01/2018. The purpose of this procedure is to outline the arrangements for consultation and communication by TH Plantations estate and mill management with its relevant stakeholders and how their concerns and views are addressed.

As evidence in Gunung Sumalayang Estate, sighted stakeholders meeting on 21st November 2017. Attended by 25 participants. All discussion with the stakeholders stated in the minute of the meeting. Prepared by Mr. Mohd Razuan b Razman (Sr Assistant Manager) and approval from Tn Hj Mukhtar b Hj Yusuf (MSPO Coordinator for THPB Kluang Complex). As per interviewed, at this moment, no request for information from relevant stakeholders.

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 MEMO from TH Plantations Berhad Head Quarters on 10th April 2018 – List of documents and classifications. Approval from Dato' Abd. Rashid Sahibjan (Plantation Director). The MEMO is a guideline for TH Plantations Berhad to determine the confidentiality status or availability for public disclosure.

As per interviewed with the Mr. Mohd Uzair bin Rozali (Assistant Manager-Sustainability and Investor Relations Department), all the publicly available document can be seen in THP website (www.thplantations.com.my). As example:

- Policy
- Sustainability
- Social
- Environment
- OSH

For confidential document, need to get approval from TH Plantations Berhad HQ.

In Compliance **Yes** No Not Applicable

Criterion 2 Transparent method of communication and consultation

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

Summary TH Plantations Berhad has established the Stakeholder Communication & Procedure. MSPO-TH-03; Rev 0; Date 10/01/2018. The purpose of this procedure is to outline the arrangements for consultation and communication by TH Plantations estate and mill management with its relevant stakeholders and how their concerns and views are addressed.

Sighted stakeholders meeting (THPB Kluang Complex) on 21st November 2017. Attended by 25 participants. All discussion with the stakeholders stated in the minute



of the meeting. Prepared by Mr. Mohd Razuan b Razman (Sr Assistant Manager) and approval from Tn Hj Mukhtar b Hj Yusuf (MSPO Coordinator for THPB Kluang Complex).

In Compliance **Yes** No Not Applicable

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

Summary In Gunung Sumalayang Estate and Bukit Lawiang Estate, the person in charge is Estate Sr Assistant Manager/Assistant Manager and he is also responsible for all records of traceability. As evidence in Bukit Lawiang Estate, the person in charge is Mr. Muhammad Shahrol Nazeri b Mohd Ikhsan (Assistant Manager). Sighted his appointment letter on 01st January 2018, nominated by Tn Hj Mukhtar bin Hj Yusof (Estate Sr. Manager).

In Compliance **Yes** No Not Applicable

Indicator 3 List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.

Summary Sighted latest stakeholder list updated for year 2018. As evidence in Gunung Sumalayang Estate, list consist internal (10), external (14) and neighbouring (20) stakeholders.

Records of stakeholder meeting are also available indicating that the company has been engaging with the stakeholders. Latest meeting dated 21st November 2017 is made available to the audit team during the audit.

Here, requests are recorded and being provided in appropriate languages and forms. Sighted the records of request and respond log book for all operating units in this complex. The requests were made and will be processed / approved by Estate Management. Sighted the above request and others as stated in the log book effectively responded by both Estate Manager.

One of the requests, "Kebenaran Menjalani Latihan Ketenteraan pada 13/03/2018-17/03/2018 Di Kawasan Ladang Gunung Sumalayang" from Mejar Hamzah bin Muhamad Lasim (Pasukan 10 RAMD Kem Majidee) on 06th March 2018. Estate management approve the request on same day.

In Compliance **Yes** No Not Applicable

Criterion 3 Traceability

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

Summary TH Plantations Berhad has established the MSPO Procedure: Title FFB Traceability. MSPO-TH-04; Rev 0; Date 10/01/2018. The purpose of this procedure is to establish a suitable identification and traceability of Fresh Fruit Bunch (FFB) production from the estate operation to the Crude Palm Oil (CPO) or Palm Kernel (PK) produced by the milling operation of the TH Plantations Berhad.

Incoming FFB from the estate will be accompanied by FFB Weighbridge Ticket. The FFB will be weighed and weighbridge ticket will be issued. All incoming and processing of MSPO certified material will be updated into the system that is recorded on the daily basis. Sighted the procedure explanation by chart on traceability for estates.

In Compliance **Yes** No Not Applicable

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

Summary Estate conduct the inspection on traceability system by daily basis. After the bunch counter/mandore check FFB at the platform. They will issue the bunch ticket. Then the supervisor/staff incharge will verify all the FFB record. Sighted the "Daily Bunches Record" for Month May 2018. All data will check by Assistant Manager and approval by Estate Manager.

MSPO Internal audit done once a year by Internal Audit Department – IAD". As evidence sighted MSPO Internal Audit Report for Bukit Lawiang Estate. Done on 27th February 2018. The audit team consist Mr. Mohd Uzair Rozali, Mr. Mahazan Mat Isa, Mr. Mohd Hidayat bin Mohd Hussein and Mr. Mohd Shahrol Nazeri M Ikhwan. The audit team raised 5 Major, 6 Minor and 8 Observation. No NC raised on traceability. All the NC closed on 09th April 2018 (Management Review).

In Compliance **Yes** No Not Applicable

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

Summary The overall person in charge for sustainability is Estate Sr. Assistant Manager/Assistant Manager. As evidence in Gunung Sumalayang Estate, the person in charge is Mr. Mohd Razuan bin Razman (Sr Assistant Manager); Date 01/01/2018. Nominated by Mr. Abdullah Asya'ari bin Junoh (Estate Manager).

In Compliance **Yes** No Not Applicable

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

Summary Sighted all records done by both estate management. From field to the mill. Estate will record all the bunch that harvest by the harvester. As evidence in Gunung Sumalayang Estate, sighted bunch counter form on 07th April 2018.

Block 86A A14 (325 FFB):

- 1) No. lot = 5
Total FFB = 33
 - 2) No. lot = 10
Total FFB = 78
 - 3) No. lot = 10
Total FFB = 22
 - 4) No. lot = 10
Total FFB = 47
 - 5) No. lot = 21
Total FFB = 75
 - 6) No. lot = 5
Total FFB = 21
 - 7) No. lot = 19
Total FFB = 49
- Nota Penghantaran: 995701
➤ Keputusan Penggredan BTS: 131171; 228 FFB

Weighbridge Ticket:

- Ticket No: 180407087200A
➤ MPOB License: 500107-504000
➤ Driver: Usman
➤ Net Weight: 6,150KG
➤ S/N: 995701

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

3.3. Principle 3 : Compliance to legal requirements

Criterion 1 Regulatory requirements

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

Summary

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

- 1) Occupational Safety and Health Act 1994
- 2) Pesticides Act 1974 (Act 149)
- 3) Fire Service Act, 1984
- 4) Environmental Quality Act 1974
- 5) Workers' Minimum Standards of Housing and Amenities Act 1990
- 6) Akta Kerja 1955
- 7) Employee Provident Fund Act 1991
- 8) Employees Sosial Security Act 1969

9) National Wage Consultative Council Act 2011, Minimum Wages Order 2012

In Gunung Sumalayang, sighted lists of permits/licenses which has been monitored and updated periodically includes;

- Pengandung Tekanan Tak Berapi expiry 30.01.2019,
- Permit Barang Kawalan Berjadual - Minyak diesel expiry 04.09.2018,
- MPOB license 502025802000 expiry 30.06.2018
- Permit potongan daripada gaji pekerja (Seksyen 24 Akta Pekerja 1955 since 26.06.2008 as follow;
 - i. "Bayaran potongan tabung pekerja dengan amaun potongan tidak melebihi RM1.00 seorang sebulan"
 - ii. "Bayaran potongan Bil Elektrik dengan amaun potongan tidak melebihi RM40.00 seorang sebulan"
 - iii. "Bayaran potongan balik Pinjaman Sewa Beli Kerbau dengan amaun potongan tidak melebihi RM60.00 seorang sebulan"
 - iv. "Bayaran potongan Bil Air dengan amaun potongan tidak melebihi RM70.00 seorang sebulan"
 - v. Perakuan Kelayakan Peraturan-peraturan standard-standard minimum perumahan dan kemudahan pekerja 1990 (Peraturan 38(1)(a) untuk membina 2 blok x 2 unit = 4 unit rumah pekerja (approved on 23.11.2017).

List of legal correspondences permits/licenses will be periodically updated by Mr. Mohd Rizuan bin Razman (Estate Senior Assistant Manager).

However, there is one major non-conformity has been raised due to:

- 1) It was observed that the agreement between Kualiti Alam Sdn Bhd and TH Plantations Berhad to collect the scheduled wastes at Ladang Bukit Lawiang was without Kualiti Alam's signatory and date.
- 2) Based on "Banci Penghuni Rumah Pekerja" carried out on 01.03.2018, it was observed that four (4) houses have been occupied by 6 adult workers against the Notis Perumahan Pekerja issued by the Jabatan Tenaga Kerja No. Perakuan Kelayakan: K.11/2017 dated 03.01.2018.
- 3) Refer to samples of March 2018
 - Payslip of workers name Mr. Jamaludin Hussein (Malaysian) Employee Number -0200B and Mr. Sulaiman – (Indonesian) Employee Number -13701.
 - Payslip of Mr. Basir bin Sapuan – (Malaysian) Employee Number - 0777G, contract of employment dated 1/7/2000.

In Compliance Yes No Not Applicable

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

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



The list is fully covered the requirements that related to MSPO compliance. These documents include information on laws, enforcement bodies, main requirement, environmental aspect, standard, fine, person in charge and compliance status.

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 interview with both PIC, they will update any new amendments or any regulations once received through the following manner:

- 1) HQ Department
- 2) Communication with law/enforcement officers
- 3) 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 regulatory requirements is Estate Sr. Assistant Manager/Asssistant Manager.

Both PIC was appointed to monitor the compliance status of the regulatory requirements. The appointment letter was signed by Estate Sr Manager/Estate Manager. As evidence in Bukit Lawiang Estate, sighted the appointment letter dated 1st January 2018 signed by the Estate Senior Manager, Tn Hj Mukhtar Bin Hj Yusof for Mr. Muhamma Shahrol Nazeri bin Md Ikhsan (Assistant Manager).

In Compliance **Yes** No Not Applicable

Criterion 2 Land use rights

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

Summary Both estate's land title are available and maintained. Gunung Sumalayang Estate has 5 land titles and Bukit Lawiang Estate has 6 land titles.

All of the estates visited have a valid land title indicating correct land title terms which specifies the purpose of the planting of the oil in the respective land.

In Compliance **Yes** No Not Applicable

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

Summary Both estate have demonstrated legal ownership of their land by having legal land titles to the land. The copy of land titles are kept in the estates office and were sighted during the audit, while the original copies were kept at the TH Plantations Berhad Head

Quarters. Evidence of annual payment of land cess and quit rent the state government is available in the form of receipts.

In Compliance **Yes** No Not Applicable

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

Summary Both estate has boundary map titled "Boundary Peg Map". The estate boundary is well demarcated with boundary stones surrounding the land. The boundary stone clearly states the GPS coordinate of that particular point. Maps clearly showing the estate boundary were also sighted in the estate office.

During field visit, auditors also check a few physical boundary stone and verify it with company's GPS coordinate and GGC own GPS coordinate. The coordinate checked by GGC unit are matched to the data that prepared by staff of both estate.

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 have been recorded in all estate area. There is no evidence of conflict present in this estate.

In Compliance **Yes** No Not Applicable

Criterion 3 Customary land rights

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

Summary There is no customary land in or surrounding all the estates. There are also no land disputes or claims involving these estates. The company has proper legal land title for the land ownership.

In Compliance **Yes** No Not Applicable

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

Summary Hence, there is no customary land in or surrounding all the estates. There are also no land disputes or claims involving these estates. The company has proper legal land title for the land ownership. Thus, no maps for recognized customary rights is available.

In Compliance **Yes** No Not Applicable



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

Summary There is no customary land in or surrounding all the estates. There are also no land disputes or claims involving these estates. The company has proper legal land title for the land ownership.

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

In Compliance **Yes** No Not Applicable

3.4. Principle 4 : Social responsibility, health, safety and employment condition

Criterion 1 Social impact assessment (SIA)

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

Summary Sighted MSPO Procedures on Stakeholder Communication and Consultation Procedure dated 5th April 2018 (2nd release). The Social Impact Assessment being conducted consequence from the Complaint and Grievances from the stakeholders.

As evidence in Gunung Sumalayang Estate, seen six (6) Social Impact Assessment being conducted on 1st February 2018. Samples taken on SIR 3, Complaint and Grievances at Workers Quarters No LGS 9 (4C) by Lukman dated 16th January 2018.

In Bukit Lawiang Estate, seen six (6) Social Impact Assessment being conducted on 8th January 2018. The Social Impact Assessment being conducted consequence from the complaint and grievances from the stakeholders. Samples taken on SIR 2, complaint and grievances at workers quarters on the leaking of roof, faulty lamp and damage to monsoon drain. Mitigation plan for both estate is well recorded in SIA Report.

In Compliance **Yes** No Not Applicable

Criterion 2 Complaints and grievances

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

Summary TH Plantations Berhad has established "Prosedur Aduan Pekerja / Stakeholder". SOP has outlined the mechanism in order to handle issues highlighted by stakeholders (both internal and external stakeholders).

All the complaints and grievances were handled by the Estate Sr. Manager/Manager. A complaint and grievances logbooks are kept in the office. As evidence in Bukit Lawiang Estate, complaint using stakeholder logbook seen and recorded 43 complaints from internal stakeholders.

Sampled taken on complaint by Mihwan at house No LBL/OWA/11/31 due to faulty of three inflorescent lamp dated 11th March 2018. Form is filled up and acknowledged by Management. The action was taken on the same day.

In Compliance **Yes** No Not Applicable

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

Summary In Bukit Lawiang Estate, all the complaints and grievances being resolved in timely manner. Based on the records captured, the average timeframe to resolve the complaints and grievances are between within a week.

However, one minor non-conformity has been raised to Gunung Sumalayang Estate due to 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.

In Compliance **Yes** No Not Applicable

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

Summary The company has established the complaint form and is made available in estate office. 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 Office.

Up to date, no external stakeholders were recorded related on complaint and grievances. Review of the registers found there was no outstanding or unresolved grievance.

In Compliance **Yes** No Not Applicable

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

Summary Sighted the complaints and grievances procedure being displayed outside the estate office notice board. MSPO awareness for contractor being conducted on 2nd May 2018 by Mr. Mohd Rizuan bin Razman (Sr. Assistant Manager) which attended by 5 contractors. The meeting being conducted in combination between Gunung Sumalayang and Bukit Lawiang stakeholders.

As per interviewed, Mr. Mohd Rizuan bin Razman (Senior Assistant Manager) estate regularly mention in Muster Call to the staffs and workers, the process for making any complaints or suggestion to estate management.



Interview with the stakeholders confirmed that they are aware of the complaints mechanism.

In Compliance **Yes** No Not Applicable

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

Summary As this is 1st year audit on MSPO, both estate only documented for the last 12 months as the MSPO programme was embarked in mid-2017. Seen records of complaint and grievances logbook from year 2017. Record is fully filled up and filed. At this moments, no negative complaints made by stakeholders.

In Compliance **Yes** No Not Applicable

Criterion 3 Commitment to contribute to local sustainable development

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

Summary Both estate are committed and have contributed to local development. The contribution made to the internal and external stakeholders. As evidence in Gunung Sumalayang Estate,

- 1) Internal CSR
Estate has contributed for heirs of late Estate workers on 30th November 2017 to ease the burden and sorrow of late family. The amount contributed was RM 800.00 per family which have affected three families.
- 2) External CSR
Estate is committed and have contributed a donation to Persatuan Kecergasan Daerah Kluang dated 24th April 2018 amounting RM 200.00.

In Bukit Lawiang Estate,

- 1) Internal CSR
Estate has contributed 10 hampers to Sekolah Kebangsaan Bandar T6 due to Hari Anugerah Cemerlang Tahun 2017 dated 6th December 2017.
- 2) External CSR
Estate is committed and have contributed by granted a permission to Armed Forces to use Ladang Bukit Lawiang as their training ground dated 16th January till 26th January 2018.

In Compliance **Yes** No Not Applicable

Criterion 4 Employees safety and health

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



Summary

Sighted the Occupational Safety & Health Policy. Established on 10th January 2018 which was approved by Dato' Sri Zainal Azwar bin Zainal Aminuddin. The policy is written in Bahasa and English language.

The policy outlines the company's commitment to provide workers with adequate knowledge, training, and experience to ensure continuous improvements in OSH management and performance. 2018 OSH Plan sighted with specific objective for the Financial Year. The objectives are:-

1. "Mencapai 100% latihan keselamatan dan pekerjaan yang diprogramkan pada tahun 2018"
2. Mengurangkan kes kemalangan JKKP dari tahun 2017 sebanyak 10% (kemalangan kecil) dan 8% (kemalangan kecil)
3. Dapat menurunkan bilangan kes kemalangan dan hari hilang tidak bekerja dari 8% (2017) ke 5% bagi tahun 2018.

As per interviewed with both person incharge, all workers involved in the operations have been adequately trained in safe working practice.

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

Indicator 2 The occupational safety and health plan shall cover the following:

- a) A safety and health policy, which is communicated and implemented.
- b) The risks of all operations shall be assessed and documented.
- c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:
 - i) all employees involved shall be adequately trained on safe working practices; and
 - ii) all precautions attached to products shall be properly observed and applied.
- d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).
- e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.
- f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.
- g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded.
- h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.
- i) Employees trained in First Aid should be present at all field operations. A First Aid



Kit equipped with approved contents should be available at each worksite.
j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.

Summary

Sighted the Occupational Safety & Health Policy. Established on 10th January 2018 which was approved by Dato' Sri Zainal Azwar bin Zainal Aminuddin. The policy is written in Bahasa and English language. The policy being displayed at the Notice Board and awareness programme to all the stakeholders.

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 operation:-

- 1) Harvesting
- 2) Manuring
- 3) Spraying
- 4) Pest & diseases
- 5) Pruning
- 6) Replanting
- 7) Maintenance of mature Palm
- 8) Maintenance of Immature Palm
- 9) Workshop Maintenance
- 10) Diesel Tank
- 11) Fertiliser Store
- 12) Chemical store
- 13) Office
- 14) Landfill Area

However, one major non-conformity has been raised to both estate due to the risk assessment on Harvesting with Assisted Buffalo was not sighted in the HIRARC.

In Gunung Sumalayang Estate, sighted MSPO Procedure on training and competency dated 10th January 2018. The estate has a comprehensive annual training plan for the staffs and workers and this was sighted in the training records file for each staffs and workers. 26 programmes were sighted and identified:

- 1) Scheduled waste handling triple rinsing
- 2) First aid
- 3) Fire safety and drill
- 4) SOP training for harvesters
- 5) SOP training for pest and diseases
- 6) etc

Samples training conducted:-

- 1) Training records for Training Policy for sprayers was sighted on 3rd May 2018 by Mr. Mohd Rizuan bin Razman attended by 6 participants.

Both estate have provided appropriate PPE for all workers in their operations. In Gunung Sumalayang Estate, person in-charge of in issuing PPE is Mr. Izma Ritduan. PPE Issuance and replacement record sighted for:-

1. Staff/AP
2. Harvesters
3. Field Workers
4. General Workers

During field visit, sighted the workers have been trained with safety and the workers wear the PPE required by his/her works. Seen the latest training conducted to the sprayers on PPE was on 20th March 2018. The training attended by 22 employees and conducted by Mr Peeh (My Crop Marketing) and Mr. Mohd Rizuan bin Razman (Estate Senior Assistant Manager).

Sighted SOPs for handling of chemicals to ensure proper and safe handling and storage. Application of any chemical products in the estate is under controlled and carried out by only qualified workers which have attended specific training related to chemical handling. As evidence in Gunung Sumalayang Estate, chemical handling training done on 22nd August 2017. Attended by 65 participants and conducted by Mr. Yaakub (G Planter) and Mr. Mohd Rizuan bin Razman (Estate Senior Assistant Manager).

Site inspection to the storage facilities evidence that all pesticides are stored in an appropriate manner. All pesticides are labelled with original labels. Safety Data Sheet (SDS) for all the chemical sighted and updated. All empty pesticides containers are triple rinsed and punched prior to delivery to the approved collector.

The new CHRA is in progress and expected to complete by June 2018 to replace the expired CHRA conducted in 2012. Seen letter from Estate Department on new appointment of consultant to conduct CHRA dated 14th February 2018.

In Bukit Lawiang Estate, medical surveillance was conducted for 17 workers comprising sprayers, mandore and storekeeper on 23rd Nov 2017. Conducted by Dr. Zainudin Bin Muad at RZ Intan Medicara Sdn Bhd, Poliklinik Intan. Sighted the Hospital Assistant did conduct quarterly medical test at Estate Clinic. Last test conducted was on 3rd March 2018 for 36 workers comprising Ladang Bukit Lawiang and Ladang Gunung Sumalayang.

All Managers for this complex are responsible person for health and safety. In Gunung Sumalayang Estate, the person in charge for OSH is Mr. Abdullah Asya'ari bin Junoh (Estate Manager). OSH Committee Chart 2018 sighted with letter of appointment for committee members dated 1/1/2018.

Safety and health committee has been conducted every 3 months to discuss about health and safety. The committee meeting has been conducted as follows:-

1. 27th March 2018
2. 27th December 2017
3. 28th September 2017

To discuss all issues regarding worker's safety and health.

In Bukit Lawiang Estate, accident reports for 2017 has been discussed in OSH Meeting. No major and 4 minor accidents recorded in 2017 particularly to motorcycle accident during working hours and torn injury. Sighted in JKPP 6 submission to DOSH the 4 minor accidents being reported in the DOSH format in timely manner.

Sighted the emergency procedure for the estate under Pelan Tindakan Kecemasan Kemalangan / Kecelakaan. Ref No: MSPO–TH–P4–C4–2 in local language dated 1st January 2018. The ERP has been explained to all workers and staffs during training which has been conducted.

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. ERP Chart 2018 indicates Mr. Mohd Shahrol Nazeri bin M. Ikhsan (Assistant Manager) as First Aider for Bukit Lawiang Estate. The Hospital Assistant is Mr. 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 First Aid Training was conducted by Mr. Mohd Firdzan bin Md Yatim, the Hospital Assistant of Bukit Lawiang Clinic dated 26th March 2018 attended by 10 participants. In Kluang Complex, the first aider improved their competency through participant in basic first aid course presented by Dr. Nas Aryadi B Nasrah, (OHD No: HQ/18/DOC/00/00179) in 14th Mei 2018.

At all workplace, staffs and mandores will be the person in charge to keep the First Aid box. Site inspection evidence that first aid kit are available with complete contents. All the boxes are regularly inspected, maintain and updated by field staff or Hospital Assistance (HA).

Estate has submit JKPP 8 (I & II)(IV) on annually basis to the DOSH. LTA calculation based on local interpretation from DOSH. As evidence in Gunung Sumalayang Estate, JKPP 8 was submitted on 8th January 2018.

In Compliance Yes No Not Applicable

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

Summary Sighted the Social Policy. Established on 10th January 2018 which was approved by Dato’ Sri Zainal Azwar bin Zainal Aminuddin. The policy is written in Bahasa and English language

Communication of the policy to workforce communicated by training and also during muster. The Estate is displayed at notice boards inside the office as well as outside the office.



In Gunung Sumalayang Estate, sighted briefing on policies and all notifications to all workers was conducted on 27th March 2018 conducted by Mr. Mohd Rizuan bin Razman attended by 137 workers. 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 pembangunanyang 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, kewarnegaraandan 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."

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 All workers enjoy the same scale of pay and provided with equal housing and work facilities. This was confirmed though interview with workers at estate and also personal interview with Mr. Rizuan Razman (Sr. Assistant Manager) and Mr. Shahrol Nazeri (Assistant Manager) and also through verification of contracts of service and pay slips of workers.

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

During interviews, it is clearly stated no forced labour at estate. Each employee has an employment contract either local or foreigner.

In Compliance **Yes** No Not Applicable

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

Summary Pay and conditions are documented in the appointment letter of the staff and workers.

Interview with both estate staff and workers and with both male and female confirmed that they understand the terms and conditions of their employment. No confinement history and no illegal or forced deduction as per this audit period.

The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2011 (Act 732) Malaysian minimum salary is RM1000.00 as stated in the guidelines.

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.

Sampled of worker salary taken:

- 1) Mr Sulaiman – (Indonesian)
 - Employee Number -13701
 - Contract of employment dated 16/4/2017
 - Payroll March 2018
 - 25 working day x RM 42.73 = RM 961.50
 - Work rest day – RM163.84
 - Public Holiday – RM36.86
 - Overtime – RM 636.40
 - Spraying Allowance – RM27.00
 - Gross salary = RM 1,917.20

Deduction:

- Advance = RM200.00
 - Labour Fund = RM 1.00
 - Levi – RM50.00
 - Water Bill – RM 12.00
 - Net salary = RM 1,543.80
- 2) Mr Jamaludin hussein – (Malaysian)
 - Employee Number -0200B
 - Contract of employment dated 18/9/1991
 - Payroll March 2018 (Gang Average)
 - 25 working day x RM 76.26 = RM 1,884.50
 - Public Holiday = RM72.91
 - Housing Allowance = RM 115.00
 - Mandore Allowance = RM125.00
 - Transport Allowance = RM 72.90
 - Gross salary = RM 2,259.71

Deduction:

- KWSP = RM 238.00
- PERKESO = 11.25
- Insurance NUPW = RM10.00
- Labour Fund = RM 1.00
- YAPEIM Donation = RM 5.00
- Net salary = RM 1,992.00

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 The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2011 (Act 732) Malaysian minimum salary is RM1,000.00 as stated in the guidelines.

In Bukit Lawiang Estate, sighted the Contract Agreement between TH Plantations Berhad – Ladang Bukit Lawiang with the following contractors;

- 1) Messrs Perusahaan dan Pengangkutan Adam signed on 01.01.2018 for contract related to "Mengangkut dan Memunggah BTS dari blok PM12A di Ladang Bukit Lawiang ke kilang sawit bukit Lawing" expiry 31.12.2018. Contract No. THPB/LBL/03/2018
- 2) Messrs Tiu Beng Chai Road Grading Earth Works signed on 01.02.2018 for contract related to "Kerja-kerja Membina parit sempadan, parit baru & mencuci parit di kawasan PM10, PM11, PR14, & PR 17B" expiry 30.06.2018. Contract No. THPB/LBL/07/2018

Interview with contractor's workers, confirmed that they understand the terms and conditions of their employment.

In Compliance **Yes** No Not Applicable

Indicator 5 The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.

Summary Company has employment details of all employees:

- Name
- Identify card/Passport No.
- EPF
- SOCSO
- Gender
- Nationality
- Date of birth
- Date of employment



- Either spouse employed
- Wages
- Work category
- Residents dependant

In Gunung Sumalayang Estate,

1. Total employees – 151
2. Local -28
3. Indonesian – 123

In Bukit Lawiang Estate

1. Total employees – 194
2. Local -54
3. Indonesian – 140

In Compliance **Yes** No Not Applicable

Indicator 6 All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.

Summary Employment contract stated the offered position, wages implied, working hours, OT, allowances, rest day, working on holiday etc. The contract is in Malay as it is easy to be understood by workers. This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of local and Indonesian.

Employment contract for workers using a format which stated " Daftar Pekerja Yang Dikehendaki Di Bawah Peraturan 5A & 5B Seksyen 61, Ordinan Kerja 1955. The contents as followings:-

- Name
- Employee No
- Passport / Identification No.
- Gender
- Nationality
- Date of birth
- Date of employment
- PERKESO & Income Tax No
- Position offered
- Wages rate
- Overtime rate
- Allowances
- Rest day
- Rate for working on holiday.
- Working Hours
- Notice of resignation
- Paid Holiday
- Rate on working on Paid Holiday
- Annual Leave

- Medical leave and rate

Samples taken for Gunung Sumalayang was for the followings:-

- 1) Mr. Sulaiman – (Indonesian)
Employee Number - 13701
Contract of employment dated 16/4/2017
- 2) Mr. Jamaluddin – Malaysian
Employee number – 0200B
Contract of employment dated 18/09/1991

Samples taken for Bukit Lawiang was for the followings:-

- 1) Mr. Arpan – (Indonesian)
Employee Number – 0462F
Contract of employment dated 1/11/2011
- 2) Mr. Basir bin Sapuan – Malaysian
Employee number – 0777G
Contract of employment dated 1/7/2000

All workers enjoy the same scale of pay and provided with equal housing and work facilities. This was confirmed through interview with workers from the estate and also through verification of contracts of service and pay slips of workers.

No evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in both estate.

In Compliance **Yes** No Not Applicable

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

Summary Working hours is 8 hours. From Saturday to Thursday. Total monthly working hours is 208 hours. The overtime maximum is 104 hours according to Malaysian Law. During site visit, sighted above data displayed at notice board.

In Compliance **Yes** No Not Applicable

Indicator 8 The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.

Summary The working hour and break time has been clearly stated in the Employment Contract. The attendance record was available and recorded in the check roll book. Sighted gazette public holidays 2018 displayed on notice board



Verified with Mr. Rizuan Razman (Senior Assistant Manager) and Mr. Shahrol Nazeri (Assistant Manager) during interview on working hours and overtime. Both of them are clear with 8 hours working and above is overtime with a maximum of 104 hours per month.

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.

In Compliance **Yes** No Not Applicable

Indicator 10 Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.

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

All workers are provided with housing facilities at workers linesite. Estate Assistant Manager is responsible to carry out the monitoring at workers quarters.

In Compliance **Yes** No Not Applicable

Indicator 11 In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.

Summary All workers are provided with housing facilities at workers village. Water and electricity is subsidized at RM8.00 per house and balance paid by employee. Sanitary and waste disposal is under estate arrangement. Welfare amenities are Mosque, football field and sundry shop.

In Compliance **Yes** No Not Applicable

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

Summary Sighted the Social Policy, established on 10th January 2018 which was approved by Dato' Sri Zainal Azwar bin Zainal Aminuddin.

The policy to prevent all forms of sexual harassment and violence at the workplace has stated under no i. "Memastikan Suasana kerja bebas daripada gangguan seksual samada secara langsung atau tidak langsung kepada semua pekerja, masyarakat dan pihak berkepentingan keseluruhannya".

In Compliance **Yes** No Not Applicable

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

Summary Freedom of Association policy is incorporated in the Social Policy. The policy was established on 10th January 2018 and approved by Dato' Sri Zainal Azwar bin Zainal Aminuddin. The policy is written in Bahasa and English language.

Sighted in the minutes of meeting dated 24th April 2018 under No 2, Agenda 1 "Perlantikan AJK Gender Committee MSPO 2018". Gender committee comprises male and female employees.

In Compliance **Yes** No Not Applicable

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

Summary Child and young person policy is incorporated in the Social Policy. The policy was established on 10th January 2018 and approved by Dato' Sri Zainal Azwar bin Zainal Aminuddin. The policy is written in Bahasa and English language.

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

In Compliance **Yes** No Not Applicable

Criterion 6 Training and competency

Indicator 1 All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.

Summary Both estate a comprehensive annual training plan for its staffs and workers and this was sighted in the training records file for staffs and workers. The Training Programme for OSH and Environmental for year 2018 was sighted.

OSH Training as followings:-

- Fire Drill
- Emergency Response Plan Training
- PPE training
- Fire Extinguisher
- Schedule waste handling
- 1st Aid and CPR Training

Environmental Training as followings:-

- Lubricant fuel handling (spillage)
- Chemical Handling
- Sustainability Training
- Landfill training

In Compliance **Yes** No Not Applicable

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

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

In Compliance **Yes** No Not Applicable

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

Summary All workers involved in the operations have been adequately trained in safe working practice. The estate has a comprehensive annual training plan for its staffs and workers and this was sighted in the training records file for each staffs and workers. The training plan for 2018 was sighted.

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

In Compliance **Yes** No Not Applicable



3.5. Principle 5 : Environment, natural resources, biodiversity, and ecosystem services

Criterion 1 Environmental management plan

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

Summary TH Plantations Berhad has established Environmental Policy. Approved by Dato' Sri Zainal Azwar bin Zainal Aminuddin; Chief Executive Officer/Executive Director; Date on 10th January 2018.

In Gunung Sumalayang Estate, sighted Environmental Risk Assessment Form (LGS-EMS-EA-F01); Prepared by Mr Mohd Rizuan bin Razman (Sr Assistant Manager) and Approval by Mr. Abdullah Asya'ari bin Jusoh (Estate Manager) on 22nd January 2018. One of example:

- Sub-Activity: Spraying
- Aspect: Overdosage of chemical sprayed onto land
- Impact: Land pollution
- Existing Control: Work instruction of spraying at compound area and training for sprayers.
- Applicable Environmental Legislations (section/reg): EQA Section 24 (restrictions on pollution of the soil)

In Bukit Lawiang Estate, sighted Environmental Risk Assessment Form (LGS-EMS-EA-F01); Prepared by Mr Muhammad Shahrol Nazeri (Assistant Manager) and Approval by Tn Hj Jalaludin bin Sukri (Sr Estate Manager) on 07th January 2018. One of example:

- Sub-Activity: Septic tank
- Aspect: Discharged of septic tank water into water ways
- Impact: Water pollution
- Existing Control: Maintenance by Indah Water Consortium
- Applicable Environmental Legislations (section/reg): EQ (Sewage) Reg. 2009

Communication and consultation process are also communicated through training programs and attendance lists was sighted and duly recorded. As evidence in Gunung Sumalayang Estate, date on 19th April 2018; Attended by 13 workers (PR 14 Gang); Trained by Mr. Faezul Asanuar (Cadet Assistant Manager).

In Compliance **Yes** No Not Applicable

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

Summary TH Plantations Berhad has established Environmental Policy. Approved by Dato' Sri Zainal Azwar bin Zainal Aminuddin; Chief Executive Officer/Executive Director; Date on 10th January 2018.

In line with these goals, 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 Gunung Sumalayang Estate, sighted Environmental Risk Assessment Form (LGS-EMS-EA-F01); Prepared by Mr Mohd Rizuan bin Razman (Sr Assistant Manager) and Approval by Mr. Abdullah Asya'ari bin Jusoh (Estate Manager) on 22nd January 2018. In Bukit Lawiang Estate, sighted Environmental Risk Assessment Form (LGS-EMS-EA-F01); Prepared by Mr Muhammad Shahrol Nazeri (Assistant Manager) and approval by Tn Hj Jalaludin bin Sukri (Sr. Estate Manager) on 07th January 2018.

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, effectively implemented and monitored.

Summary Sighted in both estate the Environmental Risk Assessment Form (LGS-EMS-EA-F01); Prepared by Estate Sr Assistant Manager/Assistant Manager. As examples,

- Environment Issue:
 - The used batteries which contribute to environmental impact.
- Mitigating measures:
 - Collect & record batteries (refer used batteries collection record
 - Store items under lock and key in the waste collection center
 - Dispose off the item through registered purchased (Kualiti Alam Sdn Bhd)

In Compliance **Yes** No Not Applicable

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

Summary In Bukit Lawiang Estate, sighted the program for continual improvement prepared by Mr Muhammad Shahrol Nazeri (Assistant Manager) and Approval by Tn Hj Jalaludin bin Sukri (Sr. Estate Manager). Sighted the list of continual improvement includes:

- 1) Reduction of Pest Chemical Usage:
 - Expanding of planting beneficial plants around the estate.
 - Planting beneficial along the road & Strategic area to reduce usage of pesticides.
- 2) FFB Field optimization:
 - Accurate and correct timing of Fertilizers application
- 3) GHG Reduction:



- Census and increase of barn owl occupancy rate which will reduce rat bait usage

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 and objectives of the environmental management and improvement plans and are working towards achieving the objectives.

Summary Sighted the environmental training programme year 2018 for both estate. They are more than 7 training todate done in estate. As evidence in Gunung Sumlayang Estate:

- Training programs and attendance lists was sighted and duly recorded. Date on 27th March 2018; Attended by 117 workers; Trained by Mohd Rizuan bin Razman (Sr Assistant Manager).

In Compliance **Yes** No Not Applicable

Indicator 6 Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.

Summary The estate has conducted regular meeting (once 3 months) with the estate employees concerning environmental quality. Sighted latest meeting on 27th March 2018 at Gunung Sumalayang Estate. Attended by 16 participants.

In Bukit Lawiang Estate, latest meeting on 07th March 2018. Attended by 17 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 Both estate (Gunung Sumalayang and Bukit Lawiang) have been monitoring of diesel usage by year 2015-2017. As evidence in Gunung Sumalayang Estate:

Year	Diesel (litter)	FFB (MT)	Litres/MT
2017	36,889	24,369.80	1.51
2016	39,062	26,374.22	1.48
2015	38,836	27,938.43	1.39

Sighted monitoring usage for contractors for year 2017:

- Tiu Beng Earth Work and Grading



- HY Plantations – (EFB)
- Sulaiman Adam Ent (FFB Transport)

Monthly record on energy consumption for non-renewable sources were kept and documented. It is monitored to optimise use of non-renewable energy for reference. Data is being compiled for comparison and control for future improvement and reduction plan.

In Compliance **Yes** No Not Applicable

Indicator 2 The oil palm premises shall estimate the direct usage of nonrenewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.

Summary The projection consumption of diesel for all estates visited has been documented on annual basis based on the financial year with the latest available is for year 2018.

It was monitored to optimize use of renewable energy. Data was compiled for comparison and control for future improvement. For both estates electricity supply was from TNB.

In Compliance **Yes** No Not Applicable

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

Summary There was no opportunity to use renewable energy in both estates. Operation of vehicle is fully dependent on fossil fuel.

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; Date 10/01/2018.

In Gunung Sumalayang Estate, the waste products and sources identified includes, scheduled wastes, domestic waste, recyclable waste such as metal, plastic and etc. The waste source is documented in the waste management review and monitoring.

However, one major non-conformity has been raised to Bukit Lawiang Estate due to no evidence of the waste of products and sources of pollution has been identified and documented by estate management.

In Compliance **Yes** No Not Applicable

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

Summary In Gunung Sumalayang Estate, sighted waste management plan 2017/2018 prepared by Mr Mohd Rizuan b Razman. As evidence,

- 1) Type of waste: Domestic Waste
 - Item description: Rubbish
 - Location: Linesite, office, workshop, store, shop
 - Action to be taken:
 - Prepare landfill area away from water course and residential area
 - Establish landfill/collection SOP
 - Establish collection schedule and person incharge
 - Create awareness on hygiene
 - Monitoring of linesite.

- 2) Type of waste: Scheduled Waste
 - Item description: Empty pesticide container
 - Location: Main Divisional Store
 - Action to be taken:
 - Established SOP on the Triple Rinsing
 - Established SOP on Disposing Empty Pesticide Container
 - Established coding system for traceability of chemical container
 - Collect & record empty pesticide container
 - Store items under lock and key
 - Dispose off the item through register purchaser

However, one major non-conformity has been raised to Bukit Lawiang Estate due to during the audit, no evidence sighted for waste management plan to avoid or reduce pollution has been developed and implemented by estate management.

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

Indicator 3 The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.

Summary Tabung Haji Group of Plantations Standard 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 produced in the estate is under controlled and carried out by qualified person which have attended certain training. Estate has specialized person in handling the chemical. The person must be trained before handling the chemicals.

However, one major non-conformity has been raised due to during site visit sighted one of the grease container and empty chemical container inside the landfill. Both container not dispose as per Environmental Quality Act 1974; Environmental Quality (Scheduled Wastes) Regulations 2005.

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

Indicator 4 Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.

Summary As per interviewed, the chemical containers will triple rinse and punctured to prevent contamination of water source or to human health. It is not used for other purposes.

The other empty containers generated from estate are send to DOE approved contractor for disposed. Scheduled waste was disposed in accordance with scheduled waste requirements and regulation. Both estate, will use Kualiti Alam.

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

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

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

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

Summary Both estate has established the Environmental Risk Assessment Improvement Plan. As evidence in Bukit Lawiang Estate, Form No: LS-EMS-EA-F01; Prepared by Mr Muhammad Shahrol Nazeri (Assistant Manager) and Approval by Tn Hj Jalaludin bin Sukri (Sr. Estate Manager) on 07th January 2018.

However, one major non-conformity has been raised due to no assessment conducted for greenhouse gas emissions by both estates although both estates have identified and conducted assessment for all activities on scheduled wastes and solid waste.

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

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

Summary TH Plantations Berhad has established Environmental Policy. Approved by Dato' Sri Zainal Azwar bin Zainal Aminuddin; Chief Executive Officer/Executive Director; Date on 10th January 2018.

In line with these goals, 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

Criterion 5 Natural water resources

Indicator 1 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:

- a) Assessment of water usage and sources of supply.
- b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.
- c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).
- d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.
- e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.
- f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.

Summary TH Plantations Berhad has established the MSPO Procedure; Title: Water Management Plan. MSPO-TH-08; Rev 0; Date 10/01/2018.

For linesite water usage, estate use Syarikat Air Johor. No water usage from the river. In Gunung Sumalayang Estate and Bukit Lawiang Estate, there is a river in estate area. Sg Sembrong Kiri. Gunung Sumalayang Estate has 2 areas for take a sampling (in and out) and Bukit Lawiang Estate has 4 areas for take a sampling in and 2 out). As evidence, in "Pemantauan Kualiti Air Sungai". All the test is under threshold level. Estate send all the samples to Felda Palm Industries.

During site visit, sighted all the area has been protect by estate management. Demarcation of buffer zone has been made by signage installation. As evidence, sighted



the signboard for "Rizab Riparian" – Kawasan Larangan untuk Membaja, Meracon, Mandi, Memancing, Membakar, Membuang Sampah dan sisa barangan berjadual".

As of the date of audit, there is no evidence of removal of vegetation within the riparian zone. No measurement of water level of tube well yet.

In Compliance **Yes** No Not Applicable

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

Summary During site visit, sighted all the area has been protect by estate management. Demarcation of buffer zone has been made by signage installation. As evidence, sighted the signboard for "Rizab Riparian" – Kawasan Larangan untuk Membaja, Meracon, Mandi, Memancing, Membakar, Membuang Sampah dan sisa barangan berjadual".

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

In Compliance **Yes** No Not Applicable

Indicator 3 Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).

Summary The practice water harvesting of water from road-side drains being directed and stored in conservation road side pits was observed in both estates.

In Compliance **Yes** No Not Applicable

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

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

Summary TH Plantations Berhad has established the MSPO Procedure; Title: Rare, Threatened, Enlarged & High Biodiversity Management. MSPO-TH-08; Rev 0; Date 10/01/2018.

As evidence, sighted records of 12 wildlife at both estate such as Ayam Hutan, Gajah, Murai Batu, Tapir and etc. Estate conducted briefing regarding the RTE species. Training has been planned to conduct annually. Continuous monitoring done to ensure the management actions are properly implemented in protected area boundaries.

In Compliance **Yes** No Not Applicable

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

Summary As per interviewed, estate have done the signage for "NO HUNTING" and POSTER in estate office and estate field. The signage is deemed sufficiently displaced to inform workers/stakeholders regarding the protected areas.

Estate conducted briefing regarding the RTE species. Training has been planned to conduct annually. Continuous monitoring done to ensure the management actions are properly implemented in protected area boundaries.

As evidence in Gunung Sumalayang Estate, sighted the training on wildlife conservation on 26th February 2018. Attended by 6 participants (external stakeholders). Conducted by Mr Mohd Rizuan bin Razman (Sr Assistant Manager).

In Compliance **Yes** No Not Applicable

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

Summary Both estate has established management plan for year 2018. The plans:

- 1) Training has been planned to conduct annually.
 - As evidence in Gunung Sumalayang Estate, sighted the latest environmental training was given to the internal stakeholders. Date on 27th March 2018; Attended by 117 workers; Trained by Mohd Rizuan bin Razman (Sr Assistant Manager).
- 2) Continuous monitoring done to ensure the management actions are properly implemented in protected area boundaries.
 - As evidence for elephant monitoring. To record elephant movement in the field and estate boundary. Sighted Pemantauan Gajah for Jan 2018-April 2018.

In Compliance **Yes** No Not Applicable

Criterion 7 Zero burning practices

Indicator 1 Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.

Summary TH Plantations Berhad has established Environmental Policy. Approved by Dato' Sri Zainal Azwar bin Zainal Aminuddin; Chief Executive Officer/Executive Director; Date on 10th January 2018. In line with these goals, TH Plantations Berhad is committed towards implementing the following practices:

- To practice a "Zero Burning" policy on new land development and replanting activities

There is no evidence fire being used for waste disposal sighted during field visit. Implementation of the waste management program is evident from the field visit and schedule waste disposal records sighted in the estates office.

As per interviewed with Estate Manager, during replanting estate to carry out works such mechanical felling, chipping, spreading & pulverizing old palm oil tree.

In Compliance **Yes** No Not Applicable

Indicator 2 A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.

Summary As per interview with both estate manager, no special approval needed to do open burning. Estate has adopted Environmental Policy. Approved by Dato' Sri Zainal Azwar bin Zainal Aminuddin; Chief Executive Officer/Executive Director; Date on 10th January 2018.

There is no out-break of diseases in estate area. However, palm trees are attacked by Ganoderma diseases. Sighted the Ganoderma disease treatment is carried out in the estate to reduce the spread of the diseases. The estate treats the palms by chipping and deboling. The practice is observed during field assessment.

In Compliance **Yes** No Not Applicable

Indicator 3 Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.

Summary As per interview with both estate manager, no special approval needed to do open burning. Estate has adopted Environmental Policy. Approved by Dato' Sri Zainal Azwar bin Zainal Aminuddin; Chief Executive Officer/Executive Director; Date on 10th January 2018.

In Compliance **Yes** No Not Applicable

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

Summary Both estate has adopted Environmental Policy. Approved by Dato' Sri Zainal Azwar bin Zainal Aminuddin; Chief Executive Officer/Executive Director; Date on 10th January 2018.

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

In Compliance **Yes** No Not Applicable

3.6. Principle 6 : Best practices

Criterion 1 Site management

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

Summary The estate has implemented Best Practices base on Standard Operating Procedure Manual, Technical Oil Palm & Rubber Forest Plantation dated 1st March 2009. These includes the following;

- 1) TCH/OP/2009/1 – Land Development
- 2) TCH/OP/2009/2 - Nursery
- 3) TCH/OP/2009/3 – Field Upkeep
- 4) TCH/OP/2009/4 - Manuring
- 5) TCH/OP/2009/5 - Harvesting
- 6) TCH/OP/2009/6 – Mechanisation

In both estates best agricultural practices, had been implemented and monitored via work programs, visits by General Managers, Plantation Advisors, Agronomist, Internal Audit Department and etc. Sighted awareness trainings in both estates for SOP Manual. During field visit, auditors also check and interview with workers. All workers understood and answered to auditors very well.

Daily operation in the estate is also available and updated by estate staffs and verified by estate manager. The following records also available:

- Costing book
- Check roll

In Compliance **Yes** No Not Applicable

Indicator 2 Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.

Summary Sighted SOP TCH/OP/2009/1-1.5 dated 01.03.2009 on Terrace and Platform Construction – “Areas with slopes in excess of 25° are not recommended for planting with oil palm”.

In addition, soil and topography maps for the estate are evidence that there are no fragile soils exist in the estate. There are 4 soil series recorded for the estate. On slope, cover crops was planted to prevent soil erosion:

- 1) Mucuna bracteata
- 2) Other Leguminous cover crop

During site visit observed there is no terracing above 25 Degrees.

In Compliance **Yes** No Not Applicable

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

Summary Both estate have a visual reference system to identify each field or block. During site visit, each field has the signboard with block number/year of planting, stand per hectare, hectareage and oil palm clone. Task marking for harvester was painted on the palm trunk.

Based on the topographic image, there is no evidence of steep slopes area exist in the estate.

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 Both estate had an annual budget for the financial year 2018. The budget includes the projected FFB production (2018-2020), general charges, upkeep & cultivation, Collection and Immature areas.

As evidence in Gunung Sumalayang Estate,

FY	2018	2019	2020
Mature (Ha)	1,150.23	1,165.24	848.83
Immature (Ha)	909.06	894.05	1,210.46
Estimate OER (%)	19.75	19.75	19.75
Yield (MT/Ha)	19.38	19.29	21.88
FFB Production (MT)	22,295	22,482	18,571

In Bukit Lawiang Estate,

FY	2018	2019	2020
Mature (Ha)	1,070.66	1,339.29	1,393.09
Immature (Ha)	786.43	517.80	464.00
Estimate OER (%)	19.75	19.75	19.75
Yield (MT/Ha)	26.00	23.87	24.50
FFB Production (MT)	27,836	31,974	34,133

In Compliance **Yes** No Not Applicable

Indicator 2 Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.



Summary There is replanting program for Gunung Sumalayang Estate. As evidence:

Financial Year	Field	Total Hectare
2018	PM86	270.94
2019	PM86	259.86
2020	PM86	261.25
	PM88	55.16

In Bukit Lawiang Estate, no replanting programme for the next 3 years as none of the mature areas are due for replanting as yet.

In Compliance **Yes** No Not Applicable

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

Summary Sighted business management plan for both estate prepared by Estate Manager. As evidence in Bukit Lawiang Estate:

- Progeny/clone – DXP Chemara, GH500, Felda Yangambi & AA Hybrida, 3 Ways
- Yield / Ha – 26.00Mt
- Cost of Production – RM 202.76/Mt
- FFB price forecast – RM 558.88/Mt
- Revenue - RM 15,556.98

In Compliance **Yes** No Not Applicable

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

Summary The estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e. FFB production, capital expenditure, production cost and revenue & profit account are shown therein.

The management also provides monthly variance report on the actual production cost against budget and year 2017 achievement.

The supervisory personnel maintained a daily cost for the field operations. In Gunung Sumalayang Estate, sighted Costing Book Ref No. 14A1/2/3.2018 & 2019.

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 FFB is done by Marketing Department at HQ based on monthly MPOB pricing. Sighted the "Penyata Pembelian BTB" for Ladang Gunung Sumalayang (for the month of February 2018) signed by the Mill Manager.

The determination of FFB pricing for the estate will be based on the %OER and %KER achieved for the month less MPOB cess, transport cost of CPO and Mill Processing cost.

In Compliance **Yes** No Not Applicable

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

Summary Sighted the Contract Agreement between TH Plantations Berhad – Ladang Gunung Sumalayang with the following contractors;

- 1) Messrs Perusahaan dan Pengangkutan Adam signed on 01.01.2018 for contract related to "Mengangkut dan Memunggah BTS kawasan PM86A Blok 11,12,13 & 14 seluas 448.01Hektar dianggarkan sebanyak 3,480 mt" expiry 31.12.2018. Contract No. THPB/LGS/2018-3
- 2) Messrs Tiu Beng Chai Road Grading Earth Works signed on 01.01.2018 for contract related to "Perkhidmatan Penyewaan Backhoe anggaran 1,800 jam" expiry 31.12.2018. Contract No. THPB/LGS/2018-7

Also, contract Agreement between TH Plantations Berhad – Ladang Bukit Lawiang with the following contractors;

- 1) Messrs Perusahaan dan Pengangkutan Adam signed on 01.01.2018 for contract related to "Mengangkut dan Memunggah BTS dari blok PM12A di Ladang Bukit Lawiang ke Kilang Sawit Bukit Lawiang" expiry 31.12.2018. Contract No. THPB/LBL/03/2018
- 2) Messrs Tiu Beng Chai Road Grading Earth Works signed on 01.02.2018 for contract related to "Kerja-kerja Membina parit sempadan, parit baru & mencuci parit di kawasan PM10, PM11, PR14, & PR 17B" expiry 30.06.2018. Contract No. THPB/LBL/07/2018

However, one major non-conformity has been raised due to base on two (2) samples of contract agreement observed during the audit, it was noted that the duration of payment for the contractors has not been mentioned in the term and condition of the contract agreement.

In Compliance **Yes** No Not Applicable

Criterion 4 Contractor

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



Summary All the contractors aware that estate will be certified under MSPO. Therefore the contractors has been informed that the estate is undergoing the MSPO certification process. The contractor has been briefed by the estate management to comply with the MSPO standard requirements through "Taklimat Kepada Stakeholder" on 02.05.2018.

In Compliance **Yes** No Not Applicable

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

Summary All the contractors aware that estate will be certified under MSPO. Therefore, the contractors have been informed that the estate is undergoing the MSPO certification process.

Sighted the Contract Agreement between TH Plantations Berhad – Ladang Bukit Lawiang with the following contractors;

- 1) Messrs Perusahaan dan Pengangkutan Adam signed on 01.01.2018 for contract related to "Mengangkut dan Memunggah BTS dari blok PM12A di Ladang Bukit Lawiang ke Kilang Sawit Bukit Lawiang" expiry 31.12.2018. Contract No. THPB/LBL/03/2018
- 2) Messrs Tiu Beng Chai Road Grading Earth Works signed on 01.02.2018 for contract related to "Kerja-kerja Membina parit sempadan, parit baru & mencuci parit di kawasan PM10, PM11, PR14, & PR 17B" expiry 30.06.2018. Contract No. THPB/LBL/07/2018

Contractors interviewed were aware of the MSPO Certification. At this moments, no complaints have been made by the contractors.

In Compliance **Yes** No Not Applicable

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

Summary The estates were audited by Global Gateway Certifications Sdn Bhd MSPO auditor on 05th – 06th May 2018. Sighted audit plan dated 25th April 2018 (3rd Revised) which have been accepted address to Miss Aisyatul Aizzura Salha Abdul Rahim, Assistant General Manager of Sustainability and Investor Relations Department. 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

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

Summary In both estate, sighted that the estate has verified the work done by the contractors before payment could be made to the contractors.

In Compliance **Yes** No Not Applicable

3.1. Principle 7 : Development of new planting

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

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

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

In Compliance **Yes** No Not Applicable

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

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

In Compliance **Yes** No Not Applicable

Criterion 2 Peat land

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

Summary At this moments, there were no new plantings involving peat area. Thus, it is not applicable for all estates.

In Compliance **Yes** No Not Applicable

Criterion 3 Social and Environmental Impact Assessment (SEIA)

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

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

In Compliance Yes No Not Applicable

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

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

In Compliance Yes No Not Applicable

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

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

In Compliance Yes No Not Applicable

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

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

In Compliance Yes No Not Applicable

Criterion 4 Soil and topographic information

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

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

In Compliance Yes No Not Applicable

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

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

In Compliance Yes No Not Applicable

Criterion 5 Planting on steep terrain, marginal and fragile soils

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

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

In Compliance Yes No Not Applicable

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

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

In Compliance Yes No Not Applicable

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

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

In Compliance Yes No Not Applicable

Criterion 6 Customary land

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

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

In Compliance Yes No Not Applicable

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

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

In Compliance Yes No Not Applicable

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

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

In Compliance Yes No Not Applicable

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

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

In Compliance Yes No Not Applicable

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

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

In Compliance Yes No Not Applicable

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

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

In Compliance Yes No Not Applicable

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

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

In Compliance Yes No Not Applicable

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

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

In Compliance Yes No Not Applicable

4. Issues Raised by Stakeholders and Findings with respect to each issue

In this stakeholders meeting, external and internal stakeholders were presented which came from local communities, government agencies, workers and etc. In overall, there are lots of positive issues highlighted by the stakeholders during the meeting. There are tremendous improvements either from environmental, social and safety aspect. There are also positive statements given by the participants required aspects in MSPO especially in social aspect. These statements were accepted by the management representative as a good feedback and will do the necessary. Salary for all workers is the same regardless of gender as per minimum wages stipulated in Employment Act. All stakeholder agree that with the MSPO implementation, tremendous improvement has been achieved from working agreement to community amnesties. Details, as per below:

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	Stakeholders A (Estate Workers-Spraying gang)	<ul style="list-style-type: none"> • They have good understanding about MSPO. • They have good understanding about complaint and grievance mechanism. • PPE given by company – free. • They reported that no sexual harassment and violence case was happened in the workplace. • They were treated equally with no discrimination based on gender. • They claimed that the management provides good living quarters with proper domestic waste collection and promptly attend to quarters repairs. 	No action requires	Positive findings



		<ul style="list-style-type: none"> • They confirmed wages are being paid more than the Minimum Wage Order 2016 of RM1, 000.00 per month and understand all the deductions being made. 		
2.	Stakeholders B (Estate Workers-Harvesting gang)	<ul style="list-style-type: none"> • Good understanding about MSPO. • They are very happy with the management and hopes to extend their contract. • They have good understanding about complaint and grievance mechanism. • PPE given by company – free. • They claimed that the management provides good living quarters with proper domestic waste collection and promptly attend to quarters repairs. • They confirmed wages are being paid more than the Minimum Wage Order 2016 of RM1, 000.00 per month and no issue on wages received as well as the deductions made. 	No action requires	Positive findings
3.	Stakeholders C (Mill workers)	<ul style="list-style-type: none"> • The workers were satisfied with the management. • They were treated equally among all different nationalities. • Their salary was paid according to Minimum Wage Order 2016. • Free housing was provided to them with subsidized of water and electricity. 	No action requires	Positive findings
4.	Stakeholder D (Estate Contractors)	<ul style="list-style-type: none"> • The company has good relation with supplier and there is no issue with company's performance. • They informed that they have signed on the contract 	No action requires	Positive findings

		<p>agreement prior the services and understood the terms and conditions particularly compliance to MSPO Requirements.</p> <ul style="list-style-type: none"> • Payment was done in timely manner to the contractors/suppliers. • No other issues raised. 		
5.	Stakeholder E (Mill Contractors)	<ul style="list-style-type: none"> • He informed that the payments were made promptly without any delay. • They have good understanding about MSPO. • They have good understanding about complaint and grievance mechanism. • Agreement was signed prior to work. 	No action requires	Positive findings
6.	Stakeholders F (Jabatan Tenaga Kerja)	<ul style="list-style-type: none"> • He aware and have good understanding about MSPO. • He explained that the Estates and Mill were comply with applicable legal and act related to labor. • No issues being reported to Jabatan Tenaga Kerja. 	No action requires	Positive findings
7.	Stakeholders G (Bomba)	<ul style="list-style-type: none"> • He explained that the Estates and Mill are free to call his Department for any assistance required. • He stress out that all the communities need to consistently being remind on the Open Burning. • No issues being reported to the BOMBA. 	Will keep informed all the Internal and External Stakeholders on the points highlighted.	Positive findings
8.	Stakeholders H (PDRM)	<ul style="list-style-type: none"> • They have good relationship with the management. • The management will provide assistance whenever they requested • No big case or issues reported to the PDRM. 	No action requires	Positive findings

5. Findings Identified for this audit

5.1. Summary Findings

Major Nonconformities	7
Minor Nonconformities	1
Area of Concern	0
Noteworthy / Positive Comments	4

5.2. Details Non-Conformity

- see Appendix B -

5.3. Details of Area of Concern

- Nil -

5.4. Details of Noteworthy / Positive Findings

1. The management is highly committed to comply the MSPO system by adopting continuous improvement programs.
2. Sustainability and Investor Relations Department will perform internal audits on annual basis.
3. Top management continuously establishes directions for the middle and upper management to execute in ways to comply with the MSPO management system in future.
4. Good relationship being maintained with surrounding smallholder and villages.

6. Acknowledgement

6.1. Date of Next Surveillance Audit

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

6.2. 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.

6.3. Signing of Report

Signed for on behalf of
TH Plantations Berhad – Kluang Complex (Estates)


AIZZURA AB RAHIM
Head, Sustainability & Investor Relations
TH Plantations Berhad

Name :
Role :
Date : 01st August 2018

Signed for on behalf of
Global Gateway Certifications Sdn. Bhd



Name : Muhammad Syafiq Abd Razak
Role : GGC Lead Auditor
Date : 30th July 2018

Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
04 th May 2018	TBA	➤ Travelling from Ampang, Selangor – Kluang, Johor	MS	IBI/AS
05 th May 2018	08:00 – 09:00	➤ Opening Meeting at Gunung Sumalayang Estate: <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor • Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable). 	MS	IBI/AS
	09:00 – 13:00	Gunung Sumalayang Estate <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MS	IBI/AS
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	MS	IBI/AS
	13:00 – 14:00	➤ Lunch	MS	IBI/AS
	14:00 – 16:00	<ul style="list-style-type: none"> ➤ Continue document review <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MS	IBI/AS
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for estate [Part 3].	MS	IBI/AS

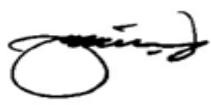
AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
06 th May 2018	08:00 – 13:00	Bukit Lawiang Estate <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MS	IBI/AS
	09:30 – 11:00	<ul style="list-style-type: none"> ➤ Estate inspection: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, 	MS	IBI/AS



		workshop, agriculture best practices, chemical store, and pre-mixing, etc.		
	11:30 – 13:00	➤ Centralize Stakeholder Meeting (Estates and Mill)	MS	IBI/AS
	13:00 – 14:00	➤ Lunch	MS	IBI/AS
	14:00 – 15:30	➤ Continue document review • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.	MS	IBI/AS
	15:30 – 16:30	➤ Verify any outstanding issues, auditor discussion and end of audit for estate [Part 3].	MS	IBI/AS
	16:30 – 18:00	➤ Closing Meeting Part 3 at Bukit Lawiang Estate: ➤ Chaired by the audit Lead Auditor • Welcome and introduction by the Lead Auditor • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor ➤ End of assessment	MS	IBI/AS
07 th May 2018	TBA	Travelling back from Kluang, Johor – Ampang, Selangor	MS	IBI/AS

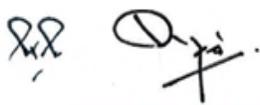
Appendix B : Non-Conformity details

Major Nonconformities:	The following NC's were raised for this audit.		
Company Name	TH Plantations Berhad – Kluang Complex [Estates]		
Audit Type	MSPO – Stage 1 <input type="checkbox"/> Stage 2 <input checked="" type="checkbox"/> ASA <input type="checkbox"/>		
Audited Standard	Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number			
NC No. / Ref.	Will be generated automatically in system	Date Detected	06 th May 2018
Site(s) concern	Gunung Sumalayang Estate and Bukit Lawiang Estate	Target Completion	90 Days
Normative Reference and Requirement	4.3.1.1 Major All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	<p>a) No valid agreement been sealed between Kualiti Alam Sdn Bhd and TH Plantations Berhad to collect the scheduled wastes at Bukit Lawiang and Gunung Sumalayang Estate.</p> <p>b) There are houses i.e. LBL/OWA/03/06, LBL/OWA/10/23, LBL/OWA/34/14 and LBL/OWA/40/14 have been occupied by more than 5 adult workers per house (Bukit Lawiang Estate).</p> <p>c) No evidence on approval granted by Jabatan Tenaga Kerja on the deduction of Processing Fee of the Work Permit, YAPEIM, Tabung Haji and NUPW Insurance. (Part IV; Section 24, Employment Act 1955).</p>		
Objective Evidence:			
<p>a) It was observed that the agreement between Kualiti Alam Sdn Bhd and TH Plantations Berhad to collect the scheduled wastes at Ladang Bukit Lawiang was without Kualiti Alam's signatory and date.</p> <p>b) Based on "Banci Penghuni Rumah Pekerja" carried out on 01.03.2018, it was observed that four (4) houses have been occupied by 6 adult workers against the Notis Perumahan Pekerja issued by the Jabatan Tenaga Kerja No. Perakuan Kelayakan: K.11/2017 dated 03.01.2018.</p> <p>c) Refer to samples of March 2018</p> <ul style="list-style-type: none"> • Payslip of workers name Mr Jamaludin Hussein (Malaysian) Employee Number -0200B and Mr Sulaiman – (Indonesian) Employee Number -13701. • Payslip of Mr. Basir bin Sapuan – (Malaysian) Employee Number -0777G, contract of employment dated 1/7/2000. 			

Root cause Analysis (to be filled by client):	
MSPO Requirements were not fully understood as this is a new system and still in the initial stage of the program.	
Corrective action planned (to be filled by client):	
a) The Agreement between Kualiti Alam Sdn Bhd and TH Plantations Berhad have been sign. Contract numbers for LGS – 91602 and for LBL – 91603. Refer Appendix 1 for supporting b) The house has been change to 5 adult workers per house. Refer Appendix 2 for supporting c) The Application for deduction approval have been submitted to Jabatan Tenaga Kerja. Refer Appendix 3 for supporting	
Preventive Action (to be filled by client):	
TH Plantations Berhad MSPO Steering committee to ensure compliance with all law will be followed and reviewed and enhanced from time to time.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidence submitted were found adequate and therefore this major non-compliance is closed.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Lead Auditor Signature: 	Client Signature: 
Date: 06 th May 2018	Date: 10 th July 2018

Company Name	TH Plantations Berhad – Kluang Complex [Estates]
Audit Type	MSPO – Stage 1 <input type="checkbox"/> Stage 2 <input checked="" type="checkbox"/> ASA <input type="checkbox"/>
Audited Standard	Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders
Client Number	

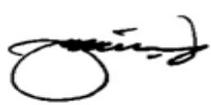
NC No. / Ref.	Will be generated automatically in system	Date Detected	06 th May 2018
Site(s) concern	Gunung Sumalayang Estate and Bukit Lawiang Estate	Target Completion	90 Days

Normative Reference and Requirement	4.4.4.2 Major The occupational safety and health plan shall cover the following: b. The risks of all operations shall be assessed and documented.	
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern	
Description of Non-Conformity	No evidence on HIRARC for Harvesting with Assisted Buffalo.	
Objective Evidence:	The risk assessment on Harvesting with Assisted Buffalo was not sighted in the HIRARC.	
Root cause Analysis (to be filled by client):	MSPO Requirements were not fully understood as this is a new system and still in the initial stage of the program.	
Corrective action planned (to be filled by client):	The assessment of HIRARC for harvesting with assisted buffalo have been done. Refer appendix 4 for supporting	
Preventive Action (to be filled by client):	TH Plantations Berhad MSPO Steering committee to review and enforce indicator 4.4.4.2 by holding a meeting and understand the requirement clearly.	
Review of corrective/preventive action (to be filled by Lead Auditor)	All the evidence submitted were found adequate and therefore this major non-compliance is closed.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Lead Auditor Signature: 	Client Signature: 	
Date: 06 th May 2018	Date: 10 th July 2018	

Company Name	TH Plantations Berhad – Kluang Complex [Estates]
Audit Type	MSPO – Stage 1 <input type="checkbox"/> Stage 2 <input checked="" type="checkbox"/> ASA <input type="checkbox"/>
Audited Standard	Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders

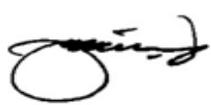
Client Number			
NC No. / Ref.	Will be generated automatically in system	Date Detected	06 th May 2018
Site(s) concern	Bukit Lawiang Estate	Target Completion	90 Days
Normative Reference and Requirement	4.5.3.1 Major All waste products and sources of pollution shall be identified and documented.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Waste products and source of pollution not identified and documented.		
Objective Evidence:			
TH Plantations Berhad has established the MSPO Procedure; Title: Waste Management. MSPO-TH-05; Rev 0; Date 10/01/2018.			
However, no evidence of the waste of products and sources of pollution has been identified and documented by estate management.			
Root cause Analysis (to be filled by client):			
MSPO Requirements were not fully understood as this is a new system and still in the initial stage of the program.			
Corrective action planned (to be filled by client):			
The waste products and sources of pollutions has been assessed and documented in Pollutions Prevention Plan or PPP. Refer Appendix 5 for supporting.			
Preventive Action (to be filled by client):			
<ol style="list-style-type: none"> 1. Re-training provided to understand the Environment Quality Act 1974 (schedule wastes) Regulations, 2005 2. When new process or activity is included in TH Plantations Aspect and Impact is reviewed and updated. 3. During Annual internal audit MSPO clause 4.5.3.1 is audited with additional focus with reference to this NC. 			
Review of corrective/preventive action (to be filled by Lead Auditor)			
All the evidence submitted were found adequate and therefore this major non-compliance is closed.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	



Lead Auditor Signature: 	Client Signature: 
Date: 06 th May 2018	Date: 10 th July 2018

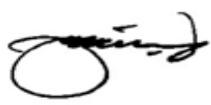
Company Name	TH Plantations Berhad – Kluang Complex [Estates]
Audit Type	MSPO – Stage 1 <input type="checkbox"/> Stage 2 <input checked="" type="checkbox"/> ASA <input type="checkbox"/>
Audited Standard	Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders
Client Number	

NC No. / Ref.	Will be generated automatically in system	Date Detected	06 th May 2018
Site(s) concern	Bukit Lawiang Estate	Target Completion	90 Days
Normative Reference and Requirement	4.5.3.2 Major A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Waste management plan to avoid or reduce pollution not identified and documented.		
Objective Evidence:			
During the audit, no evidence sighted for waste management plan to avoid or reduce pollution has been developed and implemented by estate management.			
Root cause Analysis (to be filled by client):			
MSPO Requirements were not fully understood as this is a new system and still in the initial stage of the program.			
Corrective action planned (to be filled by client):			
The waste management plan and Pollution Prevention Plan have been documented and filed MSPO 4.5.3.2. Refer Appendix 6 to Supporting.			
Preventive Action (to be filled by client):			

<ol style="list-style-type: none"> 1. Wasted Management Plan and Pollution Prevention Plan are review during the Annual Management review to ensure it is established and implemented as per the MSPO requirement. 2. Effectiveness of the above implementations is audited during the annual internal audit. 3. Above subject reviewed in the Annual Management Review to ensure is implemented. 	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidence submitted were found adequate and therefore this major non-compliance is closed.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Lead Auditor Signature: 	Client Signature: 
Date: 06 th May 2018	Date: 10 th July 2018

Company Name	TH Plantations Berhad – Kluang Complex [Estates]
Audit Type	MSPO – Stage 1 <input type="checkbox"/> Stage 2 <input checked="" type="checkbox"/> ASA <input type="checkbox"/>
Audited Standard	Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders
Client Number	

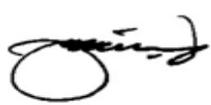
NC No. / Ref.	Will be generated automatically in system	Date Detected	06 th May 2018
Site(s) concern	Gunung Sumalayang Estate and Bukit Lawiang Estate	Target Completion	90 Days
Normative Reference and Requirement	4.5.3.3 Major The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Grease and chemical container sighted at the landfill area.		

Objective Evidence:	
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.	
However, during site visit sighted one of the grease container and empty chemical container inside the landfill. Both container not dispose as per Environmental Quality Act 1974; Environmental Quality (Scheduled Wastes) Regulations 2005.	
Root cause Analysis (to be filled by client):	
MSPO Requirements were not fully understood as this is a new system and still in the initial stage of the program.	
Corrective action planned (to be filled by client):	
All the waste products have been recorded on Pollution Prevention Plan and the Schedule waste product have been registered and dispose to Kualiti Alam Sdn Bhd. The first disposal program at Kompleks THP Kluang will be start on 15 th July 2018.	
Preventive Action (to be filled by client):	
TH Plantations Berhad MSPO Steering committee to ensure compliance with all laws and reviewed and enhanced from time to time.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidence submitted were found adequate and therefore this major non-compliance is closed.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Lead Auditor Signature: 	Client Signature: 
Date: 06 th May 2018	Date: 10 th July 2018

Company Name	TH Plantations Berhad – Kluang Complex [Estates]
Audit Type	MSPO – Stage 1 <input type="checkbox"/> Stage 2 <input checked="" type="checkbox"/> ASA <input type="checkbox"/>
Audited Standard	Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders
Client Number	



NC No. / Ref.	Will be generated automatically in system	Date Detected	06 th May 2018
Site(s) concern	Gunung Sumalayang Estate and Bukit Lawiang Estate	Target Completion	90 Days
Normative Reference and Requirement	4.5.4.1 An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No assessment being conducted for greenhouse gas emissions.		
Objective Evidence:			
Both estates have identified and conducted assessment for all activities on scheduled wastes and solid waste. However, no assessment conducted for greenhouse gas emissions by both estates.			
Root cause Analysis (to be filled by client):			
MSPO Requirements were not fully understood as this is a new system and still in the initial stage of the program.			
Corrective action planned (to be filled by client):			
The supporting on appendix 7 will show the assessment of greenhouse gas emissions.			
Preventive Action (to be filled by client):			
<ol style="list-style-type: none"> 1. Re-training conducted on the assessment of GHG emissions and requirements of Environment Quality Act 1974. 2. When new process or activity is include in TH Plantations Aspect and Impact is reviewed to assess any GHG is emitted. 3. During Annual internal audit MSPO clause 4.5.4.1 is audited with additional focus with reference to this NC. 			
Review of corrective/preventive action (to be filled by Lead Auditor)			
All the evidence submitted were found adequate and therefore this major non-compliance is closed.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Lead Auditor Signature: 	Client Signature: 
Date: 06 th May 2018	Date: 10 th July 2018

Company Name	TH Plantations Berhad – Kluang Complex [Estates]
Audit Type	MSPO – Stage 1 <input type="checkbox"/> Stage 2 <input checked="" type="checkbox"/> ASA <input type="checkbox"/>
Audited Standard	Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders
Client Number	

NC No. / Ref.	Will be generated automatically in system	Date Detected	06 th May 2018
Site(s) concern	Bukit Lawiang Estate	Target Completion	90 Days
Normative Reference and Requirement	4.6.3.2 Major All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Sighted from two (2) samples of invoices No 00327 & 1444 respectively dated 31.03.2018 from different contractors and the payment been made on 10.4.2018.		
Objective Evidence:	Based on two (2) samples of contract agreement observed during the audit, it was noted that the duration of payment for the contractors has not been mentioned in the term and condition of the contract agreement.		
Root cause Analysis (to be filled by client):	MSPO Requirements were not fully understood as this is a new system and still in the initial stage of the program.		
Corrective action planned (to be filled by client):	The all contract agreement has been added the clause of durations of payment for contractor. Refer appendix 8 for supporting.		
Preventive Action (to be filled by client):			

TH Plantations Berhad MSPO Steering committee to ensure compliance with all law will be followed and reviewed and enhanced from time to time.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidence submitted were found adequate and therefore this major non-compliance is closed.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Lead Auditor Signature: 	Client Signature: 
Date: 06 th May 2018	Date: 10 th July 2018



Minor Nonconformities:	The following NC's was raised for this audit.
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Company Name	TH Plantations Berhad – Kluang Complex [Estates]
Audit Type	MSPO – Stage 1 <input type="checkbox"/> Stage 2 <input checked="" type="checkbox"/> ASA <input type="checkbox"/>
Audited Standard	Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders
Client Number	

NC No. / Ref.	Will be generated automatically in system	Date Detected	06 th May 2018
Site(s) concern	Gunung Sumalayang Estate	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):			
MSPO Requirements were not fully understood as this is a new system and still in the initial stage of the program.			
Corrective action planned (to be filled by client):			
The corrective has been made. Date of action taken in Complaint and Grievance record has been filled. Refer Appendix 9 for supporting.			
Preventive Action (to be filled by client):			
<ol style="list-style-type: none"> 1. To re – train the management appointment person to be competent on the usage of the Grievance form and inclusion of date of action taken. 2. To audit the above improvement in the annual internal Audit. 3. Above subject will be reviewed in the Annual Management Review to ensure is effective 			
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: Yes No

Site verification: Yes No

Lead Auditor Signature:



Date: 06th May 2018

Client Signature:



Date: 10th July 2018

