

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)


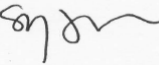


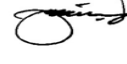
CERTIFICATION AUDIT REPORT


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

Ladang TM Ulu Lepar
[Estate]

-Individual Certification-

MAIN ASSESSMENT AUDIT
19th June 2019

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	04/07/19	Issued as Draft Report	Mohd Fadzli Bin Bistamam	Lead Auditor	
A	15/07/19	Peer Review 1 Comments	Muhammad Syafiq bin Abu Bakar	Peer Reviewer 1	
A	15/07/19	Peer Review 2 Comments	Mohamad Fitri bin Mustafa	Peer Reviewer 2	
B	18/07/19	Issued as Final Report	Mohd Fadzli Bin Bistamam	Lead Auditor	
B	19/07/19	Final Report Approved	Muhammad Syafiq bin Abd Razak	Certifier	

Acknowledgment by Tanah Makmur Berhad					
Rev	Date	Description	Management Representative	Role	Signature
B	19/07/19	Acceptance of the contents	Mr. Shahrul Nizam bin Abdul Aziz	Group Chief Operating Officer	

Declaration

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

WITH INTEGRITY WE SERVE



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

SECTION I : PUBLIC SUMMARY REPORT**1.1 Certification Scope**

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of **Ladang TM Ulu Lepar [Estates]**. During this **Main Assessment Audit (Stage 2)**, the audit team were briefed by Estate Manager, of the supply base disposition. The group consists of 4 estates.

This assessment was conducted onsite on **19th June 2019** to assess the compliance of the certification unit against the **"MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder"**. The scope of certification is **"Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches"**.

1.2 Company details and Contact information

Company Name	Tanah Makmur Berhad
Business Address	Bangunan Tanah Makmur Berhad, Kotasas Avenue, Persiaran Kotasas, Kota Sultan Ahmad Shah, 25200 Kuantan, Pahang.
Contact Person	Mr. Shahrul Nizam Bin Abdul Aziz
Office Telephone	013-3435517
E-Mail	gcoo.tmb@gmail.com, nizam@tanahmakmurberhad.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 TM Ulu Lepar	Ladang TM Ulu Lepar, Peti Surat No. 7 Pejabat Pos Maran 26500 Maran, Pahang	E 102° 53' 47.50"	N 3° 46' 56.03"

MPOB License Information

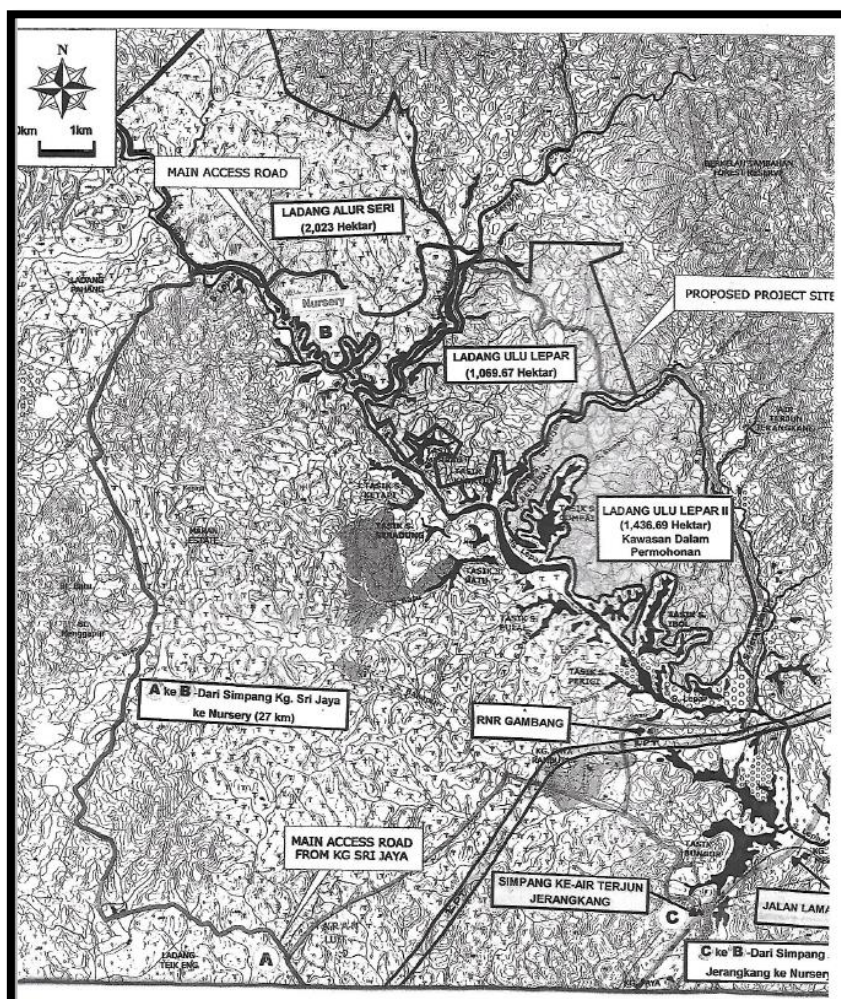
No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1	Ladang Ulu Lepar	617081002000	31/12/2019	Menjual dan Mengalih FFB

Others Sustainability Certification

No	Name Of The Site	Others Sustainability Certifications
1.	NIL	NIL

1.4 Map Showing Geographical Location

1) TM Ulu Lepar Estate Map



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

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
Ladang TM Ulu Lepar	1,069.67	1,029.00	1,029.00
Total	1,069.67	1,029.00	1,029.00

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Total	NIL	NIL	NIL

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [Jun 2018-May 2019]	Projected Production for next 12 Months [Jun 2019-May 2020]
Ladang TM Ulu Lepar	NIL	3,024.62	10,580.00
Total	NIL	3,024.62	10,580.00

1.6 Certificate Details**Certification body**

Global Gateway Certifications Sdn. Bhd.,
No. 10 Jalan Rasmi 7, Taman Rasmi Jaya,
68000 Ampang,
Selangor Darul Ehsan, Malaysia.
Tel.: +603 4256 2689; Fax: +603 4256 2687
Website: www.ggc.my

Assessment standard

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

Certificate number

GGC-TMB009-MSPO-00-2019

Initial certificate issued date

19th July 2019

Certificate expiry date

18th July 2024

Stage 1 assessment date	09 th April 2019
Stage 2 / Main Assessment	19 th June 2019
Annual Surveillance 1 [ASA 1]	June 2020
Annual Surveillance 2 [ASA 2]	June 2021
Annual Surveillance 3 [ASA 3]	June 2022
Annual Surveillance 4 [ASA 4]	June 2023

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: Mohd Fadzli bin Bistamam (P1, P4, P6, P7)

Post graduate qualification in Agricultural Engineering with more than 7 years working experience in Oil Palm Plantation Industry. More than 7 years of working experience in Oil Palm Plantation Industry with skills in Good Agricultural Practices (GAP) and Integrated Pest Management (IPM). Experience in managing estate workers, handling of mineral and peat soil and knowledgeable in chemical control of weeds and Pest & Diseases in Oil Palm Plantation Sector.

Fully trained in similar agriculture certification programs such as RSPO, MSPO and ISCC. Completed and certified in ISO 9001:2015, RSPO Lead Auditor Course, MSPO Training and ISCC Basic Training. Thus, became qualified Lead Auditor for the above programs.

Involved in Oil Palm Sustainability Audit since year 2016. Involved in audits conducted in Malaysia, Indonesia, Papua New Guinea, Ivory Coast, India and Singapore. Able to write and speak in Bahasa Malaysia and English.

Auditor

Name: Md Jefri Sharaai (P2, P3, P5)

Bachelor Degree in Chemical Engineering and Master Degree (Science) in Quality & Productivity. Total of 25 years working experiences in various industries and disciplines; manufacturing, production, quality, internal audit, research & development, oil & gas design engineering. Involved in auditing, developing, implementing and maintaining of ISO 9001, ISO 14001 and OHSAS 18001. Having years of auditing experiences in Roundtable on Sustainable Palm Oil (RSPO) and Malaysian Sustainable Palm Oil (MSPO) sustainable programme.

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 not applied as there is only one estate namely Ladang TM Ulu Lepar.

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

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

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

1.9 Audit Plan Information

Audit Date	19 th June 2019
Name of site(s) visited	Ladang TM Ulu Lepar
Total number of man-days spent	2 man-days

1.10 Audit Result Summary Findings

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	0	Closed
Minor Nonconformities	0	No action requires
Area of Concern	0	No action requires
Noteworthy /Positive Comments	6	No action requires

1.11 Stakeholder Consultation

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

GGC has published the public notification on 10th May 2019 and as to accommodate a stakeholders' consultation meeting for mill and estate. Therefore, it was conducted on 19th June 2019 in Ladang TM Ulu Lepar to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements.

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

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

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	Stakeholders A (Contractors)	<ul style="list-style-type: none"> They have good understanding about MSPO. He is clear that if he employs a worker, he has to officially inform estate management. He also knows the working hours, minimum salary, Socso & EPF (for local workers) that has to be paid as he has been briefed in the Stakeholders meeting. They informed that the payments were made promptly without any delay. Contract agreement were signed prior commencement of work. They were aware that any complaints or suggestions 	No action requires	Positive findings

		<p>could be forwarded to the mill/estate management.</p> <ul style="list-style-type: none"> • He is very happy with the management and hopes to continue his contract for a long time. • The company has good relation with supplier and there is no issue with company's performance. 		
2.	Stakeholders B (Contractors)	<ul style="list-style-type: none"> • Most of the stakeholders attended the meeting are aware about the MSPO. • Most of them has little knowledge on the existence of method/ mechanism of complaints/ grievances. • 	Management will continue briefing to all stakeholders on MSPO and complaint and grievance mechanism	Will review by next surveillance audit
3.	Stakeholder C (Neighbouring Estate)	<ul style="list-style-type: none"> • They have good relationship with the management. • There is no conflict ever happened with mill & estate. 	No action requires	Positive findings
4.	Stakeholder D (Estate workers)	<ul style="list-style-type: none"> • MSPO awareness, company policy and SOP are briefed among workers during muster call. • Personal Protective Equipment are distributed free of charged by management. • They have good understanding about complaint and grievance mechanism. • They are very happy with the management and hopes to continue their contract for a long time. • Company well managing the welfare, health and safety of their workers. • Housing facilities is provided with water and electrical supply. • They have been treated equally without any discrimination. Their salary was according to Minimum Wage Order 2018. 	No action requires	Positive findings

1.12 Recommendation

The company has established sustainability policy, objectives and procedures that define an effective system for the administration and control of sustainability management system throughout all operation activities of Ladang TM Ulu Lepar. Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual.

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 0 major, 0 minor non-conformities and 0 area of concern has 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 no non-conformity findings. 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 Ladang TM Ulu Lepar.

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**

Policy for Implementation MSPO sighted as follow:

1. Polisi Pelaksanaan Dan Komitmen Terhadap MSPO (1 Nov 2018)
2. Polisi Kemasyarakatan Dan Hak Asasi Manusia (1 Nov 2018)
3. Polisi Peluang Kesaksamaan (1 Nov 2018)
4. Polisi Perlindungan Dan Penjagaan Alam Sekitar (1 Nov 2018)
5. Polisi Keselamatan, Kesihatan Dan Persekitaran Pekerjaan (13 Mac 2018)
6. Polisi Larangan Pembakaran Terbuka (1 Nov 2018)
7. Polisi Gangguan Seksual (1 Nov 2018)

In Compliance**Yes**

No



Not Applicable

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

The policy highlighted all the MSPO principles to be implemented by the company. The policy also stated that the company is going for *"Penambahbaikan Berterusan dan memainkan peranan dalam mengusahakan perladangan sawit secara lestari dan mampan."*

In Compliance**Yes**

No



Not Applicable

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

Internal audit procedure sighted as per document No: TMB/MSPO/IAM-01 (Prosedur Audit Dalaman), dated 15.11.2018.

Internal audit is planned annually as per document No IAM-01/JPT/L1 "Jadual Perancangan Tahunan Audit Dalaman MSPO".

Latest audit report sighted dated 28.02.2019. The internal audit team consists of 1 lead auditor (Mr. Isrizal Bin Israni) and 4 auditors from TMB HQ.

In Compliance**Yes**

No



Not Applicable

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

Summary Internal audit done following the checklist "MSPO Audit Checklist".

Sighted audit report dated 28/2/2019, done by Mr. Isrizal Bin Israni. Total of 44 Major and 10 Minor NC raised by the internal audit team.

Verified that all the Major and Minor NCs has been closed.

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

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

Summary Internal audit report sighted as per document "MSPO Audit Checklist" dated 28.02.2019, done by Mr. Isrizal Bin Israni.

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 Management review meeting was held on 20.03.2019. at Pejabat Ladang Ulu Lepar.

Minute meeting sighted prepared by Mohd Shahreza Bin Kamarudin (Asst. Manager) and verified by En. Mohd Zulhashim Bin Din (Estate Manager).

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

Criterion 4 Continual improvement

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

Summary Continuous plan available. The plan includes CIP for social, Safety and Health, Environment and Legal. It was prepared by various PIC;

Environmental – Mohd Faizul Izwan Mohd Khalid
Social & Safety – Mohd Hanif Hasim
Legal – Noremy Hashim

Verified all CIPs social, safety and health environmental almost 90% completed ahead from the plan date.

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 Management maintained with the current implementation.

List of new systems (as below) used by the estate sighted in document "Senarai Rekod Teknologi dan Sistem Terbaru".

- Sistem IECS for account purpose
- Sistem Imobile IECS for harvesting FFB
- Teknologi Palm Cutter for pruning

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 Management maintained with the current implementation as above. Verified adequate training been done. Sighted training attendance for Mandor, Checker and General Worker dated 9/03/19 for Teknolpgi Palm Cutter.

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 Sighted the information application form is available in "Borang Permohonan Maklumat –Berkaitan MSPO" CCS-03/BMM/L4.

As to date there are no request has been made.

Internal & external stakeholder meeting 01/2019 conducted on 14th March 2019 at at Bilik Mesyuarat Majlis Daerah Maran. 28 stakeholders attended the meeting consist of (Pegawai Pengangkutan, Pejabat Kesihatan, Sekolah Luit). Sighted photographs and minutes of meeting is made available.

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 listing of management documents that are confidential and non-confidential that can be made publicly. Sighted list of Publicly Available documents during audit where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social. "Senarai Dokumen yang boleh didedahkan".

The publicly available document includes:

- MSPO Policies
- Schedule Waste
- Estate organization chart
- Complaint form
- MSPO matter related officer incharge
- etc

Documents cannot expose to public are;

- Estate MSPO procedures
- Internal audit plan/report
- Legal lists
- Checkroll
- Etc

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 Seen SOP for communication of stakeholders, "Komunikasi dan Konsultasi Pihak Berkepentingan", [No. dok: TMB/MSPO/CCS-03, dated 15th November 2018.

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 Seen letter of appointment En. Mohd Shahreza Bin Kamarudin, Supervisor, dated 1st March 2019 approved by Mr. Zulhashim Bin Din. He is responsible in matter involved in social, stakeholders and grievances related matters.

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

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

Summary Sighted latest stakeholder list updated for year 2019 dated 18th March 2019. List consist of internal and external stakeholders surrounded around Ladang Kg Bongsu prepared by Pn.Noremy Hashim approved by Mr.Mohd Shahreza Bin Kamrudin.

Internal & external stakeholder meeting 01/2019 conducted on 14th March 2019 at at Bilik Mesyuarat Majlis Daerah Maran. Sighted attendance record of 28 participants and photographs.

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 Seen SOP for Traceability, "Kebolehhesanan BTS" [No Dok.: TMB/MSPO/TRC-04] dated 15th November 2018.

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

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

Summary All records of FFB seen Rekod TImbangan BTS di Ladang, Daily Crop by Block (Mill Weight), Rekod Tandan, Resit Timbangan (Internal), Oil Palm Daily, buku Penghasilan. Ladang Ulu Lepar did not use PMMP, due budget approval from HQ. Manual document use.

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

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

Summary Seen letter of appointment En. Noor Esam Bin Ahmad, dated 1st March 2019 approved by Mr. Zulhashim Bin Din. He is responsible in matter involved in traceability.

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

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

Summary Sighted all records done by estate management. From field to the mill. Estate will record all the bunch that harvest by the harvester.

Verified:

- Buku rekod hasil harian
- Dispatch chit
- Grading chit
- Chit Jualan
- Buku Timbangan Harian
- Fail External Ladang
- Memo debit & kredit ladang

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 Prosedur Pengurusan Pematuhan Undang-Undang [No dok.: TMB/MSPO/PUU-11] dated 5th April 2019].

List of applicable laws has been established as documented in "Legal and Other Requirements Register (LORR)". The list contains of local and international laws and regulations. There is set of Legal Requirements been divided into:

- a. OSH
- b. Environment
- c. Water
- d. HR Related
- e. Other Local Malaysian Requirements
- f. Key International Laws and Conventions Applicable to the production of palm oil

Seen "Senarai Maklumat Lesen, Permit & Cukai"

- Permit Diesel [No permit: C000023 TLH, expires on 13th March 2020.
- MPOB Licese: [No lesen: 617081002000, 1,069.67 Ha] expires on 31st December 2019.
- CHRA expires on May 2023.
- Fire extinguisher expires on 10th August 2019.
- Lesen timbang sukat [No. lessen: B1302789] expires on 26th June 2019.
- Potongan Upah di bawah Seksyen 24 Akta Kerja 1955 [Rujk: JTK.PHG.600-2/11/3 Jld 5(30), dated 6th August 2018.

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

In Compliance ☒ Yes ☐ No ☐ Not Applicable

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

Summary As per interviewed with Pn. Siti Rohani, Clerk, she will update any new amendments or any regulations once received through the communication with internal department, legal register, communication with law/enforcement officers from the Head Quarters.

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

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

Summary Seen letter of appointment of Pn. Noremy Binti Hashim, Kerani dated 1st March 2019 approved by Mr. Zulhashim Bin Din.

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

Criterion 2 Land use rights

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

Summary Estates land titles are available and maintained. No. H.S.(D). 44435, PT4333 [1,069.67 Ha]. Use of land "tanaman kelapa sawit sahaja"

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

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

Summary Estates land titles are available and maintained in MSPO P3 file. Use of land tanaman sawit. No. H.S.(D). 44435, PT4333 [1,069.67 Ha]. Use of land "tanaman kelapa sawit sahaja"

Seen quit rent for the year 2018 [PT4333] – [No. 422/2-18] dated 31st May 2018. Hectarage statement was made available.

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 Legal boundary marker has yet to be established as the estate is newly operated since 2016. Letter to TMB HQ has been submitted by Ladang Ulu Lepar requesting follow up to conduct land survey by qualified surveyor from Jabatan Ukur. Reference to letter (01)dlm.LUL19/OPRT/B 005 dated 10.05.2019.

Temporary boundary markers sighted during estate site visit to the perimeter. Map showing the markers evident during the audit.

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

Indicator 4 Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).

Summary There is no evidence of conflict present in this estate. There is no violence in instigated violence in maintaining peace because company has a clear procedure for land conflict.

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

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

Criterion 3 Customary rights

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

Summary There is no customary land in or surrounding the estate. There are also no land disputes or claims involving this estate. The company has proper legal land tile for the land ownership.

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

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

Summary There is no customary land in or surrounding the estate. There are also no land disputes or claims involving this estate. The company has proper legal land tile for the land ownership. Therefore, no maps for recognized customary rights is available.

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

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

Summary There is no customary land in or surrounding the estate. There are also no land disputes or claims involving this estate. The company has proper legal land tile for the land ownership.

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

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

Criterion 1 Social impact assessment (SIA)

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

Summary Prosedur Komunikasi dan Konsultasi Pihak Berkepentingan", [No. dok: TMB/MSPO/CCS-03, dated 15th November 2018]. Approved by Tengku Dato Sri'Ahmad Faisal Bin Tengku Ibrahim, Managing Director dated 15th November 2018.

Policy Kemasyarakatan dan Hak Asasi Manusia sighted, approved by Managing Director dated 1st November 2018.

SIA report Ladang Uu Lepar was made available, dated 14th March 2019, prepared by Mohd Shahreza Bin Kamarudin and approved by Mr. Zulhashim Bin Din, Manager.

Seen file "Borang Soal Selidik Penilaian Impak Sosial" for internal and stakeholders. Stakeholder meeting conducted on 14th March 2019 at Bilik Mesyuarat Majlis Daerah Maran. 28 stakeholders attended the meeting consist of (Pegawai Pengangkutan, Pejabat Kesihatan, Sekolah Luit).

SIA action plan has been established according to the findings from the SIA analysis conducted by the estate Sighted form "Pelan Pengurusan Impak Sosial". Example action taken regarding "MSPO Understanding" is to conduct meeting with stakeholders and providing training and briefing regarding to MSPO. The plan also included the PIC and target date for each plan documented.

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

Seen complaint procedure, SOP "Prosedur Aduan dan Rungutan",

Seen letter of appointment of person-in-charge for Sosial, stakeholder & grievance handling, En. Aznan Bin Awang Kechik, Supervisor. Approved by Mr. Zulhashim Bin Din, Estate Manager.

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

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

Summary

Complaint Form seen for External and Internal Stakeholders.

Management require to fill the action taken to resolve the issue/complaint in complaint form. If the issue unable to be resolve in management level, it will be directed to higher level (HQ).

Refer to "Aduan Pihak Berkepentingan dan Resolusi Matriks" [Doc. No.: CCS-03/ARM/L3 dated 13th March 2019.

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

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

Summary Complaint form seen for External and Internal Stakeholders.

Peti Aduan is available at Ladang Ulu Lepar Office. Prosedur Komunikasi dan Konsultasi Pihak Berkepentingan”, [No. dok: TMB/MSPO/CCS-03, dated 15th November 2018]. Approved by Tengku Dato Sri’Ahmad Faisal Bin Tengku Ibrahim, Managing Director dated 15th November 2018.

As per Clause 5. (vi), complaint box is stationed at main office, kongsi [Doc No.: CCA-03/BAM/L2) is prepared for stakeholders to raise any complaint or concern.

Workers has shown good understanding on estate complain procedure as per interview session with them during estate site visit.

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 Stakeholders was made aware of complaint procedure during stakeholder meeting dated 14th March 2019. Sighted meeting minutes and photographs with attendance record.

Workers has shown good understanding on estate complain procedure as per interview session with them during estate site visit.

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 Record is kept upon begin with complying to MSPO Standard.

Records of complains are available during the audit. Sighted form “Aduan Pihak Berkepentingan dan Resolusi Matriks”. All request and complaints have been resolved by the management. Example request sighted:

Date: 12.03.2019

Request from En. Ahmad Bin Suboh: Mandor requesting house inside the estate

Resolution: New housing complex has been built and waiting for approval from JTK Pahang.

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 CSR records was made available for the year 2018 at TM Ldg Ulu Lepar CSR program as below:

Sumbangan Bagi Mengendalikan Aktiviti dan Program Sekolah Kebangsaan Ulu Luit 2018 – RM 200.00 (Sighted cash voucher – No. 006/2018, dated 26th Jan 2018).

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

Criterion 4 Employees safety and health

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

Summary OSH policy sighted in "Polisi Keselamatan, Kesihatan dan Persekitaran Pekerjaan" dated 13.03.2018 signed by the Managing Director.

OSH Plan has been established as documented in "Pelan Pengurusan Keselamatan dan Kesihatan Pekerjaan".

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

- a. Seen OSH Policy 'Polisi Keselamatan, Kesihatan dan Persekitaran Pekerjaan' approved by Tengku Dato Sri Ahmad Faisal Bin Tengku Ibrahim, Managing Director dated 13th March 2018.
- b. HIRARC file seen (Document No: TMB/HIRARC-01-Rev 0).
 - Pengredan BTS di RAMP
 - Meracun bulatan dan anak kayu
 - Stor Racun dan Baja
 - Memotong Buah FFB
 - Internal Transport
 - Driving Tractor

Chemical handling training conducted on 21st March 2019 at Ldg Ulu Lepar to 12 workers (attendance record and photographs sighted).

- c. Training plan sighted in document "Jadual Latihan & Taklimat Tahun 2019". Among training that has been planned for year 2019 includes PPE Training, First Aid Training, Chemical Training, SOP for Spraying and SOP for Manuring. Training records sighted during the audit as documented in "Borang Kedatangan Latihan".
- d. PPE issuance and replacement record seen. Any damage PPE will be replaced by the management. Seen checklist of 'Rekod Peralatan PPE'. All workers are using the PPE provided by the estate as sighted during estate site visit conducted during the audit.
- e. SOP Chemical Handling is available [Estate Safe Operating Procedures]. SOP membancuh racun, SOP Setor Bahan Kimia, dan Carta Aliran Pengeluaran Racun was made available.

CHRA (Occumed Consultancy will visit on 26th June 2019). As per internal audit report 28/2/2019, No CHRA is made available, however, sighted quotation provided by OCCUMED CONSULTANCY.

Medical surveillance for sprayers and other chemical handlers has not been done yet.

SOP Setor Bahan Kimia and SOP Membancuh Racun available in Elemen 6: Garis Panduan dan Prosedur KKP, Document No. TMB/KKP/HSE-MS-001 dated 15/11/2018. Copy of SDS available during the audit. The SDS also found displayed in estate chemical store.

Chemical register for the estate sighted. Storage of chemical is in good condition where store is built with concrete with enough air ventilation. Liquid chemical is placed inside container to avoid risk of spillage. Chemical spillage kit is also presence in the store.

- f. Seen letter of appointment of En. Mohd Haniff Bin Hasim, Supervisor dated 1st March 2019 approved by Mr Zulhashim Bin Din, Estate Manager.
- g. OSH Minute Meeting seen, meeting conducted as per below:
- 12th March 2019

As SOP [No Dok.: TMB/KKP/HSE-MS-001, Rev. 0 dated 15th November 2018. Seen meeting minutes for OSH Meeting 01/2019.

- h. ERP (Emergency response plan) include the emergency contact name, number. Emergency Respond Plan Procedure and exit routes available in file, guard house and notice board.
Sighted letter of appointment of ERP team dated 7th March 2019 [Ruj: (08) dlm. LUL19/TMB/MSPO].

Emergency contact name, number is available in file P4 and can be seen at outside main office of Ldg Ulu Lepar.

- i. First aid kit (Training) were sighted in annual training programme year 2019. First Aid, CPR & AED Training dated 11th March 2019 by En. Hasri Abdul Hamid, Pegawai Keselamatan dan Kesihatan Pekerja conducted at Ldg Ulu Lepar. Letter of invitation available sent on 7th March 2019 to conduct First Aid Training. SOP – Garis Panduan dan Prosedur KKP [No. Dok: TMB/KKP/HSE-MS-001, dated 15th November 2018.

List of First Aider:

- Mohd Shahreza Bin Kamarudin
- Noremy Binti Hashim
- Mohd Haniff Bin Hasim
- Shahrul Nizam Bin Johari

(Sighted certificate from Pejabat Kesihatan Daerah Temerloh).

- j. Procedure for monitoring and accident reporting documented in “Sistem Pengurusan Keselamatan, Kesihatan dan Persekitaran bagi Ladang Tanah Makmur” Elemen 7 Pemantauan Prestasi dan Laporan Kemalangan Document No. TMB-KKP/HSE-MS-001 dated 15.11.2018.

Estate has sent JKPP 8 (I & II)/(IV) on annually basis to the DOSH. LTA calculation based on local interpretation from DOSH.

En. Rizal Bin Azizan, SSO from HQ is the person in charge of the submission. JKPP 6 – No accident has been recorded in year 2018 & 2019. JKPP 8 for year 2018 has been submitted by the estate by TMB OSH representative, MR. Mohd Rizal @ Azizan Bin Mohd Salleh. The submission is for all TMB estates. For 2018, total man-days working is 2,852,928.

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 Seen OSH Policy 'Polisi Keselamatan, Kesihatan dan Persekitaran Pekerjaan' approved by Tengku Dato Sri'Ahmad Faisal Bin Tengku Ibrahim, Managing Director dated 13th March 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 Polisi Peluang Kesaksamaan is made available dated 1st November 2018 approved by Tengku Dato Sri'Ahmad Faisal Bin Tengku Ibrahim, Managing Director. Stated 'menanggap dan melayan setiap pekerja dan pemohon pekerjaan dengan adil dan saksama tanpa mengira kewarganegaraan, bangsa, jantina, status perkahwinan, umur, keturunan, agama dan fahaman politik dalam semua tatacara kerja.

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 The salary is according to 'Perintah Gaji Minimum (Pindaan) 2018.

Guidelines on the Implementation on the Minimum Wages Order (Amendment) 2018 dated 28th November 2018 P.U. [A] 305. Malaysian minimum salary is RM1,100.00 as stated in the guidelines.

Sample salary slips during audit:

Name: Nazarudin
Empl. No: OT102
Month: May 2019
Earnings: RM 2,273.86
Deductions: RM 150.00
Net Pay: RM 2,123.86

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

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

Summary Sighted payment slips for contractor workers:

Contractor: Jentera Makmur Enterprise

Employee: Mohd Fauzi Bin Zainal Abidin
IC No: 790313-06-5833
Job: Machine Operator
Salary: RM 1,609.50

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 List of estate workers and contractor workers available during audit. Sighted document "Senarai Nama Pekerja TKI & TKB Ladang Ulu Lepar". Total workers for the estate are 35 (26 foreign, 9 locals).

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

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

Summary Employment contract available during the audit. The employment contract consists of several conditions and subjects such as:

1. Probation period
2. Working hours
3. Overtime
4. Productivity Incentive
5. Incentive Scheme and Bonus
6. Housing facility and Subsidy

Example sighted for:

Name: Nazrudin
Passport No / IC: B9860206
Job offered: FFB Harvester
Date: 01.01.2019

Name: Sadri
Passport No / IC: AU254448
Job offered: FFB Harvester
Date: 01.01.2019

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 Monday to Thursday and Saturday to Sunday (Friday – off). The overtime maximum is 104 hours according to Malaysian Law.

Sighted “Buku Kedatangan – Mandor & Checker 2019” and attendance sheet for workers (Daily Pocket Checkroll). Attendance taken during morning roll-call.

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 Working hours is 8 hours. From Monday to Thursday and Saturday to Sunday (Friday – off). The overtime maximum is 104 hours according to Malaysian Law.

Workers:
Saturday – Thursday [7.00am – 3.00pm]
Friday – Off day

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

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

Summary Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker.

Guidelines on the Implementation on the Minimum Wages Order (Amendment) 2018 dated 28th November 2018 P.U. [A] 305. Malaysian minimum salary is RM1,100.00 as stated in the guidelines.

Sample salary slips during audit:

Name: Nazarudin
Empl. No: OT102
Month: May 2019
Earnings: RM 2,273.86
Deductions: RM 150.00
Net Pay: RM 2,123.86

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, housing facilities and accident insurance.

With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations.

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

Indicator 11 In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities 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. Electricity is provided by the management from Generator and water for domestic is from Sg.Lepar. Sighted permission from "Pengarah Badan Kawal Selia Air Pahang" to use river for estate domestic use.

Sampling for river water has been sent for analysis to Central Laboratory UMP dated 13th June 2019. For domestic use from water treatment plant, sampling has been done by Permulab Sdn Bhd as per Certificate of Analysis sighted, dated 06.03.2019.

Regular inspection to estate housing area is being done as per report "Borang Pemeriksaan Perumahan Pekerja". The Management is in progress of requesting Housing Permit for its complex. Sighted letter to Jabatan Tenaga Kerja Cawangan Kuantan and to Indah Water Konsortium Sdn Bhd Kuantan.

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 Prosedur Pengurusan Gangguan Seksual [No. Doc: TMB/MSPO/PGS-10] dated 15th November 2018. Complaint form is available [Borang Aduan Gangguan Seksual – PGS-10/BGS/L1).

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 No registered workers union in the estate. However, the company has established Human Rights Policy which allows workers to form and join union according to applicable local laws.

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 As per "Social and Human Rights Policy", 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 As per SOP "Training & Competency Procedure – Latihan dan Kompetensi, Doc. No: TMB/MSPO/LKP-09, dated 15st November 2018.

Kalender Latihan Tahunan [No Dok.: LKP-09/KLT/L1], prepared by Mohd Shahreza Bin Kamarudin and approved by Mr. Mohd Zulhashim Bin Din.

Training records was made available during Stage 2 audit. Example training record sighted:

Date: 03.06.2019
Training: Chemical handling
Participants: 9 workers

Date: 07.04.2019
Training: Tractor driving SOP
Participants: 2 workers

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 Training needs and training plan for the staff and workers. The Estate has a comprehensive annual training plan for the Staffs and Workers and this was sighted in MSPO Principle 4 file.

Seen "Analisis keperluan Latihan [No Dok.: LKP-09/TNA/L2]". Prepared by Mohd Shahreza Bin Kamarudin and approved by Mr. Mohd Zulhashim Bin Din. dated 19th March 2019.

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 Training procedure sighted as per document No: TMB/MSPO/LKP-09 dated 15.11.2018 (Prosedur Operasi Standard Latihan dan Kompetensi).

Training program for 2019 (Jadual Latihan & Taklimat Tahun 2019) has been by the management. Training records and attendance evident during the audit.

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 As sighted the management has conducted the environment Policy in document "Polisi Perlindungan dan Penjagaan Alam Sekitar" and "Polisi Larangan Pembakaran Terbuka.

The policy was signed by Tengku Dato' Sri Ahmad Faisal Bin Tengku Ibrahim as their managing director dated on 1st November 2018.

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 The management has established the environment Policy and Objectives in document "Polisi Perlindungan dan Penjagaan Alam Sekitar" and "Polisi Larangan Pembakaran Terbuka.

The policy was signed by Tengku Dato' Sri Ahmad Faisal Bin Tengku Ibrahim as their managing director dated on 1st November 2018 and display in the estate office.

The assessment of the environmental aspect impact was conducted on 6th June 2019 prepared by Mohd Faizul Izwan bin Mohd Khalid (Estate Supervisor) and approved by Mohd Zulhashim bin Din (Estate Manager).

Guideline Assessment to environmental sighted, (EVM-06/AIS/L1).

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

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

Summary Environmental management plan sighted available example as :

1. Buffer Zone management
2. Domestic Waste management.
3. Empty Container
4. Open Burning Policy.
5. Chemical Store
6. Skid Tank Management.
7. Premix area.

The mitigation is continuously implemented and monitored as per plan stated in the aspect impact table.

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

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

Summary As sighted, the management has conducting an environmental management plan in document "Pelan Pengurusan Alam Sekitar 2019".

The document was prepared by Mr. Mohd Shahreza Bin Kamarudin (Asst Manager) and approved by En.Mohd Zulhashim Bin. Din (Estate Maanger)

The plan includes;

- Domestic waste schedule
- Land fill management
- Environmental training

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 training plan was developed by Mohd Shahreza Kamaruddin (Asst. Manager) for year 2019, namely " Jadual Latihan & Taklimat Tahun 2019" for all estate employee.

Sighted training records, dated 23/03/19 and 24/03/19 . The trainings contents were;

- Policy Environmental SOP
- Training for Environment
- Environmental impact.
- Schedule waste
- Open burning

Sighted training participant;

- Azman Bin Manan – Driver

- Mohd Faizul B.Mohd Khalid – Supervisor
- Ahmad Faizul B Suboh - Mandor
- Mohd Hafizi B Kadri – Checker
- Muhammand Tajudin Bin Ahmad - Checker

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 As sighted, a meeting discussed on environmental was held on 20 March 2019 at Ladang Ulu Lepar meeting room. The meeting was attended by 19 workers and staff.

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 Estate has identified only diesel as non-renewable energy being consumed. Estate has determined the baseline value, as below

- used for transport FFB = 400 liter per month
- 4wd vehicle use by Manager = 686 litre per month
- used for gen-set to generate electricity for housing = 1400 litre per month

As sighted the diesel is recorded and summarized monthly in a table form.

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 As above. Housing use gen-set to generate electricity.

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

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

Summary None renewable energy been applied.

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 All schedule wastes except SW 409 were collected by the DOE approved contractor, Sime Darby Industrial Sdn Bhd, whereby the same contractor conducted the maintenance services.

Sighted contractor's approved letter dated 6th September 2011, from Jabatan Alam Sekitar to Sime Darby Industrial Sdn Bhd.

Identification of waste available as follow:

-Schedule wastes

- SW102
- SW 103
- SW 305
- SW306
- SW404
- SW409
- SW410

-List of domestic waste also sighted as follow:

- Papers
- Tin
- Plastics
- Food waste.

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

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

Summary As sighted the waste management plan is available in document "Pelan Pengurusan Sisa" dated on 05th Apr 2018.

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 As sighted, used chemical handling procedure is available in SOP "Pengurusan Banah Buangan" document TMB/MSPO/SWM-05 .

Currently, there are 32 pcs of used chemical wastes container (SW 409) stored in the Schedule Waste Store. The Estate plan to dispose the container to approved collector.

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 sighted, used chemical handling procedure is available in SOP "Pengurusan Banah Buangan" document TMB/MSPO/SWM-05 .

Currently, there are 32 pcs of used chemical wastes container (SW 409) stored in the Schedule Waste Store. The Estate plan to dispose the container to approved collector.

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 Land fill area is identified in the estate map. Domestic wastes are disposed by land fill and was physically verified during the site visit. Based on Map sighted that there are, away from Housing and Water course.

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

Criterion 4 Reduction of pollution and emission including greenhouse gas

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

Summary The GHG management plan is available in document "Pelan Pengurusan Gas Rumah Hijau". The plan was prepared by Mr Mohd Zulhasim Bin Din.

Identification of pollution activity are sighted available as document:

1. GHG Emission release by Nitrogen
2. From the Transportation.
3. FFB to Mill
4. Open Burning.

Sighted below;

1. Pesticide and herbicide record are monitored in stock balance record and fertilizer use was recorded in manuring record 2018.
2. Used of fertilizer following the agronomist recommendation.
3. Services of heavy vehicles following the plan maintenance schedule. Sighted service maintenance plan for year 2018.

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

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

Summary Action plan has been sighted as Environmental management plan. No peat area sighted in the estate.
Open burning is prohibited.

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 Water management plan sighted available. Water Quality sampling are sighted available. Buffer zone area has been established as sighted available.

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 During site visit conducted to estate fields, there were evidence of road side drains constructed along the main road.

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

Criterion 6	Status of rare, threatened, or endangered species and high biodiversity value area
Indicator 1	<p>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:</p> <ul style="list-style-type: none"> 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	<p>As sighted the Biodiversity matrix is available in document "Matrixs Mengenalpasti Habitat dan Status Pemuliharaan Nilai Biologi".</p> <p>Appropriate signages as below were erected as observed during the site visit.</p> <ul style="list-style-type: none"> • Dilarang Memburu • Dilarang Memancing • Dilarang Berenang <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 2	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <ul style="list-style-type: none"> 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	<p>The management plan for Biodiversity is available in "Pelan Pengurusan Habitat Nilai Biodiversiti Tinggi" document HBV-07/PHB/L2. Interview with staff during site visit reveal that the employee aware on the illegal hunting to protect the RTE species.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p>
Summary	<p>None RTE species been identified. However, the Estate has following and continuously execute on the monitoring activities. Sighted "Borang Bancian Hidupan Liar" , dated 11/05/19 , recorded;</p> <ul style="list-style-type: none"> • "Ayam Hutan, Burung Terkukur, Burung Merbok, Burung Pipit" <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
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 SOP for Oil Palm Replanting, Version 1.0 dated 15.11.2018 sighted.
No burning of agricultural waste is allow as outlined in the SOP.

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

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

Summary As per interview with Estate Manager, no special approval needed to do open burning. All replanting activities are using the felling method. The practice is observed during field assessment.

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

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

Summary As per interview with Estate Manager, no special approval needed to do open burning. All replanting activities are using the felling method. The practice is observed during field assessment.

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

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

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

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

2.6 Principle 6 : Best practices

Criterion 1 Site management

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

Summary Best practice procedure Is available in “Polisi Amalan Pertanian Bagi Penanaman dan Penjagaan Kelapa Sawit” dated published in October 2015. The document contains SOP and procedures for most of estate operations such as:
1. Oil Palm Replanting

2. Oil Palm Nursey Establishment
3. Land preparation for replanting
4. Soil and water conservation
5. Roads and boundaries
6. Legume cover crop
7. Immature oil palm maintenance
8. Harvesting
9. Black Bunch Census (BBC)
10. Mature Palm maintenance
11. Fertilizer application

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 As sighted in “Polisi Amalan Pertanian Bagi Penanaman dan Penjagaan Kelapa Sawit”, sloping land and levels is available in clause 6.5.

During site visit conducted, terrace planting is sighted as 90% of Alur Seri Estate is on hilly area. Sighted from site visit to the estate, no planting on hilly/slope area with more than 25°.

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 Business forecast year 2019 for Ladang TM Ulu Lepar. The estate is also forecasting for 5 years projection as per document “Estate budgeted profit and loss for 5 years projection (2019 – 2023).

DETAILS	2019	2020
Mature area	1,298 ha	1,298 ha
FFB	28,098 mt	28,130 mt
CPO	5,620 mt (20%)	5,626 mt (20%)
CPO Price RM	2,100	2,100

Kernel Price RM	1,365	1,365
Total Revenue RM	13,910,925	13,926,255
Total Expenditure RM	7,081,828	7,333,874

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

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

Summary Estate planted year is on 2016. There is no replanting program for the time being.

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 Annual budget is available in Budget 2019 document.

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 Monthly progress budget is available for 2019. Sighted "Laporan Kemajuan Bulanan Mei 2019". The document is submitted to YM Tengku Dato' Sri Pengarah Urusan Tanah Makmur Berhad on monthly basis.

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 As sighted in contract agreement between TMB Alur Seri with Jentera Makmur Enterprise, the payment agreed is stated in the contract agreement. As sighted in the contract:

1. Hiring Backhoe: RM 56.26/hr
2. Installing 18' culvert: RM 400.00/point
3. Installing 36' culvert: RM 700/point
4. Installing 60' culvert: RM 1,100.00/point

Contract agreement with Sri Jelutong oil palm mill is available and the price is well mention in the agreement.

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 The contract is fair with the contract being sign with both parties.

Statement of agreed period of payment to contractor sighted in the signed contract. Sighted payment made to Jentera Makmur Enterprise for April 2019:

Hiring Backhoe: 186 Hours
Amount: RM 56.25/hr x 186 hours = RM 8,613.05

Payments are done by TMB HQ directly to contractor bank account.

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 Record briefing and training to contractor worker is available during the audit. Contractors are also explained regarding MSPO before signing contract of work.

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

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

Summary Has been sighted in the contract:
Jentera Makmur Enterprise, Contract No: TMB/LUL/AGG. NO:04/19 dated 01.01.2019.

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

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

Summary As sighted in contractor agreement, the contractor is agreed to be assessed by MSPO approved auditors to verify assessments through physical inspection if required ensure that contractor is auditable.

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 As sighted, the management has used the daily progress report to monitor the contractor work. The document has done by the supervisor and check by assistance manager and approved by the estate manager. Payment voucher is available.

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

2.7 Principle 7 : Development of new planting

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

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

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

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

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

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

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

Criterion 2 Peat land

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

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

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

Criterion 3	Social and Environmental Impact Assessment (SEIA)
Indicator 1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang TM Ulu Lepar.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang TM Ulu Lepar.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang TM Ulu Lepar.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang TM Ulu Lepar.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Criterion 4	Soil and topographic information
Indicator 1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang TM Ulu Lepar.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.

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

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

Criterion 5 Planting on steep terrain, marginal and fragile soils

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

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

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 Ladang TM Ulu Lepar.

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 Ladang TM Ulu Lepar.

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 Ladang TM Ulu Lepar.

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 Ladang TM Ulu Lepar.

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 Ladang TM Ulu Lepar.

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 Ladang TM Ulu Lepar.

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 Ladang TM Ulu Lepar.

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 Ladang TM Ulu Lepar.

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 Ladang TM Ulu Lepar.

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 Ladang TM Ulu Lepar.

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

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings

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

Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
19 th June 2019	08:30 – 09:00	<ul style="list-style-type: none"> ➤ Opening Meeting at TM Ulu Lepar: • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable). 	FB	JF
	09:00 – 13:00	TM Ulu Lepar Estate <ul style="list-style-type: none"> ➤ Document Audit: • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	FB	JF
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	FB	JF
	13:00 – 14:00	Lunch / Break	FB	JF
	14:00 – 16:00	<ul style="list-style-type: none"> ➤ Continue document review • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	FB	JF
	16:00 – 16:30	➤ Preparation for Closing Meeting	FB	JF
	16:00 – 17:00	Closing Meeting <ul style="list-style-type: none"> ➤ Presentation of findings by the audit team ➤ NC closure dateline (if any) ➤ Questions and answers ➤ Final summary by team leader End of assessment	FB	JF

Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit	
Major Nonconformities:	No Major NC's was raised for this audit.
Minor Nonconformities:	No Minor NC's was raised for this audit.
Area of Concern:	No Observation was raised for this audit.

Appendix C : List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) Ladang TM. Ulu Lepar management team and staff
- 2) Male and Female workers
- 3) Workers Representatives
- 4) Foreign Workers Representatives

External Stakeholders

- 1) Jabatan Imigrasen
- 2) Pejabat Tanah dan Galian Maran Pahang
- 3) Balai Bomna dan Penyelamat Maran
- 4) KWSP
- 5) LHDN
- 6) PERKESO / SOCSO
- 7) JPJ
- 8) Klinik Kesihatan Sri Jaya Maran
- 9) Pejabat Kesihatan Daerah, Maran
- 10) SJK (c) Pei Min Sri Jaya
- 11) SMK Sri Jaya
- 12) SK Kebangsaan New Zealand
- 13) Jabatan Perlindungan Hidupan Liar Kuantan
- 14) Indah Agro Sdn Bhd
- 15) Sri Jaya Hardware & Timber Trading
- 16) Sime Darby Industrial Sdn Bhd
- 17) Lee Brother Engineering Works
- 18) Kedai Long Hin
- 19) Mie Turbo Workshop
- 20) Azz Bersatu (Kontraktor)
- 21) Jentera Makmur Enterprise
- 22) Wan & Noor Contraction
- 23) Kien Hin Machinery Trading