

MSPO CERTIFICATION

PUBLIC SUMMARY REPORT (Initial Certification Audit)

TENOM AGRICULTURE DEVELOPMENT GROUP

NO 188 KAMPONG BUNUT, 89900 TENOM SABAH

MSPO NO: MSPO/2019/54

17/02/2020



REHPRO CERTIFICATION SDN BHD

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1.1 Detail of Certification Assessment

| | |
|---------------|---|
| Audit date(s) | 9-10 December 2019 |
| Type of audit | Initial Certification |
| Standard | Malaysian Sustainable Palm Oil MS 2530-3:2013 General principles for oil palm plantations and organized smallholders |
| Scope | Production of Sustainable Fresh Fruit Bunches |

1.2 Organisation Information/ Contact Person

| | |
|----------|----------------------------------|
| Name | CHEW TZE PING |
| Position | Director |
| Address | CL 165319460, 89907 Tenom, Sabah |
| Phone | 010-945 9667 |
| Fax No | - |
| Email | nuramsconsultant@gmail.com |

2.1 Audit Methodology

The assessment was conducted in 3 mandays, **9-10 December 2019** involving 2 estate of **Tenom Agriculture Development Sdn Bhd & Tenom Plantation Sdn Bhd**. The audit focused mainly on the conformance of the organization against the requirements of certification standard i.e. **MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders**. During the audit, audit team has checked and evaluated the records as well as related documentation to verify the implementation of the **MSPO MS2530-3**. Apart from the above, interviews with the team management, employees, contractors and other relevant stakeholders has been conducted accordingly.

It is important to note that the finding from this audit is based on samples taken from the organization activities, procedures, records and interview. Statistically, there is always a possibility that one or more issues/areas will remain unidentified during the course of this audit. The absence of non-compliance in any area or activity does not necessarily imply that no lapses or non-compliance exist.

2.2 Audit objective

The audit objectives are as follows:

- a) To evaluate the organization conformance against the MSPO standards requirements.
- b) To determine the ability of the management system to ensure that the organization meets applicable statutory, regulatory and contractual requirements
- c) To determine the effectiveness of the management system to ensure that the organization can reasonably expect to achieving its specified objectives
- d) To identify areas for potential improvement of the organization management system (if applicable)
- e) To make appropriate recommendations based on the assessment findings.

2.2 Audit Team

| | |
|----------------------|---------------------|
| Lead Auditor | Mohd Isa Bin Hasim |
| Co- Auditor | Hamsah Bin Sulaiman |
| Auditor in- training | N/a |
| Technical Expert | N/a |
| Observer | N/a |

2.3 Stakeholder Consultation

Stakeholder consultation was initiated with the announcement in the REHPRO web site. This was then followed with sending letters to relevant stakeholders requesting for input (if any) regarding the company. There were no comments received during this process.

During the on-site audit, the audit team had also consulted Suppliers, contractors, sundry shop, canteen, contractors, workers' representative and field workers.

The agenda of discussion including legal compliance, environmental protection, biodiversity conservation, safety & social responsibility and development of community. There is no issue been raised up during stakeholder consultation. However, good finding and request recorded as following below:

- Good relationship stakeholder between management
- Good communication and cooperation between management
- Good understanding from stakeholder regarding of implementation MSPO

Name & Category Stakeholder

| NAME | ORGANISATION | STAKEHOLDER |
|--------------------|------------------|-------------|
| Rusnani Tahang | Consultant | External |
| Jane Chin | Consultant | External |
| Lim Tiong Seng | Neighbour Estate | External |
| Chew Tze Ping | Neighbour Estate | External |
| Wong TS | Supplier | External |
| Rahnadhan Muhammad | General Worker | Internal |
| Manga Kokong | General Worker | Internal |

2.4 Hectarage/ Mill Capacity Statement

| Total Area (ha) | Planted (Ha) | FFB Production |
|-----------------|--------------|----------------|
| 128.29 | 128.29 | 1578.61 |

2.5 Location

| Estate/Mill /Smallholder/SPOC | GPS Location | Location |
|---------------------------------------|-----------------------|-----------------------|
| TENOM AGRICULTURE DEVELOPMENT SDN BHD | N4.915185,E115.892167 | MUKIM KEMABONG, TENOM |
| TENOM PLANTATION SDN BHD | N5.131008,E115.948514 | TENOM |

3.1 Certification Details

| | |
|------------------------------------|------------------------|
| Date of certificate Issued | 11/02/2020 |
| Certificate Validity | 10/02/2020- 09/02/2020 |
| Other Sustainability Certification | NIL |

3.2 Audit Finding

| Finding Grading | Total | Status |
|-----------------|-------|-------------|
| Minor | 6 | Open/Closed |
| Major | 0 | Open/Closed |
| Observation | 2 | |

3.3 Summary of Audit Finding (Detail of finding refer to Appendix 2)

Based on the results of this audit, it is concluded that the certified organization has established, implemented and maintained its management system in line with the requirement of the standard of **MS 2530:3 2013 General Principle for Oil Palm Plantation and Organised Smallholders**.

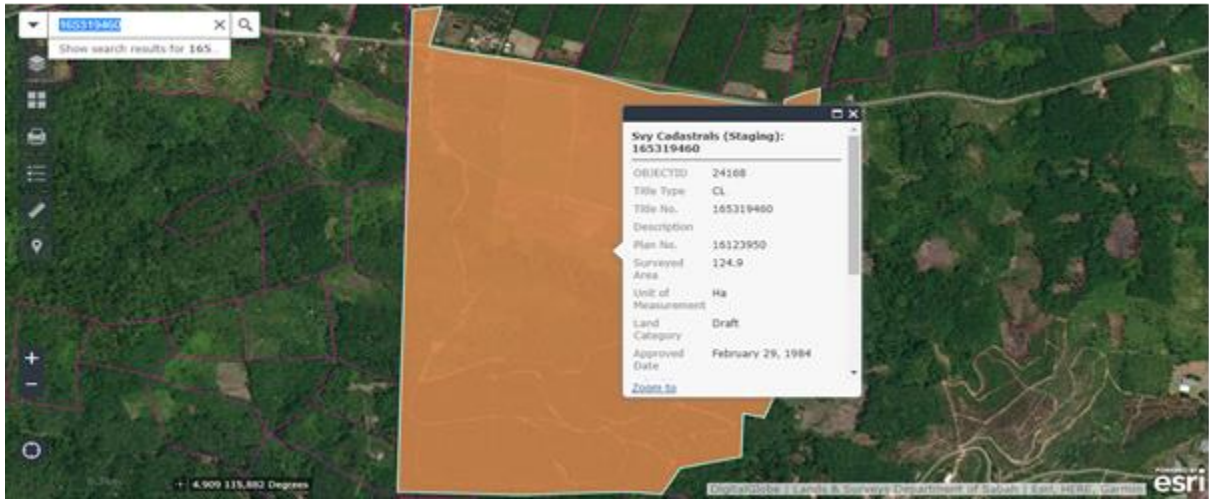
This Audit is based on interviews, observation and sampling of activities within the organization management system and does not follow that no non-conformity exists in areas where none has been reported

4.1 Recommendation

Therefore, the audit team recommended the following action:

| | |
|--|---|
| | Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit. |
| | No NCR recorded. Recommended for certification. |
| | Note: Minor NCRs raised in the audit which are not addressed in the subsequent audit shall be upgraded to major NCRs |
| | Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided and accepted by the audit team. The NCR(s) have been satisfactorily closed out |
| | Recommended for certification |

Appendix 1: Estate Map



Appendix 2: Detail of Findings;

| NO | GRADING OF FINDING | DESCRIPTION |
|----|--------------------|--|
| 1 | NCR MINOR | <p>NCR - 01/2019/35/MIN/ISA Refer clause 4.4.4.2 The occupational safety and health plan shall cover the following: b) The risks of all operations shall be assessed and documented. The management has established the HIRARC for identification the risk of all operation in estate. However, assessment of CHRA was not conducted and yet to be produced the report for those workers exposed to hazardous chemical. Clause 4.4.4.2 Employees safety and health (MS 2530-3:2013)</p> |
| 2 | NCR MINOR | <p>NCR - 02/2019/35/MIN/HMS Refer clause 4.5.2.1 Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends. However, during audit the management has yet to establish baseline for diesel and electricity record consumption for 2018 and 2019 Clause 4.5.2 Efficiency of energy use and use of renewable energy (MS 2530-3:2013)</p> |
| 3 | NCR MINOR | <p>NCR - 03/2019/35/MIN/HMS Refer clause 4.5.4.1 An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. However, during audit the management has yet to establish Green House Gas Emission Report for year 2019. Clause 4.5.4.1 Reduction of pollution and emission (MS 2530-3:2013)</p> |
| 4 | NCR MINOR | <p>NCR - 04/2019/35/MIN/HMS Refer Clause 4.6.3.1 Pricing mechanisms for the products and other services shall be documented and effectively implemented. However, during audit the contract agreement between ESTATE and PALM OIL MILL was not sighted. Clause 4.6.3 Transparent and fair dealing (MS 2530-3:2013)</p> |
| 5 | NCR MINOR | <p>NCR - 05/2019/35/MIN/ISA Refer clause 4.3.1.1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. The management has been established Standard Operating Procedure for handling of used chemicals and all scheduled wastes product has been identified and classified. However, the appointment of competent person was not evident as:</p> |

| NO | GRADING OF FINDING | DESCRIPTION |
|----|--------------------|---|
| | | <p>According to the section 49A. Refer to the Environmental Quality Act 1974, Section 49A- Competent person (1) An owner or occupier of a premise shall employ a person who has been certified by the director general as a competent person to conduct all or any of following activities (b) the management of scheduled waste.</p> <p>Clause 4.3.1.1 Compliance to legal requirements (MS 2530-3:2013)</p> |
| 6 | NCR MINOR | <p>NCR - 06/2019/35/MIN/ISA Refer 4.3.1.1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. During audit, sighted:</p> <ul style="list-style-type: none"> • No segregation between chemical, lubricant and general item in the store • No SDS was displayed at front of store • No labelling and improper of arrangement inside store • Not enough of safety signage display at front of store • Not enough of safety signboard display at front estate <p>According to Occupational Safety and Health Act 1955 Act 514, Part IV General duties of employers and self-employed persons to their employees, Section 15 (2) the provision and maintenance of a working environment for his employees that is, so far as is practicable, safe, without risks to health, and adequate as regards facilities for their welfare at work.</p> <p>Clause 4.3.1.1 Compliance to legal requirements (MS 2530-3:2013)</p> |
| 7 | OBS | <p>OBS – 01/2019/35/HMS Refer 4.5.1.4 A programme to promote the positive impacts should be included in the Continual Improvement Plan. However, the management is urged to monitor closely the situation of the workers' housing cleanliness and maintain its tidiness and in addition the landscaping may need to be further improved to create a healthy environment.</p> <p>Clause 4.5.1.4 Environmental Management Plan (MS 2530-3:2013)</p> |
| 8 | OBS | <p>OBS – 02/2019/35/HMS Refer clause 4.5.4.1 An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. However, during audit the management has yet to establish Green House Gas Emission Report for year 2019.</p> <p>Clause 4.5.4.1 Reduction of pollution and emission (MS 2530-3:2013)</p> |