

# GLOBAL GATEWAY CERTIFICATIONS

## MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

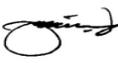
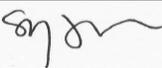
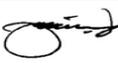
### CERTIFICATION AUDIT REPORT

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

TH Plantations Berhad  
Gedong Complex [Estates]

-Group Certification-

MAIN ASSESSMENT AUDIT  
21<sup>st</sup> May 2019 – 26<sup>th</sup> May 2019

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	19/06/19	Issued as Draft Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
A	24/06/19	Peer Review 1 Comments	Nzri bin Rasidi	Peer Reviewer 1	
A	24/06/19	Peer Review 2 Comments	Muhammad Syafiq bin Abu Bakar	Peer Reviewer 2	
B	25/06/19	Issued as Final Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	26/06/19	Final Report Approved	Muhd Jamalul Arif bin Hamid	Certifier	

Acknowledgment by TH Plantations Berhad					
Rev	Date	Description	Management Representative	Role	Signature
B	26/06/19	Acceptance of the contents	Mr. Ahmad Anuar bin Sairi	General Manager (CEO's Office)	

#### **Declaration**

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

WITH INTEGRITY WE SERVE



Confidentiality clause: This audit report is confidential and limited in distribution to Global Gateway Certifications Sdn. Bhd. and to the organisation audited. It remains the exclusive property of the certification body, therefore it is forbidden to reproduce either partially or in totality without the formal authorization of the certification body.

## Table of Contents

<b>SECTION I : PUBLIC SUMMARY REPORT .....</b>	<b>3</b>
1.1 Certification Scope .....	3
1.2 Company details and Contact information.....	3
1.3 Certification Unit.....	3
1.4 Map Showing Geographical Location .....	5
1.5 Production Area, Actual and Projected FFB Production (MT) .....	10
1.6 Certificate Details.....	11
1.7 Qualification of the Lead Assessor and Assessment Team.....	12
1.8 Audit Methodology .....	13
1.9 Audit Plan Information .....	13
1.10 Audit Result Summary Findings .....	13
1.11 Stakeholder Consultation.....	14
1.12 Recommendation .....	21
1.13 Date of Next Surveillance Audit.....	22
1.14 Confidentiality .....	22
1.15 Abbreviations Used .....	22
<b>SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA.....</b>	<b>24</b>
2.1 Principle 1 : Management commitment and responsibility .....	24
2.2 Principle 2 : Transparency .....	28
2.3 Principle 3 : Compliance to legal requirements.....	33
2.4 Principle 4 : Social responsibility, health, safety and employment condition .....	44
2.5 Principle 5 : Environment, natural resources, biodiversity, and ecosystem services .....	59
2.6 Principle 6 : Best practices.....	75
2.7 Principle 7 : Development of new planting.....	85
2.8 Details of Audit Findings.....	89

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

## SECTION I : PUBLIC SUMMARY REPORT

### 1.1 Certification Scope

**Global Gateway Certifications Sdn. Bhd. (GGC)** has conducted the Certification Assessment of **TH Plantations Berhad, Gedong Complex [Estates]**. During this **Main Assessment Audit (Stage 2)**, the audit team were briefed by sustainability member, of the supply base disposition. The source of FFB supplies to Gedong POM are from their own estates [Kepayang Estate, Semalatong Estate, Sungai Kerian Estate, Gedong Estate, Sematan Estate, Sadong Estate, Lupar Estate, Bijat Estate & Sg. Tisak Estate] and from out-grower and other smallholders.

This assessment was conducted onsite on **21<sup>st</sup> May 2019 – 26<sup>th</sup> May 2019** to assess the compliance of the certification unit against the **"MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder"**. The scope of certification is **"Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches"**.

### 1.2 Company details and Contact information

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

### 1.3 Certification Unit

#### Name of the Certification Unit

No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Ladang Kepayang	KM21, Kampung Isu, 94800 Simunjan, Sarawak.	E 111°11'3.92"	N 1°40'23.67"
2.	Ladang Semalatong	KM25, Kampung Semalatong, 94800 Simunjan, Sarawak.	E 110°54'40.98"	N 1°12'51.96"
3.	Ladang Sungai Kerian	Lot 1277, Jalan Kampung Ulu Gedong, 94700 Gedong, Sarawak.	E 110°43'55.2"	N 1°20'38.76"
4.	Ladang Gedong	KM8, Jalan Gedong, P.O BOX 32, 94700 Serian, Sarawak.	E 110°40'40.38"	N 1°9'24.94"



5.	Ladang Sematan	KM8 Jalan Gedong, P.O BOX 32, 94700 Serian, Sarawak.	E 110°45'28.32"	N 1°8'10.74"
6.	Ladang Sadong	KM8 Jalan Gedong, P.O BOX 32, 94700 Serian, Sarawak.	E 110°43'47.18"	N 1°12'1.37"
7.	Ladang Lupar	KM8 Jalan Gedong, P.O BOX 32, 94700 Serian, Sarawak.	E 110°45'28.32"	N 1°8'10.74"
8.	Ladang Bijat	Block 11, lot 18, Tisak Skrang, Bijat Land District, 95700 Sri Aman, Sarawak.	E 1°17'14.82"	N 111°50.6136"
9.	Ladang Sungai Tisak	KM16, Jalan Betong-Lidong Lot 1037 BLD 95000 Sri Aman, Sarawak.	E 111°28'08.82"	N 1°19'33.59"

### MPOB License Information

No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	Ladang Kepayang	582377002000	29/02/2020	"Menjual & Mengalih FFB"
2.	Ladang Semalatong	583925002000	30/04/2020	"Menjual & Mengalih FFB"
3.	Ladang Sungai Kerian	573328011000	31/05/2019	"Menjual & Mengalih FFB"
		525068002000	31/11/2019	"Menjual & Mengalih FFB"
4.	Ladang Gedong	503505102000	30/06/2019	"Menjual & Mengalih FFB"
5.	Ladang Sematan	537374002000	29/02/2020	"Menjual & Mengalih FFB"
6.	Ladang Sadong	504252902000	31/08/2019	"Menjual & Mengalih FFB"
7.	Ladang Lupar	513411020000	30/06/2019	"Menjual & Mengalih FFB"
8.	Ladang Bijat	616157002000	31/01/2020	"Menjual & Mengalih FFB"
9.	Ladang Sungai Tisak	607230002000	31/01/2020	"Menjual & Mengalih FFB"

### Others Sustainability Certification

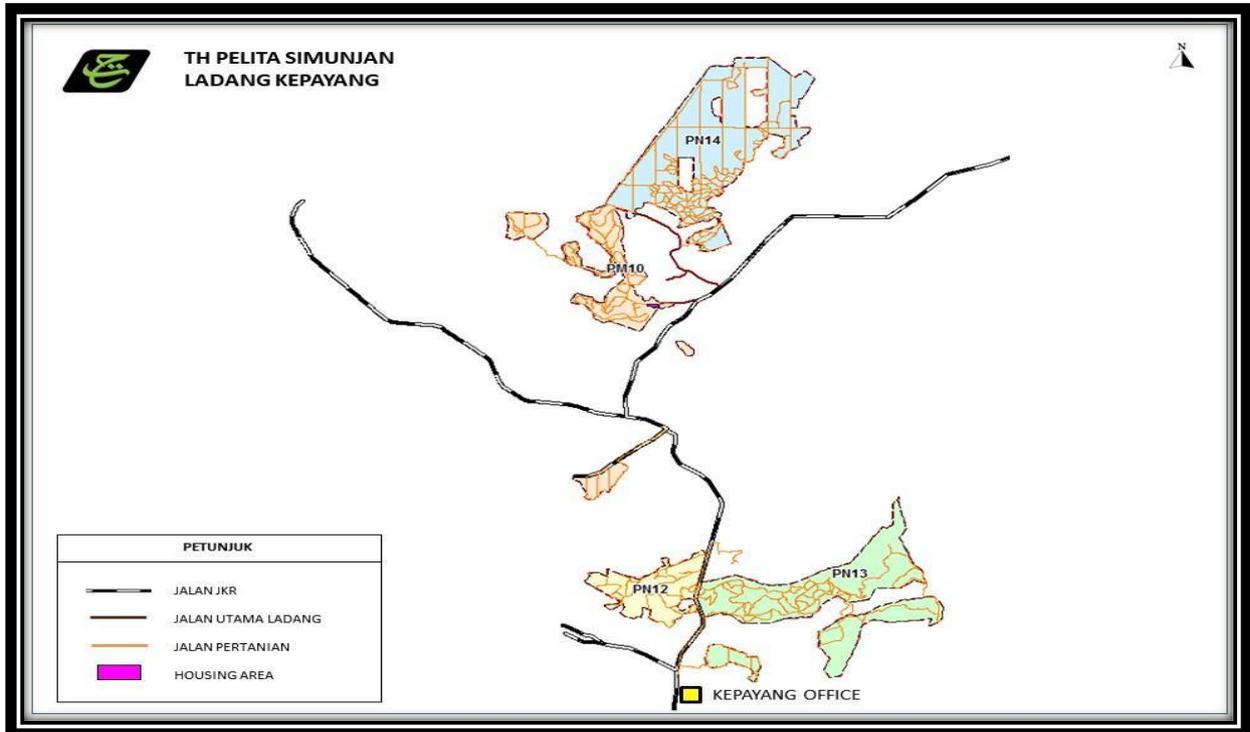
No	Name Of The Site	Others Sustainability Certifications
1.	Ladang Kepayang	NIL
2.	Ladang Semalatong	NIL
3.	Ladang Sungai Kerian	NIL
4.	Ladang Gedong	NIL
5.	Ladang Sematan	NIL
6.	Ladang Sadong	NIL
7.	Ladang Lupar	NIL
8.	Ladang Bijat	NIL
9.	Ladang Sungai Tisak	NIL

1.4 Map Showing Geographical Location

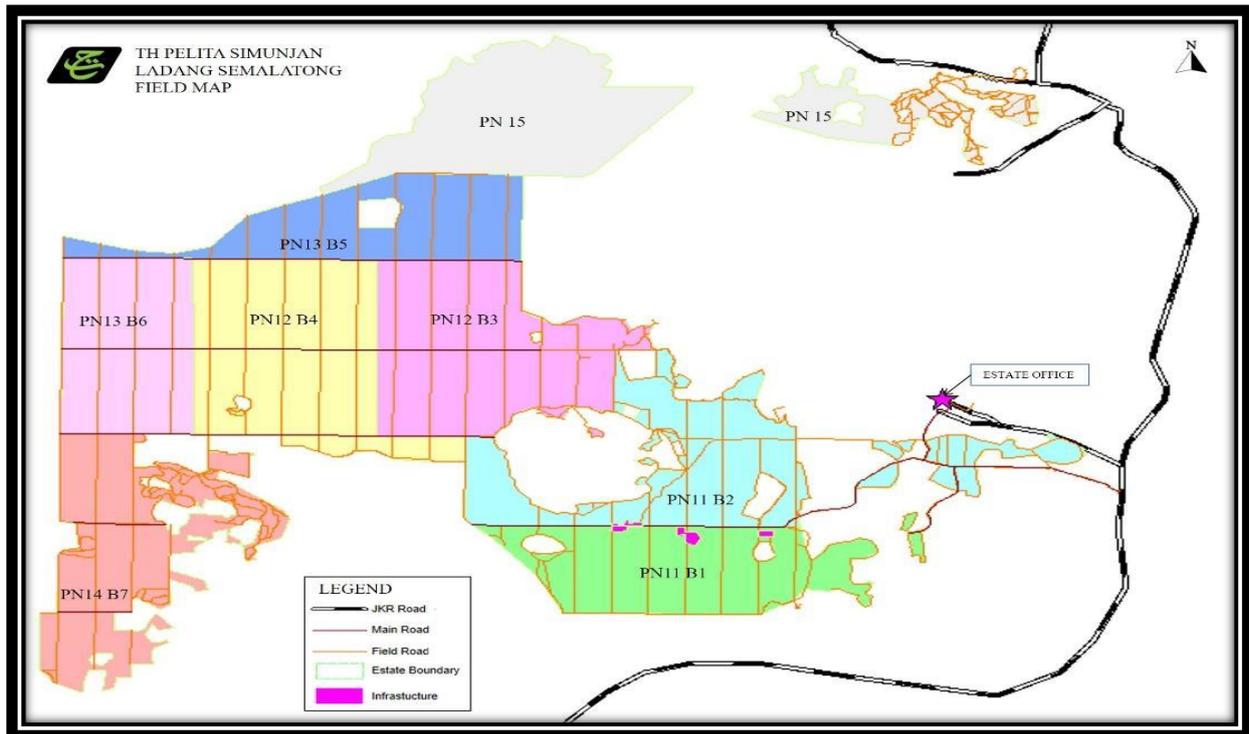
1) TH Plantations Berhad – Gedong Complex [Mill & Estates]



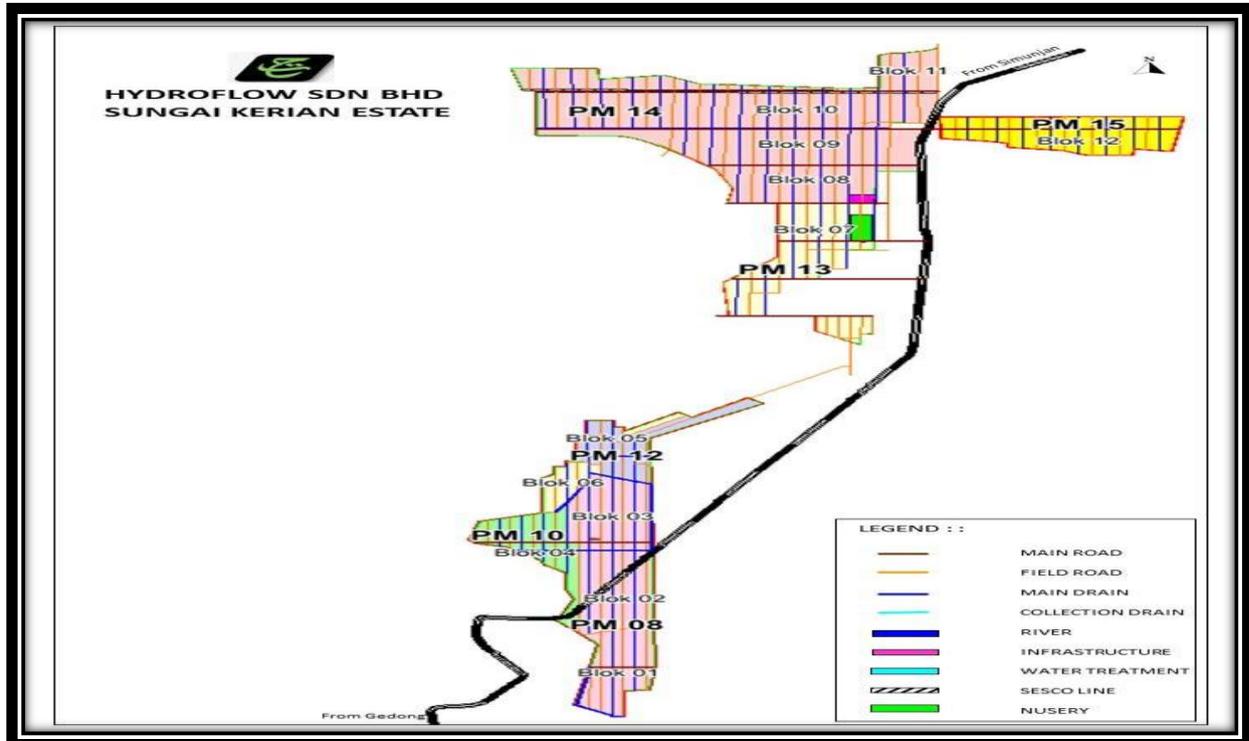
2) Ladang Kepayang



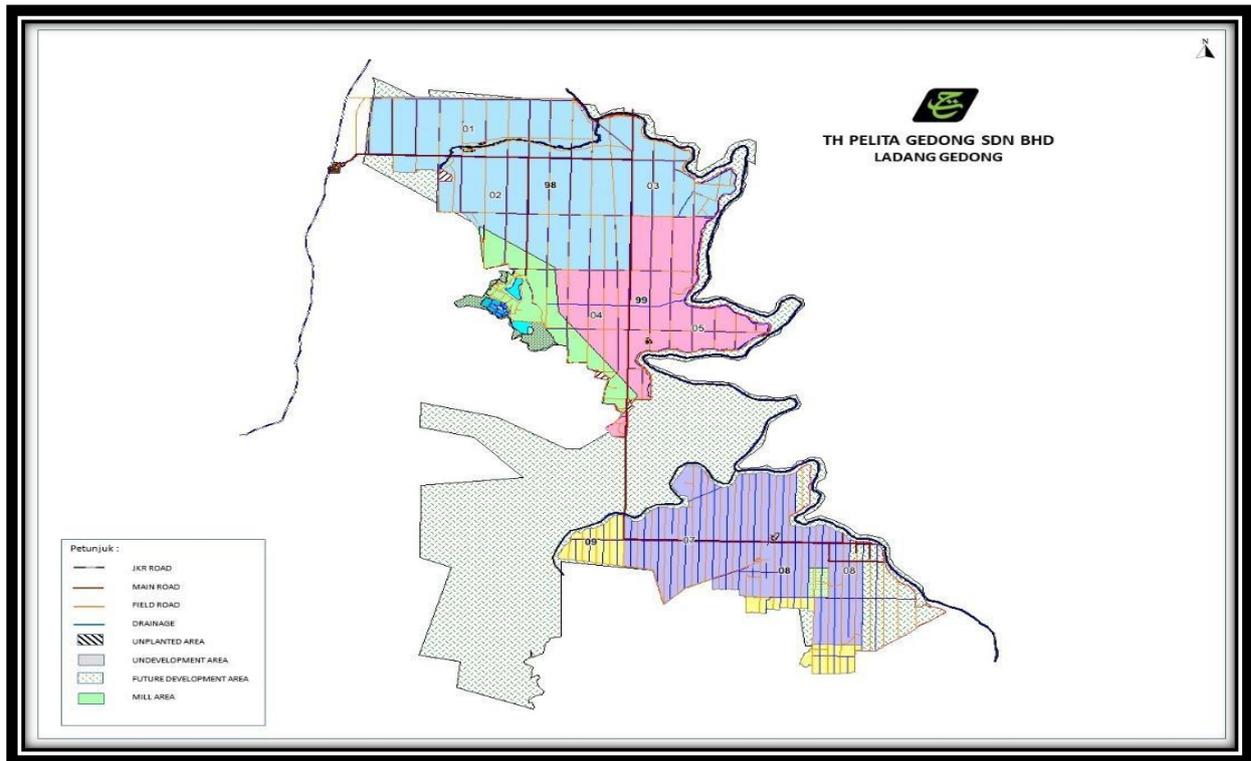
### 3) Ladang Semalatong



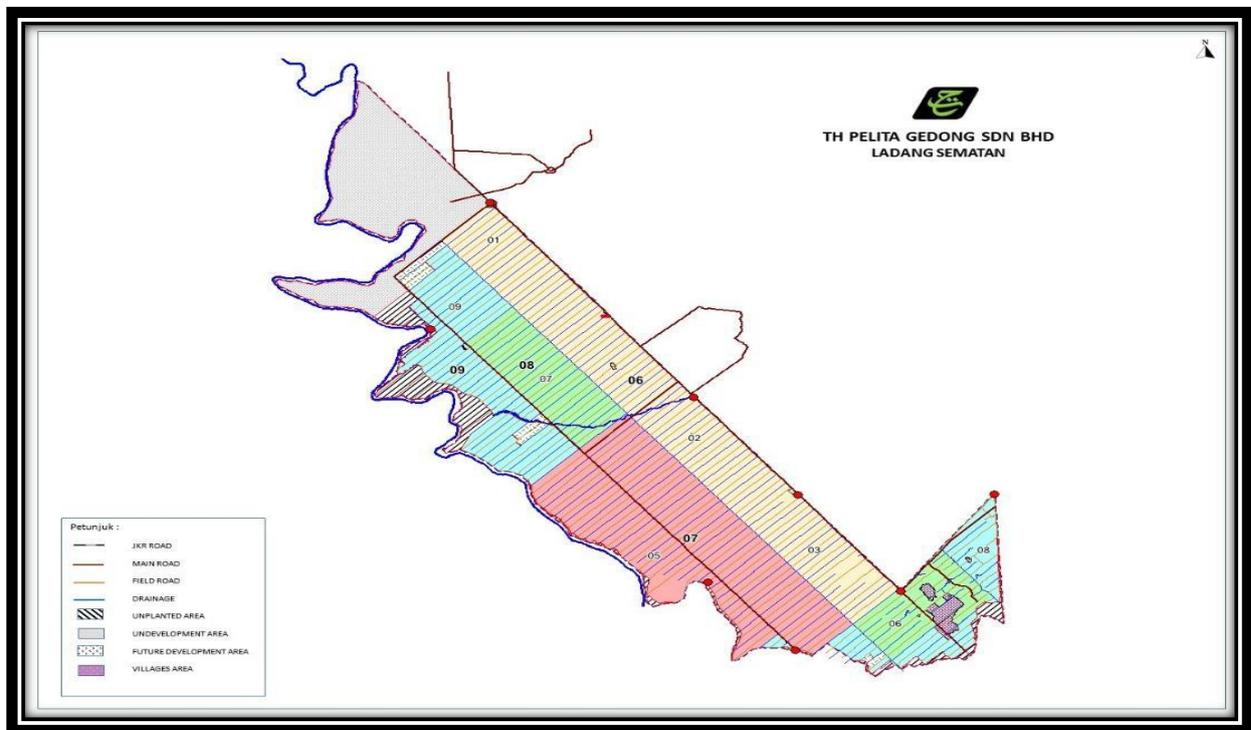
### 4) Ladang Sungai Kerian



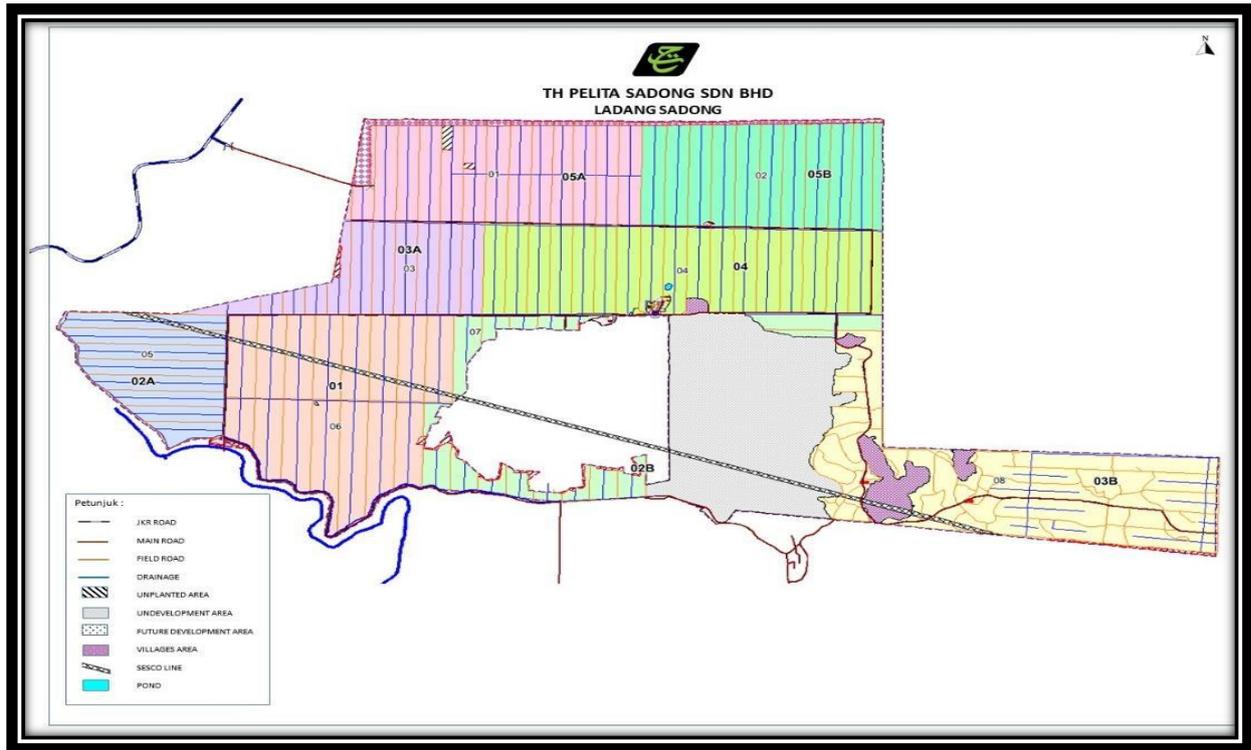
### 5) Ladang Gedong



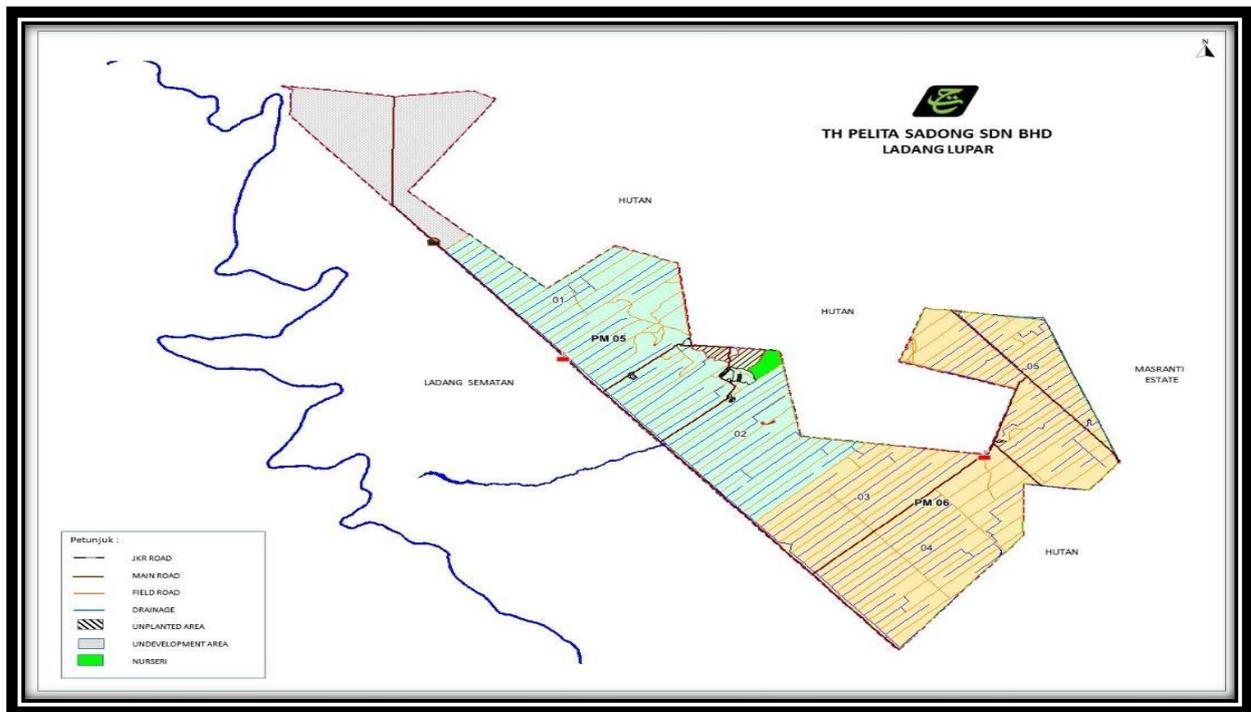
### 6) Ladang Sematan



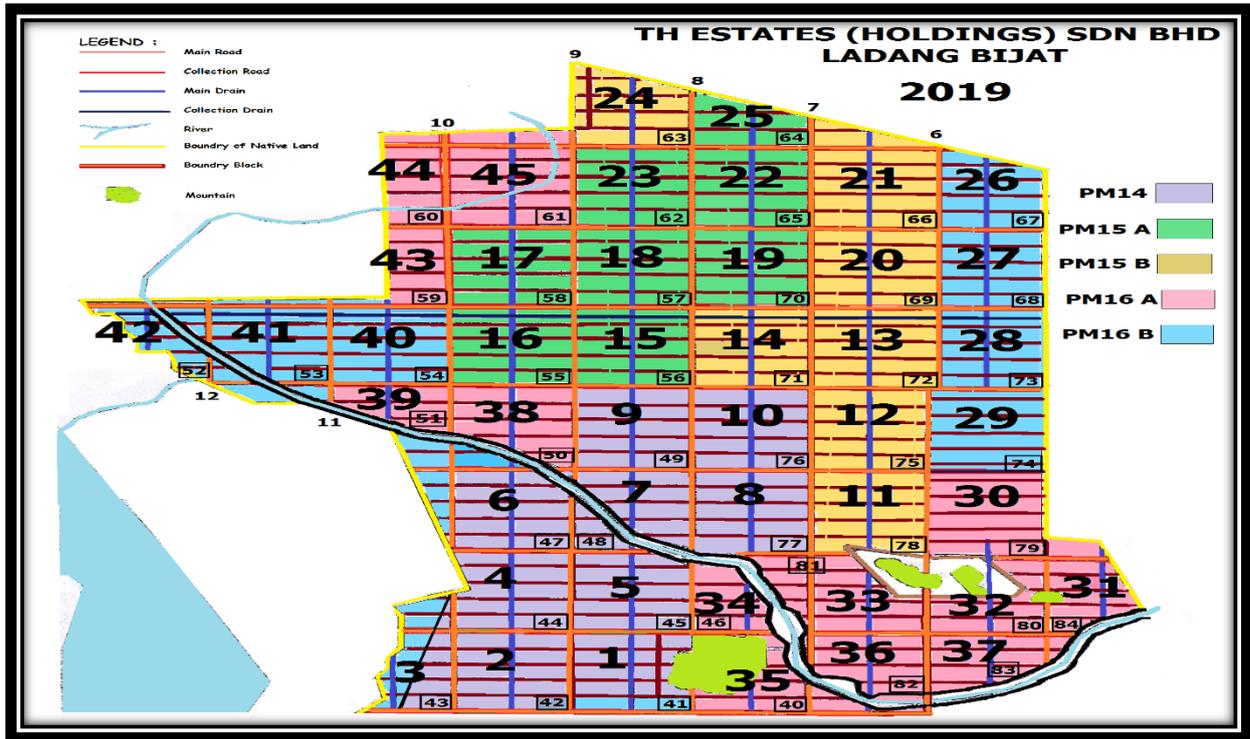
### 7) Ladang Sadong



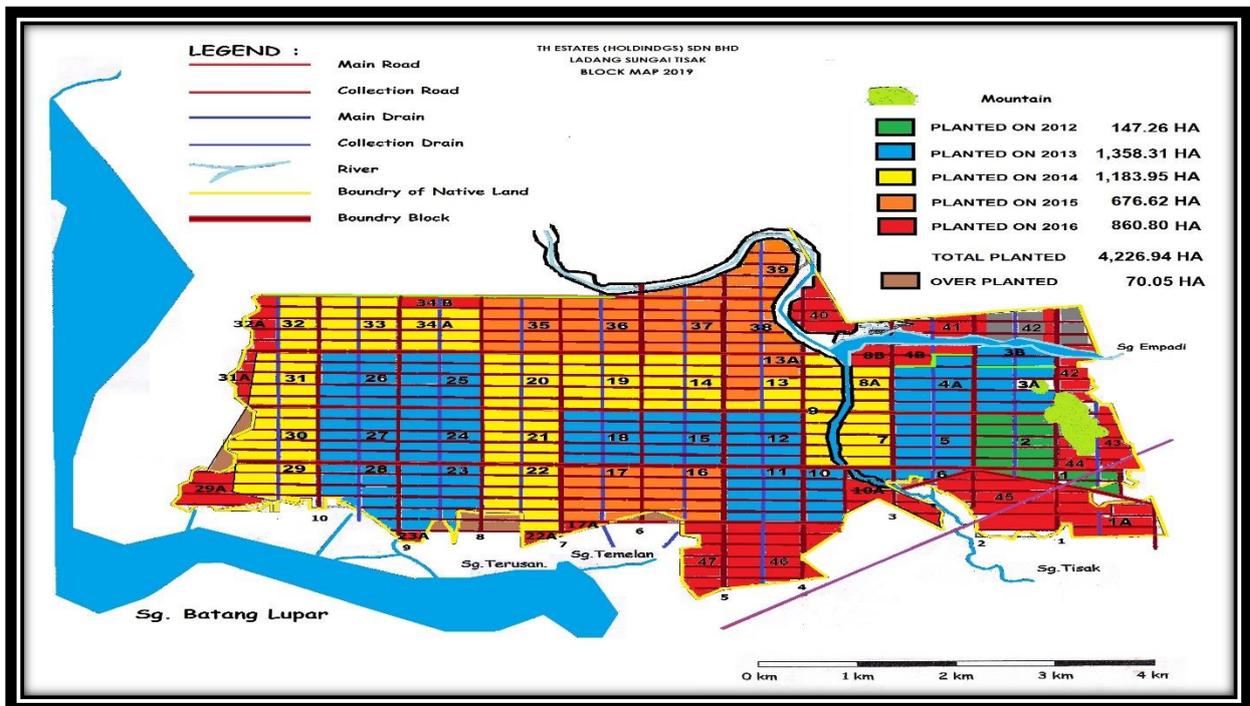
### 8) Ladang Lupar



### 9) Ladang Bijat



### 10) Ladang Sungai Tisak



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

Name of the Certification Unit	Area Summary (HA)			
	Certified Area (Per Land Title)	NCR (with MOU)	Planted (PL & NCR with MOU)	Mature (PL & NCR with MOU)
Ladang Kepayang	5,032.60	1,179.04	1,179.04	580.21
Ladang Semalatong	4,597.00	2,054.22	2,054.22	1,733.23
Ladang Sungai Kerian	5,583.31	-	2,182.00	1,964.00
Ladang Gedong	4,269.73	-	2,514.88	2,514.88
Ladang Sematan	3,277.75	-	2,735.84	2,591.63
Ladang Sadong	2,475.32	-	1,988.97	1,988.97
Ladang Lupar	2,091.86	-	1,738.32	1,738.32
Ladang Bijat	4,269.21	-	4,088.14	1,717.14
Ladang Sungai Tisak	4,512.79	-	4,226.94	3,366.14
<b>Total</b>	<b>36,109.57</b>	<b>3,233.26</b>	<b>22,708.35</b>	<b>18,194.52</b>

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	NCR (without MOU)
Ladang Kepayang	-	-	3,853.56
Ladang Semalatong	-	-	2,542.78
Ladang Sungai Kerian	-	-	-
Ladang Gedong	-	-	-
Ladang Sematan	-	-	-
Ladang Sadong	-	-	10.74
Ladang Lupar	-	-	7.14
Ladang Bijat	-	-	-
Ladang Sungai Tisak	-	-	-
<b>Total</b>	-	-	<b>6,414.22</b>

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [May 2018-April 2019]	Projected Production for next 12 Months [May 2019-April 2020]
Ladang Kepayang	NIL	8,218.73	10,697
Ladang Semalatong	NIL	20,449.10	26,452
Ladang Sungai Kerian	NIL	19,615.30	34,680
Ladang Gedong	NIL	42,209.81	47,418
Ladang Sematan	NIL	47,407.94	52,135
Ladang Sadong	NIL	37,068.57	41,591
Ladang Lupar	NIL	44,216.27	35,820
Ladang Bijat	NIL	18,954.47	28,530
Ladang Sungai Tisak	NIL	36,535.00	59,352



<b>Total</b>	<b>NIL</b>	<b>274,675.19</b>	<b>336,675</b>
--------------	------------	-------------------	----------------

## 1.6 Certificate Details

<b>Certification body</b>	Global Gateway Certifications Sdn. Bhd., No. 10 Jalan Rasmi 7, Taman Rasmi Jaya, 68000 Ampang, Selangor Darul Ehsan, Malaysia. Tel.: +603 4256 2689; Fax: +603 4256 2687 Website: <a href="http://www.ggc.my">www.ggc.my</a>
<b>Assessment standard</b>	(MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders
<b>Certificate number</b>	GGC-THPB012-MSPO-00-2019
<b>Initial certificate issued date</b>	26 <sup>th</sup> June 2019
<b>Certificate expiry date</b>	25 <sup>th</sup> June 2024
<b>Stage 1 assessment date</b>	19 <sup>th</sup> February 2019
<b>Stage 2 / Main Assessment</b>	21 <sup>st</sup> May 2019 – 26 <sup>th</sup> May 2019
<b>Annual Surveillance 1 [ASA 1]</b>	March 2020
<b>Annual Surveillance 2 [ASA 2]</b>	March 2021
<b>Annual Surveillance 3 [ASA 3]</b>	March 2022
<b>Annual Surveillance 4 [ASA 4]</b>	March 2023

## 1.7 Qualification of the Lead Assessor and Assessment Team

### Lead Auditor

**Name:** **Muhammad Syafiq bin Abd Razak**

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

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

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

### Auditor

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

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

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

### Auditor

**Name:** **Hj. Ahmad bin Sukiman**

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

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

## 1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). In the case of this certification unit, sampling calculation was applied. Therefore, total numbers of supply based assessed in the audit are 6 estates.

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

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

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

## 1.9 Audit Plan Information

<b>Audit Date</b>	21 <sup>st</sup> May 2019 – 26 <sup>th</sup> May 2019
<b>Name of site(s) visited</b>	<ol style="list-style-type: none"> <li>1. Gedong Estate</li> <li>2. Kepayang Estate</li> <li>3. Semalatong Estate</li> <li>4. Sadong Estate</li> <li>5. Lupar Estate</li> <li>6. Sematan Estate</li> </ol>
<b>Total number of man-days spent</b>	18 man-days

## 1.10 Audit Result Summary Findings

<b>Category</b>	<b>Numbers</b>	<b>Status (Closed/Open/Not Applicable/No Action Requires)</b>
Major Nonconformities	1	Closed
Minor Nonconformities	2	Open (Next Surveillance Audit)
Area of Concern	0	No action requires
Noteworthy /Positive Comments	5	No action requires

## 1.11 Stakeholder Consultation

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

GGC has published the public notification on 05<sup>th</sup> April 2019 and as to accommodate a stakeholders' consultation meeting for mill and estates. Therefore, it was conducted on 21<sup>st</sup> May 2019 – 27<sup>th</sup> May 2019 in TH Plantations Berhad, Gedong Complex [Mill & Estates] to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements.

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

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

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	All Stakeholders	Most of them has little knowledge on the existence of method/mechanism of complaints/ grievances.	Management to continue briefing to all stakeholders on MSPO and complaint and grievance mechanism	Will review by next surveillance audit
2.	Stakeholders A	<ul style="list-style-type: none"> <li>a. Expected to receive dividend on top of incentives payment.</li> <li>b. Requested payment due from ASSAR after 5<sup>th</sup> year of planting.</li> <li>c. FFB transportation to Mill was awarded to non-participants</li> <li>d. Unripe FFB contributed losses to them</li> <li>e. Estate main entrance gate to implement stringent check in</li> </ul>	<ul style="list-style-type: none"> <li>a) Incentive has been continued paid at RM 720/ha/year. As at todate estate recorded losses thus unable to pay the dividend. Refer the JV Agreement schedule 3 and account report as at Dec 2018 attached.</li> <li>b) First Batch of ASSAR payment released in 2016 involved of 5 participants (32.825 ha). As discussed with PELITA payment will be paid on stages according to batch once the complete survey been done. Second batch budgeted in 2019 where 669.798 ha involve of 170 participants. Estate will seek</li> </ul>	Will review by next surveillance audit

		<p>allowing vehicles coming in and out of the estate.</p> <p>f. Requested priority to be given to them for any new tender</p> <p>g. Requested fuel subsidy for attending Stakeholders Consultation meeting</p>	<p>advice and approval from PELITA to release the payment.</p> <p>c) All contract work awarded based on tender's process. List of tenderers shall be obtained from Procurement Department for any contract works. Despite losing in tendering process a few locals were awarded the transporting work taking into consideration their participation in the scheme and other criteria's. Related documents attach for reference.</p> <p>d) Estate has adhered the standard in house quality for harvesting. Grading report from GPOM attached for reference.</p> <p>e) Vehicles details are recorded for coming in/out of estate except for common locals who have their land in the estate. Estate to introduce special pass for these locals involved. Estate will implement/Checking all the visitor to ensure only authorised visitor are allowed to enter the estate/mill.</p> <p>f) Locals and participants are encouraged to registered their company in the Procurement Registration List. Tendering process will be carried out as per SOP and those registered will be invited accordingly.</p> <p>g) A few participants (mostly Penghulu &amp; tuai's) was appointed as Agen Perhubungan Awam and being paid on monthly allowances. Among their duties are to attend anything related to the NCR Project Scheme.</p>	
3.	Stakeholders B	<p>a. Monthly statement sometimes took 6 months</p> <p>b. Too many potholes from main entrance gate to the Mill</p> <p>c. Payment sometimes take more than 2 months.</p>	<p>a) Mill have provided the monthly statement early month. The statement will be put at the Mill office. All supplier can get the monthly statement at the office.</p> <p>b) Road in bad condition due to high rainfall and the estate yet to received approval from Procurement Department to purchase DCR for maintenance purpose. Estate will implement/Checking all the visitor to ensure only authorised visitor are allowed to enter the estate/mill.</p>	Will review by next surveillance audit

			c) The estate received insufficient fund from HQ. Estate request remittance from HQ based on credit term (90 days)	
4.	Stakeholders C	a. Statutory Declaration to be submitted before 31 <sup>st</sup> October of the year. Errant estate to be charged full hectares instead of mature area. b. Building/mill construction or extension to inform Majlis Daerah in accordance to Sarawak Building Ordinance and Local Authority Ordinance requirements. c. Requested mill to check overload FFB transport using government and kampong roads.	a) The problem has arise since the closing Of Regional Office and changing address Regional Office to Gedong Estate Office. We will declare actual hectarage (matured) in October 2019 b) Mill already have trading license from Majlis Daerah Serian. So, there is no issue they did not knows the mill is in the Majlis Daerah Serian area. c) Mill will send a letter to estates & FFB supplier to ensure they will follow the optimum weight.	Will review by next surveillance audit
5.	Stakeholders D	Payment > 90days	a) The estate received insufficient fund from HQ. Estate request remittance from HQ based on credit term (90 days).	Will review by next surveillance audit
6.	Stakeholders E	Payment > 90days	a) The estate received insufficient fund from HQ. Estate request remittance from HQ based on credit term (90 days)	Will review by next surveillance audit
7.	Stakeholders F	Good rapport, payment OK. Requested more purchase from estate.	a) To continue current practiced. The purchase of product was based on budget & requirement.	Positive findings
8.	Stakeholders G	a. Payment OK b. Road in bad condition from main entrance gate to Gedong Mill.	a) To continue current practice and do payment as aging. b) Road in bad condition due to high rainfall and the estate yet to received approval from Procurement Department to purchase DCR for maintenance purpose. Estate will implement/Checking all the visitor to ensure only authorised visitor are allowed to enter the estate/mill. Estate had mobile team to repair the mainroad oncall basis incase road need to repair very urgent anytime.	Will review by next surveillance audit
9.	Stakeholders H	Lack of signboard causing them lost	a) We have fixed the main signboards at appropriate location. However,	Will review by next

		direction to the estates' office.	since the complaint has been rise up, additional signboards will be fixed before August 2019	surveillance audit
10.	Stakeholders I	Payment > 2 months by Gedong Mill	a) The Mill received insufficient fund from HQ. Estate request remittance from HQ based on credit term (90 days)	Will review by next surveillance audit
11.	Stakeholders J	Good rapport and support in assisting the school.	To continue and strengthen the good relationship with all the stakeholders	Positive findings
12.	Stakeholders K	Expressed concern on conservation of river riparian and methane trapping	a) Based on Mill monthly ESI assessment, BOD reading not more than 20 ppm. Estate/Mill will be conserved riparian area as follow Jabatan Perhutanan & DOE requirement	Will review by next surveillance audit
13.	Stakeholders L	Payment of salary through bank remittance must get letter of concern from the worker/staff	a) Estate/mill already implement this matter.	Will review by next surveillance audit
14.	Stakeholders M	a. Advised the mill & estates to conduct "latihan kebakaran" as frequent as possible. b. Requested ample space for the fire engine to go as close to the scene.	a) Fire drill training programme was held only once a year as follow the OSH programme. b) There's an alternative road available to reach the scene area.	Will review by next surveillance audit
15.	Stakeholders N	No request came from Estates or Mill since 2016 to conduct training and awareness programme on safety and health	a) Mill/estate will request training upon requirements.	Will review by next surveillance audit
16.	Stakeholders O	a. Some MPOB officers especially TUNAS Officer always denied entry by the security without further scrutiny b. NCR land bonded by lease agreement with TH Plantations Berhad will not be allowed to join SPOC.	a) Any visitor must introduce himself to our officer at security post. They must comply with our SOP during in Estate. b) We have advised by MPOB Betong to do certification for participants including our certification due to estate has manage the area.	Will review by next surveillance audit
17.	Stakeholders P	Very good cooperation in accepting students from Institut Pertanian to carry out industrial	To continue and strengthen the good relationship with all the stakeholders	Positive findings

		training as well as student field trip.		
18.	Stakeholders Q	Estates and Mill adhered to the PERKESO Act. Good track record and on time submission of the monthly returns.	To continue and strengthen the good relationship with all the stakeholders	Positive findings

Note: Audience - NCR Owner, Government Agencies and Private Company

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	<ol style="list-style-type: none"> <li>1. Request Mill Management to brief on how the process of OER being awarded and why variation in price within Sabah / Sarawak and Peninsular as well as within the vicinity.</li> <li>2. He mentioned the Sales and Purchased Agreement being received late. Thus, unable to lodge any grievance within the stipulated timeframe.</li> <li>3. He also need an explanation from Mill Management as why the processing is higher than the other nearby mill.</li> </ol>	<ol style="list-style-type: none"> <li>1) Mill will be held briefing on the issue rise by stakeholder. Targeted date will be on 31 May 2019.</li> <li>2) Mill will prepare the Sales &amp; Purchased Agreement to the stakeholder before 15th June 2019.</li> <li>3) Mill will held briefing on the issue rise by stakeholder. Targeted date will be on 31 May 2019.</li> </ol>	Will review by next surveillance audit
2.	Stakeholders B	<ol style="list-style-type: none"> <li>1. He enquires why no Environmental Impact Assessment not covering the Local Communities during the process.</li> <li>2. He also needs an explanation on variation of FFB price awarded to smallholders</li> </ol>	<ol style="list-style-type: none"> <li>1) The previous management have done EIA Report before the estate establishment. From the report, the local communities are included and pass the NREB specifications, procedures and requirements.</li> <li>2) Mill will be held briefing on the issue rise by stakeholder. Targeted date will be on 31 May 2019.</li> </ol>	Will review by next surveillance audit

3.	Stakeholders C	1. He requests Mill Management to maintain the accessibility to mill as a lot of potholes.	1) Road in bad condition due to high rainfall and the estate yet to received approval from Procurement Department to purchase DCR for maintenance purpose. Estate will implement/Checking all the visitor to ensure only authorised visitor are allowed to enter the estate/mill.	Will review by next surveillance audit
4.	Stakeholders D	1. Request Mill Management to brief on how the process of FFB price being awarded	1) Mill will be held briefing on the issue rise by stakeholder. Targeted date will be on 31 May 2019.	Will review by next surveillance audit
5.	Stakeholders E	<p>1. He mentioned the Mill Management need to state the time of delivery at the Guard Post or Notice Board.</p> <p>2. He also request mill to extend the time of delivery.</p> <p>3. He request Mill Management to inform smallholders in written as when the payment being paid through account.</p> <p>4. Mill Management need to monitor the weighbridge operator whom seem to be unfriendly and inefficient in dealing with the transporters.</p> <p>5. He request Mill Management to place the Pricing base on latest price and be up to date from time to time.</p> <p>6. Weighbridge at mill slippery and unsecure to the transporters.</p>	<p>1) Mill already display the time of delivery at Weighbridges office. However, since the issue has been rise by stakeholder, Mill will display time of delivery at notice board and Guard post.</p> <p>2) Mill has extended the time of delivery from 5.00 Pm to 5.30 PM.</p> <p>3) The issue will be discussed during the meeting with smallholder on 31 May 2019 at 9.00 am</p> <p>4) Mill had already resolved the matter internally</p> <p>5) Mill will be held briefing on the issue rise by stakeholder. Targeted date will be on 31 May 2019.</p> <p>6) Mill will tighten the Safety Operating Procedure at the weighbridges. All drivers must wear safety boot.</p>	Will review by next surveillance audit
6.	Stakeholders F	1. Request an Estate to discuss with Local Community whenever involve Sg	1) Estate didn't receive any info from Pejabat Daerah related to customary of local community involving Sg. Engkuan. Will see/ask	Will review by next surveillance audit

		<p>Engkuan as it related to their customary. The matter has been discussed with Pejabat Daerah and still no response by both parties.</p> <p>2. To extend Corporate Social Responsibilities to Local Communities.</p>	<p>further to Pejabat Daerah before end of June 2019.</p> <p>2) Estate did donation and contribution to school in Gedong/surrounding Estate which Estate's school children had the interest.</p>	
7.	Stakeholders G	1. No Corporate Social Responsibilities to Local Communities.	1) For Kampung Merakai, Estate Sadong contributed water tank, machine to repair school football field and mainroads to Kampung Merakai.	Will review by next surveillance audit
8.	Stakeholders H	1. No Corporate Social Responsibilities to Local Communities although quite often requesting.	1) Limited budget in 2019 and need HQ approval and follow company procedure before contribution/donation is made.	Will review by next surveillance audit
9.	Stakeholders I	1. Request estate to stack the fronds in the stacking row instead of on the road access to their Kampung.	1) Ensuring that the frond stacking does not prevent the passage of the villagers.	Will review by next surveillance audit
10.	Stakeholders J	1. He on behalf of the local communities at THP Sg Kerian need a feedback on the land issues which involved 9 different areas.	1) No NCR issue at ladang Sungai Kerian due to area was under PL and if any claimants, the issue will be discuss by Syarikat Punggor Wibawa as Shareholder of the villagers.	Will review by next surveillance audit
11	Stakeholders K	<p>1. No Corporate Social Responsibilities to Local Communities although quite often requesting</p> <p>2. Sg Merakai was polluted and affected their daily routine activities.</p> <p>3. He request THP to use the original name of the area as it part of their values.</p> <p>4. Estate or Mill vehicles inclusive lorries to adhere to the signages being erected as it cause</p>	<p>1) Estate has done some CSR like 82 unit water tank, resurfacing existing main road with quarry waste and cash contribution for festival.</p> <p>2) Management has done mitigation plan as recommended by Ecosol and NREB.</p> <p>3) The previous management had choose the familiar name for the estate</p> <p>4) Estate has already fixed the signboard at appropriate location. We will conduct the training for lorry driver for their awareness on road safety.</p>	Will review by next surveillance audit

		danger to other users.		
12	Stakeholders L	<ol style="list-style-type: none"> <li>1. He informed that the POME has polluted the river and the bund was broken.</li> <li>2. He request Mill Management to place the Pricing base on latest price and be up to date from time to time</li> <li>3. No Sales and Purchased Agreement.</li> </ol>	<ol style="list-style-type: none"> <li>1) Based on Mill monthly ESI assessment, BOD reading not more than 20 ppm.</li> <li>2) Mill has display the price of Rm/1% OER at the weighbridge office.</li> <li>3) Mill will prepare the Sales &amp; Purchased Agreement to the stakeholder before 15th June 2019.</li> </ol>	Will review by next surveillance audit
13	Stakeholders M	<ol style="list-style-type: none"> <li>1. Request Mill Management to brief on how the process of OER being awarded and why variation in price within Sabah / Sarawak and Peninsular as well as within the vicinity.</li> <li>2. He also needs an explanation from Mill Management as why the processing is higher than the other nearby mill</li> </ol>	<ol style="list-style-type: none"> <li>1) Mill will be held briefing on the issue rise by stakeholder. Targeted date will be on 31 May 2019.</li> <li>2) Mill will be held briefing on the issue rise by stakeholder. Targeted date will be on 31 May 2019.</li> </ol>	Will review by next surveillance audit
14	Stakeholders N	<ol style="list-style-type: none"> <li>1. He urged the Estate Management to improve the accessibility to the villagers which have to trespassing Estate land and Guard Post</li> </ol>	<ol style="list-style-type: none"> <li>1) Any villagers must introduce himself at the security post. They must comply with our SOP when passing through the Estate road.</li> </ol>	Will review by next surveillance audit

Note: Audience - Smallholders and Local Communities

### 1.12 Recommendation

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

The management is committed to comply with MSPO system by giving awareness training to all personnel involved in this standard to make them understand the procedures and implementation of the standard.



The employees are aware of the requirements of MSPO. There was no complaint or feedback received during this Main Assessment (Stage 2) Audit.

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

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

### 1.13 Date of Next Surveillance Audit

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

### 1.14 Confidentiality

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

### 1.15 Abbreviations Used

BOD	Biological Oxygen Demand
CHRA	Chemical Health & Risk Assessment
CIP	Continuous Improvement Plan
COD	Chemical Oxygen Demand
CoP	Code of Practise
CSPO	Certified Sustainable Palm Oil
CPO	Crude Palm Oil
CSPK	Certified Sustainable Palm Kernel
DOE	Department of Environmental
DOSH	Department of Occupational Safety and Health Malaysia
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
FFB	Fresh Fruit Bunch
FGS	Finished Good Stock
GAP	Good Agriculture Practise
GHG	Greenhouse Gas
GGC	Global Gateway Certifications Sdn Bhd
HIRARC	Hazard Identification, Risk Assessment and Risk Control
ISCC	International Sustainability & Carbon Certification
IPM	Integrated Pest Management
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysian Palm Oil Certification Council
MSPO	Malaysian Sustainable Palm Oil
NCR	Non-Conformance Report



NGO	Non-Government Organization
OHS	Occupational Health & Safety
OHSAS	Occupational Health and Safety Assessment Series
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
SEIA	Social Environmental Impact Assessment
SOP	Standard Operating
SPO	Sludge Palm Oil

## SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA

### 2.1 Principle 1 : Management commitment and responsibility

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

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

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

Stakeholder Meeting was conducted on 19<sup>th</sup> December 2018 by Tn. Hj Ismail bin Sadari, Estate Senior Manager attended by 92 stakeholders. The meeting was collaborated among Gedong Estate (Mill & Estates).

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

- 1) Kepayang Estate:
  - MSPO Awareness for Internal Stakeholder was conducted on 18<sup>th</sup> October 2018 by Tn Hj Ibrahim bin Nordin (Estate Sr. Assistant Manager), attended by 119 Internal stakeholders.
- 2) Sadong Estate
  - MSPO Awareness for Internal Stakeholder was conducted on:
    - i. 26<sup>th</sup> February 2019 by En. Abang Ahmad Saifulhadi bin Abang Iskandar, attended by 219 Internal stakeholders.
- 3) Sematan Estate
  - MSPO Awareness for Internal Stakeholder was conducted on:
    - ii. 02<sup>nd</sup> November 2018 by En. Muhamad Sukri bin Nor Hamidi (Executive Sustainability Department), attended by 14 executives & staffs.
    - iii. 02<sup>nd</sup> November 2018 by En. Mohd Armizi Asywal bin Materang (Estate Assistant Manager), attended by 232 workers.
    - iv. 12<sup>th</sup> November 2018 by En. Mohd Armizi Asywal bin Materang (Estate Assistant Manager), attended by 2 workers.

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

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

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

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

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

<b>Criterion 2</b>	<b>Internal audit</b>
<b>Indicator 1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.

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

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

Sighted the internal audit programme - "Annual THP MSPO Certification Program 2019" planned by Sustainability & Investor Relations Department. Prepared by En Mohd Uzair bin Rozali and approved by Miss Aisyatul Aizzura Salha Abdul Rahim (Head Sustainability and Investor Relations).

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

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

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

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

As evidence, sighted internal audit at:

- 1) Gedong Estate:
  - The internal audit conducted by En. Muhamad Sukri bin Nor Hamidi and Abang Audy Azwy bin Abang Matasan on 29<sup>th</sup> November 2018. 22 major and 3 minor Non – conformities being raised during audit.
  - The Non – conformities being closed on 07<sup>th</sup> January 2019 within the stipulated period by the Internal Auditor of 45 days from date audit report issued.
  
- 2) Semalatong Estate
  - The internal audit conducted by En. Muhamad Sukri bin Nor Hamidi on 16<sup>th</sup> January 2019. 18 major and 3 minor Non – conformities being raised during audit.
  - The Non – conformities being closed on 09<sup>th</sup> April 2019 within the stipulated period by the Internal Auditor of 45 days from date audit report issued.
  
- 3) Lupar Estate



- The internal audit conducted by by En. Muhamad Sukri bin Nor Hamidi, Abang Audy Azwy bin Abang Matasan, En Rafiyudin bin Abd Rashid on 22<sup>nd</sup> November 2018. 20 major and 2 minor Non – conformities being raised during audit.
- The Non – conformities being closed on 03<sup>rd</sup> January 2019 within the stipulated period by the Internal Auditor of 45 days from date audit report issued.

The findings were documented in the Internal Audit Findings Summary.

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

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

**Summary** Sighted the internal audit report done by Sustainability & Investor Relations Department. As evidence at:

- 1) Kepayang Estate:
  - Conducted by En. Muhamad Sukri bin Nor Hamidi and Abang Audy Azwy bin Abang Matasan on 29<sup>th</sup> November 2018. 18 major and 3 minor Non – conformities being raised during audit.
- 2) Sadong Estate
  - Conducted by En. Muhamad Sukri bin Nor Hamidi on 24<sup>th</sup> November 2018. 15 major and 2 minor Non – conformities being raised during audit.
- 3) Sematan Estate
  - En. Muhamad Sukri bin Nor Hamidi, Abang Audy Azwy bin Abang Matasan, En Rafiyudin bin Abd Rashid on 22<sup>nd</sup> November 2018. 20 major and 2 minor Non – conformities being raised during audit.

The report is available for Management to review and being responded in timely manner.

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

**Criterion 3 Management review**

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

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

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

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

As evidence:

- 1) Gedong Estate
  - Sighted "Management Review Meeting 01/2019" on 10<sup>th</sup> April 2019. Prepared by En. Hasnan bin Baharum Izhar (Assistant Manager) and approved by Tn. Hj Ismail bin Sadari (Estate Senior Manager). Attended by 13 participants.
- 2) Kepayang Estate
  - Sighted "Management Review Meeting 01/2019" on 01<sup>st</sup> April 2019. Prepared by Cik Roseanna Robert (Clerk) and approved by Mr. Singgat Anak Birai (Estate Manager). Attended by 9 participants.
- 3) Semalatong Estate
  - Sighted "Management Review Meeting 01/2019" on 13<sup>th</sup> February 2019. Prepared by Cik Shasha Suria binti Sahrom (Clerk) and approved by En. Mohd Johari bin Md Daud (Estate Manager). Attended by 13 participants.

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

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

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



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

Sighted list of continuous improvement plan at Kepayang Estate/Sadong Estate/Lupar Estate/:

- 1) To replace by phase all the dilapidated conditions of workers quarters with permanent concrete house.
- 2) Linesite cleanliness and beautification
- 3) Waste management.
- 4) Enforcement of Occupational Safety & Health
- 5) Good management practices.

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

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

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

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

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

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

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

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

## 2.2 Principle 2 : Transparency

### Criterion 1 Transparency of information and documents relevant to MSPO requirements

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

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

The objectives of this procedures are:-

1. Sharing information about stakeholder concerns and views
2. Giving stakeholders a reasonable opportunity to express their views
3. Taking those views into account and providing resolution as reasonably practicable
4. To identify negative impacts from Social Impact Assessment and establish mitigation plans to improve
5. Promote positive impact from Social Impact Assessment

Stakeholder Meeting was conducted on 19<sup>th</sup> December 2018 by Tuan Haji Ismail bin Haji Sadarii, The Senior Manager, Gedong Estate attended by 92 stakeholders. The meeting was collaborated between Ladang Lumar, Ladang Sematan, Ladang Gedong, Ladang Sadong, Ldang Kepayang, Ladang Semalatang, Ladang Sg Kerian and Gedong Palm Oil Mill.

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

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

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

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

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



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

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

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

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

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

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

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

**Summary** All estates have appointed the person in charge for consultation and communication. As evidence:

- 1) Gedong Estate
  - The person in charge is Mr. Matali bin Saidi, appointed on 1<sup>st</sup> October 2018 by the Estate Manager.
- 2) Kepayang Estate
  - The person in charge is Mrs. Halimah Middley appointed on 1<sup>st</sup> October 2018.
- 3) Semalatong Estate
  - The person in charge is Mrs. Camilla ak Dullah appointed on 07<sup>th</sup> January 2019.

**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** All estates have updated the stakeholders list. Sighted latest stakeholders list updated on:

Kepayang Estate:

Sighted latest stakeholders list updated on 1<sup>ST</sup> November 2018. The stakeholders list was updated by Pn. Halimah binti Middley.

	No of stakeholders
Government	44



Supplier / Contractor	27
Local Community	350
<b>Total</b>	421

Semalatong Estate:

Sighted latest stakeholders list updated on 2<sup>nd</sup> January 2019. The stakeholders list was updated by Pn. Camillia Anak Dullah.

	No of stakeholders
Government	49
Supplier / Contractor	8
Local Community	702
<b>Total</b>	759

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

**Criterion 3 Traceability**

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

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

Seen, 9 (nine) set of traceability process flow being established for Sarawak Operations, namely:-

NO	SOP NO	PROCESS FLOW
1	5.2.1	Weighbridge available at mill and estate
2	5.2.2	No Weighbridge at Estate, Security at Estate
3	5.2.3.1	No Weighbridge at Estate, No Security at Estate – Bin / Collection
4	5.2.3.2	No Weighbridge at Estate, No Security, Direct to Mill
5	5.2.3	Weighbridge and security at Estate
6	5.2.4.1	External Collection Center – No weighbridge at Estate
7	5.2.4.2	External collection Centre – weighbridge at Estate.
8	5.2.4.3	External Collection Center – weight without FFB before sent to mill / collection center
9	5.2.4.4	External Mill / collection Centre – weighbridge at Estate.

As evidence, for Gedong Estate, the traceability process is based on 5.2.3.1 - No Weighbridge at Estate, No Security at Estate – Bin / Collection and 5.2.3.2 - No Weighbridge at Estate, No Security, Direct to Mill.

As for Sadong Estate, the traceability process is based on 5.2.3.1 No Weighbridge at Estate and no security at Estate.

The process flow as follows:-

Harvesting operation being conducted by Check-roll workers (own harvester) and the mandore / supervisor is under Estate Management.

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

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

Upon completion of field FFB Grading, the FFB will be loaded and transported to bin and recorded in the Bunch Record.

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

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

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

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

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

Base on interview with the Person In – Charge of all the Estates, they are well versed with the procedures.

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

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

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

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

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

**Summary** All estates have appointed the person in charge for traceability system. As evidence:

- 1) Sadong Estate
  - The person in charge is Tuan Haji Mat Nazari bin Haji Sarif appointed on 2<sup>nd</sup> January 2019.
- 2) Lupar Estate
  - The person in charge is En. Bolhassan bin Bohari appointed on 17<sup>th</sup> October 2018.
- 3) Sematan Estate
  - The person in charge is En. Suhaimi bin Sapiee appointed on 1<sup>st</sup> January 2019.

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

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

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

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

## 2.3 Principle 3 : Compliance to legal requirements

### Criterion 1 Regulatory requirements

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

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

The List & Summary of Applicable Laws & Regulation comprised mostly for the requirements that related to MSPO compliance. This document includes information on title of laws, subject, reference No. etc., requirements, status of requirement and enforcing agency remarks.

Sighted the Summary of Compliance updated on 27.03.2019. It includes the following:

1. Occupational Safety and Health Act 1994, (Act 514)
2. Factories and Machineries Act 1967 (Act 139)
3. Uniform Building By Law, 1986 (Act 133)
4. Pesticides Act 1974 (Act 149)
5. Petroleum (Safety Measures) Act, 1984 (Act 302)
6. Electricity Supply Act, 1990 (Act 447)
7. Fire Service Act, 1984 (Act 341)
8. Environmental Quality Act 1974 (Act 127)
9. Local Government Act, 1976 (Act 171)
10. Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)
11. Akta Kerja 1955 (Act 265)
12. Employee Provident Fund Act 1991 (Act 452)
13. Employees Social Security Act 1969 (Act 4)
14. Minimum Retirement Age Act, 2012 (Act 753)
15. National Wage Consultative Council Act 2011, Minimum Wages Order (Amendment) 2018 (Act 732)
16. Sarawak Labour Ordinance (Act A1237)
17. Undang-undang Kecil
18. MPOB, 1998 (Act 582)

However, one minor non-conformity has been raised to Kepayang Estate, Sadong Estate, Lupar Estate and Sematan Estate. Details as per below:

Out of several samples taken from each estate, evidence the following number of foreign workers being employed under different employer;

Location of work	No. of Sample Taken	No. of foreign worker	Employed by
Kepayang	22	8	Semalatong
Sadong	50	2	Lupar
Lupar	50	1	Kenyalang
Sematan	50	1	Gedong Plantation

Samples of evidence:

1. Nasir Kammisi, Passport No. B4367961 of Kepayang Estate
2. Rachmat, Passport No. C2572430 of Sadong Estate
3. Kartini Ampari, Passport No. AT732323 of Sematan Estate

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

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



## Summary

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

As evidence in Gedong Estate;

- 1) Lesen Berniaga 2019 Ref No. A. 709211/10 expiry 13.02.2020.
- 2) MPOB License No. 503505102000 (2,514.88ha) expiry 30.06.2019
- 3) Permit Barang Kawalan Berjadual, No Siri : Q000652 for 20,000 liter diesel - for a period of 09.08.2017 to 08.08.2018. Sighted letter of permit renewal application addressed to Ketua Bahagian Pengawatuksa, Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan, Kuching, Sarawak dated 08.07.2018. Based on the condition of permit, "pembaharuan hendaklah dikemukakan kepada Pengawal satu bulan sebelum tamat tempoh". Sighted a letter of request from KPDNKK Kuching to Ketua Balai Bomba dan Penyelamat Daerah Serian in respect to "Sokongan Menyimpan Barang Kawalan Berjadual Bahan Api Petroleum" Ref No. PPDN(W)PGK/05/08 dated 04.09.2018. Sighted letter from Jabatan Bomba dan Penyelamat Malaysia, Siburan, Sarawak dated 07.11.2018 indicated that for the approval, the estate needs to obtain Sijil Perakuan Bomba.
- 4) Lesen (bagi penjaja, petroleum, dan perniagaan pelbagai) No Lesen P184 for Storage of Petroleum, issued under The Local Authority Ordinance Chapter 20, Section 145 expiry 31.12.2019.
- 5) Air Compressor license, Serial No. PMT-SW/19 29711 expiry 08.04.2020.
- 6) Sighted application for a license to use, work or operate an electrical generating installation or to supply energy under Section 4 of the Electricity Ordinance (Cap. 37 (1958 ED)) dated 05.03.2019 and replied letter by Director of Electricity Supply, Ministry of Utilities, Sarawak on 06.05.2019 pending approval.
- 7) Sighted "Alat Pemadam Api Ladang Gedong" – 12 unit for the office/store premise, 10 executive/staff house and 29 workers housing areas expiry 10.07.2019, 01.02.2020, 11.03.2020.
- 8) Sighted "Permohonan untuk mendapatkan permit potongan gaji di bawah Seksyen 114 Ordinan Buruh (Sarawak Bab 76) addressed to Penolong Kanan Pengarah Tenaga Kerja, Serian, Sarawak dated 15.05.2019 for the following deduction;
- 9) Pinjaman Bank Rakyat – for staff (No deduction yet)
- 10) Potongan Tabung Haji – for staff (No deduction yet)
- 11) Sighted "Permohonan untuk mendapatkan permit pendahuluan gaji di bawah Seksyen 103 Ordinan Buruh (Sarawak Bab 76) addressed to Penolong Kanan Pengarah Tenaga Kerja, Serian, Sarawak untuk mendapatkan permit potongan bagi pendahuluan gaji bagi staff/pekerja" dated 14.05.2019. No deduction as yet.

As evidence in Semalatong Estate;

- 1) Lesen Berniaga 2019 Ref No. A. 648995 expiry 23.09.2019.
- 2) MPOB License No. 583925002000 (2,054.22ha) expiry 30.04.2020.
- 3) MPOB License No. 551086011000 expiry 30.06.2019.
- 4) Permit Barang Kawalan Berjadual, No Siri: Q000005 for 18,000-liter diesel - for a period of 06.05.2019 to 05.05.2020.
- 5) Air Compressor license, Serial No. PMT-SW/18 24622 expires 04.01.2020.
- 6) Sighted application for a license to use, work or operate an electrical generating installation or to supply energy and registration of electrical installation for Semalatong Estate addressed to Ministry of Utilities, Sarawak on 01.03.2019. Sighted replied letter by Director of Electricity Supply, Ministry of Utilities, Sarawak on 06.05.2019 pending approval.
- 7) Sighted letter from Jabatan Tenaga Kerja Sarawak, Kuching, Sarawak Ref No. JTKSWK/DA(S)/18 JLD.4(1) dated 02.01.2019 in respect to "Permohonan untuk mendapatkan pekeliling berkenaan Akta Standard Perumahan di Sektor Perladangan di Sarawak" stated that "dimaklumkan bahawa Akta Standard Minimum Perumahan dan Kemudahan Pekerja a990 (Akta 446) tidak dikuatkuasakan di Sarawak. Tiada pekeliling dikeluarkan berkaitan perkara tersebut. Walaubagaimanapun pemakaian dan pematuhan akta ini di Sarawak adalah bergantung kepada budibicara majikan sendiri".
- 8) Sighted "Rekod Alat Pemadam Api 2019" – 6 unit for the office/store premise, 11 executive/staff house and 17 workers housing areas expiry 19.07.2019, 21.05.2020, 27.03.2020, 19.03.2020.

**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** Any changes to legal requirements are tracked by means of periodic review and evaluation on the Laws & regulations list to ensure that any new/addition as well as changes and amendment are captured and update, through the following manner:

1. SIP Department, HQ
2. Enquiring the laws books publisher
3. Communication with law/enforcement officers
4. Website

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

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

**Summary** Sighted letter of appointment for the responsible person. As evidence in:

- 1) Kepayang Estate

- Sighted letter of appointment for the responsible person, Puan Dyg Nor Syafiqah Binti Awg Sulaiman (General Clerk), signed by Mr. Singgat anak Birai (Estate Manager) dated 01.10.2018.

2) Lupar Estate

- Sighted letter of appointment for the responsible person, Mr Abdul Razie Bin Stalwie (Field Staff), signed by Mr Harisfadzillah Bin Hj Lamat (Estate Manager) dated 17.10.2018.

3) Sematan Estate

- Sighted letter of appointment for the responsible person, Mr Mohd Khaider Bin Busrah (Field Staff), signed by Mr Tuah Bin Nawawi (Estate Manager) dated 01.01.2018.

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

**Criterion 2 Land use rights**

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

**Summary** All estates land titles are available and well maintained. As evidence:

**Gedong/Sadong/Lupar Estates**

No	Lot No	Hectare	Ownership
1	3031	57.40	TH Pelita Gedong Sdn Bhd
2	3032	159.60	TH Pelita Gedong Sdn Bhd
3	3034	453.00	TH Pelita Gedong Sdn Bhd
4	3038	46.73	TH Pelita Gedong Sdn Bhd
5	166	3,770	Lembaga Pembangunan dan Lindungan Tanah & Nirwana Muhibbah Sdn Bhd
	<b>Total</b>	<b>4,486.73</b>	

Sighted Area Statement as per progress report for the month of April 2019 is 4,486.73ha similar to land titled area. Sighted Estate Map indicated Lot number and total area of land title containing 4,486.73ha. Syarat-Syarat Nyata: Agricultural Purposes

Sighted evidence of annual payment of levy paid to Majlis Daerah Serian 4,468.22ha @ RM5.00/ha amounted to RM22,341.10 for year 2019 (a shortfall of 638.29ha or equivalent to RM3,191.45 underpaid)

	Gedong	Sematan	Total
Title Ha	4,486.73	3,480.00	7,966.73
Mature Ha	2,514.88	2,591.63	5,106.51



Sighted letter from Majlis Daerah Serian, Ref No. MDS/SAWIT/26J-08(8), in respect to "Pemberitahuan Pengekalan Bayaran Levi bagi pegangan TH Pelita Gedong Sdn Bhd". Any changed to the matured hectares will be paid in 2020.

Sighted evidence of quit rent payment for 2018 paid to Kerajaan Negeri Sarawak, Daerah Kuching, amounted to RM30,942.00 through Ladang Gedong for the following estate;

	Gedong	Sematan	Lupar/Sadong	Total
Ha	4,486.73	3,480.00	4,549.30	12,516.03
RM	11,104.00	8,596.00	11,242.00	30,942.00

Sighted the Deed of Novation made on 19.10.2009 (Joint Venture Undertaking for an area of more or less 7,210 hectares), between TH Ladang (Sabah & Sarawak) Sdn Bhd, Cempaka Teratai Sdn Bhd, DD Plantations Sdn Bhd and Pelita Holdings Sdn Bhd.

This joint venture Company is a "JV Project" for the development of an integrated oil palm plantation with other ancillary facilities and services including the construction of a palm oil mill on Lot 2, Block 6 and Lot 166 Block 5 of Melikin Land District containing a total area of 7,210 hectares, more or less.

### **Kepayang/Semalatong Estates**

For Kepayaang, sighted evidence of annual payment of levy paid to Majlis Daerah Simunjan 486.38ha @ RM5.00/ha amounted to RM2,431.90 for year 2018.

For Semalatong, sighted evidence of annual payment of levy paid to Majlis Daerah Simunjan 1,188.72ha @ RM5.00/ha amounted to RM5,943.60 for year 2018.

Sighted Area Statement as at April 2019, as follow;

No	Kepayang	Semalatong	Total
Title Ha			
Mature Ha	580.21	1,733.23	2,313.44
Immature Ha	598.83	320.99	919.82
Building Site	0.00	5.00	5.00
Roads & Drains	0.00	43.00	43.00
Village	1,853.56	0.00	1,853.56
River Reserve & area not yet developed	2,000.00	2,494.78	4,494.78
Total	5,032.60	4,597.00	9,629.60

No perimeter survey being carried out to determine the boundary lines of Kepayang/Semalatong Estates. However, sighted letter from CEO Pelita Holdings Sdn Bhd indicated the importance of perimeter survey to be conducted to determine between "Government land and Tanah Hak Adat Bumiputra" dated 06.11.2018.



Sighted Memorandum Rasmi from Pengarah Tanah dan Survei Ref No: 35/HQ/AL/13/2006(8D) addressed to Setiausaha Tetap, Kementerian Kemajuan Tanah, Sarawak dated 11.01.2008 in respect to "Pembangunan Tanah Hak Adat Bumiputera di Keayang-Semalatong, Samarahan". The "Tanah Hak Adat Bumiputera" containing 9,629.60ha, more or less approved by Y.A.B Pehin Sri Ketua Menteri/Menteri Perancangan dan Pengurusan Sumber, Sarawak. The said land has been gazette as "Kawasan Pembangunan Tanah NCR" di bawah Land Custody and Development Authority Ordinance, 1981. "Tanah tersebut dikerluarkan dengan surat hakmilik sementara kepada syarikat usahasama yang akan membangunkan Tanah Hak Adat Bumiputera terlibat". "Tanah berhakmilik jika ada hendaklah dikecualikan". The said land later on been developed through third party Company in a form of joint venture.

Sighted the Joint Venture Agreement made on 29.04.2009 between Pelita Holdings Sdn Bhd (PHSB) and DD Plantations Sdn Bhd for development of Native Customary Rights Land at Keayang-Semalatong, Samarahan Division, Sarawak for an integrated oil palm plantation. This joint venture Company is a "JV Project" for the development of an oil palm plantation together with such other ancillary facilities and services including palm oil mill for the benefit of the NCR Owners and the Parties.

Sighted the Principal Deed made on 21.05.2011 between Government of Sarawak and "1<sup>st</sup> batch NCR Owners" and Pelita Holdings Sdn Bhd (PHSB) which also contain The Schedule of Shares Allotment (Pursuant to Section 4.1 and Section 4.3) to be subscribed on the following;

TH Ladang (Sabah & Sarawak) Sdn Bhd has replaced DD Plantations Sdn Bhd as the Appointed Investor as per Share Sale Agreement dated 28.07.2009 and Deed of Novation dated 19.10.2009.

Ladang Keayang has made an incentive payment based on letter Ref No. (12) DLM.THP/LDG.SEMELATONG/LDG.37/FILE.1/JLD dated 20.03.2019 while Ladang Semalatong made an incentive payment based on letter Ref No. THPAM/THPSR/2019 (145) dated 15.05.2019, (approved by Plantation Controller) as tabulated below;

Estate	No of participants	Ha involved
Keayang	445 (324lots)	1,179.04
Semalatong	1,027 (445 lots)	2,054.22
Total	1,472 (890lots)	3,233.26

The incentive payment has been paid since 2010.

### **Sadong/Lupar Estates**

Sighted Area Statement as at April 2019, as follow;

No	Sadong	Lupar	Total
Title Ha	2,464.58	2,084.72	4,549.30
Mature Ha	1,988.97	1,738.32	3,727.29



Immature Ha	0.00	0.00	0.00
Building Site	5.73	8.66	14.39
Main Road	11.56	9.34	20.90
Main Drain	29.02	19.59	48.61
Nursery	0.00	10.42	10.42
SESCO O/line	46.96	0.00	46.96
Unplantable Area	351.67	305.51	657.18
Villages	41.41	0.00	41.41
Cemetery	0.00	0.02	0.02
Total	2,475.32	2,091.86	4,567.18
Less Overplanted	10.74	7.14	17.88
Total without Overplanted	2,464.58	2,084.72	4,549.30

Both estates were developed within Lot No. 12 containing 4,549.30 hectares. The land is to be used only for agricultural purposes and purposes incidental to the production and processing of crops grown thereon.

Sighted a copy of perimeter survey map for Lupar Estate indicating the location of surveyed points as well as "Luas Ladang of 2,084.72ha". However, the overplanted area of 7.14ha was included in the area statement. Sighted letter from Estate Manager of Lupar Estate addressed to Penolong Pengurus Besr Unit Agronomi dan Inovasi dated 03.04.2019 requested for their assistance to furnish maps related to "Laporan Kerja-Kerja Pengukuran Area Statement bagi TH Pelita Sadong Sdn Bhd – Ladang Lupar"

Sighted evidence of annual payment of levy paid to Majlis Daerah Serian for 3,709.41ha @ RM5.00/ha amounted to RM18,547.05 (inclusive Lupar Estate) for year 2018.

Sighted the Deed of Novation made on 19.10.2009 between TH Ladang (Sabah & Sarawak) Sdn Bhd, DD Plantations Sdn Bhd, Kee Wee Plantations Sdn Bhd and Pelita Holdings Sdn Bhd. Sighted in the Corporate Structure of Annual Report 2018, TH Ladang (Sabah & Sarawak) Sdn Bhd is 100% subsidiary of TH Plantations Berhad

### **Sematan Estate**

Sighted Provisional Lease of State Land situated in the Melikin Land Lot No. 2 in Block 6 containing approximately 3,480ha possess by Lembaga Pembangunan dan Lindungan Tanah and Nirwana Muhibbah Sdn Bhd. Sighted as well as Deed of Novation made on 19.10.2009 between TH Ladang (Sabah & Sarawak) Sdn Bhd, DD Plantations Sdn Bhd, Kee Wee Plantations Sdn Bhd and Pelita Holdings Sdn Bhd

PL area = 3,480ha against Estate area statement = 3,277.75ha i.e. under declared.

No	Sadong
Title Ha	
Mature Ha	2,591.63
Immature Ha	144.21
Building Site	1.02
Roads and Drains	45.31
Others	56.93
Unplantable Area	438.65
Total	3,277.75
Area Under Declared	202.25
As per Titled	3,480.00

Sighted evidence of annual payment of quit rent paid to Sarawak Government, Kuching for 3,480ha as per title amounted to RM8,596.00 for year 2018.

However, one minor non-conformity has been raised to Sadong Estate and Lupar Estate. Details as per below:

TH Plantations Berhad is managing overplanted area at the following estate;

No.	Estate	Overplanted Ha
1.	Sadong	10.74
2.	Lupar	7.14

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

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

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

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

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

**Summary** Sighted a Boundary Stone Map for Gedong Estate. 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 the estate.



Verified 2 boundary pegs for Gedong Estate as follow;

- Peg No : 3 Coordinate : E110°41'22.236", N1°11'5.1504"
- Peg No : 15 GPS Coordinate: E110°39'35.8128", N1°11'14.4204"

For Sadong Estate, sighted boundary markers map for the estate. Verified 3 boundary markers as follow;

- Peg No : 2 GPS Coordinate : E110°44'50.406", N1°13'5.7612"
- Peg No : 8 GPS Coordinate: E110°41'22.236", N1°11'5.1504"
- Peg No : 15 GPS Coordinate : E110°42'36.4248", N1°11'5.2836"

Total number of peg boundary marker sighted on the map is 16 boundary pegs.

For Kepayang Estate and Semalatong Estate, sighted the effort to conduct searching and installation of boundary stone/peg in the estate as per letter from Manager of Ladang Kepayang addressed to Pengurus Unit Agronomi dan Inovasi (Sarawak) dated 11.02.2019 requested for their assistance to furnish maps related to "Persempadan Kawasan".

**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 issue of claim from NCR owners as their land being developed by TH Plantations Berhad, Gedong Complex. Only 2 estates (Kepayang Estate & Semalatong Estate) have the NCR land that still under process of negotiation.

As evidence in Kepayang Estate, sighted payment for 445 participants on 29.11.2018 (approved by Plantation Controller).

Status of NCR	No of participants	Ha involved
Received Incentive payment	445 (324 lots)	1,179.04

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

**Criterion 3      Customary rights**

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

**Summary** There is customary land in or surrounding the estate. Details as per below:



Estate	NCR Gazetted (Inside With MOU) HA	NCR Gazetted (Inside Without MOU) HA
Kepayang Estate	1,179.04	3,853.56
Semalatong Estate	2,054.22	2,542.78
Total	3,233.26	6,396.34

Currently, no issue of claim from NCR owners (with MOU) as their land being developed by TH Plantations Berhad, Gedong Complex. Others NCR owners (without MOU), the land still in dispute between the claimant. Waiting the approval.

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

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

**Summary** There is customary land in or surrounding the estate. There are also land disputes or claims involving this estate. Therefore, 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 customary land in or surrounding the estate. There are also land disputes or claims involving this estate. The company has proper legal land tile for the land ownership.

Sighted the payment paid by estates that managing the NCR Gazztte Area. Details as per below:

Kepayang Estate

Year	RM	HA	Participant
2010	53,262.00	895.83	112
2011	68,097.06	677.927	382
2012	220,864.85	1,688.792	655
2013	338,511.30	1,822.416	512
2014	602,303.76	1,923.205	627
2015	745,168.02	2,211.593	683
2016	859,484.76	2,389.746	913
2017	924,551.52	2,362.044	888
2018	848,906.64	2,358.074	886
Total	4,661,149.91		N/A

Semalatong Estate



Year	RM	HA	Participant
2010	29,400.00	490.000	88
2011	177,107.00	745.372	383
2012	814,589.00	1,176.181	606
2013	1,113,358.85	1,739.319	849
2014	1,477,832.20	1,963.317	1,716
2015	1,511,071.60	2,082.721	2,003
2016	1,464,913.70	2,044.281	1,907
2017	1,413,439.90	1,923.644	956
2018	1,528,655.50	2,054.089	1,026
2019	742,381.90	2,045.220	702
Total	10,272,749.65		N/A

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

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

### Criterion 1 Social impact assessment (SIA)

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

#### Summary

In Gedong Estate, sighted the latest Social Impact Assessment was conducted on 14<sup>th</sup> February 2019. The purpose of Social Impact Assessment is to measure and assessing on "Jalan utama ke Pejabat ladang / kilang Gedong berlubang dan boleh mendatangkan kemalangan kepada pekerja ladang yang menggunakan motosikal".

The SIA being established base on the complaint from Mr. Geoffry anak Henry Ripan dated 14<sup>th</sup> February 2019. 56 respondents were involved in the assessment. Sighted 5 questionnaires in the assessment conducted and all responded positive. Post assessment was conducted on 20<sup>th</sup> February 2019.

Also sighted the latest Social Impact Assessment at Kepayang Estate that was conducted on 9<sup>th</sup> January 2019. The purpose of Social Impact Assessment is to measure and assessing on "Keadaan gelap pada waktu malam di Kem Kepayang setelah gen-set dimatikan menyukarkan aktiviti pemantauan dan risiko keselamatan penghuni".

The SIA being established base on the complaint from Mr. Roland Anak Junau Padok dated 3<sup>rd</sup> January 2019. 30 respondents were involved in the assessment. Sighted 5 questionnaires in the assessment conducted and 3 responded positive. The mitigation plan was to install solar panel at workers housing area, security post, fertilizer and chemical store. Post assessment was conducted on 30<sup>th</sup> February 2019.

For Semalatong Estate, Sighted, the latest Social Impact Assessment was conducted on 14<sup>th</sup> February 2019. The purpose of Social Impact Assessment is to measure and assessing on "Jalan utama di MR2 berdekatan dengan Blok A2 yang berselekoh tajam boleh mendtangkan bahaya kepada penunggang motosikal dan kenderaan lain".

The SIA being established base on the complaint from Mr. Ilham Jaya Sado dated 17<sup>th</sup> January 2019. 30 respondents were involved in the assessment. Sighted 6 questionnaires in the assessment conducted and all responded positive. Post assessment was conducted on 30<sup>th</sup> January 2019.

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

**Criterion 2 Complaints and grievances**

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

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

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

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

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

**Summary** Sighted, the Management has responded all the Complaints and Grievances in timely and appropriate manner. As evidence in Gedong Estate, seen 1 complaint in 2019. Complaints forms seen and being responded by the Management.

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

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

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

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

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

**Summary** Stakeholder Meeting was conducted on 19<sup>th</sup> December 2018 by Tuan Haji Ismail bin Haji Sadarii, The Senior Manager, Gedong Estate attended by 92 stakeholders. The meeting was collaborated between Ladang Lupar, Ladang Sematan, Ladang Gedong,

Ladang Sadong, Ldang Kepayang, Ladang Semalatong, Ladang Sg Kerian and Gedong Palm Oil Mill.

In Gedong Estate, communication of all the policies to 229 staffs and workers was through briefing during muster call dated 21<sup>st</sup> January 2019. The briefing conducted by En Hasnan Baharum Izhar, the Senior Assistant.

In Kepayang Estate, communication of all the policies to 119 staffs and workers was through briefing during muster call dated 18<sup>th</sup> October 2019. The briefing conducted by En Ibrahim bin Nordin, the Senior Assistant.

As for Samalantong Estate, communication of all the policies to 229 staffs and workers was through briefing during muster call dated 21<sup>st</sup> January 2019. The briefing conducted by En Hasnan Baharum Izhar, the Senior Assistant.

As for Sadong Estate, communication of all the policies to 212 staffs and workers was through briefing during muster call dated 26<sup>th</sup> February 2019. The briefing conducted by En Abang Ahmad Saifulhadi, the Manager.

As for Sematan Estate, communication of all the policies to 246 staffs and workers was through briefing during muster call dated 2<sup>nd</sup> November 2018. The briefing conducted by En Muhamad Sukri and En Mohd Armizi.

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

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

**Summary** All complaints being recorded thus far by all estate management. The system being implemented in 2019.

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

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

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

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

- Gedong Estate
  - Sighted, a Corporate Social Responsibility contribution on Donation for :-
    - i. MAKSAK Serian – RM600.00 dated 14/3/19
    - ii. Sumbangan Hari Raya – RM1,000.00 dated 11/7/2017
    - iii. Sukan Tahunan SK Lebor Remun – RM400.00 dated 9/10/2018
    - iv. Anugerah Pelajar Cemerlang SMK Gedong – RM300 dated 31/10/18



- v. Maulidur Rasul, Surau Assyakirin – RM 1,0000.00 dated 15/11/2018
- Kepayang Estate  
Sighted, a Corporate Social Responsibility contribution on Donation for :-
  - i. Donations funeral sister in –law to Pellie anak Amis; RM200 dated 28th February 2019.
  - ii. Sumbangan Sukan Sekolah Kebangsaan Semalatong; RM200 dated 15th November 2018
- Semalatong Estate  
Sighted, a Corporate Social Responsibility contribution on Donation for :-
  - i. Sponsor hamper for SK Samalatong on Hari Sukan Sekolah 2019.
  - ii. Hamper for Gawai Celebration amounting RM501.30
- Lupar Estate
  - i. Sighted, a Corporate Social Responsibility contribution on Donation for :-
  - ii. JCB Rental to “meratakan padang SK Merakai” amounting RM64.00
  - iii. Levelling Road Kampung Merakai amounting RM136.00
  - iv. Supply transport quarry waste to Kampung Merakai amounting RM997.82
  - v. Donations for workers Hari Raya Aidil Adha amounting RM500.00
  - vi. Donation for PIBG SK Merakai amounting RM840.00

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

**Criterion 4 Employees safety and health**

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

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

OSH objective for all Estates is “Kearah Kemalangan Sifar dan Kesihatan Yang Berkualiti”.

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

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

- a) A safety and health policy, which is communicated and implemented.
- b) The risks of all operations shall be assessed and documented.
- c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:
  - i) all employees involved shall be adequately trained on safe working practices; and
  - ii) all precautions attached to products shall be properly observed and applied.



- d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).
- e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.
- f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.
- g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded.
- h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.
- i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.
- j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.

### Summary

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

Adequate HIRARC being assessed and documented. Risk assessment was conducted through HIRARC based on the severity and the likelihood. HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive). As evidence in Gedong Estate, HIRARC review date on 01<sup>st</sup> October 2018 and next review October 2020.

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

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

As evidence in Kepayang Estate, the programme as follows:-

NO	TOPIC	MONTH PROGRAMME	STATUS DONE
1	Latihan Kebakaran	May'19	15/5/19
2	Latihan Pertolongan Cemas	March'19	20/3/19
3	Latihan ERP	April'19	2/4/19
4	Latihan First Aider	April '19	20/3/19



5	Taklimat PPE & SOP - Penuai	May & September '19	16/5/19
6	Latihan PPE & SOP – Penyembur Racun	Feb, April, July, Oct '19	14/2/19 18/4/19
7	Taklimat PPE & SOP – Penabur Baja	February '19	26/2/19
8	Latihan PPE & SOP – Pemungghah BTS	May July '19	8/5/19
9	Taklimat PPE & SOP – Pemandu Traktor	Jan & April.19	15/1/19 17/4/19
10	Taklimat PPE & SOP – Penunggang motosikal	February '19	20/3/19
11	Latihan PPE & SOP – Menebas	May .19	10/5/19
12	Latihan PPE & SOP – Premix	December.19	18/4/19

Training records for ERT & ERP was sighted on 2<sup>nd</sup> April 2019 conducted by En Ibrahim, the Senior Assistant attended by 108 participants.

For Sadong Estate, The Estate has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training 2019 file.

NO	TOPIC	MONTH PROGRAMME	STATUS DONE
1	Latihan Kebakaran	February'19 April'19	25/2/19
3	Latihan ERP	March'19 April'19	12/2/19 25/4/19
3	Taklimat PPE & SOP - Penuai	March '19 Sept '19	14/3/19
4	Latihan PPE & SOP – Penyembur Racun	April '19 November'19	30/4/19
5	Taklimat PPE & SOP – Penabur Baja	January'19 August'19	2/1/19
6	Latihan PPE & SOP – Pemungghah BTS	March '19 October'19	6/3/19
7	Taklimat PPE & SOP – Pemandu Traktor	February'19 October'19	14/2/19
8	Taklimat PPE & SOP – Pekerja Am	March '19	19/3/19

Training records for Taklimat dan Latihan Pemungghah BTS as sighted on 6<sup>th</sup> March 2019 conducted by En Rairul Raib bin Murat attended by 4 participants.

Estate has provided appropriate PPE for all workers in their operations. As evidence in Semalatong Estate, person in-charge of in issuing PPE is En Wan Iswandi bin Wan Ali, the Storekeeper. PPE Issuance and replacement record sighted for:-

- Staff/AP
- Harvesters

- Field Workers
- General Workers

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

At Gedong Estate, CHRA was conducted in 7<sup>th</sup> May 2016 by Puan Hajah Noormahani Harun, JKPP HIE 217/171-2 (154). For Semalatong Estate, CHRA was conducted on 12<sup>th</sup> November 2013 to 22<sup>nd</sup> November 2013 by Puan Hajah Noormahani Harun, JKPP HIE 217/171-2 (154). Seen, a letter (1) THPSSB/LS/CHRA dated 16<sup>th</sup> November 2018 regarding CHRA Assessment need to be re-assess at Ladang Samalatong. The assessment was conducted on 23<sup>rd</sup> April till 24<sup>th</sup> April 2019. The result yet to be obtained.

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

All Estate Manager is the person in charge for OSH. As evidence in Sadong Estate, the person in charge for OSH is En Abang Ahmad Saifulhadi bin Abang Iskandar dated 13<sup>th</sup> July 2017 signed by En. Shamsul Bahri Muhammad, Penolong Pengurus Besar (Operasi Sarawak).

OSH Committee Chart 2019 sighted. Seen, Letter of appointment for committee members dated 02<sup>nd</sup> January 2019. The committee meeting has been conducted as follows :-

- 25<sup>th</sup> February 2019
- 27<sup>th</sup> November 2018

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

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

Emergency response plan include the emergency contact number, Emergency Respond Plan Procedure and exit routes in file and notice board. In Sematan Estate, ERP Chart 2019 indicates En. En. Maso anak Konang as First Aider for Gedong Estate. He is also as a Hospital Assistant in the Gedong Complex.

The 1<sup>st</sup> Aid Box being distributed to 5 mandore for the respective workplace. The kit being issued on 26<sup>th</sup> March 2019.

All estates have sent JKPP 8 (I & II)/(IV) on annually basis to HQ, KL for onward submission to DOSH. As evidence in Sematan Estate, Estate has sent JKPP 8 (I & II)/(IV) on annually basis to HQ, KL for onward submission to DOSH dated 25<sup>th</sup> January 2019.

However, one major non-conformity has been raised to all estates under TH Plantations Berhad, Gedong Complex. No evidence, health or medical surveillance being conducted

consistently to all workers who is exposed or likely to be exposed to chemicals hazardous to health as per recommendations in the Chemical Health Risk Assessments.

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

**Criterion 5 Employment conditions**

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

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

This policy covers:-

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

The Policy being displayed at notice boards outside the office. In Gedong Estate, communication of all the policies to 163 staffs and workers was through briefing during muster call dated 13<sup>th</sup> December 2018.

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

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



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

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

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

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

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

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

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

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

#### Gedong Estate

- 1) Hasbullah – AT 595846 – April 2019
  - Basic Salary = RM 1,407.51
  - GW Pay = RM 86.62
  - LF Allowance = RM 240.00
  - Pruning Allowance = RM 130.60
  - Manual Calc = RM 23.70
  - Nett Salary = RM 1,936.30

#### Semalatong Estate

- 1) Ahmad – AT 853183 – April 2019
  - Basic Salary = RM 2,013.31
  - General Worker Pay = RM 126.93
  - Cuti Am = RM 71.36
  - Nett Salary = RM 2,211.60

#### Sadong Estate

- 1) Wati – AU 047750 – April 2019



- Basic Salary = RM 1,083.31
- Holiday Pay = RM 42.31
- Vacation Leave Pay = RM 223.65
- Fertiliser Loading Incentive = RM21.25
- Nett Salary = RM 1,370.55

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

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

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

As evidence in Gedong Estate, sighted an agreement, between TH Pelita Sdn Bhd, Ladang Gedong and Kon Wei Si on Mengangkut BTS dari Ladang Gedong ke Kilang Sawit Gedong dengan menggunakan Sistem Bin sebanyak 33,739Mt bagi tahun 2019. The agreement valid from 1<sup>st</sup> February 2019 until 28<sup>th</sup> February 2020. Seen, the Agreement between Kon Wei Si and his workers, En. Nasun bin Sambuting – 800524-12-5169 dated 1<sup>st</sup> January 2018. Payment voucher and workers identification were also attached in the file.

Meanwhile at Sematan Estate, sighted an agreement, between TH Pelita Gedong Sdn Bhd, Ladang Sematan and Ace Engineering and Services on JCB Hiring at 500 hours foa area PM & PN, TH Pelita Gedong Sdn Bhd in Ladang Sematan. The agreement valid from 1<sup>st</sup> January 2019 until 28<sup>th</sup> February 2019. Seen, the Agreement between ACE Engineering and Services and his workers, En. Abdul Wahab bin Ala 701114-13-6187 dated 2<sup>nd</sup> January 2019. Payment voucher and workers identification were also attached in the file.

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

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

**Summary** Sighted, the registration card Pendaftaran Pekerja-Pekerja under Akta Keselamatan Dalam Negeri, 1960 Keselamatan Dalam Negeri (Undang –Undang Pendaftaran Pekerja),1960 (Peraturan 3).

- Gedung Estate sample taken on En Bahar- B 8808275, Slamet – B 4613003 and En Manan AU 053879.
- As for Kepayang Estate, Mr. Animan Saleh – AU 047414 and En. Heriyo Husin – C 0946737
- In Samalatong Estate, Pn. Marni Sato- AT 731781, Pn Hasmi Bundang – AT 731868 and Pn Anita – B8389355
- At Sadong Estate, Pn Rahmawati – C 0801897,En Ifan Idris – AT 852039.



- As for Lupar Estate, Pn Nurhaeni Kilong – AU 349474, Apriana – AT 594830 and Chemedana anak Dana General – 630915-13-5750
- As for Sematan Estate, Pn. Muhammad – B 1802502 and Gunawan – C 0947761

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

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

**Summary** Sighted, Employment Contract between all estates and the workers. The Agreement stated all the term and conditions according to Malaysian Law. The contract is in Bahasa Malaysia. This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of local and Indonesian.

As evidence in Kepayang Estate, sample taken on En. Kilat anak Gagau – 890419-13-6597, Thomson anak Dawan – 900721-13-5057 and Pn Ayu – B 8389206.

At Sadong Estate, sample taken on En. Geoffery Joseph – 960303-13-5411, Rachmat – C 2194521 and En. Basir Tula – C 0949132.

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

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

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

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

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

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

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

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

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



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

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

Documented payslip was distributed to individual workers on the day of payment.

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

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

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

For Indonesian workers, will be covered under SOCSO upon expiring the Foreign Workers Compensation Scheme.

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

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

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

As evidence in Kepayang and Samalatong Estate, the electricity supply through Gen-set – 2 hours in the morning and 4 hours at night. All workers reside in the wooden quarters.

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

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

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

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

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

Sighted at Kepayang and Sematan Estate, a gender committee for Male and Female in the Estate. The Male Gender Committee was established in March 2019 whereas the Women's Committee in January 2019. Both committees have conducted their meeting on 10<sup>th</sup> January and 15<sup>th</sup> March respectively.

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

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

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

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

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

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

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

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

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

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

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

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

## Criterion 6 Training and competency

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

### Summary

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

The statement under the following number:

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

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

As evidence in Kepayang Estate, the programme as follows:-

NO	TOPIC	MONTH PROGRAMME	STATUS DONE
1	Latihan Kebakaran	May'19	15/5/19
2	Latihan Pertolongan Cemas	March'19	20/3/19
3	Latihan ERP	April'19	2/4/19
4	Latihan First Aider	April '19	20/3/19
5	Taklimat PPE & SOP - Penuai	May & September '19	16/5/19
6	Latihan PPE & SOP – Penyembur Racun	Feb, April, July, Oct '19	14/2/19 18/4/19
7	Taklimat PPE & SOP – Penabur Baja	February '19	26/2/19
8	Latihan PPE & SOP – Pemungkah BTS	May July '19	8/5/19
9	Taklimat PPE & SOP – Pemandu Traktor	Jan & April.19	15/1/19 17/4/19
10	Taklimat PPE & SOP – Penunggang motosikal	February '19	20/3/19
11	Latihan PPE & SOP – Menebas	May .19	10/5/19
12	Latihan PPE & SOP – Premix	December.19	18/4/19

Training records for ERT & ERP was sighted on 2<sup>nd</sup> April 2019 conducted by En Ibrahim, the Senior Assistant attended by 108 participants.

For Sadong Estate, The Estate has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training 2019 file.

NO	TOPIC	MONTH PROGRAMME	STATUS DONE
1	Latihan Kebakaran	February'19 April'19	25/2/19
3	Latihan ERP	March'19 April'19	12/2/19 25/4/19
3	Taklimat PPE & SOP - Penuai	March '19 Sept '19	14/3/19
4	Latihan PPE & SOP – Penyembur Racun	April '19 November'19	30/4/19
5	Taklimat PPE & SOP – Penabur Baja	January'19 August'19	2/1/19
6	Latihan PPE & SOP – Pemungkah BTS	March '19 October'19	6/3/19
7	Taklimat PPE & SOP – Pemandu Traktor	February'19 October'19	14/2/19
8	Taklimat PPE & SOP – Pekerja Am	March '19	19/3/19

Training records for Taklimat dan Latihan Pemungkah BTS as sighted on 6<sup>th</sup> March 2019 conducted by En Rairul Raib bin Murat attended by 4 participants.

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

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

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

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

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

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

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

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

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

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

### Criterion 1 Environmental management plan

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

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

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

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

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

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

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

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

As evidence in Gedong Estate, the estate has conducted environmental aspect and impact assessment for all its' activities in year 2019 based on Environmental Risk Assessment Improvement Plan. The environmental assessment findings are recorded in document titled "Environmental Aspect & Impact Identification".

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

1. Community
2. Manuring
3. Usage & Handling of Chemical
4. Use of Machine and Tractor
5. Depletion of Natural resources
6. Spraying
7. Office
8. Storage of Scheduled waste

For Kepayang Estate and Semalatong Estate, the environmental aspect impact analysis/assessment covers Sub-Activities and the Main Activities of the plantation such as follow;

1. Community
2. Harvesting
3. Manuring
4. Office
5. Storage of Scheduled waste
6. Storage
7. Usage & Handling of Chemical
8. Use of Machine and Tractor
9. Depletion of Natural resources
10. Positive Environmental Aspects & Impact

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

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

**Summary** All estates have established the Environmental Management Plan – Mitigation and Monitoring Records. As evidence in Gedong/Kepayang/Semalatong Estate, the Environmental Management Plan consist column of the following;

1. No.,
2. Estate Activities
3. Environment Aspect & Impact
4. Environment Aspect & Impact Analysis (Frequency/Likelihood, Consequence, Impact Level)
5. Mitigation measures
6. Monitoring program

The estate activities and the (mitigation measures) includes;

1. Penggunaan petrokimia (petrol/diesel,dll) untuk aktiviti pengangkutan (memastikan bund dan sump berfungsi dengan baik)



2. Sisa kumbahan dari rumah pekerja dan pejabat (menyediakan system sanitasi yang betul)
3. Sisa buangan tempatan dari rumah pekerja dan pejabat (menyediakan kawasan pembuangan atau menggunakan kemudahan pengawalseliaan)
4. Pelupusan "scrap iron" (menyediakan tempat simpanan khas "scrap iron")
5. Kebocoran minyak dari traktor/lori (memastikan penggunaan dulang titisan berada di kawasan letak kereta)
6. Jadual penjanaan sisa dan tumpahan (menyediakan tempat pengumpulan untuk pelupusan)
7. Pelepasan gas rumah gijau daripada penggunaan baja nitrogen (penggunaan EFB, decanter cake, belt press cake untuk mengurangkan penggunaan baja)
8. Pencucian residue kimia ke dalam sumber air (memastikan tiada aktiviti semburan semasa musim hujan)
9. Pelepasan asap dari kenderaan (traktor & backhoe) (memastikan penyelenggaraan kenderaan mengikut jadual berkala)
10. Pengangkutan FFB ke kilang (memastikan enjin kenderaan dimatikan jika tidak digunakan dalam tempoh 30 minit)
11. Pengurusan bekas bahan kimia (memastikan pihak kontraktor mengumpul semula bekas bahan kimia yang kosong)
12. Penyelesaian kerja oleh pihak jurutera di bengkel (memastikan semua sisa buangan dihapuskan mengikut SOP perundangan).

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

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

**Summary** All estates have developed programme to promote the positive impacts that included in the continual improvement plan. As evidence in:

Gedong Estate

Task	Action Plan	Plan Date
Kebersihan dan kecantikan "linesite"	Mewujudkan kesedaran kalangan pekerja melalui kempen kebersihan dan keceriaan	19.12.2019
Penggantian tong sampah	Menggantikan semua tong sampah dengan yang baru	31.08.2019
Mewujudkan pusat kitar semula	Mewujudkan kesedaran tentang pengurangan sisa dengan kitar semula seperti semua sisa organic seperti kertas, kaca, plastic dan logam	30.09.2019

Kepayang Estate

Task	Action Plan	Plan Date
------	-------------	-----------



Pencemaran alam sekitar	Melaksanakan sistem pelupusan bahan buangan terjadual dan membuat takungan bagi menghalang tumpahan minyak masuk ke dalam sistem saliran.	01.08.2019
-------------------------	---	------------

Semalatong Estate

Task	Action Plan	Plan Date
Kebersihan dan kecantikan "linesite"	Mewujudkan kesedaran kalangan pekerja melalui kempen kebersihan dan keceriaan	12.12.2019
Kebersihan dan kecantikan "linesite"	Melakukan gotong-royong sebulan sekali	Monthly 2019
Sistem Perparitan	Pembinaan longkang di kawasan bengkel bererta "sum"	01.06.2020

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

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

**Summary** Sighted the environmental training programme for year 2019 includes;

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

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

No	Training Programme	Target	Plan date
1	Environmental committee meeting	Executive & staff	July 2019



2	Waste handling training	Staff & worker	June 2019
3	Pollutions control & environmental training (EIA)	Executive, staff & worker	July 2019
4	Recycle waste awareness		Feb 2019
5	Schedule waste handling	Executive, staff & worker	Sept 2019
6	Biodiversity Training	Executive, staff & worker	Oct 2019

Sighted Taklimat 3R (Reduce, Reuse & Recycle) held on 01.02.2019 at Muster ground attended by 7 executive/staff and 229 workers furnished with briefing contents and photos.

At Kepayang Estate, sighted the Environmental Training Programme for the year 2019 covers the following;

No	Training Programme	Target audience	Plan date
1	Environmental training	111	Feb'19
2	Environmental meeting	10	Jan'19
3	Pollutions control & environmental training (EIA)	7	Nov'19
4	Recycle waste awareness	111	Jun'19
5	Schedule waste handling	111	Jun'19
6	Gotong Royong	66	Mar'19
7	Biodiversity Training	111	Jul'19

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

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

**Summary** All estates have organized meeting with their workers for environmental quality. As evidence in:

Gedong Estate

Sighted "Taklimat MSPO Tentang Polisi Alam Sekitar" as follow;



No	Target Audience	No of Attendee	Date
1	Staff	18	21.01.2019
2	Security	11	12.01.2019
3	Worker	162	13.12.2018
4	Kontraktor	4	13.12.2018

#### Kepayang Estate

- Sighted "Minit Mesyuarat Alam Sekitar Ladang Kepayang 2019" held on 22.01.2019 attended by 10 executives and staff.

#### Semalatong Estate

- Sighted "Minit Mesyuarat Alam Sekitar Ladang Semalatong Kali 1/ 2019" held on 11.02.2019 attended by 13 executives and staff discussed aspects and impacts on the environment.
- Sighted "Minit Mesyuarat Alam Sekitar Ladang Semalatong Kali 02/ 2019" held on 17.04.2019 attended by 4 executives, 9 staff and 12 workers discussed aspects and impacts on the environment.

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

### Criterion 2 Efficiency of energy use and use of renewable energy

**Indicator 1** Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.

**Summary** All estates have maintained record of Diesel Monitoring for a period of 2016-2018. As evidence, sighted monitoring diesel usage for 2016-2018 in order to obtain the 3 year average or baseline values.

Sighted monitoring diesel use per ton of FFB by 2019 – Actual, updated up to April 2019.

Estate	Todate diesel	Todate FFB	Fuel Efficiency	Baseline value (3-yr average)
	Liter	Ton	Liter/ton FFB	
Gedong	32,797	12,709.16	2.58	2.34
Kepayang	7,754	2,485.48	3.12	5.05
Semalatong	9,575.50	5,629.06	1.70	1.83
Lupar	53,831	9,969.42	5.40	3.53
Sematan	25,357	12,147.17	0.48	2.49

Sighted monitoring electricity usage per ton of FFB by 2019 – Actual, updated up to April 2019.

Estate	Todate Generated	Todate FFB	Electricity Efficiency	Baseline value (3-yr average)
	kWh	Ton	kWh/ton FFB	
Gedong	12,845.00	12,709.16	1.01	Started 04/19
Kepayang	1,932.60	2,462.89	0.78	Started 02/19
Semalatong	Nil	5,629.06	Nil	Started 05/19
Lupar	17,381	9,969.42	1.74	Started 01/19
Sematan	10,383	12,147.17	0.85	Started 01/19

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

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

**Summary** Sighted annual estimate of non-renewable energy being established for the year 2019 as follow;

Estate	Estimated diesel	Estimated FFB	Fuel Efficiency
	Liter	Ton	Liter/ton FFB
Gedong	120,000	47,418	2.53
Kepayang	93,756	10,967	8.55
Semalatong	21,200	26,452	0.80
Lupar	143,280	35,820	4.00
Sematan	211,279.96	55,500	3.81

Sighted annual estimate of electricity consumption being established for the year 2019 as follow;

Estate	Estimated kWh	Estimated FFB	Fuel Efficiency	Remarks
	Liter	Ton	kWh/ton FFB	
Gedong	47,500	47,418	1.00	Started 04/19
Kepayang	2,000	2,915	0.69	Started 02/19
Semalatong	120,000	26,452	4.54	Started 05/19
Lupar	89,548	35,820	2.49	Started 01/19

Sematan	54,000	49,135	1.10	Started 01/19
---------	--------	--------	------	------------------

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

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

**Summary** At the moment, there is no renewable energy being practiced by the estates. Except 1 estate:

Kepayang Estate

- 4-unit solar lights installed at worker quarters and security house.

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

### Criterion 3 Waste management and disposal

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

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

The MSPO Procedure describes the following implementation on;

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

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

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

**Summary** TH Plantations Berhad has established the MSPO Procedure; Title: Waste Management. MSPO-TH-05; Rev 0; dated 01.11.2017, revised 10.01.2018 by the SIR Department. The MSPO Procedure describes the following implementation;  
1. Waste management flow  
2. Scheduled waste disposal flow  
3. Domestic waste disposal flow

Gedong Estate

Sighted inventory of scheduled waste established by the estate;

Code	Source	Date of 1 <sup>st</sup> generated	Balance as at 20.05.2019
SW305	Spent lubricant oil	28.01.2019	346liter
SW306	Spent hydraulic oil	30.01.2019	603liter
SW410	Used filters	04.02.2019	18pcs
SW409	Fertiliser bag	02.03.2019	0pcs
SW102	Used Batteries	17.01.2019	7pcs
SW409	Herbicide containers 20L	08.04.2019	34pcs
SW404	Surgical Blade	03.01.2019	10pcs
SW404	Used Needles	01.01.2019	16pcs

**Kepayang Estate**

Sighted inventory of scheduled waste established by the estate;

Code	Source	Date of 1 <sup>st</sup> generated	Balance as at 21.05.2019
SW305	Spent lubricant oil	16.01.2019	70liter
SW306	Spent hydraulic oil	16.01.2019	20liter
SW409	Fertiliser bag	26.02.2019	40pcs
SW409	Herbicide containers 20L	02.01.2019	78pcs
SW409	Herbicide containers 4L	09.02.2019	3pcs

Sighted letter of "Permohonan ID dan Password – TH Pelita Simunjan sdn Bhd (Ladang Kepayang) Ref THPSSB/LKPYG/ENVIRONMENT/2019" addressed to Jabatan Alam Sekitar, Kuching, Sarawak dated 05.04.2019 to register e-swis with the Department.

**Sematong Estate.**

Sighted inventory of scheduled waste established by the estate;

Code	Source	Date of 1 <sup>st</sup> generated	Balance as at 22.05.2019
SW305	Spent lubricant oil	10.01.2019	0liter
SW306	Spent hydraulic oil	04.01.2019	22liter
SW409	Fertiliser bag	16.01.2019	3,213pcs
SW409	Herbicide containers 20L	15.05.2019	42pcs
SW409	Herbicide containers 1L	15.01.2019	60pcs
SW409	Herbicide containers 500gm	02.05.2019	8pcs

Sighted letter "Permohonan untuk mendapatkan ID ESWIS" dated 23.05.2019 from the Manager of Sematong Estate to Jabatan Alam Sekitar Negeri Sarawak, Kuching

**Lupar Estate.**

Sighted inventory of scheduled waste established by the estate;



Code	Source	Date of 1 <sup>st</sup> generated	Balance as at 24.05.2019
SW305	Spent lubricant oil	10.04.2019	221lit
SW410	Used filters	05.02.2019	30pcs
SW102	Used Batteries	20.12.2018	5pcs
SW109	Flourescent Tube & Bulb	Nil	Nil
SW409	Herbicide containers 20L	09.01.2019	60pcs

Sighted letter "Permohonan ID dan Password – TH Pelita Sadong Sdn Bhd (Ladang Lupar)" dated 03.01.2019 from the Manager of Lupar Estate to Jabatan Alam Sekitar Negeri Sarawak, Kuching

Sematan Estate.

Sighted inventory of scheduled waste established by the estate;

Code	Source	Date of 1 <sup>st</sup> generated	Balance as at 25.05.2019
SW306	Spent hydraulic oil	19.03.2019	506lit
SW409	Herbicide containers 20L	20.04.2019	61pcs
SW409	Herbicide containers 10Kg	25.04.2019	28pcs
SW409	Herbicide containers 1L	18.04.2019	34pcs
SW409	Herbicide containers 500gm	25.05.2019	5pcs

Sighted letter "Permohonan ID dan Password – TH Pelita Sadong Sdn Bhd (Ladang Sematan)" dated 28.01.2019 from the Manager of Sematan Estate to Jabatan Alam Sekitar Negeri Sarawak, Kuching.

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

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

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

Handling of any used chemical produced in the estate is under controlled and carried out by qualified person. Estate has specialized person in handling the chemical.

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

**Indicator 4** Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or



to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.

**Summary** As per interviewed with all person incharge, the chemical containers will be tripled rinse and punctured to prevent contamination of water source or to human health. Some of it will be used as a pre-mix container. Others, Pentas Flora (Kuching) Sdn Bhd License No 003063, a licensed contractor will collect empty containers and used engine oil/lubricant and other scheduled wastes.

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

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

**Summary** Domestic waste for linesite area is managed by the estate. As evidence in Sematan Estate, domestic waste for linesite area is managed by the estate itself. All domestic wastes are disposed at Block 33, located 10m from linesite. Sighted "Jadual Pelupusan Sampah" with a frequency of 3 times a week.

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

**Criterion 4 Reduction of pollution and emission including greenhouse gas**

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

**Summary** All estates have established the Environmental Management Plan – Mitigation and Monitoring Records. As evidence in Gedong Estate, Environmental Management Plan – Mitigation and Monitoring Records prepared by Estate Assistant Manager and approved by the Estate Senior Manager. It consists column of the following example;

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

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

- 1) Land conversion
- 2) Crop sequestration (utilized by oil palm)
- 3) CO<sub>2</sub> Emission from Fertiliser
- 4) N<sub>2</sub>O Emissions
- 5) Fuel Consumption

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

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

**Summary** Sighted an action plan to reduce identified significant pollutants and emissions prepared by all estate management. It consists column of Aspect/impact identification, risk assessment and risk control. It includes the following sub-activities;

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

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

**Criterion 5 Natural water resources**

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

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

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

At Semalatong Estate, sighted Certificate of Analysis for outgoing water samples from sampling points of TPS1, TPS2 and TPS3. The result that was reported on 02.04.2019 indicated the following;

Parameter	TPS1	TPS2	TPS3	Compliance Limits (Class IIB Standards)
COD (mg/L)	93	54	102	25
BOD (5days @ 20°C) (mg/L)	18	10	20	3
Total Coliform Count	1,600	130	1,600	5,000
Total Fecal Coliform	350	2	240	400



Sighted additional Action Plan to improve the reading of COD and BOD as below;

Issue	Recommendations	Action Taken
COD & BOD	<ul style="list-style-type: none"> <li>a. Workers are provided with proper septic system at their quarters</li> <li>b. Vegetative debris and other solids are not thrown into the waterways.</li> <li>c. Riparian buffer shall be maintained for any rivers within the estate.</li> <li>d. Spent oil and grease shall be collected and appropriately stored and disposed off.</li> <li>e. Analyses on pesticides and herbicides shall be carried out at six months interval</li> </ul>	<ul style="list-style-type: none"> <li>a. Being implemented.</li> <li>b. Riparian reserve being marked.</li> </ul>

Sadong/Lupar Estates

Sighted Certificate of Analysis for outgoing water samples from sampling points of W1 and W4. The result that was reported on 02.04.2019 indicated the following;

Parameter	W1 (Sg Parsa)	W4 (Sg Marakai)	Compliance Limits (Class IIB Standards)
COD (mg/L)	98	82	25
BOD (5days @ 20°C) (mg/L)	1.4	1.4	3
Total Coliform Count	3,500	460	5,000
Total Fecal Coliform	2,400	230	400

Sighted Payment Voucher No PY01190001, amounted to RM4,800.00 paid to Pencak Mekar Sdn Bhd for work of desludging services by using vacuum tanker for 6 unit septic tank on 30.11.2018 at Labour quarters.

Sighted Action Plan to improve the reading of COD and Total Fecal Coliform as below;

Issue	Recommendations	Action Taken
COD	Plantation need to monitor that no improper disposal of wastes into the waterways	Monitoring that no improper disposal of wastes into the waterways
	<ul style="list-style-type: none"> <li>a. All workers to fully utilize sanitary facilities provided.</li> <li>b. All installed septic tank should be maintained regularly. Any</li> </ul>	<ul style="list-style-type: none"> <li>a. Management to provide facilities to all workers and there are fully utilized.</li> </ul>

Total Fecal Coliform	leakage or overflowing should be attended to immediately. c. Septic tanks are to be de-sludge whenever necessary	b. The septic tank to monitor closely, if any leakage or overflowing to be attended immediately. c. Six-unit septic tank have been cleaned and balance will be made in stages.
----------------------	---	---

Sighted the monitoring usage of water consumption for the operation of the estate. The audit team observed that the consumptions are monitored on a monthly basis and showed satisfactory monitoring of the resources.

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 "Riparian Zone".

The natural vegetation within and along the riparian areas were adequately monitored.

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

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

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

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

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

**Summary** Based on interview conducted to all assistant manager, there were collection and main drains constructed in the field.

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

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

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



requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.

**Summary**

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

As evidence in Kepayang Estate & Semalatong Estate

Sighted Biodiversity Identification Matrix (HCV Classification) for HCV 3 (rare, threatened or endangered ecosystems, habitats or refugia;

No	Kepayang – PM10/"belukar"	Semalatong – Block 1,2,3,4, 7
1	Babi	Babi
2	Ular Sawa	Ular Sawa
3	Kerengga	Kerengga
4	Tebuan	Tebuan
5	Riang-riang	Riang-riang
6	Anai-anai	Anai-anai
7	Buaya	Buaya
8	Monyet	Monyet
9	Udang ketak	Udang ketak
10	Biawak	Biawak
11	Labi-labi	Labi-labi
12	Ikan belacak	Ikan belacak
13	Ketam nipah	Ketam nipah
14	Udang galah	Udang galah
15	Ikan keli	Ikan keli
16	Ikan ketutu	Ikan ketutu
17	Ikan haruan	Ikan haruan
18	Ikan biawan	Ikan biawan
19	Ikan puyu	Ikan puyu
20	Burung bangau	Burung bangau
21	Burung raja udang	Burung raja udang
22	Burung tekukur	Burung tekukur
23	Burung punai	Burung punai
24	Burung piling	Burung piling
25	Burung punai	Burung punai
26	Burung wak-wak	Burung wak-wak
27	Burung gembala kerbau	Burung gembala kerbau
28	Burung but-but	Burung but-but

The estate has identified the protected wildlife based on Conservation Status Wildlife Protection Ordinance, 1998 as tabulated below;

No	Semalatong
1	Babi



2	Ular Sawa
3	Buaya
4	Monyet
5	Biawak
6	Labi-labi
7	Burung bangau
8	Burung raja udang
9	Burung tekukur
10	Burung punai
11	Burung piling
12	Burung punai
13	Burung wak-wak
14	Burung gembala kerbau
15	Burung but-but

**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** Sighted Biodiversity Monitoring Sheet (HCV Classification). The monitoring indicator includes;  
1. Endangered species/ wildlife (species hidupan liar terancam)  
2. Signage of marking HCV/illegal hunting, etc.  
3. Riparian zones  
4. Illegal hunting activities  
5. Land water pollution/chemical spraying  
6. Other activities observed that may impact HCV protection.

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

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

**Summary** Sighted Biodiversity Management Plan (HCV Classification). The management Plan for HCV 3 as follow;  
1. Maps identified HVC area  
2. Implement monitoring and management plan to ensure effective maintenance of HCV areas  
3. Establish monitoring method

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

**Criterion 7 Zero burning practices**



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

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

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

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

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

**Summary** As per interview with Estate Manager, no special approval needed to do open burning. All replanting activities will be using the felling method.

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

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

**Summary** As per interview with Estate Manager, no special approval needed to do open burning. All replanting activities will be using the felling method.

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

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

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

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

## 2.6 Principle 6 : Best practices

### Criterion 1 Site management

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

**Summary**

The estate has implemented Best Practices base on Standard Operating Procedure Manual dated 15<sup>th</sup> April 2002 and Technical Oil Palm & Rubber Forest Plantation dated 1<sup>st</sup> March 2009.

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

Estate have 4 types of Manuals-

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

The document was well maintained and implemented.

- 1) Standard Operating Procedure Manual - Technical Oil Palm & Rubber Forest Plantation (6) includes:
  - i. Land Development
  - ii. Nursery
  - iii. Field Upkeep
  - iv. Manuring
  - v. Harvesting
  - vi. Mechanization
- 2) Standard Operating Procedure Manual – Occupational Safety & Health (25) includes:
  - i. Standard Operation Manual
  - ii. Introduction to Management of Occupational Safety and Health (OSH)
  - iii. THP's OSH Policy & Guiding Principles
  - iv. Occupational Safety Responsibilities
  - v. Establishment of Safety & Health Committee
- 3) Safety Operating Procedure (39) includes:
  - i. Building
  - ii. Harvesting
  - iii. Machinery & Workshop
  - iv. Maintenance Work
  - v. Transport
  - vi. General
  - vii. Others
- 4) Standard Operating Procedure Manual – Office Administration (Estate & Mill) (4) includes:
  - i. Office Administration/ Store Management/ Vehicle Running and Maintenance
  - ii. Contract Management

- iii. Authority Limit
- iv. Periodical Submission

- 5) TH Plantations Berhad - MSPO Procedure (10) includes:
- i. Internal Audit
  - ii. Management Review
  - iii. Stakeholder Communication & Consultation
  - iv. FFB Traceability
  - v. Waste Management

Regular inspection and supervision are conducted by Mandore, Supervisor, Executives as well as HQ Department.

Estate Department is responsible to monitor overall estate performance on a monthly basis. The assessment will be reported in:

- 1) Plantation Controller (Sarawak) Report – Twice a year
- 2) Agronomist Report – Twice a year

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

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

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

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

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

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

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

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

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

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



**Criterion 2 Economic and financial viability plan**

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

**Summary** All estates had an annual budget for the financial year 2019. The budget includes the projected FFB production, general charges, upkeep & cultivation, Collection and Immature areas. As evidence in:

## Gedong Estate

FY	2019	2020	2021
Total crop	47,417	47,957	48,559
Estimate OER %	22.25	22.25	22.25
KER	4.50	4.50	4.50
FFB Price	537.39	537.39	537.39
Cost/MT	268	266	264

## Kepayang Estate

FY	2019	2020	2021
Total crop	10,967	16,707	21,003
Estimate OER %	19.50	19.50	19.50
KER	4.50	4.50	4.50
FFB Price	422	424	424
Cost/MT	314	335	337

## Semalatong Estate

FY	2019	2020	2021
Total crop	26,452	34,367	38,095
Estimate OER %	20.00	20.00	20.00
KER	4.50	4.50	4.50
FFB Price	492.02	492.02	492.02
Cost/MT	404	373	343

## Sadong Estate

FY	2019	2020	2021
----	------	------	------

Total crop	42,710	43,780	43,675
Estimate OER %	20.77	21.29	21.55
KER	4.36	4.47	4.53
FFB Price	409	417	417
Cost/MT	262	258	258

## Lupar Estate

FY	2019	2020	2021
Total crop	77,412	79,342	80,326
Estimate OER %	21.00	21.00	21.00
KER	4.40	4.40	4.40
FFB Price	408.94	417.19	417.19
Cost/MT	251	274	274

## Sematan Estate

FY	2019	2020	2021
Total crop	99,553	102,812	104,591
Estimate OER %	21.25	21.25	21.25
KER	4.40	4.40	4.40
FFB Price	413.78	422.03	422.03
Cost/MT	244	282	281

**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 no replanting programme within 5 years. Except Gedong Estate. Sighted Replanting programme for 2023 to 2026.

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

**Indicator 3** The business or management plan may contain:  
a) Attention to quality of planting materials and FFB.  
b) Crop projection: site yield potential, age profile, FFB yield trends.

- c) Cost of production: cost per tonne of FFB.
- d) Price forecast.
- e) Financial indicators: cost benefit, discounted cash flow, return on investment.

**Summary**

All estates had an annual budget for the financial year 2019. The budget includes the projected FFB production, general charges, upkeep & cultivation, Collection and Immature areas. As evidence in:

Gedong Estate

FY	2019	2020	2021
Total crop	47,417	47,957	48,559
Estimate OER %	22.25	22.25	22.25
KER	4.50	4.50	4.50
FFB Price	537.39	537.39	537.39
Cost/MT	268	266	264

Kepayang Estate

FY	2019	2020	2021
Total crop	10,967	16,707	21,003
Estimate OER %	19.50	19.50	19.50
KER	4.50	4.50	4.50
FFB Price	422	424	424
Cost/MT	314	335	337

Semalatong Estate

FY	2019	2020	2021
Total crop	26,452	34,367	38,095
Estimate OER %	20.00	20.00	20.00
KER	4.50	4.50	4.50
FFB Price	492.02	492.02	492.02
Cost/MT	404	373	343

Sadong Estate

FY	2019	2020	2021



Total crop	42,710	43,780	43,675
Estimate OER %	20.77	21.29	21.55
KER	4.36	4.47	4.53
FFB Price	409	417	417
Cost/MT	262	258	258

## Lupar Estate

FY	2019	2020	2021
Total crop	77,412	79,342	80,326
Estimate OER %	21.00	21.00	21.00
KER	4.40	4.40	4.40
FFB Price	408.94	417.19	417.19
Cost/MT	251	274	274

## Sematan Estate

FY	2019	2020	2021
Total crop	99,553	102,812	104,591
Estimate OER %	21.25	21.25	21.25
KER	4.40	4.40	4.40
FFB Price	413.78	422.03	422.03
Cost/MT	244	282	281

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

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

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

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

### Criterion 3 Transparent and fair price dealing

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

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

However, once the Gedong POM under maintenance, estates will send to another mill (Masranti POM). Sighted latest "Monthly FFB Crop Intake & Production

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

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

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

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

Gedong Estate

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

- Sighted the Contract Agreement between estate with Interarup Consulting Engineers (JCB/Excavator Rental) sealed on 02<sup>nd</sup> January 2019.
- Sighted the Contract Agreement between estate with Vitzura Sdn Bhd (FFB Transport) sealed on 30<sup>th</sup> January 2019.

Payment will be paid 90 days after the estate received the invoice from contractors.

As evidence sighted the invoice send by:

- Interarup Consulting Engineers (JCB/Excavator Rental) to estate on 31<sup>st</sup> December 2018. Estate paid to the contractor on 26<sup>th</sup> March 2019.; Voucher No: PY03190021; Cheque no: CIMB No 121987 & 121989; RM 61,381.75.

Sadong Estate

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

- Sighted the Contract Agreement between estate with Ice Plantation (FFB Transport) sealed on 16<sup>th</sup> January 2019.
- Sighted the Contract Agreement between estate with Vitzura Sdn Bhd (JCB Rental) sealed on 14<sup>th</sup> February 2019.

Payment will be paid 90 days after the estate received the invoice from contractors.

As evidence sighted the invoice send by:

- Ice Plantation (FFB Transport) to estate on 30<sup>th</sup> April 2019. Estate paid to the contractor on 08<sup>th</sup> May 2019.; Voucher No: PY0519003; Cheque no: CIMB No 176174; RM 13,887.60.

Sematan Estate

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

- Sighted the Contract Agreement between estate with Ace Engineering & Services (JCB Rental) sealed on 01<sup>st</sup> January 2019.
- Sighted the Contract Agreement between estate with Kon Wei Si (FFB Transport) sealed on 01<sup>st</sup> February 2019.

Payment will be paid 90 days after the estate received the invoice from contractors.

As evidence sighted the invoice send by:

- Ace Engineering & Services (JCB Rental) to estate on 31<sup>st</sup> March 2019. Estate paid to the contractor on 24<sup>th</sup> May 2019.; Voucher No: PY05190007; Cheque no: CIMB No 113857; RM 12,155.00.
- Kon Wei Si (FFB Transport) to estate on 30<sup>th</sup> April 2019. Estate paid to the contractor on 24<sup>th</sup> May 2019.; Voucher No: PY05190009; Cheque no: CIMB No 113861; RM 15,209.14.

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

**Criterion 4 Contractor**

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

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

As evidence at Kepyang Estate, sighted of evidence of MSPO clause for contractor in agreement:

- Ice Plantation (Excavator Rental); Appendix I; "Terma & Syarat Perjanjian Kontrak". Sighted the contract agreement/payment slip for their workers:
  - i. Nurhasnan bin Spiee; 790123-13-5503  
April 2019 – RM1,900.00  
March 2019 – RM1,900.00  
February 2019 – RM2,000.00

For Semalatong Estate,



- Sebli Enterprise (FFB Transport); Appendix I; "Terma & Syarat Perjanjian Kontrak". Sighted the contract agreement/payment slip for their workers:
  - i. Johny Anak Gendang; 780320-13-5503  
April 2019 – RM1,930.43  
March 2019 – RM1,909.29  
February 2019 – RM1,719.45
- Punsu Enterprise (FFB Transport); Appendix I; "Terma & Syarat Perjanjian Kontrak". Sighted the contract agreement/payment slip for their workers:
  - i. Ajong bin Mohd Najib; 891004-13-5167  
April 2019 – RM2,022.67  
March 2019 – RM1,841.05  
February 2019 – RM1,830.96

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

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

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

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

Lupar Estate

- Sighted the Contract Agreement between estate with Interarup Consulting Engineers (Desilting Drains) sealed on 16<sup>th</sup> January 2019.
- Sighted the Contract Agreement between estate with YongCL Trading and Services (Excavator Rental) sealed on 25<sup>th</sup> April 2019.

Sematan Estate

- Sighted the Contract Agreement between estate with Ace Engineering & Services (JCB Rental) sealed on 01<sup>st</sup> January 2019.
- Sighted the Contract Agreement between estate with Kon Wei Si (FFB Transport) sealed on 01<sup>st</sup> February 2019.

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

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

**Summary** The estates were audited by Global Gateway Certifications Sdn Bhd MSPO auditor on 21<sup>st</sup> May 2019 – 26<sup>th</sup> May 2019. Sighted audit plan dated 25<sup>th</sup> April 2019 (4<sup>th</sup> Revised) which have been accepted address to Miss Aisyatul Aizzura Salha Abdul Rahim (Head Sustainability and Investor Relations). All the auditors are qualified MSPO auditor. As per agreed, the company accept the GGC MSPO Auditors to verify through a physical inspection if required for audit purposed.

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

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

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

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

## 2.7 Principle 7 : Development of new planting

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

### **Criterion 2 Peat land**

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

**Summary** At this moment, there were no new plantings involving peat area. Thus, it is not applicable for Gedong Complex [Estates].

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

**Criterion 3 Social and Environmental Impact Assessment (SEIA)**

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable Gedong Complex [Estates].

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

**Criterion 4 Soil and topographic information**

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

**Criterion 5 Planting on steep terrain, marginal and fragile soils**

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

**Criterion 6 Customary land**

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Gedong Complex [Estates].

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

## 2.8 Details of Audit Findings

### Details Non-Conformity

- See Appendix B -

### Details of Area of Concern

- See Appendix B -

### Details of Noteworthy / Positive Findings

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

## Appendix A: Audit Plan

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

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
22 <sup>nd</sup> May 2019	08:00 – 13:00	<b>Kepayang Estate</b> <ul style="list-style-type: none"> <li>➤ <b>Document Audit:</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint</li> </ul> </li> </ul>	MS	IBI/AS



		records, workers records, training records, permits, CIP, etc.		
	10:30 – 12:30	<ul style="list-style-type: none"> <li>➤ <b>Estate inspection:</b></li> <li>• Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc.</li> </ul>	MS	IBI/AS
	13:00 – 14:00	<ul style="list-style-type: none"> <li>➤ <b>Lunch</b></li> </ul>	MS	IBI/AS
	14:00 – 16:00	<ul style="list-style-type: none"> <li>➤ <b>Continue document review</b></li> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	MS	IBI/AS
	16:00 – 17:00	<ul style="list-style-type: none"> <li>➤ Verify any outstanding issues, auditor discussion and end of audit for day 2.</li> </ul>	MS	IBI/AS

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
23 <sup>rd</sup> May 2019	08:00 – 13:00	<b>Semalatong Estate</b> <ul style="list-style-type: none"> <li>➤ <b>Document Audit:</b></li> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	MS	IBI/AS
	10:30 – 12:30	<ul style="list-style-type: none"> <li>➤ <b>Estate inspection:</b></li> <li>• Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc.</li> </ul>	MS	IBI/AS
	13:00 – 14:00	<ul style="list-style-type: none"> <li>➤ <b>Lunch</b></li> </ul>	MS	IBI/AS
	14:00 – 16:00	<ul style="list-style-type: none"> <li>➤ <b>Continue document review</b></li> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	MS	IBI/AS



	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 3.	MS	IBI/AS
--	---------------	---	----	--------

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
24 <sup>th</sup> May 2019	08:00 – 13:00	<b>Sadong Estate</b> ➤ <b>Document Audit:</b> <ul style="list-style-type: none"> <li>Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	MS	IBI/AS
	09:00 – 11:00	➤ <b>Centralize Stakeholder Consultation (Dewan Masyarakat Serian)</b>	MS	IBI/AS
	10:30 – 12:30	➤ <b>Estate inspection:</b> <ul style="list-style-type: none"> <li>Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc.</li> </ul>	MS	IBI/AS
	13:00 – 14:00	➤ <b>Lunch</b>	MS	IBI/AS
	14:00 – 16:00	➤ <b>Continue document review</b> <ul style="list-style-type: none"> <li>Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	MS	IBI/AS
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 4.	MS	IBI/AS

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
25 <sup>th</sup> May 2019	08:00 – 13:00	<b>Lupar Estate</b> ➤ <b>Document Audit:</b> <ul style="list-style-type: none"> <li>Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	MS	IBI/AS
	10:30 – 12:30	➤ <b>Estate inspection:</b> <ul style="list-style-type: none"> <li>Field inspection, boundary inspection, fertilizer application, field spraying,</li> </ul>	MS	IBI/AS



		harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc.		
	13:00 – 14:00	➤ <b>Lunch</b>	MS	IBI/AS
	14:00 – 16:00	➤ <b>Continue document review</b> <ul style="list-style-type: none"> <li>Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	MS	IBI/AS
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 5.	MS	IBI/AS

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
26 <sup>th</sup> May 2019	08:00 – 13:00	<b>Sematan Estate</b> <ul style="list-style-type: none"> <li>➤ <b>Document Audit:</b> <ul style="list-style-type: none"> <li>Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	MS	IBI/AS
	10:30 – 12:30	➤ <b>Estate inspection:</b> <ul style="list-style-type: none"> <li>Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc.</li> </ul>	MS	IBI/AS
	13:00 – 14:00	➤ <b>Lunch</b>	MS	IBI/AS
	14:00 – 16:00	➤ <b>Continue document review</b> <ul style="list-style-type: none"> <li>Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	MS	IBI/AS
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 6.	MS	IBI/AS

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

## Appendix B : Non-Conformity details

**Non-Conformities Identified During This Audit**

<b>Major Nonconformities:</b>	The following NC's was raised for this audit.
-------------------------------	---

<b>Company Name</b>	TH Plantations Berhad			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
<b>Client Number</b>	GGC-D6-MSPO-2019			
<b>NC No. / Ref.</b>	D6/MSPO/MAJOR/01	<b>Date Detected</b>	27 <sup>th</sup> May 2019	
<b>Site(s) concern</b>	All Estates	<b>Target Completion</b>	90 Days	
<b>Normative Reference and Requirement</b>	4.4.4.2 Major  The occupational safety and health plan shall cover the following: e. The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.			
<b>NC Type</b>	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	No evidence during the audit.			
<b>NC Objective Evidence:</b>				
No evidence, health or medical surveillance being conducted consistently to all workers who is exposed or likely to be exposed to chemicals hazardous to health as per recommendations in the Chemical Health Risk Assessments.				
<b>Lead Auditor Signature:</b>		<b>Client Signature:</b>		
				
<b>Root cause Analysis (to be filled by client):</b>				



Estate assumed that being performed health surveillance or medical surveillance to several workers by sampling basis is sufficient without aware that it is not comply with Occupational Safety Health (Classification Packaging & Labelling) Regulation 1997 and Occupational Safety & Health (Use & Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.

Initially we were recommended only workers involved in *Organicphosphates* and fertilizer contain *Cystaline* to undergo medical surveillance as recommended by CHRA report of 2016.

**Corrective action planned (to be filled by client):**

- 1) Medical surveillance on remaining workers who are exposed to chemical has been arranged to undergo the treatment for by stages.
- 2) Remaining workers to be send to the Medical Surveillance:
  - Ladang Gedong - 23 Pax
  - Ladang Sematan - 19 Pax
  - Ladang Lumar - 30 Pax
  - Ladang Sadong - 20 Pax
  - Ladang Kepayang - 24 Pax
  - Ladang Semalatong - 16 Pax

**Preventive Action (to be filled by client):**

- 1) Medical surveillance will be conducted every year to the targeted group who are exposed/handle to any type of chemical content at workplace.
- 2) Health Surveillance program will be conducted twice a year to all workers who are exposed to chemical hazard.
- 3) Both programs will be included in the OSH program for monitoring purposes.

**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:**  Yes  No

**Site verification:**  Yes  No

**Date Verified:** 15<sup>th</sup> June 2019

**Lead Auditor Signature:**




<b>Minor Nonconformities:</b>		The following NC's were raised for this audit.																					
<b>Company Name</b>	TH Plantations Berhad																						
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2																				
	Surveillance	<input type="checkbox"/>	Recertification																				
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders																						
<b>Client Number</b>	GGC-D6-MSPO-2019																						
<b>NC No. / Ref.</b>	D6/MSPO/MINOR/01	<b>Date Detected</b>	27 <sup>th</sup> May 2019																				
<b>Site(s) concern</b>	Kepayang, Sadong, Lupar & Sematan Estates	<b>Target Completion</b>	Next Surveillance Audit																				
<b>Normative Reference and Requirement</b>	4.3.1.1 Minor All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.																						
<b>NC Type</b>	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern																						
<b>Description of Non-Conformity</b>	The work permit of estate's foreign worker is under different employer.																						
<b>NC Objective Evidence:</b>																							
Out of several samples taken from each estate, evidence the following number of foreign workers being employed under different employer;																							
<table border="1"> <thead> <tr> <th>Location of work</th> <th>No. of Sample Taken</th> <th>No. of foreign worker</th> <th>Employed by</th> </tr> </thead> <tbody> <tr> <td>Kepayang</td> <td>22</td> <td>8</td> <td>Semalatong</td> </tr> <tr> <td>Sadong</td> <td>50</td> <td>2</td> <td>Lupar</td> </tr> <tr> <td>Lupar</td> <td>50</td> <td>1</td> <td>Kenyalang</td> </tr> <tr> <td>Sematan</td> <td>50</td> <td>1</td> <td>Gedong Plantation</td> </tr> </tbody> </table>				Location of work	No. of Sample Taken	No. of foreign worker	Employed by	Kepayang	22	8	Semalatong	Sadong	50	2	Lupar	Lupar	50	1	Kenyalang	Sematan	50	1	Gedong Plantation
Location of work	No. of Sample Taken	No. of foreign worker	Employed by																				
Kepayang	22	8	Semalatong																				
Sadong	50	2	Lupar																				
Lupar	50	1	Kenyalang																				
Sematan	50	1	Gedong Plantation																				
Samples of evidence:																							
4. Nasir Kammissi, Passport No. B4367961 of Kepayang Estate																							
5. Rachmat, Passport No. C2572430 of Sadong Estate																							
6. Kartini Ampari, Passport No. AT732323 of Sematan Estate																							
<b>Lead Auditor Signature:</b>		<b>Client Signature:</b>																					
																							
<b>Root cause Analysis (to be filled by client):</b>																							

<b>Corrective action planned (to be filled by client):</b>	
<b>Preventive Action (to be filled by client):</b>	
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
<b>NC Closed:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Site verification:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Date Verified:</b>	<b>Lead Auditor Signature:</b>

<b>Company Name</b>	TH Plantations Berhad			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
<b>Client Number</b>	GGC-D6-MSPO-2019			
<b>NC No. / Ref.</b>	D6/MSPO/MINOR/02	<b>Date Detected</b>	27 <sup>th</sup> May 2019	
<b>Site(s) concern</b>	Sadong & Lupar Estates	<b>Target Completion</b>	Next Surveillance Audit	
<b>Normative Reference and Requirement</b>	4.3.2.1 Minor The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.			
<b>NC Type</b>	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	Evidence of TH Plantations Berhad managing oil palm plantation outside its land title.			
<b>NC Objective Evidence:</b>				
TH Plantations Berhad is managing overplanted area at the following estate;				
No.	Estate	Overplanted Ha		
1.	Sadong	10.74		
2.	Lupar	7.14		

<b>Lead Auditor Signature:</b> 	<b>Client Signature:</b> 
<b>Root cause Analysis (to be filled by client):</b>  	
<b>Corrective action planned (to be filled by client):</b>  	
<b>Preventive Action (to be filled by client):</b>  	
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>  	
<b>NC Closed:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Site verification:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Date Verified:</b>  	<b>Lead Auditor Signature:</b>  

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



## Appendix C : List of Stakeholders Contacted

### Attendance List

#### Internal Stakeholders

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

#### External Stakeholders (Government Agency)

- 1) Dr. Ivan Yap KS – Kementerian Pendidikan Sains & Penyelidikan Teknologi, Sarawak
- 2) Cik Asha Devi K - Kementerian Pendidikan Sains & Penyelidikan Teknologi, Sarawak
- 3) En. Max Biondi – Inst. Keselamatan & Kesihatan Pekerjaan Negara (IKKPN)
- 4) En. Mohd Farizan bin Jamil – UiTM
- 5) En. Melvin – SOPPOA
- 6) Bapak Hasani Edelin – Konsulat Jeneral Republik Indonesia
- 7) En. James Dani – Ketua Balai Bomba Serian
- 8) En. Alexander A. AK Mong – ASP PDRM, Serian
- 9) En. Mohd Shukri – Pertubuhan Keselamatan Sosial
- 10) En. Tonny Nipun – MPOB Serian
- 11) En. Jason Keegan – MPOB Serian
- 12) En. Latip Bundan – Institut Pertanian
- 13) En. Maxmilan Doren Buka – DOA
- 14) En. Sulin Lumong
- 15) En. Tong Chew Chuan
- 16) Pn. Julinah Jamaliah
- 17) En. Razak Eman
- 18) Pn. Elijah Ak Atem
- 19) En. Dominik Anak Girai
- 20) En. Sim Mui Chai
- 21) En. Mohd Shukery b. Hassan
- 22) En. Aaron Chang
- 23) En. Melvin Goh – SOPPA
- 24) En. Lai Chea Jiri – Peg. Penilai
- 25) Pn Jessie Anak Bidut – PKPTK
- 26) En. Geffrony bin Rangi – Setiausaha
- 27) En. Timohty Abet Isik – ECO
- 28) En. Sahsudin Borhan – SK Merakai

#### External Stakeholders (Supplier & Contractor)

- 1) Vintura Sdn Bhd
- 2) En. Chai Kun Chin
- 3) En. Tumar Anak Lunya
- 4) En. Umpang Anak Daka
- 5) Pencak Mekar Sdn Bhd
- 6) TTF Engineering Sdn Bhd



- 7) Wagro Trading (Kuching) Sdn Bhd
- 8) Gemilang Enterprise
- 9) En. Raymond Tan -Man Huang Enterprise
- 10) En. Chai Lee Sia - Man Huang Enterprise
- 11) Yong CL Trading and Services
- 12) Yong CL Engineering Sdn Bhd
- 13) Huang Ann Transport
- 14) Ban Siri Furniture & Electric Trading
- 15) Ban Siri Furniture Trading
- 16) Liam Air-Cond and Supply
- 17) Agensi Pekerjaan APKA Group Sdn Bhd
- 18) Interarup Consulting Engineering
- 19) Ice Plantation Sdn Bhd
- 20) Ace Engineering & Services
- 21) Minah General Contractor
- 22) En. Kon Wei Si

External Stakeholders (Penduduk Kampung)

- 1) En. KK Baran Anak Ramai @ Mugan Leni
- 2) En. Mohd Zamri bin Abdullah
- 3) En. Singgan Anak Minu
- 4) En. Langga Anak Gayah
- 5) En. Sandiri Anak Ripai
- 6) En. Buyang Anak Mony
- 7) En. KK Kudi Anak Lenggir
- 8) En. KK Giri Anak Mani
- 9) En. KK Achai Anak Bijak
- 10) E. KK Joseph Nayu
- 11) En. KK Lihang Anak Damang
- 12) En. KK Bohari Abd Karim @ Bobby
- 13) En. KK Hendry Anak Jimai
- 14) En. KK Welson Anak Darie
- 15) En. KK Sebli Anak Uban
- 16) En. Bazli Nahrani – Guru Besar
- 17) En. Joe frazer Anak Chandu
- 18) En. Merikah Anak Abang
- 19) En. Rabah Anak Tuah
- 20) En. KK Andrew Suat
- 21) En. KK Rupert
- 22) En. Rexson Anak Karah
- 23) En. Mahmud bin Awal
- 24) En. Manu
- 25) En. Kalong
- 26) En. Temenggang Anak Nipah
- 27) En Mohd Najib - Penghulu