

**RSPO PRINCIPLE AND CRITERIA
3rd Annual Surveillance Assessment (ASA3)
Public Summary Report**

TDM Plantation Sdn Bhd
Head Office: Level 3, Bangunan UMNO Terengganu Lot 3224, Jalan Masjid Abidin 20100 Kuala Terengganu Terengganu, Malaysia
Kemaman Palm Oil Mill KM 121, Jerangau – Jabor Highway 24101 Kemaman Terengganu, Malaysia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0095-11-000-00	Date	Member since: 28 February 2011
Company Name	TDM Plantation Sdn Bhd		
Address	Aras 1-5, Bangunan UMNO Terengganu, Lot 3224, Jalan Masjid Abidin 20100 Kuala Terengganu, Terengganu, Malaysia Certification unit : Kemaman Palm Oil Mill, KM 121, Jerangau – Jabor Highway 24101 Kemaman, Terengganu, Malaysia		
Subsidiary of (if applicable)	-		
Contact Name	Mr Shahbudin Bin Usop		
Website	www.tdmberhad.com.my	E-mail	kpom.tdmp@tdmberhad.com.my
Telephone	09 822 6566	Facsimile	09 8226704

2. Certification Information			
Certificate Number	RSPO 587626	Certificate Issued Date	01/11/2013
		Expiry Date	31/10/2018
Scope of Certification	Palm Oil and Palm Kernel Production from Kemaman Palm Oil Mill and Supply Base (Tebak, Pelantoh, Jernih, Air Putih, Gajah Mati & Majlis Agama Islam Estate)		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
CoP/MF/0009-1	Code of Good Manufacturing Practice (CoGMP)	MPOB	18/03/2018

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Kemaman Palm Oil Mill	KM 121, Jerangau – Jabor Highway 24101 Kemaman, Terengganu, Malaysia	4.403°	103.248°
Tebak Estate	KM 121, Jerangau – Jabor Highway 24101 Kemaman, Terengganu, Malaysia	4.430167°	103.226500°
Pelantoh Estate	KM 121, Jerangau – Jabor Highway 24101 Kemaman, Terengganu, Malaysia	4.405343°	103.249902°
Jernih Estate	KM 121, Jerangau – Jabor Highway 24101 Kemaman, Terengganu, Malaysia	4.440°	103.211°

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Air Putih Estate	KM 121, Jerangau – Jabor Highway 24101 Kemaman, Terengganu, Malaysia	4 14.17°	103 13.31°
Gajah Mati Estate	Bukit Besi, 23000 Dungun, Terengganu	4.695848°	103.206472°
Majlis Agama Islam Estate	Bukit Besi, 23000 Dungun, Terengganu	4.627660°	103.206783°

4. Description of Supply Base

Estate	Mature (ha)	Immature (ha)	Infras & Other (ha)	HCV (ha)	Total Planted (ha)	Total Hectarage	% of Planted
Tebak	2,594.84	327.92	2,922.76	9.16	361.71	3,292.63	88.73
Pelantoh	3,156.49	-	3,156.49	-	135.11	3,291.60	95.89
Jernih	2,437.97	391.75	2,829.72	65.46	253.25	3,148.43	89.88
Air Putih	2,021.23	2,020.45	4,041.68	74.00	222.46	4,338.14	93.17
Gajah Mati	1,865.37	1,650.23	3,515.60	61.20	298.20	3,875.00	90.73
Majlis Agama Islam	500.16	255.80	755.96	-	151.38	907.34	83.32

Note: Infras = infrastructure

5. Plantings & Cycle

Estate	Age (Years)						Tonnage / Year		
	0 -3*	>3-7*	>7-15	>15-20	>20-25	>25	Estimated (Sept 2015-Aug 2016)	Actual (Sept 2015 – Aug 2016)	Forecast (Sept 2016 –Aug 2017)
Tebak	327.92	87.39	-	942.60	1,327.95	236.90	47,062.38	54,000	48,900
Pelantoh	-	-	-	3,156.49	-	-	53,684.46	63,130	56,600
Jernih	391.75	-	1,302.07	1,135.90	-	-	41,562.04	42,000	47,000
Air Putih	2,516.71	-	445.70	1,079.27	-	-	28,330.98	33,500	38,000
Gajah Mati	1,650.23	197.60	-	553.75	-	1,114.02	28,402.49	35,770	30,320
Majlis Agama Islam	-	-	500.16	-	-	-	6,651.64	7,850	6,420

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6. Certified Tonnage of FFB (Own Certified Scope)			
Estate	Tonnage / year		
	Actual (Sept 2015-Aug 2016)	Estimated (Sept 2015 – Aug 2016)	Forecast (Sept 2016 –Aug 2017)
Tebak	47,062.38	54,000	45,855
Pelantoh	53,684.46	63,130	56,600
Jernih	41,562.04	42,000	47,000
Air Putih	28,330.98	33,500	38,000
Gajah Mati	28,402.49	35,770	30,320
Majlis Agama Islam	6,651.64	7,850	6,420
Total	205,693.99	236,250	222,395

7. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable			
Independent FFB Supplier	Tonnage / year		
	Estimated (Sept 2015-Aug 2016)	Actual (Sept 2015 – Aug 2016)	Forecast (Sept 2016 –Aug 2017)
N/A	-	-	-

8. Certified Tonnage									
Mill	Actual (ASA3) Sept 15 – Aug 16			Estimated (ASA3) Sept 15 – Aug 16			Forecast (ASA4) Sept 16 – Aug 17		
	FFB	CPO OER %	PK KEP %	FFB	CPO OER %	PK KEP %	FFB	CPO OER %	PK KEP %
	Kemaman Palm Oil Mill	216,695.36	43,256.88	11,125.17	271,590.00	55,518	14,896	224,195	45,960

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: RSPO-ACC-19)
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia. BSI is accredited for RSPO Supply Chain Certification Systems (SCCS) and Principles & Criteria for Sustainable Palm Oil Production (P&C, Single Site & Group) certification Worldwide.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 27 -29 September 2016. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates (Jeram Estate & Gajah Mati Estate). A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criteria 2013 (RSPO P&C MYNI-2014) and RSPO Supply Chain Certification Standard 2014 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates (or smallholders) of its supply base. The estates sample were determined based on formula $N = 0.8\sqrt{y}$ where y is the number of estates while when applicable, the smallholders sample were determined following the RSPO Certification Requirement for Group Certification Standard 2016. The sampling of smallholders were based on the formula $(0.8\sqrt{y}) \times (z)$; where y is total number of independent group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix I.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of

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workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.

All the previous nonconformities are remains closed. The assessment findings for the 2nd Annual Surveillance Assessment are detailed in Section 3.3.

This report is structured to provide a summary of assessment finding as attached in the Appendix A. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was externally reviewed by RSPO approved Certification Reviewer prior to certification decision by BSI.

The following table would be used to identify the locations to be audited each year in the 5 year cycle

1. Assessment Program					
Name (Mill / Supply Base)	Initial Certification (2013)	ASA1 (2014)	ASA2 (2015)	ASA3 (2016)	ASA4 (2017)
Kemaman Palm Oil Mill	√	√	√	√	√
Tebak Estate			√		
Pelantoh Estate			√		
Jernih Estate	√			√	
Air Putih Estate		√			√
Gajah Mati Estate	√			√	
Majlis Agama Islam Estate		√			√

Tentative Date of Next Visit: August 8, 2017 – August 10, 2017

Total No. of Mandays: 9 mandays

BSI Assessment Team:

Mohd Hafiz Bin Mat Hussain – Lead Auditor

He holds Bachelor Degree in Plantation Technology and Management, graduated from University Technology Mara (UiTM) on 2009. He has 4 years working experience in oil palm plantation industry. He also has the experiences as an auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2014 and MSPO Awareness Training in 2014. He had been involved in RSPO auditing since May 2013 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, safety and health, environmental and workers and stakeholders consultation.

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Revision 4 (November /2016)****Mohamed Hidhir Zainal Abidin – Team Member**

He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health, environmental and workers and stakeholders consultation.

Hu Ning Shing- Team Member

She holds Bachelor Degree in Science majoring in Applied Chemistry, graduated from University of Malaya on 2011. She has 5 years working experience in rubber and palm oil industry. She also has the experiences as auditor for several standards including ISO 9001, MSPO and RSPO in his previous certification body. She completed the ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&C Lead Auditor Course in 2012 and Endorsed RSPO SCCS Lead Auditor Course in 2015. She had been involved in RSPO auditing since November 2015 in more than various companies in Malaysia. During this assessment, she assessed on the aspects of social. She is fluent in Bahasa Malaysia and English languages.

Accompanying Persons: Daniel Francis (Observer)

Section 3: Assessment Findings

3.1 Details of audit results

This assessment has been assessed using the following RSPO normative requirements. The assessment details are provided in Appendix A.

- TDM Plantations Sdn Bhd Time Bound Plan
- RSPO Group Certification Standard 2016 Checklist
- RSPO P&C for Smallholders TH-WG 2012 Checklist
- RSPO P&C GN-NIWG 2010 Checklist
- RSPO P&C INA-NIWG 2016 Checklist
- RSPO P&C PNG-NIWG 2016 Checklist
- RSPO P&C SI-NIWG 2010 Checklist
- RSPO P&C MY-NIWG 2014 Checklist
- RSPO P&C TH-WG 2011 Checklist
- RSPO Supply Chain Certification Checklist November 2014
- RSPO P&C 2013 Generic Checklist

3.2 Progress against Time Bound Plan

TDM Plantation owns two palm oil mills (certification units) located in Kemaman District and Terengganu District, State of Terengganu, Peninsular Malaysia. TDM Plantation has achieved RSPO Certification for the two certification units in 2013. TDM Plantation Sdn Bhd has completed its time bound plan to certify both certification units that exist during this assessment. The time bound plan for the existing mills has been completed.

TDM plantation Sdn Bhd does not manage PT Rafi Kamajaya Abadi (PT Rafi). PT Rafi is independently managed by its own management team. Therefore, the RSPO certification of TDM Plantation Sdn Bhd is to exclude PT Rafi from the assessment process, as it is independently managed from TDM Plantation Sdn Bhd.

Time Bound Plan		
Requirement	Remarks	Compliance
Summary of the Time Bound Plan		
Does the plan include all subsidiaries, estates and mills?	Yes	Yes
Is the time bound plan challenging? <ul style="list-style-type: none"> • Age of plantations. • Location. • POM development • Infrastructure. • Compliance with applicable law. 	Quite challenging during the initial certification process	Yes
Have there been any changes since the last audit? Are they justified?	Yes	Yes

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If there have been changes, what circumstances have occurred?	Retirement of TDM Plantation Sdn. Bhd. CEO Retirement of TDM Berhad CEO	Yes
Have there been any stakeholder comments?	Yes	Yes
Have there been any newly acquired subsidiaries?	No	N/A
Have there been any isolated lapses in implementation of the plan?	No	N/A
Un-Certified Units or Holdings		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	N/A	N/A
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	N/A	N/A
Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	N/A	N/A
Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	N/A	N/A
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	N/A	N/A
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	N/A	N/A
Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	N/A	N/A

3.3 Details of findings

The nonconformity is listed below. The summary report of the assessment by criteria is listed in Appendix A.

During the 3rd Annual Surveillance Assessment there were two (2) Major & seven (7) Minor nonconformities raised. The Kemaman Palm Oil Mill Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for its effectiveness and closed accordingly.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1382083M1	Requirements Indicator : 6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.	Major
	Evidence of Nonconformity Kemaman POM: The management has generated an action plan and reviewed as necessary. However, the management did not capture the issues raised by stakeholders during stakeholder meeting into the plan where monitoring of the issues was insufficient.	
	Statement of Nonconformity Issues raised by stakeholders were not captured into the plan.	
	Corrective Action The SIA plan will be updated by each SOU accordingly especially KPOM SOU. The updated SIA plan for each issues raised in the stakeholder meeting was verified.	
	Assessment Conclusion: Closed on 27/10/2016	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1382083M2	Requirements Indicator : 6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions,	Major

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	<p>overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p>	
	<p>Evidence of Nonconformity Kemaman POM: Employment letters were not revised where the pay per day was RM34.62. Sampled employment letters as below: a) Employee No.: KM1400199 b) Employee No.: KM1200180</p> <p>Jernih Estate: Sampled contracts below were not revised according to Minimum Wage Order 2016 where salary was RM 900 under Section 6: a) Employee No.: JN1400658 b) Employee No.: JN00203</p> <p>Gajah Mati Estate: There were few workers' contracts having different public holiday entitlement under Section 7 (c). Two sampled workers were entitled for 10 days for the first year of service whereas others was 13 days. Sampled workers as below: a) Employee No.: GM0901424 b) Employee No.: GM0901471</p>	
	<p>Statement of Nonconformity Worker's contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) were not effectively managed.</p>	
	<p>Corrective Action The employment letters and worker's contracts will be updated accordingly and submitted to ALL workers. They will place their signature on the contracts as a proof of acceptance. The issue is only on documentation side since all payment of the wages were done according to the latest labour law and union agreement. Regarding the case at Gajah Mati Estate, the difference in entitlement of public holiday was caused by the sampled old contract was compared with the new contract. The updated employment letters and contracts will be provided to ALL workers. The copy of the sampled contracts and employment letters was sighted.</p>	
	<p>Assessment Conclusion: Closed on 27/10/2016</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1382083N1	<p>Requirements Indicator : 6.1.4 The plans shall be reviewed as a minimum once every two years and updated as</p>	Minor

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	<p>necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.</p>	
	<p>Evidence of Nonconformity Gajah Mati Estate: The last review of management action plan was conducted on year 2011.</p>	
	<p>Statement of Nonconformity Management action plan to mitigate the negative impacts and promote the positive ones was not reviewed since year 2011.</p>	
	<p>Corrective Action The management action plan will be reviewed and updated accordingly. The updated management action plan will be available for the auditors to check at the SOU 30 days from the audit date.</p>	
	<p>Assessment Conclusion: Accepted, the effectiveness of the corrective action will be verified during the next assessment. "open"</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1382083N2	<p>Requirements Indicator : 6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>Evidence of Nonconformity Gajah Mati and Jernih Estate: Government agencies such as TNB, Syarikat Air Terengganu, MAPA, Labour Office, DOSH, MPOB and etc were not included into the list.</p> <p>Statement of Nonconformity Stakeholder list was incomplete.</p> <p>Corrective Action The stakeholder list will be updated accordingly and kept at each SOU. A master list of all stakeholder will be kept at KPOM SOU for reference. The updated list of stakeholders will be available at the affected SOU 20 days from the audit date.</p> <p>Assessment Conclusion: Accepted, the effectiveness of the corrective action will be verified during the next assessment. "open"</p>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1382083N3	<p>Requirements Indicator : 6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.</p>	Minor
	<p>Evidence of Nonconformity Gajah Mati and Jernih Estate: Procedure for calculating and distributing fair compensation was not established and implemented.</p>	
	<p>Statement of Nonconformity Procedure for calculating and distributing fair compensation was not available.</p>	
	<p>Corrective Action The procedure will be established and implemented, monitored and evaluated accordingly. Also, all corrective actions taken as a result of the evaluation on the procedure will be recorded accordingly. The SOP will be established by TDM headquarter and kept at all SOU including North Zone SOU 60 days from the audit date.</p>	
	<p>Assessment Conclusion: Accepted, the effectiveness of the corrective action will be verified during the next assessment. "open"</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1382083N4	<p>Requirements Indicator : 6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p>	Minor
	<p>Evidence of Nonconformity Kemaman POM: The following issues were noted during site visit at the workers' quarters: a) Drainage was blocked with rubbish at house no. 319 and 320. b) Apron for manuring was brought back to the linesite at house no. 320. c) Rubbish was scattered outside the dustbin provided. d) Floor cracking outside the houses. e) Chemical drums were found at the linesite house no. 371.</p>	

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	<p>f) 12 LPG cylinders were found selling at the linesite.</p> <p>Gajah Mati Estate: Staircase of house no. GM 482-104 was broken.</p> <p>Statement of Nonconformity The conditions of the housing area were not satisfied.</p> <p>Corrective Action All the issues raised will be rectified before the next audit accordingly.</p> <ul style="list-style-type: none"> a) The drain will be repaired and cleaned accordingly. b) The manuring apron will not be allowed to be brought back home for washing but will be washed at the worksite instead. c) This is a problem of the worker's attitude towards cleanliness. As far as 6th October 2016, 2 warning letters have been issued to the said worker. However, another letter of warning will be issued to the worker for the cleanliness negligence problem. d) The cracked floor will be repaired accordingly. e) A warning letter has been issued to the said worker. f) The workers have been warned not to sell LPG at the linesite without proper storage area. g) The broken staircase at Gajah Mati Estate will be repaired accordingly. <p>Will completed 60 days from the audit date.</p> <p>Assessment Conclusion Accepted, the effectiveness of the corrective action will be verified during the next assessment. "open"</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1382083N5	<p>Requirements Indicator : 4.5.2 Training of those involved in IPM implementation shall be demonstrated.</p>	Minor
	<p>Evidence of Nonconformity Gajah Mati Estate: IPM training was not conducted in 2015 and 2016.</p>	
	<p>Statement of Nonconformity The evidence of the IPM training was not available at Gajah Mati Estate.</p>	
	<p>Corrective Action The training will be conducted annually at all estates and recorded accordingly. The main objective of the company is to conduct the training centralized by SOUs. The training attendance list and report will be available at Gajah Mati Estate 60 days from the audit date.</p>	
	<p>Assessment Conclusion Accepted, the effectiveness of the corrective action will be verified during the next assessment.</p>	

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	"open"	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1382083N6	Requirements Indicator : 4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate.	Minor
	Evidence of Nonconformity Performance monitoring for air pollution control system as per Compliance Schedule, JPKKS 004055 was not available.	
	Statement of Nonconformity Records of monitoring were not effectively maintained.	
	Corrective Action Records of monitoring and any actions taken will be maintained and available, as appropriate. The records was already recorded daily at the boilers but not in a proper form provided by the Department Of Environment. However, after this the boilerman will record the performance monitoring data for air pollution control system in the form provided by DOE. The data record will be available at the mill office 10 days from the audit date.	
	Assessment Conclusion Accepted, the effectiveness of the corrective action will be verified during the next assessment. "open"	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1382083N7	Requirements Indicator : 5.1.3 This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.	Minor

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	<p>Evidence of Nonconformity Monitoring protocol and mitigation measures plan to be updated and in-line with new Compliance Schedule, JPKKS 004055 in compliance with new Environment Quality, Clean Air Regulation 2014 related to:</p> <ul style="list-style-type: none"> i) Particulate and smoke emission from boiler ii) Noise emission iii) GHG emission 	
	<p>Statement of Nonconformity Monitoring protocol and mitigation measures plan was not effectively reviewed.</p>	
	<p>Corrective Action All these mitigation measures and monitoring protocol will be captured in the continuous improvement plan and pollution prevention plan. These will be reviewed annually to monitor their effectiveness of the mitigation measures. The documentation will be available at the mill office, 30 days from the audit date.</p>	
	<p>Assessment Conclusion Accepted, the effectiveness of the corrective action will be verified during the next assessment. "open"</p>	

Observation	
OBS #	Description
-	-

Positive Findings	
PF #	Description
1	Good commitment and participation from the stakeholders to the RSPO certification.

Issues raised by Stakeholders
<p>Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Kemaman Palm Oil Mill Certification Unit's environmental and social performance, legal and any known dispute issues.</p> <p>Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. These have been incorporated into the assessment findings.</p> <p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.</p>

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IS #	Description
1	<p>Issues: Headmaster – Good relationship with the management. The management has given contribution and support whenever they requested.</p> <p>Management Responses: The management will continue will assist whenever possible.</p> <p>Audit Team Findings: Through document reviewed found that the management has made contribution and assistance to school whenever they requested.</p>
2	<p>Issues: Representatives from JKKK Kg. Syimas and Padang Kubu – They were requested the management to provide stakeholder’s meeting minutes where they can follow up with the issues raised during the meeting.</p> <p>Management Responses: The management will distribute the meeting minutes to the relevant stakeholders in future.</p> <p>Audit Team Findings: No further issue.</p>
3	<p>Issues: Police – No security issues reported and the management has given full co-operation to the police whenever necessary.</p> <p>Management Responses: The management will continue to give co-operation whenever possible.</p> <p>Audit Team Findings: No further issue.</p>
4	<p>Issues: NUPW representatives – No issue on the pay and conditions. The management has provided basic facilities such as housing, electricity, water and etc to the workers.</p> <p>Management Responses: The management will comply with the Minimum Wage Order 2016 and Minimum Housing Act.</p> <p>Audit Team Findings: No further issue.</p>
5	<p>Issues: Contractor – He informed that the cleanliness at the linesite was not satisfied where rubbish was scattered around and caused blockage of monsoon drain.</p> <p>Management Responses: The management has appointed the contractor to upkeep the linesite by grass cutting and drain clearing.</p> <p>Audit Team Findings: Contract agreement for the job was noted. No further issue.</p>
6	<p>Issues: Staff from Clinic Tebak Estate – She did not receive the minimum wage of RM 1000 since July 2016 as she informed that she was still under probation period.</p> <p>Management Responses: The manager informed that he already submitted the confirmation letter to head office since June 2016. Currently awaiting approval from head office. The manager also informed that will compensate the wages to her once received approval from head office.</p> <p>Audit Team Findings: The auditor will verify the issue during next surveillance audit.</p>
7	<p>Issues: Gender Committee Chairman – No sexual harassment cases report in the estate. All of the female</p>

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	understood the function of the committee and aware of the complaint procedure.
	Management Responses: The management will continue to monitor if there is any case.
	Audit Team Findings: Through interview with the female workers found that they were understood the complaint procedure if there is any sexual harassment cases.

3.3.1 Status of Nonconformities Previously Identified and Observations

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1235579M1	Requirements: Indicator 6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.	Major
	Evidence of Nonconformity: All operating units: Interview with compliance executive and document verification found policy to protect the reproductive rights of all, especially of women was not available.	
	Statement of Nonconformity: Policy to protect the reproductive rights of all, especially of women was not available.	
	Corrective Action: As this is a new indicator under RSPO P&C MYNI-2014, previously there was no policy to protect the reproductive rights of all, especially of women has been implemented. TDM Head Office has prepared a policy to protect the reproductive rights of all, especially of women dated 20 September 2015 signed by the CEO of TDM Plantation Sdn. Bhd. The policy has been briefed to all level of workforce during morning muster and displayed at all the operating unit office notice boards. The Major nonconformity was closed on 8/10/2015.	
	Assessment Conclusion: The management has implemented the corrective action effectively where the workers were understood and aware of the policies.	

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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1235579M2	Requirements: Indicator 6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations	Major
	Evidence of Nonconformity: All operating units: Interview with compliance executive and document verification found policy to respect human rights was not available.	
	Statement of Nonconformity: Policy to respect human rights was not available.	
	Corrective Action: As this is a new indicator under RSPO P&C MYNI-2014, previously there was no policy to respect human rights has been implemented. TDM Head Office has prepared a policy respect human rights dated 20 September 2015 signed by the CEO of TDM Plantation Sdn. Bhd. The policy has been briefed to all level of workforce during morning muster and displayed at all the operating unit office notice boards. The Major nonconformity was closed on 8/10/2015.	
	Assessment Conclusion: The management has implemented the corrective action effectively where the workers were understood and aware of the policies.	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1235579M3	Requirements: Indicator 4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.	
	Evidence of Nonconformity: Tebak Estate: No medical examination programme established for 2 group of trunk injector that exposed to class 1A chemical, monochrotophos. Pelantoh Estate: No medical examination programme established for 1 group of trunk injector that exposed to class 1A chemical, monochrotophos.	
	Statement of Nonconformity: Annual medical surveillance for trunk injector gang was not effectivel demonstrated.	

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	<p>Corrective Action: Both estate managements have immediately sent all the workers involved in Class IA chemicals for medical check-up (Pelantoh estate: 6 workers; Tebak estate: 8 workers). Medical check-up was done on 10/9/2015 at clinic "Klinik Bestari" by OHD doctor (Reg. No.: HQ/08/DOC/00/352). Certificate of fitness was issued on 15/9/2015 to all the 14 workers. The medical results and certificate of fitness copies were verified. The Major nonconformity was closed on 13/10/2015.</p>	
	<p>Assessment Conclusion: At Jernih Estate, Medical examination programme established for 1 group of trunk injector that exposed to class 1A chemical, monochrotophos by Klinik Bestari Sdn Bhd-JKKP HQ/08/DOC/00/352.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1235579N1	<p>Requirements: Indicator 1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>Evidence of Nonconformity: All operating units: Interview with compliance executive and document verification found policy committing to a code of ethical conduct and integrity all operations and transactions was not available.</p> <p>Statement of Nonconformity: Policy committing to a code of ethical conduct and integrity in all operations and transactions was not available</p> <p>Corrective Action: TDM head office has established a policy of code of ethical conduct dated 18/9/2016. The policy has been briefed to the workers and displayed at the compound.</p> <p>Assessment Conclusion: Thus, the minor non-conformance was closed on 29/9/2016.</p>	Minor

Observation	
OBS #	Description

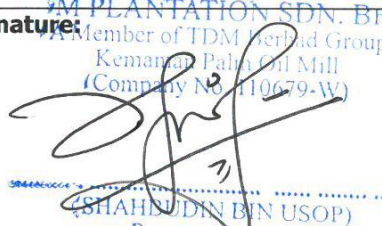

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3.3.2 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
A819714/1M	Major	6/12/2012	Closed on 30/5/2013
A819714/1N	Minor	6/12/2012	Closed on 8/9/2014
A819714/2N	Minor	6/12/2012	Closed on 8/9/2014
1097194M1	Major	11/9/2014	Closed on 16/10/2014
1097194M2	Major	11/9/2014	Closed on 16/10/2014
1097194M3	Major	11/9/2014	Closed on 16/10/2014
1097194N1	Minor	11/9/2014	Closed on 8/9/2015
1097194N2	Minor	11/9/2014	Closed on 8/9/2015
1097194N3	Minor	11/9/2014	Closed on 8/9/2015
1097194N4	Minor	11/9/2014	Closed on 8/9/2015
1235579M1	Major	9/9/2015	Closed on 8/10/2015
1235579M2	Major	9/9/2015	Closed on 8/10/2015
1235579M3	Major	9/9/2015	Closed on 13/10/2015
1235579N1	Minor	9/9/2015	Closed on 29/9/2016
1382083M1	Major	29/9/2016	Closed on 27/10/2016
1382083M2	Major	29/9/2016	Closed on 27/10/2016
1382083N1	Minor	29/9/2016	"Open"
1382083N2	Minor	29/9/2016	"Open"
1382083N3	Minor	29/9/2016	"Open"
1382083N4	Minor	29/9/2016	"Open"
1382083N5	Minor	29/9/2016	"Open"
1382083N6	Minor	29/9/2016	"Open"
1382083N7	Minor	29/9/2016	"Open"

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Assessment Conclusion and Recommendation:

<p>Based on the findings during the assessment Kemaman Palm Oil Mill Certification Unit and supply base complies with the RSPO P&C 2013 (MY-NI 2014), and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of Key in certification unit name Certification Unit is approved and continued.</p>	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Mr Shahbudin Bin Usop	Name: Mr Mohd Hafiz Bin Mat Hussain
Company name: TDM Plantation Sdn Bhd Kemaman Palm Oil Mill	Company name: BSI Services Malaysia Sdn Bhd
Title: Mill Manager	Title: Lead Auditor
<p>Signature:</p>  <p>Member of TDM (Berhad Group) Kemaman Palm Oil Mill (Company No. 110679-W)</p> <p>(SHAHBUDIN BIN USOP) Pengurus Kilang</p>	<p>Signature:</p> 
Date: 19/12/2016	Date: 18/12/2016

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance
Principle 1: Commitment to Transparency		
Criterion 1.1:		
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
1.1.1	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Requests for information from the Regulatory Department such as DOSH during compliance visit (18/5/2016 and 4/9/2016) and DOE visit (9/5/2016) were attended and no noncompliance or complaints were noted.
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	All operating units maintain records of information request and response. Request for information are attended promptly and confirmed by stakeholders interviewed.
Criterion 1.2:		
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		

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Criterion / Indicator	Assessment Findings	Compliance	
<p>1.2.1</p> <p>Publicly available documents shall include, but are not necessary limited to:</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). <p>- Major compliance –</p>	<p>There was no restriction noted as to the documents made available to the public except those prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>Access to these documents is made available upon request. Information relating to land titles, safety and health plans, pollution prevention plans was made available at all operating units. Procedure for complaints and grievances were available at notice boards. The company is in the progress to make available the documents on the company's website in the future.</p> <p>Among the documents that were made available for viewing are:</p> <ul style="list-style-type: none"> • Good Agricultural Practices • Social Enhancement • Sustainability Management Programmes • Complaint and Grievances procedure. • Environmental Conservation <p>These documents highlight current TDM Plantation Sdn Bhd practices and their continual improvement plans. Besides the above document TDM Plantations Sdn Bhd policy on the followings are also available:</p> <ol style="list-style-type: none"> 1) Social 2) Quality 3) Freedom of Association 4) Occupational Safety, Health and Environment 5) Environment & Biodiversity 6) Protection of Children 7) Gender <p>The policies were displayed at various locations including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p>	<p>Complied</p>	
<p>Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.</p>			
<p>1.3.1</p>	<p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>-Minor compliance</p>	<p>The top management has established a code of ethical conduct policy dated 18/9/2016. The policy has been briefed to the workers and displayed at the notice board at the compound. Briefing was conducted on 25/9/2016 and 20/9/2016 respectively for Gajah Mati and Jernih estate.</p>	<p>Complied</p>
<p>Principle 2: Compliance with applicable laws and regulations</p>			
<p>Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.</p>			

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Criterion / Indicator	Assessment Findings	Compliance
<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>KPOM has obtained and renewed license and permits as required by the law. Amongst the licenses or permit viewed were:</p> <ol style="list-style-type: none"> 1. DOE Licence/ Jadual Pematuhan : JPKKS 004055 (validity period 1/7/2016 - 30/6/2017) for 60 MT/hr and method of POME discharge is water course. 2. Boiler PMD 12383 valid until 10/11/2016 and PMD 232 valid until 17/8/2017 3. Sand filter : PMT 87 valid until 17/8/2017 4. Water softener : PMT 4219 valid until 17/8/2017 5. Other PMT still in progress, the inspection was conducted on 4/9/2016 (verified through DOSH logbook) 6. Steam engineer: JKJ 19 - #091/2006 (1st grade steam engineer) 7. Engine Driver : JKJ18- #T/109/11, 1st grade engine driver 8. Internal Combustion Engine (ICE) driver : JKJ18: # TG/14/EIP/02/13 & # J295/2007, 2nd grade ICE driver 9. Visiting electrical engineer: PE-T-1-B-0039-2003 under Noba Engineers Sdn Bhd, latest visit dated 9/8/2016. 10. Electricity generation report to Energy Commission, latest report for August 2016 dated 11/8/2016 was verified. 11. Electrical charginan: PJ-T-1-B-1521-2001 (A0), PJ-T-4-H- 0068-1999 (A4), PJ-T-1-B-0783-2005 (A0) valid until 9/9/2016. Renewal still in progress. Ref: ST/(TKB)L/TRG/00053 dated 28/8/2016. 12. AESP : NW-NCT-AE-R-0608-N valid until 14/2/17 13. AESP : NW-NCT-AE-R-0609-N valid until 14/2/17 14. AESP : NW-NCT-AE-R-0603-N valid until 14/2/17 15. AESP : NW-NCT-AE-R-0604-N valid until 14/2/17 16. AGT: NW-NCT-AGT-R-0705-N valid until 9/12/2017 17. AGT: NW-HQ-AGT-R-0466-N valid until 18/5/2017 18. MPOB license : 5000419044000 valid until 31/3/17, capacity 384,000 MT 19. EC license: 00125666 for 2400 kW, valid until 21/11/16. Valid until 14/4/2017 20. Diesel Permit: 02/2008, Quantity 42,000Ltr <p>Gajah Mati Estate</p> <ol style="list-style-type: none"> 1. MPOB license:502036302000 valid until 31/8/17 (FFB) 2. MPOB License: 56823011000 valid until 30/06/2017 (Nursery) 3. Diesel permit: TR/DGN/09/2010 SKD, permit# T005736, capacity 8,190 liter valid until 17/11/16. 4. Paraquat Purchasing Permit: TRG/2016/PARA/065(GL), Quantity:1200 Litre,valid until 27/2/2016 <p>Jernih Estate</p> <ol style="list-style-type: none"> 1. MPO License:501868702000 valid until 31/10/16 2. Diesel permit:KPDNKK/KMN/25 02/07 SKD, permot# 02/2007, capacity:16,380 Litre valid until 7/8/17 3. Monocrotophos Purchasing Permit : TRG/2016/METHA/153(GL), Quantity:200 Litre valid until 25/5/16. 	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance	
	<p>Environmental license and related mill permit:</p> <p>i) DOE Licence/ Jadwal Pematuhan : JPKKS 004055 (validity period 1/7/2016 - 30/6/2017) for 60 MT/hr and method of POME discharge is water course. BOD limit is 100 mg/l.</p> <p>ii) MPOB license : 500041904000 valid until 31/3/17, with processing capacity 384,000 MT</p> <p>iii) Diesel license, ref: KPDNKK/KMN/25 02/08 SK D, permit# 02/2008, capacity 42,000 liter.valid until 14/4/17.</p> <p>iv) Permit to Purchase, Store and Use of Sodium Hydroxide under Poison Ordinance 1952, max of 4,000 kg of Sodium Hydroxide. Register# TC004/2016 dated 1/1/16 and valid for 1 year.</p> <p>v) Electrical Installation license, # 0848, serial# 00125666 valid until 21/11/16 for 2400 kW installation capacity.</p>		
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -</p>	<p>Documented procedure has been established and implemented, TDM/KPOM/01 dated 1/5/11, Legal and other requirement procedure. List of applicable legal and other requirements was made available during the assessment. The LORR was include:</p> <ol style="list-style-type: none"> 1. OSHA 1994 2. OSH (NADOPOD) Regulations 2004 3. OSH (SHC) Regulations 1996 4. OSH (CLASS) Regulation 2014 5. OSH (SHO) Regulations 1997 6. OSH (USECHH) Regulations 2000 7. FMA 1967 8. FM (Fencing of Machinery and Safety) Reg 1970 9. FM (Notification, Certification of Fitness and inspection) Regulation 2004 10. FM(Person In Charge) Regulations 2014 11. FM (Noise Exposure) Reg 1989 12. FM (Steam Boiler and unfired pressure vessel) Regulation 13. Electrical Supply Act 1990 14. Fire Services Act 1988 15. Fire Services (Fire Certificate)Regulation 2001 16. EQA 1974 17. EQ (Sewage and Industrial Effluent) Regulations 1979 18. EQ (Clean Air) Regulations 2014 19. EQ (Scheduled Waste) Regulations 2005 20. Code of practice for safe working in a confined space, 2001 21. Akta Kerja 1955 	Complied
2.1.3	<p>A mechanism for ensuring compliance shall be implemented. - Minor compliance -</p>	<p>A mechanism to ensure compliance to legal and other requirement has been documented in TDM/KPOM/01 dated 1/5/11. TDM Compliance Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
2.1.4	A system for tracking any changes in the law shall be implemented. - Minor compliance -	A system for tracking changes as per documented procedure has been implemented at all respective operating units. Group Legal Department, Plantation Coordinator and Plantation Advisor will notify new requirements if there are any changes of law as to date.	Complied
Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			
2.2.1	Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -	The Estates and Mill are on government lease land and they hold copies of Land Titles. The oil palm operations are consistent with the land title for agricultural purposes Gajah Mati Estate Land titles which were comprise of Tebak Estate and Gajah Mati Estate, lease hold type, category of land use. 3 land titles was verified. 1. Mukim Besul, grant# H.S(D) Dungun 72, No Lot: PT 140,hectarage : 11,996.00 Acre 2. Mukim Besul, grant # H.S(D) Dungun 73, No Lot: PT 141, hectarage : 1,544 acre 3. Mukim Tebak, grant# HS(D)1779, Kemaman 11, lot # 28, hectarage : 3,681 ha Jernih Estate Land titles for Jernih Estate were sighted; 1. Mukim Tebak, grant# QTR 12, No Lot: 2764, 2755, 2759, 2758, 2763, 2762, 2761, 1977 (B), V(LOT2143) : 1,698.66 ha 2. Mukim Tebak, grant# HSD 1779 (TDMC), No Lot: PT 1666 (Z1) and (Z2) : 1,066.25 ha 3. Mukim Tebak, grant# GRN 18274(TDMC), No Lot: 2514 :209.40 ha 4. Mukim Tebak, grant# HSD 2872(TDMC), No Lot: 2515: 174.12 ha	Complied
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	During the field visit at Gajah Mati Estate and Jernih Estate, it was noted that legal boundaries are clearly demarcated and visibly maintained.	Complied
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the Kemaman operating units at the time of audit. The land belongs to TDM and land ownership documents verified.	Complied
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute in the Kemaman operating units at the time of audit. The land belongs to TDM and land ownership documents verified.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	Complied
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	Complied
Criterion 2.3: Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.		
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).. - Major compliance -	Complied
2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. - Minor compliance -	Complied

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Criterion / Indicator	Assessment Findings	Compliance
2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	There is no land dispute in the Kemaman operating units at the time of audit. The land belongs to TDM and land ownership documents verified.	Complied
2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	There is no land dispute in the Kemaman operating units at the time of audit. The land belongs to TDM and land ownership documents verified.	Complied

Principle 3: Commitment to long-term economic and financial viability

Criterion 3.1:

There is an implemented management plan that aims to achieve long-term economic and financial viability.

3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	TDM has continued its commitment to long term sustainability and improvements through a capital expenditure programme. 5 years management plan (2016 2020) was verified during the audit. Kemaman Palm Oil Mill and supply bases have made progress towards achieving their performance production targets for the current financial year.	Complied																																							
3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -	<p>The replanting programme was established.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Estate</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td rowspan="8">GME</td> <td>220.96</td> </tr> <tr> <td>2017</td> <td>314.20</td> </tr> <tr> <td>2018</td> <td>219.83</td> </tr> <tr> <td>2019</td> <td>279.03</td> </tr> <tr> <td>2020</td> <td>290.87</td> </tr> <tr> <td>2021</td> <td>233.57</td> </tr> <tr> <td>2022</td> <td>199.17</td> </tr> <tr> <td>2023</td> <td>-</td> </tr> <tr> <td>2024</td> <td>147.52</td> </tr> <tr> <td>2017</td> <td rowspan="7">Jernih Estate</td> <td>262.00</td> </tr> <tr> <td>2018</td> <td>-</td> </tr> <tr> <td>2019</td> <td>-</td> </tr> <tr> <td>2020</td> <td>-</td> </tr> <tr> <td>2021</td> <td>-</td> </tr> <tr> <td>2022</td> <td>465.00</td> </tr> <tr> <td>2023</td> <td>-</td> </tr> <tr> <td>2024</td> <td>229.92</td> </tr> </tbody> </table>	Year	Estate	Ha	2016	GME	220.96	2017	314.20	2018	219.83	2019	279.03	2020	290.87	2021	233.57	2022	199.17	2023	-	2024	147.52	2017	Jernih Estate	262.00	2018	-	2019	-	2020	-	2021	-	2022	465.00	2023	-	2024	229.92	Complied
Year	Estate	Ha																																							
2016	GME	220.96																																							
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2023		-																																							
2024	229.92																																								

Principle 4: Use of appropriate best practices by growers and millers

Criterion 4.1:

Operating procedures are appropriately documented, consistently implemented and monitored.

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.1</p> <p>Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -</p>	<p>Standards Operating Procedure and Operating Manual for KPOM was established to cover all the station which was updated on Nov 2012. Sighted some of the procedure related to receptions station, sterilization station, overhead crane station, pressing station, clarification station, depericarping station, kernel recovery station, EFB disposal and etc.The SOP for Continuous Sterilizer Operation was established on 29/8/2016 and displayed at the station. Work Instructions in Bahasa Malaysia have been derived from SOPs and are posted at work stations at the mill and at certain locations at the estates, such as the Muster Notice Boards</p> <p>Company's Agriculture Policy covers land preparation, planting material, upkeep, harvesting, transport etc. SOP for mill dated 1st May 2011 edition TDM/KPOM/01 Revision – 01/2011. Revised SOP dated 28/7/2012 covers all operations for the estate. There are 40 SOPs covering all aspects of oil palm management. A separate work instruction is available at the mill to cover all the work stations at the mill. Work Instructions in Bahasa Malaysia have been derived from SOPs and are posted at work stations at the mill and at certain locations at the estates, such as the Muster Notice Boards.</p> <p>For mill operation, SOP and Operation Manual, updated November 2012 was established. The SOP covering all mill activities starting from reception station until effluent treatment plant.</p>	<p>Complied</p>
<p>4.1.2</p> <p>A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -</p>	<p>Internal & Compliance department audit – 18/9/2016 (Kemaman Palm Oil Mill), 6/9/2016 (Ladang Gajah Mati)</p> <p>Visiting engineer audit – Sime Darby Seeds & Agricultura Services Sdn Bhd dated 17/11/2015.</p> <p>PA visit at Jernih Estate – 16-17/5/2016 by Hj Abdul Aziz Abu Bakar.</p> <p>3rd party Consultant/Visiting engineer audit – Sime Darby Seeds & Agricultural Services Sdn Bhd dated 17/11/15. Visit covering mill operation and maintenance, lab operation, process optimization control, budgets etc.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -</p>	<p>All the records were maintained and available at mill and estate office: 1. PA visited on 16-17/5/2016(PA Report No.6) 2. agronomist visit on 29/7/15 (Jernih Estate)</p> <p>As per stipulated in under mill’s Compliance Schedule, there were a few performance monitoring to be carried by mill operator.</p> <p>i) Quarterly return submission via OER “online environmental reporting” - 2nd quarter OER was submitted on 4/7/16. Based on the report, the was no of limit parameter recorded for the final discharge monitoring.</p> <p>ii) Stack sampling every half yearly</p> <p>Boiler stack#2 (PMD 12383): 1st half monitoring done 31/5/16 by Environmental Science (M)Sdn Bhd,report ref:L-GB-TC1605CTP-0574, dust concentration (gm/Nm3) 0.2897 at 12% CO2.</p> <p>iii) Smoke indicator reading reports – CEMS report, verified online monitoring record dated 27/9/16.</p> <p>v) River water monitoring/monsoon drain discharge – Annually done by 3rd party consultant, Eralab (KT) Sdn Bhd dated March 2016. Refer to COA, 16/03/W247 dated 27/3/16. 3 water monitoring point were tested (W1, W@ & W3). All parameter within specification.</p> <p>vi) Effluent monitoring – monthly analysis, latest monitoring for August 2016. Refer to analysis result# 2549/2016 done by 3rd party accredited lab, Makmal Analisa Bukit Goh, FGV. All parameter tested were within limit. (cover letter KPOM/Effluen/08/2016)</p> <p>iv) Performance monitoring record for air pollution control system, as per new “Compliance Schedule” JPKKS 004055 was not available. Thus, minor NC was issued.</p>	<p>Minor nonconformance</p>
<p>4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -</p>	<p>Kemaman mill maintains a daily record of all FFB received. The records show the origin, weight, transporters details and etc of the FFB received.</p>	<p>Complied</p>
<p>Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>		
<p>4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -</p>	<p>Company’s Agriculture Policy covers land preparation, planting material, upkeep, harvesting, transport, amnuring, workshop etc. SOP for estate dated 1st May 2011 edition TDM/KPOM/01 Revision– 01/2011. There are 40 SOPs covering all aspects of oil palm management.</p> <p>Kemaman estates operates in accordance with the TDM management systems and standard operating procedures. The practices consistently monitored by plantation advisors and recommendations for improvements are given to maintain the sustainable practices.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance						
4.2.2 Records of fertiliser inputs shall be maintained. - Minor compliance -	<p>Fertilizers are applied as per agronomist recommendation. Record shows application date, filed number, dosage applied per palm, type of fertilizer and number of applicators.</p> <p><u>Gajah Mati Estate</u> Agronomist report dated 23/7/15: Ref: AC/BO/10.84/10.84.8/0499(15)- 2016 fertilizer recommendation :</p> <ol style="list-style-type: none"> 1. Compound fertilizer (CPD44) (12:6:22:3) : 1,520 mt (12%N, 6% P₂O₅, 22% K₂O & 3 % MgO) 2. Kieserite : 84.93 mt (26% MgO) 3. MOP (Muriate of Potash): 222.71 mt (60% K₂O) <p><u>Jernih Estate</u> Agronomist report dated 29/7/15, fertilizer recommendation was done by agronomist :</p> <ol style="list-style-type: none"> 1. Compound fertilizer (CPD44) (12:6:22:3) : 198.9 mt (12%N, 6% P₂O₅, 22% K₂O & 3 % MgO) 2. Kieserite : 252.80 mt (26% MgO) 3. MOP (Muriate of Potash): 368.50 mt (60% K₂O) 4. AC-NK Mix 3 : 420.50mt 5. Reactive Rock phosphate : 292.70mt 	Complied						
4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	<p>Similar to the last assessment, external Agronomist from Sime Darby Seeds and Agriculture Services Sdn Bhd visited estate on 1/7/2015 to carry out physical observation prior to the fertilizer recommendation for 2016. The foliar sampling exercise was conducted on July 2015. The visual analysis and the leaf analysis result which shows the nutrient level was used as guidance for the fertilizer recommendation. Soil sampling was carried out in April 2013 (GME) and is scheduled to be repeated every 5 years. For Jernih Estate, the soil sampling was conducted on 15/11/15 by the agronomist and advisory department.</p> <p>Foliar sampling was last carried out on 1st July 2015 (GME) and 29/7/15 (JE). Noted results on nutrient deficiency for Ash, N, P, K Mg, Ca & B as basis for fertilizer recommendation.</p>	Complied						
4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	<p>EFB is applied at the rate of 40mt/ha on selected area close to the mill.</p> <table border="1" data-bbox="659 1621 1099 1682"> <thead> <tr> <th>Date</th> <th>Tonnage</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>06/08/2016</td> <td>30.20mt</td> <td>GME</td> </tr> </tbody> </table>	Date	Tonnage	Estate	06/08/2016	30.20mt	GME	Complied
Date	Tonnage	Estate						
06/08/2016	30.20mt	GME						
<p>Criterion 4.3: Practices minimise and control erosion and degradation of soils.</p>								

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Criterion / Indicator		Assessment Findings	Compliance																								
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	Soil series map available for both estates visited. No other soil categorised as problematic or fragile soil. Sighted the type of soil available at GME and JE. <table border="1"> <thead> <tr> <th>No.</th> <th>Type of Soil</th> </tr> </thead> <tbody> <tr><td>1</td><td>Siri Bungor</td></tr> <tr><td>2</td><td>Kesatuan Batu Lapan-Padang Besar</td></tr> <tr><td>3</td><td>Siri Batu Lapan</td></tr> <tr><td>4</td><td>Siri Chempaka</td></tr> <tr><td>5</td><td>Siri Bukit Tuku</td></tr> <tr><td>6</td><td>Siri Kuala Brang</td></tr> <tr><td>7</td><td>Siri Rengam</td></tr> <tr><td>8</td><td>Siri Telemong</td></tr> <tr><td>9</td><td>Kesatuan Lubuk Itik-Binjai</td></tr> <tr><td>10</td><td>Siri Lubuk Itik</td></tr> <tr><td>11</td><td>Kesatuan Tebok-Tawar</td></tr> </tbody> </table>	No.	Type of Soil	1	Siri Bungor	2	Kesatuan Batu Lapan-Padang Besar	3	Siri Batu Lapan	4	Siri Chempaka	5	Siri Bukit Tuku	6	Siri Kuala Brang	7	Siri Rengam	8	Siri Telemong	9	Kesatuan Lubuk Itik-Binjai	10	Siri Lubuk Itik	11	Kesatuan Tebok-Tawar	Complied
No.	Type of Soil																										
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4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Recently replanted area is established with cover crops and vegetation is well established. Field inspection showed groundcover with soft grass and soft weeds. There is no significant erosion risk was noted during the field visit. Terracing and "Stops bunds" have been constructed to reduce the soil erosion. There are no peat soils or soil categorised as problematic or fragile soil at both estates.	Complied																								
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	Estates has implemented annual road maintenance programme. Example of programme checked at Gajah Mati Estate and Jernih estates shows the map indicating road repairs and maintenance for the whole estate roads includes grading, compacting and stone application to strengthen the road surface.	Complied																								
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There are no peat soils or soil categorised as problematic or fragile soil at both estates.	Complied																								
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	There are no peat soils or soil categorised as problematic or fragile soil at both estates.	Complied																								
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	There are no peat soils or soil categorised as problematic or fragile soil at both estates.	Complied																								
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.																											

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.1</p> <p>An implemented water management plan shall be in place. - Minor compliance -</p>	<p>Mill: For water monitoring, TDM Plantation Sdn. Bhd. (KPOM) has established a Standard Operation Procedure (SOP) for Taking Water Samples from Streams/Rivers (TDM/KPOM/01 Rev. KPOM-01/2011 dated 1/5/2011). An action plan to reduce fresh water usage also has been established for 2016.</p> <p><u>Gajah Mati Estate:</u> Gajah Mati Estate water management plan: water reduction plan and contingency plan during water shortage. i) Rain water collection – placement of large water container at strategic location ii) Briefing and awareness – daily routine reminder during muster ground. iii) Checking and monitoring – Abnormal water usage (meter reading), check for leaking and burst pipe. iv) Water shortage/dry spell incidents – action purchase water from JBA/SATU v) Severe water pollution – purchase water from JBA & perform treatment of polluted water</p>	<p>Complied</p>

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<p>4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -</p>	<p>Documented as a Slope Protection & River Buffer Zone Policy (Signed by CEO TDM Plantation, Version 2, dated 1/10/2014) established as following:</p> <table border="1" data-bbox="660 506 1299 689"> <thead> <tr> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>< 5 meter</td> <td>5 meter</td> </tr> <tr> <td>5-10 meter</td> <td>10 meter</td> </tr> <tr> <td>10-20 meter</td> <td>20 meter</td> </tr> <tr> <td>20-40 meter</td> <td>30 meter</td> </tr> <tr> <td>> 40 meter</td> <td>40 meter</td> </tr> </tbody> </table> <p>Under TDM plantation, PQMS dated 28/7/12, the frequency of river water analysis is every 3 month. Minimum 3 sampling point (upstream, midstream and downstream) identified with permanent marker (onsite) for future reference.</p> <p><u>Gajah Mati Estate</u> Gajah Mati Estate implemented river water monitoring, for upstream of Sungai Kersik and Sungai Pasir ,downstream of Sg Pasir and inlet and outlet of estate nursery. Sampled analysis report done by ERALab Sdn. Bhd. river water quality monitoring and analysis, lab report no. 16/06/W242 dated 24/3/2016 sighted available. Analysis was done against Class IIA/IIB National Water Quality Standards for Malaysia (NWQSM). Parameters analysed were pH, BOD, COD, TSS, AN and P. Report shown result was in compliance against the standard tested.</p> <p>Additional analysis conducted by Gajah Mati Estate was the Organochlorine Pesticide Analysis Test for the same river water samples. Parameters tested including Aldrin, Dieldrin, Endosulfan-α, Endosulfan-β, Endosulfan-sulfate, Heptachlor, Heptachlor Epoxide, Lindane and Paraquat. Result shown all these parameters were not detected in the sample.</p>	River width	Buffer zone	< 5 meter	5 meter	5-10 meter	10 meter	10-20 meter	20 meter	20-40 meter	30 meter	> 40 meter	40 meter	<p>Complied</p>
River width	Buffer zone													
< 5 meter	5 meter													
5-10 meter	10 meter													
10-20 meter	20 meter													
20-40 meter	30 meter													
> 40 meter	40 meter													

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.3</p> <p>Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -</p>	<p>KPOM implemented river water monitoring, for the upstream and downstream of Sungai Tebak. Sampled analysis report done by ERALab Sdn. Bhd. for water sample certificate of analysis, lab report no. 15/08/W017 dated 5/8/2015 sighted available. Analysis was done against Standard B Acceptable Conditions For Discharge of Industrial or Mixed Effluent of Standards A and B. Parameters analysed were pH, BOD, TSS, AN, O&G and TN. Report shown result was in compliance against the standard tested.</p> <p>Effluent monitoring – monthly analysis, latest monitoring for August 2016. Refer to analysis result# 2549/2016 done by 3rd party accredited lab, Makmal Analisa Bukit Goh, FGV. All parameter tested were within limit. (cover letter KPOM/Effluen/08/2016). In addition to the effluent discharge monitoring, river water monitoring/monsoon drain discharge has also been monitored.</p> <p>Sample was done on annual basis and carried out by 3rd party consultant, Eralab (KT) Sdn Bhd dated March 2016. Refer to COA, 16/03/W247 dated 27/3/16. 3 water monitoring point were tested (W1, W@ & W3). All parameter within specification.</p>	<p>Complied</p>
<p>4.4.4</p> <p>Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -</p>	<p>KPOM monitored its water consumption on monthly basis for the source of water supply for its mill process usage. Total water consumed for the period from Jan to December 2015 was 2.10m³/mt FFB processed. Current water usage todate for the period from Jan to Aug 2016 was 2.15m³/mt FFB processed.</p>	<p>Complied</p>
<p>Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>		
<p>4.5.1</p> <p>Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -</p>	<p>IPM Plan includes the planting of beneficial plants and control of damage by rodents. Beneficial plants such as Turnera subulata and Casia are grown in the estates. Records of planting of new areas and maintenance of existing areas of beneficial plants and location maps are available. Records of rat baiting and barn owl census are available.</p> <p>Gajah Mati Estate and Jernih Estate Barn owl box occupancy rate, Aug 2016-64% (GME) and 75% (JE)</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance									
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	<p>Training records for staff on IPM implementation were available and verified to be satisfactory during on-site assessment.</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>31/1/16</td> <td>Control of bagworms and trunk injection SOP</td> <td>Agronomist</td> <td>Jernih Estate</td> </tr> </tbody> </table> <p>However, at GME, the training was not conducted. Thus, the Minor NCR was raised during this assessment.</p>	Date	Training Topic	Trainer	Remarks	31/1/16	Control of bagworms and trunk injection SOP	Agronomist	Jernih Estate	Minor nonconformance	
Date	Training Topic	Trainer	Remarks									
31/1/16	Control of bagworms and trunk injection SOP	Agronomist	Jernih Estate									
Criterion 4.6:												
Pesticides are used in ways that do not endanger health or the environment												
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	Justification of pesticides applied is available in the TDM agriculture policy. Refer to agriculture policy no 05.0205.03 weed control for immature & mature oil palm. For pest and disease control, refer to 09-01 – 09-08. The use of pesticide is specific to the target pest, weed and disease. Justification takes consideration to minimize effect on non-target species.	Complied									
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	<p>Records of pesticides use (including active ingredients used and their LD 50, area treated, amount of a.i. applied per ha and number of applications) had been maintained and kept by the estate for a minimum of 5 years (2010 to 2015). Verified that records of monitoring were satisfactorily.</p> <table border="1"> <thead> <tr> <th></th> <th>Aug 16</th> <th>Todate 2016</th> </tr> </thead> <tbody> <tr> <td>GME</td> <td>0.225 a.i/Ha</td> <td>1.352 a.i/Ha</td> </tr> <tr> <td>JE</td> <td>0.127a.i/Ha</td> <td>0.997 a.i/Ha</td> </tr> </tbody> </table>		Aug 16	Todate 2016	GME	0.225 a.i/Ha	1.352 a.i/Ha	JE	0.127a.i/Ha	0.997 a.i/Ha	Complied
	Aug 16	Todate 2016										
GME	0.225 a.i/Ha	1.352 a.i/Ha										
JE	0.127a.i/Ha	0.997 a.i/Ha										
4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in TDM agriculture policy 09-01 to 09-08. The implementation in the field is consistent with the TDM agriculture policy.	Complied									

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Criterion / Indicator	Assessment Findings	Compliance	
4.6.4	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance -</p>	<p>Noted the use of class IB chemical, paraquat as to control Voluntary Oil Palm Seedling (VOPS) in the field. Justification of using the said chemical is to control VOPS.</p> <p>The Monocrotophos was used for trunk injection at Jernih Estate. The last trunk injection activity was carried out on 14/6/16.</p>	Complied
4.6.5	<p>Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Pesticide operators given training on the safe handling and application of the pesticides. Suitable personal protective equipment's and application equipment provided to the operators. All precautions attached to the products explained to operators and understood by them. This was noted during the interview with workers.</p> <p>The training for trunk injection activity was conducted on 31/1/2016 by Agronomist of TDM Plantation Sdn Bhd. The record was verified.</p>	Complied
4.6.6	<p>Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3).</p> <p>- Major compliance -</p>	<p>The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation.</p>	Complied
4.6.7	<p>Application of pesticides shall be by proven methods that minimise risk and impacts.</p> <p>- Minor compliance -</p>	<p>The quantity of agrochemicals required for various field conditions are documented and justified in TDM Plantation Agriculture Manual. The implementation in the field is consistent with the Agriculture Manual.</p>	Complied
4.6.8	<p>Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.</p> <p>- Major compliance -</p>	<p>No aerial spraying at Kemaman Certification unit.</p>	Complied
4.6.9	<p>Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8).</p> <p>- Minor compliance -</p>	<p>No associated smallholders. Employees handling pesticide given knowledge and skill required by the R&D Department and OSH Department to cover safe handling practices and standard operating procedures which was latest conducted on 31/1/16 at Jernih Estate.</p> <p>At GME, no outbreaks of pest. However the training related to the spaying activities was conducted on 3/2/2016 to the sprayers.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance																				
4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers. Workers interview reveal that they are aware of the zero burning policy including domestic waste are not allowed to be burned. Management disposes waste material as per regulation for schedule waste and domestic waste.	Complied																				
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -	<p>Annual medical surveillance for sprayers and pesticide operators (trunk injection team) were demonstrated.</p> <p>Gajah Mati Estate The management of Gajah Mati Estate send 8 sprayers for medical check up on 10/09/2016 and the result from OHD (JKKP HQ/08/DOC/00/352-Klinik Bestari Sdn Bhd) were found normal.</p> <p>Jernih Estate: Medical examination programme established for 1 group of trunk injector that exposed to class 1A chemical, monochrotophos by Klinik Bestari Sdn Bhd-JKKP HQ/08/DOC/00/352.</p> <table border="1"> <thead> <tr> <th>ID No</th> <th>Last trunk injection carry out</th> <th>Date of Medical check up</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>AT107367</td> <td>14/6/16</td> <td>6/9/16</td> <td>Normal</td> </tr> <tr> <td>AR215465</td> <td>14/6/16</td> <td>6/9/16</td> <td>Normal</td> </tr> <tr> <td>A6895386</td> <td>14/6/16</td> <td>6/9/16</td> <td>Normal</td> </tr> <tr> <td>AR654037</td> <td>14/6/16</td> <td>6/9/16</td> <td>Normal</td> </tr> </tbody> </table> <p>Major nonconformity raised during previous audit was closed accordingly.</p>	ID No	Last trunk injection carry out	Date of Medical check up	Result	AT107367	14/6/16	6/9/16	Normal	AR215465	14/6/16	6/9/16	Normal	A6895386	14/6/16	6/9/16	Normal	AR654037	14/6/16	6/9/16	Normal	Complied
ID No	Last trunk injection carry out	Date of Medical check up	Result																				
AT107367	14/6/16	6/9/16	Normal																				
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A6895386	14/6/16	6/9/16	Normal																				
AR654037	14/6/16	6/9/16	Normal																				
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	No female pesticide operators. However, interview with female workers confirmed knowledge of the policy of transfer to alternative duties if they wished to continue working when pregnancy was confirmed or breast-feeding.	Complied																				

Criterion 4.7:

An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.1</p> <p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -</p>	<p>OHS plan for 2016 has been established. The plan comprises of OSH legal compliance, emergency response plan (ERP), OSH management system, risk management and safety committee activities. Sample of OSH management system activities as follows :</p> <p>i) LEV inspection and testing Internal assessment by tech (weekly basis), latest report 2/9/15 Annual inspection was conducted on 27/3/2016 3rd party (IHT II) JKKP HIE 127/1713/2(76), found in-compliance with ACGIH requirements.</p> <p>ii)Medical Surveillance 4 lab operators were sent for medical surveillance on 10/2/2016 (n-hexane), refer to medical surveillance report by registered OHD, HQ/08/DOC/00/547 under Klinik Nabilah. All the lab operators was found fit.</p> <p>iii) Audiometric Testing Annual audiometric testing was conducted on 20/4/2016 by OHD, HQ/08/DOC/00/7 under Klinik Syed Badaruddin Sdn Bhd. Total workers tested 101. HI – 10, STS – 16. Repeat audiometry was done on 16/8/2016 and the report was received on 22/9/2016. The action plan was still in progress. The Repeat Test was conducted by SI Energy Enterprise.</p> <p>iv) Chemical Health Risk Assessment (CHRA) CHRA was conducted on 17/5/2016 by Anjung Seni Advert (JKKP HIE 127/171-2(259) for KPOM. The action plan was established through the recommendation from the assessor. The Chemical register was available and sent to DOSH on 3/1/2016 by SHO.</p> <p>CHRA was conducted on 14/6/2012 by Occumed Consultancy & Services Sdn Bhd (JKKP HIE 127/171-2(8) for GME. The action plan was established through the recommendation from the assessor. The Chemical register was available and sent to DOSH on 24/3/2016 by Assistant Manager.</p> <p>CHRA was conducted on 24/5/16 by Medi-Ihsan Occupational Safety and Health Sdn Bhd (JKKP HIE 127/171-2(306) for JE. The action plan was established through the recommendation from the assessor. The Chemical register was available and sent to DOSH on 18/2/2016 by Chief Clerk</p> <p>v) Additional Noise Monitoring The management has plan to conduct the additional noise monitoring after commissioning Continuous Sterilizer as per FM (Noise Exposure) Regulation on October 2016.</p>	<p>Complied</p>

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<p>4.7.2</p>	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. - Major compliance -</p> <p>HIRARC for all activities was assessed which was based on Risk Assessment Criteria stated in the procedure (SOP) Hazard Identification, Risk Assessment and Risk Control (TDM/KPOM/01 dated 1 May 2011). Eg: KPOM- Weighbridge, Ramp, Threshing Station, Pressing Station, Clarification, Nut Cracking Station, Kernel Plant, Kernel Storage, CPO Storage, Boiler Station, Engine room, workshop, General-cleaning and others, Store, EFB Press, Laboratory, WTP, Continuous Sterilizer, EFB Shredder , and GME- Drainage and irrigation, Harvesting, Pruning and raking, roads and bridges, weeding and manuring, workshop etc. The HIRARC was updated on January 2016 by SHO and assistant estate manager.</p> <p>HIRARC and CHRA reports were verified during the assessment. Refer to revisited CHRA report for KPOM, (JKKP HIE 127/171-2(259) dated 17/5/2015.</p> <p>The HIRARC related to the accident happened at Kernel Bunker (Storage) and Kernel Plant been reviewed and updated on 1/4/2016 and 1/8/2016.</p>	<p>Complied</p>

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<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p>	<p>Training Scheduled for 2016 was established. Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE.</p> <p>Suitable PPE has been provided to the workers based on the information in the MSDS/CSDS and CHRA assessor's recommendation.</p> <p>List of Personal Protective Equipment (PPE) Provided – identifies the type of PPE for the respective activities.</p> <p>i) Sterilizer and boiler/power operator – Safety Helmet, Semi leather Hand Glove, Cotton Gloves, Safety Shoes, Safety Vest and Ear Muff</p> <p>ii) Lab operator – Respirator (double cartridge) Nitrile Glove (chemical resistant), safety boots, Ear plug (NRR = 24 dB)</p> <p>iii) Field workers (sprayer, manurer & harvester) – N95 respirator, anti-mist goggles, wellington boots, apron and sickle cover.</p> <table border="1" data-bbox="660 1021 1299 1917"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>18/8/16</td> <td>RSPO Awareness</td> <td>SHO</td> <td>KPOM</td> </tr> <tr> <td>25/5/16</td> <td>Stress Management</td> <td>JKKP</td> <td>KPOM</td> </tr> <tr> <td>24/2/16</td> <td>Confined space</td> <td>JKKP</td> <td>KPOM</td> </tr> <tr> <td>3/1/16</td> <td>Hotwork Permit</td> <td>SHO</td> <td>KPOM</td> </tr> <tr> <td>15/9/2016</td> <td>SOP Laboratory</td> <td>Lab Assistant</td> <td>KPOM</td> </tr> <tr> <td>5/6/16</td> <td>Boiler</td> <td>Boilerman</td> <td>KPOM</td> </tr> <tr> <td>12/5/16</td> <td>Cont. Sterilizer</td> <td>Modipalm Eng Sdn Bhd</td> <td>KPOM</td> </tr> <tr> <td>3/2/16</td> <td>Sprayer</td> <td>SHO</td> <td>GME</td> </tr> <tr> <td>15/5/16</td> <td>Manuring</td> <td>Ast Mger</td> <td>GME</td> </tr> <tr> <td>18/5/16</td> <td>Harvesting</td> <td>Ast. Mger</td> <td>GME</td> </tr> <tr> <td>13/6/16</td> <td>Chemical Handling</td> <td>Ast. Mger</td> <td>GME</td> </tr> <tr> <td>11/5/16</td> <td>Nursery</td> <td>Ast. Mger</td> <td>GME</td> </tr> <tr> <td>5/9/16</td> <td>Chemical Handling</td> <td>Medi-Ihsan OSH Sdn Bhd</td> <td>JE</td> </tr> <tr> <td>10/8/16</td> <td>RSPO Awareness</td> <td>Ast. Mger</td> <td>JE</td> </tr> <tr> <td>9/8/16</td> <td>Manuring</td> <td>Mger</td> <td>JE</td> </tr> <tr> <td>21/7/16</td> <td>Driving of tractor</td> <td>Supplier</td> <td>JE</td> </tr> <tr> <td>19/7/16</td> <td>Spraying</td> <td>Mger</td> <td>JE</td> </tr> </tbody> </table>	Date	Training Topic	Trainer	Remarks	18/8/16	RSPO Awareness	SHO	KPOM	25/5/16	Stress Management	JKKP	KPOM	24/2/16	Confined space	JKKP	KPOM	3/1/16	Hotwork Permit	SHO	KPOM	15/9/2016	SOP Laboratory	Lab Assistant	KPOM	5/6/16	Boiler	Boilerman	KPOM	12/5/16	Cont. Sterilizer	Modipalm Eng Sdn Bhd	KPOM	3/2/16	Sprayer	SHO	GME	15/5/16	Manuring	Ast Mger	GME	18/5/16	Harvesting	Ast. Mger	GME	13/6/16	Chemical Handling	Ast. Mger	GME	11/5/16	Nursery	Ast. Mger	GME	5/9/16	Chemical Handling	Medi-Ihsan OSH Sdn Bhd	JE	10/8/16	RSPO Awareness	Ast. Mger	JE	9/8/16	Manuring	Mger	JE	21/7/16	Driving of tractor	Supplier	JE	19/7/16	Spraying	Mger	JE	<p>Complied</p>
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<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. - Major compliance -</p>	<p>Assistant manager at each of the operating units are appointed as Health Committee Secretary. OSH Committees meeting conducted quarterly and meeting minutes includes issues raised and action taken form workplace inspection report etc. The last meeting was conducted on the 6/9/2016 at Kemaman Palm Oil Mill. 14 members has attended the meeting with discussion on the accident review, safety improvement plan, issues from workers, training, complaints has been discussed and action to be taken. There was no major issue.</p> <p>Kemaman Palm Oil Mill SHC organization chart for 2016 i) Chairman – Shahbudin Bin Usop (Mill Manager) ii) Secretary – Mohd Izwan Haffez Bin Che Azmi (Assistant Manager) (#3: 6/9/16, #2: 14/6/16, #1: 15/3/16)</p> <p>Gajah Mati Estate SHC org chart 2016 Chairman – Tn Hj. Mohamad Pauzi (Estate Manager) Secretary – Pn. Faridah Bt. Zaki. (#3: 4/9/16, #2: 18/5/16, #1: 4/2/16)</p> <p>Jernih Estate SHC org chart 2016 Chairman – Tun Mohd Azmi (Estate Asst. Manager) Secretary – Zainudin bin Min (#3: 13/9/16 #216/6/16 #1:24/3/16)</p>	<p>Complied</p>

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<p>4.7.5</p> <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>Accident and emergency procedures have been communicated to employees, contractors and visitors. Fire evacuation drill was last conducted on 21/7/2016 collaborate with BOMBA to test the state of readiness during emergency situation. Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites.</p> <p>Records on all accidents kept and summary sent to Head Office. Quarterly review on accident cases carried out during OSH quarterly meeting. All operating units keeping all the JKPP 6 & 8 forms and available for viewing. Sighted some records of accidents :</p> <p><u>KPOM</u></p> <ol style="list-style-type: none"> 25/7/16-En Zulfakry Abdul Wahab at Nut Plant MC 5 days, Accident report was prepared on 28/7/16 by SHO. JKPP 6 was send to DOSH on 28/7/16 by SHO 23/3/16- En Mokhtar Ibrahim at Kernel Bunker, MC 5 days, Accident report was prepared on 23/3/16 by SHO. JKPP 6 was sent to DOSH on 27/3/16 by SHO. <p><u>GME</u></p> <p>3/1/2016- Mohamad Joynal Mia at Harvesting area, MC 8 days, JKPP 6 was send to DOSH on 4/1/2016.</p> <p><u>JE</u></p> <p>5/4/2016- Sukman Suryadi at PM20A1-Spraying activity. JKPP 6 was sent to DOSH on 11/4/2016, MC 57days</p>	<p>Complied</p>												
<p>4.7.6</p> <p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance -</p>	<p>Medical care is provided to all the employees. Local workers are covered under SOCSO scheme while foreign workers are covered under foreign workers compensation scheme.</p> <table border="1" data-bbox="662 1397 1299 1666"> <thead> <tr> <th>Insurance</th> <th>Period</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>SOCSO</td> <td>Aug 16, July 16, June 16</td> <td>KPOM</td> </tr> <tr> <td>SOCSO</td> <td>Aug 16, July 16, June 16</td> <td>GME</td> </tr> <tr> <td>Am General Insurance Bhd (Polisi No: EGD-0016909)</td> <td>12/10/15-11/10/16</td> <td>GME</td> </tr> </tbody> </table>	Insurance	Period	Remark	SOCSO	Aug 16, July 16, June 16	KPOM	SOCSO	Aug 16, July 16, June 16	GME	Am General Insurance Bhd (Polisi No: EGD-0016909)	12/10/15-11/10/16	GME	<p>Complied</p>
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<p>4.7.7</p> <p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics</p> <p>- Minor compliance -</p>	<p>Records on Lost Time Accident (LTA) metrics was maintained and based on JKPP 6, 7 & 8. Sample of accident statistic as shown below :</p> <table border="1" data-bbox="662 1794 1299 1944"> <thead> <tr> <th>Year</th> <th>KPOM</th> <th>Gajah Mati Estate</th> <th>Jernih Estate</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>10</td> <td>0</td> <td>147</td> </tr> <tr> <td>2016 (as at Sept 16)</td> <td>10</td> <td>8</td> <td>57</td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days</p>	Year	KPOM	Gajah Mati Estate	Jernih Estate	2015	10	0	147	2016 (as at Sept 16)	10	8	57	<p>Complied</p>
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<p>Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.</p>														

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4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	<p>Kemaman Certification unit has established an annual training programme that covers all aspects of the RSPO Principles and Criteria. The plan was available for viewing at all visited operating unit.</p> <table border="1" data-bbox="659 517 1297 1413"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>18/8/16</td> <td>RSPO Awareness</td> <td>SHO</td> <td rowspan="4">KPOM</td> </tr> <tr> <td>25/5/16</td> <td>Stress Management</td> <td>JKKP</td> </tr> <tr> <td>24/2/16</td> <td>Confined space</td> <td>JKKP</td> </tr> <tr> <td>3/1/16</td> <td>Hotwork Permit</td> <td>SHO</td> </tr> <tr> <td>15/9/2016</td> <td>SOP Laboratory</td> <td>Lab Assistant</td> <td rowspan="10">GME</td> </tr> <tr> <td>5/6/16</td> <td>Boiler</td> <td>Boilerman</td> </tr> <tr> <td>12/5/16</td> <td>Cont. Sterilizer</td> <td>Modipalm Eng Sdn Bhd</td> </tr> <tr> <td>3/2/16</td> <td>Sprayer</td> <td>SHO</td> </tr> <tr> <td>15/5/16</td> <td>Manuring</td> <td>Ast Mgr</td> </tr> <tr> <td>18/5/16</td> <td>Harvesting</td> <td>Ast. Mgr</td> </tr> <tr> <td>13/6/16</td> <td>Chemical Handling</td> <td>Ast. Mgr</td> </tr> <tr> <td>11/5/16</td> <td>Nursery</td> <td>Ast. Mgr</td> </tr> <tr> <td>5/9/16</td> <td>Chemical Handling</td> <td>Medi-Ihsan OSH Sdn Bhd</td> <td rowspan="4">JE</td> </tr> <tr> <td>10/8/16</td> <td>RSPO Awareness</td> <td>Ast. Mgr</td> </tr> <tr> <td>9/8/16</td> <td>Manuring</td> <td>Mgr</td> </tr> <tr> <td>21/7/16</td> <td>Driving of tractor</td> <td>Supplier</td> </tr> <tr> <td>19/7/16</td> <td>Spraying</td> <td>Mgr</td> <td></td> </tr> </tbody> </table>	Date	Training Topic	Trainer	Remarks	18/8/16	RSPO Awareness	SHO	KPOM	25/5/16	Stress Management	JKKP	24/2/16	Confined space	JKKP	3/1/16	Hotwork Permit	SHO	15/9/2016	SOP Laboratory	Lab Assistant	GME	5/6/16	Boiler	Boilerman	12/5/16	Cont. Sterilizer	Modipalm Eng Sdn Bhd	3/2/16	Sprayer	SHO	15/5/16	Manuring	Ast Mgr	18/5/16	Harvesting	Ast. Mgr	13/6/16	Chemical Handling	Ast. Mgr	11/5/16	Nursery	Ast. Mgr	5/9/16	Chemical Handling	Medi-Ihsan OSH Sdn Bhd	JE	10/8/16	RSPO Awareness	Ast. Mgr	9/8/16	Manuring	Mgr	21/7/16	Driving of tractor	Supplier	19/7/16	Spraying	Mgr		<p>Complied</p>
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4.8.2 Records of training for each employee shall be maintained. - Minor compliance -	Records of training for employees available and maintained. Records verified on a sampling basis at the Mill and estates visited covers all aspect of training and RSPO P&C. Samples of training record for 2016 as follows : <table border="1" data-bbox="660 562 1300 1514"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>18/8/16</td> <td>RSPO Awareness</td> <td>SHO</td> <td rowspan="7">KPOM</td> </tr> <tr> <td>25/5/16</td> <td>Stress Management</td> <td>JKKP</td> </tr> <tr> <td>24/2/16</td> <td>Confined space</td> <td>JKKP</td> </tr> <tr> <td>3/1/16</td> <td>Hotwork Permit</td> <td>SHO</td> </tr> <tr> <td>15/9/2016</td> <td>SOP Laboratory</td> <td>Lab Assistant</td> </tr> <tr> <td>5/6/16</td> <td>Boiler</td> <td>Boilerman</td> </tr> <tr> <td>12/5/16</td> <td>Cont. Sterilizer</td> <td>Modipalm Eng Sdn Bhd</td> </tr> <tr> <td>3/2/16</td> <td>Sprayer</td> <td>SHO</td> <td rowspan="5">GME</td> </tr> <tr> <td>15/5/16</td> <td>Manuring</td> <td>Ast Mger</td> </tr> <tr> <td>18/5/16</td> <td>Harvesting</td> <td>Ast. Mger</td> </tr> <tr> <td>13/6/16</td> <td>Chemical Handling</td> <td>Ast. Mger</td> </tr> <tr> <td>11/5/16</td> <td>Nursery</td> <td>Ast. Mger</td> </tr> <tr> <td>5/9/16</td> <td>Chemical Handling</td> <td>Medi-Ihsan OSH Sdn Bhd</td> <td rowspan="5">JE</td> </tr> <tr> <td>10/8/16</td> <td>RSPO Awareness</td> <td>Ast. Mger</td> </tr> <tr> <td>9/8/16</td> <td>Manuring</td> <td>Mger</td> </tr> <tr> <td>21/7/16</td> <td>Driving of tractor</td> <td>Supplier</td> </tr> <tr> <td>19/7/16</td> <td>Spraying</td> <td>Mger</td> </tr> </tbody> </table>	Date	Training Topic	Trainer	Remarks	18/8/16	RSPO Awareness	SHO	KPOM	25/5/16	Stress Management	JKKP	24/2/16	Confined space	JKKP	3/1/16	Hotwork Permit	SHO	15/9/2016	SOP Laboratory	Lab Assistant	5/6/16	Boiler	Boilerman	12/5/16	Cont. Sterilizer	Modipalm Eng Sdn Bhd	3/2/16	Sprayer	SHO	GME	15/5/16	Manuring	Ast Mger	18/5/16	Harvesting	Ast. Mger	13/6/16	Chemical Handling	Ast. Mger	11/5/16	Nursery	Ast. Mger	5/9/16	Chemical Handling	Medi-Ihsan OSH Sdn Bhd	JE	10/8/16	RSPO Awareness	Ast. Mger	9/8/16	Manuring	Mger	21/7/16	Driving of tractor	Supplier	19/7/16	Spraying	Mger	Complied
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Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

Criterion 5.1:

Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

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<p>5.1.1</p> <p>An environmental impact assessment (EIA) shall be documented. - Major compliance -</p>	<p>KPOM has a documented Environmental Aspect and Impact Identification (EAI) which was updated on 1/1/2016. The EAI developed based on its established Standard Operating Procedure on Environmental Aspects/Impacts Evaluation TDM/KPOM/01, Rev. KPOM-01/2011, dated 1/5/2011. Aspect identified and impact evaluated for the mill operations was tabulated on the KPOM Aspect and Impact Evaluation Form divided into mill operation stations. KPOM and estates has covered all its operation in identifying the environmental aspect and evaluating the environmental impact. There was no change of activities noted in Kemaman palm oil mill and other visited estates during the assessment.</p>	<p>Complied</p>
<p>5.1.2</p> <p>Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -</p>	<p>There is no change of current practices required to mitigate negative effects based on identified impacts for both the mill and estates. However the mill and estates have conducted periodical review on the aspects and impacts identified and evaluated as registered. However, the mill and estates have continuously implemented annual programs that were established as part of its individual Pollution Prevention Plan. Managers and assistant managers of mill and estates were identified as person-in-charge of the programs which were established upon review of the aspect and impact register.</p>	<p>Complied</p>
<p>5.1.3</p> <p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. - Minor compliance -</p>	<p><u>KPOM</u></p> <p>Environmental improvement plan, dated 1/6/16 was sighted during audit. Environmental issues such as leakages and spillage (chemical, engine oil/lubricants) identified. Related mitigation measures has been determined for as such interceptor, bunding and 2nd containment and tray)</p> <p>High noise exposure – Silencer and muffler installation</p> <p>Monitoring protocol and mitigation measures plan to be updated and in-line with new Compliance Schedule, JPKKS 004055 in compliance with new Environment Quality, Clean Air Regulation 2014 related to:</p> <ul style="list-style-type: none"> i) Particulate and smoke emission from boiler ii) Noise emission iii) GHG emission <p>Thus, minor NC was issued.</p> <p>Estate:</p> <p><u>Environmental management plan dated 4/1/16</u></p> <p>Triple rinsing – recycling of waste container</p> <p>Recycling activities - 3R @ segregation of waste</p> <p>Reduction of Highly Toxic pesticides used – biological control (IPM), paraquat substitution (systemic chemical)</p>	<p>Minor nonconformance</p>

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Criterion / Indicator	Assessment Findings	Compliance
Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.		
5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -	As reported during last assessment, the HCV assessment was conducted in November 2011 by an independent consultant from SRA Consultancy with working experience in conducting HCV and Social Impact Assessment. HCV Toolkit for Malaysia by WWF – Malaysia was used. There were appropriate consultation processes as per the HCV Toolkit-Malaysia which covers the three main components of identification, management and monitoring. There were no HCV area within the mill and plantation. HCV inside Gajah Mati Estate HCV 4 : river buffer zone Conservation area : wildlife sanctuary (70 Ha)	Complied
5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan. - Major compliance -	Regular patrols within the operating unit estates were carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas. Mechanism for reporting the sightings of various types of wildlife, were found to have been in place. Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented. Signage's that prohibit hunting, fishing and water polluting activities were verified on-site at the both visited estates found to have been satisfactorily maintained.	Complied
5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance -	Staff and workers were given briefing on company policies that prohibit disturbance of designated protected areas. Signages are maintained at the entrance to the estates prohibiting illegal hunting, fishing and the use of fire. Posters are displayed on the notice boards at muster areas.	Complied
5.2.4 Where a management plan has been created there shall be ongoing monitoring: • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. - Minor compliance -	On-going monitoring of the management plan on the status of any RTE species at the plantation areas is done. Reports are collated and reviewed by the Compliance team for the operating units situated within the region. The updated reports available indicated that there have been no sightings of any RTE species at the operating units.	Complied
5.2.5 Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance -	It is verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at the estates visited. Thus negotiated agreement of such nature is not applicable.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.		
5.3.1 All waste products and sources of pollution shall be identified and documented. - Major compliance -	KPOM has established Waste Management Action Plan FY 2015/2016. Few type of waste has been identified i.e. Scheduled Waste, Domestic Waste and Industrial Waste. The source of these wastes were mainly located at mechanical/electrical workshop, chemical store, scheduled waste store, linesite, office, mill effluent pond. <u>Gajah Mati Estate</u> Scheduled waste – disposed by SW contractor Domestic waste – rubbish collection and landfill disposal	Complied
5.3.2 All chemicals and their containers shall be disposed of responsibly. - Major compliance -	All chemical containers are disposed as per the company procedures. Most of the agrochemical containers are recycled for pre-mixing agrochemicals. Recycling is only for the same purpose.	Complied
5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	<u>Mill :</u> Disposal by license contractor, Urban Environmental Industries dated 8/9/16 Consignment # 2016090813Z4SLO for SW410 Disposal by license contractor, Kualiti Alam dated 30/3/16 Consignment # 20160330154JPH6O for SW425 Disposal by license contractor, Hiap Huat dated 17/8/16 Consignment # 2016081712Z0NHXE for SW409 <u>Gajah Mati Estate</u> Disposal by license contractor, Hiap Huap Chemicals Sdn Bhd dated 15/8/16 SW410, consignment note# HC009175 (0.047 mt) SW409, consignment note# HC009174 (3.77 mt) SW306, consignment note# HC009177 (0.17 mt) SW305, consignment note# HC009175 (0.14 mt) SW404, clinical waste disposed by VMO, Dr Aisam Abu Bakar (JKKP: HQ/08/DOC/00/352) under Klinik Bestari Sdn Bhd. Latest collection on 14/5/16.	Complied
Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.		

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<p>5.4.1</p> <p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -</p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. Based on record of monitoring of renewable energy usage for financial year period of January – August 2016, the following were derived: Average shell usage: 0.06mt/mt FFB processed Average fibre usage: 0.13mt/mt FFB processed</p> <p>Total: 0.19 mt/mt FFB processed</p> <p>Average monthly fossil fuel (diesel): 1.79liter/mt FFB processed. Incre. ased compared to previous audit due to significant drop of FFB processed</p>	<p>Complied</p>
<p>Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		
<p>5.5.1</p> <p>There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -</p>	<p>Based on the action plan to prevent open burning which includes planting cover crops, installing zero burning notice boards, briefing and etc. Furthermore, the Group policy of "Zero open burning" is enforced since July 2008. The operating units were all adhered to the policy of "Zero open burning" for any replanting, if any, in the estates. Field inspections made in Gajah Mati and Jernih estates field showed no evidence of open burning.</p>	<p>Complied</p>
<p>5.5.2</p> <p>Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -</p>	<p>The operating units have adhered to the zero burning policy for replanting at the estates. There was no evidence of any burning of domestic waste at the housing line sites and at the domestic landfills of the estates during on site field assessment.</p>	<p>Complied</p>
<p>Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
<p>5.6.1</p> <p>An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -</p>	<p>Based on the assessment of all polluting activities as of the Environment Aspect and Impact assessment, identified source was boiler chimney. Current monitoring was through online boiler smoke density and alarm and six-monthly boiler stack monitoring of dust particulate. Boiler stack#2 (PMD 12383): 1st half monitoring done 31/5/16 by Environmental Science (M)Sdn Bhd,report ref:L-GB-TC1605CTP-0574, dust concentration (gm/Nm3) 0.2897 at 12% CO2</p>	<p>Complied</p>

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5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH ₄) emission through POME treatment. The company have plans to construct methane capture facilities in POME treatment pond. Project arrangement handled by HQ and the project expected to complete the construction before 2019. Other less significant GHG emissions identified including CO _x , SO _x and NO _x from various sources including fossil fuel, chemical and fertilizer consumptions.	Complied
5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	Tools and systems used to monitor significant pollutants includes the DOE CEMS monitoring system for air emissions, water quality at discharge points as per DOE regulations and Scheduled Waste disposal as per the DOE requirements. POME is treated using aerobic and anaerobic ponds. Effluent waste-water samples were taken as per DOE requirement and quarterly reports sent to DOE via "Online Environmental Report". Scheduled waste records updated and recorded via E-SWiS to DOE. Approved GHG calculator @ PalmGHG was used for the calculation. Version 2.1.1 and verified report dated 16/2/16. Reporting to RSPO ERWG will be done by end of the year	Complied
Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.		
Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	SIA has been conducted on 23/10-1/11/2011 by SRA Consultancy which covered Kemamam POM, Pelantoh Estate, Jernih Estate, Air Putih Estate, Gajah Mati Estate & MAIDAM and Tebak Estate. The methodology of the assessment is through interviewed with stakeholders and documentation reviewed. The parties involved during the assessment were head of villages, workers and local communities. Attendance lists were sighted.	Complied
6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	The assessment was covered education, safety and health, living condition and infrastructure & amenities with participation of affected stakeholders such as local communities, workers, government bodies and etc.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	<u>Kemaman POM:</u> The management has generated an action plan which has incorporated timetable with responsibilities for mitigation and monitoring of the social impacts and reviewed as necessary. However, the management did not capture the issues raised by stakeholders during stakeholder meeting into the plan where monitoring was insufficient. Thus, Ref 1375754M1 major non-compliance was raised.	Major nonconformance
6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	The plan has been reviewed annually and the latest reviewed was done on 21/7/2016 (POM) and 21/1/2016 (Jernih Estate). However, Jernih estate has yet to review the action plan for mitigate negative impacts and promotion of positive ones where the last reviewed was done on 2011. Thus, Ref 1375754N1 minor non-compliance was raised.	Minor nonconformance
6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No smallholder schemes at Kemaman Certification Unit.	Not applicable
Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
6.2.1 Consultation and communication procedures shall be documented. - Major compliance -	External communications procedure is established and records of communication with stakeholders form is implemented. Communication and request letters from stakeholders to the management is sighted. The management has generated a summary of communication with stakeholders' records. The record was up-to-date.	Complied
6.2.2 A management official responsible for these issues shall be nominated. - Minor compliance -	Managers have been appointed as person responsible for handling social issues dated 2/9/2014 by Human Resource Head office.	Complied
6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	List of stakeholders Y2016 was generated. Local communities, contractors and suppliers, government bodies such as school, hospitals have been included into the list. However, stakeholder list for Gajah Mati and Jernih estates was incomplete where government agencies such as TNB, labour office, DOSH and etc were not included into the list. Combine stakeholder meeting with the mill and estates was conducted on 8/9/2016 and meeting minutes is sighted. Attendance list is sighted as well. There were some issues raised during the meeting. The SOU Zone South has conducted a meeting after the stakeholder meeting to discuss the issues raised by stakeholders. Thus, Ref 1375754N2 minor non-compliance was raised.	Minor nonconformance

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.			
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	The management has established a procedure on handling social issue and distributed the procedure to the relevant stakeholders dated 1/6/2016. Two way communication was the method been utilized by the management. A flowchart of handling social issue is developed. The management has to discuss the issue raised by stakeholders within 2 weeks for the first meeting.	Complied
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance –	Complaint form has been implemented and utilized by the workers if there is any complaint. Most of the issues were regarding repair work of housing.	Complied
Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	Flowchart for handling boundaries disputes dated 1/7/2012 has been established. There have been no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders.	Complied
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance -	<u>Gajah Mati and Jernih Estate:</u> Procedure for calculating and distributing fair compensation was not established and implemented. Thus, Ref 1375754N3 minor non-compliance was raised.	Minor nonconformance
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders to date.	Complied
Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.			

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6.5.1	<p>Documentation of pay and conditions shall be available. - Major compliance -</p>	<p>Documentation of pay and conditions such as pay slips shows gross pay, net pay, leave, medical leave pay etc are maintained by the company. Payslip of mill and estate workers are as per the employment letter and contracts which following NUPW and MAPA agreement. All the workers earn more than RM 1000 for month July and August 2016. Sampled workers as below:</p> <ul style="list-style-type: none"> a) Employee No.: KM00034 b) Employee No.: KM00003 c) Employee No.: KM1200180 d) Employee No.: KM00064 e) Employee No.: GM0901433 f) Employee No.: GM0901770 g) Employee No.: GM0901759 h) Employee No.: JN1400640 i) Employee No.: JN1600763 	Complied

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<p>6.5.2</p> <p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p>	<p>Workers employment letter and contract follow the MAPA/NUPW Agreement. The employment letters and contract are in the language understood by the workers. The management has complied with the Minimum Wage Order 2016.</p> <p><u>Kemaman POM:</u></p> <p>Deduction of salary for electricity, Tabung Haji scheme and housing rental were made to the workers. Permit from Labour office (Series No.: PMT.2010/020 dated 15/6/2010) was sighted for electricity and housing rental whereas for Tabung Haji scheme, there was a consent letter signed by all the workers to give permission for the employer to deduct the salary.</p> <p>However, employment letters were not revised where the pay per day was RM 34.62. Sampled employment letters as below:</p> <ul style="list-style-type: none"> a) Employee No.: KM1400199 b) Employee No.: KM1200180 <p><u>Gajah Mati Estate:</u></p> <p>There were few workers' contracts having different public holiday entitlement under Section 7 (c). Two workers sampled were entitled for 10 days for the first year of service whereas others was 13 days. Sampled workers as below:</p> <ul style="list-style-type: none"> a) Employee No.: GM0901424 b) Employee No.: GM0901471 <p><u>Jernih Estate:</u></p> <p>Sampled contracts were not revised according to Minimum Wage Order 2016:</p> <ul style="list-style-type: none"> a) Employee No.: JN1400658 b) Employee No.: JN00203 <p>Thus, Ref 1375754M2 major non-conformance was raised.</p>	<p>Major noncompliance</p>

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6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance –	<p>The management has provided basic facilities to the workers such as housing, water, electricity, clinic and etc. The management has subsidized RM 5 for electricity and RM 6 for water usage to the workers. The following issues were noted during site visit at the workers' quarters:</p> <ul style="list-style-type: none"> a) Drainage was blocked with rubbish at house no. 319 and 320. b) Apron for manuring was brought back to the linesite at house no. 320. c) Rubbish was scattered outside the dustbin provided. d) Floor cracking outside the houses. e) Chemical drums were found at the linesite house no. 371. f) 12 LPG cylinders were found selling at the linesite. <p><u>Gajah Mati Estate:</u></p> <p>Staircase of house no. GM 482-104 was broken. The assistant informed that there will be upgrading of quarters phase by phase starting this year. Document reviewed of budget noted that there was an allocation of budget to upgrade 5 houses.</p> <p>Thus, Ref 1375754N4 minor non-conformance was raised.</p>	Minor nonconformance
6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. - Minor compliance –	Accesses to food for the workers are considered adequately and sufficiently. There are sundry shops and restaurants within the vicinity and access to the nearby township is available.	Complied
<p>Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		
6.6.1 A published statement in local languages recognising freedom of association shall be available. - Major compliance -	Freedom of association policy has been implemented on 18/9/2016 where the workers are allowed to join any association such as Union freely.	Complied
6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Annual meeting with the state union was held annually. Meeting minutes was documented. No issue was raised by the MAPA during the meeting. Through interview with the worker's union representative found that no issue on pay and conditions reported.	Complied
<p>Criterion 6.7: Children are not employed or exploited.</p>		
6.7.1 There shall be documentary evidence that minimum age requirements are met. - Major compliance -	The management has implemented Child Protection policy dated 18/9/2016 where they will not exploited and recruited workers younger than 16 years old. Through verification of the employee list found that the youngest worker recruited was 21 years old.	Complied

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Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	TDM management has established a policy of human rights dated 18/9/2016 where it mentioned no discrimination towards workers. Besides, they also implemented a Social Policy dated 18/9/2016.	Complied
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Migrant workers are recruited with 2 years contract. Local workers are on a long term employment. No any kind of discrimination was noted. Job opportunities and amenities such as free housing, water and electricity supplies, medical care are given to all employees without discrimination. No grievances were highlighted to the audit team by internal and external stakeholders.	Complied
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. It was noted during the audit that there is no discrimination based on nationality, race, gender, age, etc.	Complied
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	Gender Policy has been reviewed on 18/9/2016 where TDM management will be responsible to protect women's rights and free from any sexual harassment or discrimination. Briefing of policy has been conducted on 20/9/2016. The policy also displayed at the notice board in the estate compound.	Complied
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	TDM management has reviewed Reproductive policy dated 18/9/2016. The policy has mentioned the reproductive rights of women. Training of the policy has been conducted to the workers on 20/9/2016. The policy also displayed at the notice board in the estate compound.	Complied
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	The management has established Gender committee to discuss issues related to women. There was a complaint flowchart and procedure of reporting sexual harassment cases in the workplace been developed. Last meeting was conducted on 25/8/2016 (mill), 21/4/2016 (Gajah Mati estate) and 25/4/2016 (Jernih estate). No sexual harassment or violence case has been reported thus far. The committee has organized activities such as Gotong-royong to clean the Surau, cooking class, sport's day, religion classes and dart competition. Appointment letters for the committee were maintained.	Complied
Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	Kemaman palm oil mill process FFB from company owned estates only. No FFB purchased from out-growers or smallholders.	Complied

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6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	Kemaman palm oil mill process FFB from company owned estates only. No FFB purchased from out-growers or smallholders. Complied
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Contractors have signed an agreement with the management before the services commenced. They were understood on the terms and condition which briefed by the management. Complied
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	The contractors were agreed on the payment term (according to progress payment) signed on the contracts and sampled payment record as below: a) CA0195707-A – Grass cutting b) LGM 001/16 – Case rental c) JN002/16 – Road grading Complied
Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.		
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	KPOM and estates have made contribution and donation to the local communities and internal workers as below: a) Donation of RM 300 to JKKK Padang Kubu on 14/2/2016 for health programme. b) Provided transport to send the participants for competition on 9/4/2016 requested by JKKK Padang Kubu. c) Sport day donation of RM 200 to school on 21/2/2016 and 25/2/2016. d) Programme Gotong-royong at housing area on 23/9/2016. e) Religion classes and motivation classes for the workers. Complied
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance –	No scheme smallholders. Not applicable
Criterion 6.12: No forms of forced or trafficked labour are used.		
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	All employees are legal with local identification card for local employees and passport for foreign workers. No evident of trafficked workers were found during the audit. Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –	No contract substitution was noted Complied

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6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Equal opportunity and non-discriminatory policy is implemented. No temporary workers. Complied	
Criterion 6.13: Growers and millers respect human rights.			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	A human right policy has been reviewed on 18/9/2016 due to the change of CEO. The policy has been communicated to the workers on 20/9/2016. Policy also displayed on the notice board. Complied	
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	Not applicable. Not applicable	
Principle 7: Responsible development of new plantings Kemaman Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this annual surveillance assessment. The immature areas are replanted area.			
Principle 8: Commitment to continual improvement in key areas of activity			
Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			
8.1.1	The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria. As a minimum, these shall include, but are not necessarily be limited to: <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); <ul style="list-style-type: none"> • Optimising the yield of the supply base. - Major compliance -	Besides that, the EFB mulching was carried out for supplementary purpose. Environmental management plan was established to monitor various activity such as protection of HCV areas, soil erosion, water pollution, noise pollution, soil pollution, air pollution, water usage, recycling of waste container, 3R @ segregation of waste, Reduction of Highly Toxic pesticides used and etc.	Complied

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Appendix B: Approved Time Bound Plan

No.	Name of the Estate and Mills	TBP for certification	Status as Aug, 2016	Any unresolved (Labour Disputes/Land conflicts/Legal Non-Compliance etc.)	
1	TDM Plantation Sdn. Bhd. Tebak Estate , Kemaman, Terengganu, Malaysia	Nov, 2013	Certified	None	
2	TDM Plantation Sdn. Bhd. Pelantoh Estate , Kemaman, Terengganu, Malaysia	Nov, 2013	Certified	None	
3	TDM Plantation Sdn. Bhd. Jernih Estate , Kemaman, Terengganu, Malaysia	Nov, 2013	Certified	None	
4	TDM Plantation Sdn. Bhd. Air Putih Estate , Kemaman, Terengganu, Malaysia	Nov, 2013	Certified	None	
5	TDM Plantation Sdn. Bhd. Gajah Mati Estate, Dungun, Terengganu, Malaysia	Nov, 2013	Certified	None	
6	TDM Plantation Sdn. Bhd. Majlis Agama Islam Estate, Dungun, Terengganu, Malaysia	Nov, 2013	Certified	None	
		Supply base for TDM Plantation Sdn. Bhd. Kemaman Palm Oil Mill, Kemaman, Terengganu, Malaysia.			
1	TDM Plantation Sdn. Bhd. Tayor Estate, Setiu, Terengganu, Malaysia	Dec, 2013	Certified	None	
2	TDM Plantation Sdn. Bhd. Pelong Estate , Setiu, Terengganu, Malaysia	Dec, 2013	Certified	None	
3	TDM Plantation Sdn. Bhd. Jaya Estate , Setiu, Terengganu, Malaysia	Dec, 2013	Certified	None	
4	TDM Plantation Sdn. Bhd. Fikri Estate , Setiu, Terengganu, Malaysia	Dec, 2013	Certified	None	
5	TDM Plantation Sdn. Bhd. Pinang Emas Estate, Dungun, Terengganu, Malaysia	Dec, 2013	Certified	None	
6	TDM Plantation Sdn. Bhd. Jerangau Estate, Ajil, Terengganu, Malaysia	Dec, 2013	Certified	None	
		Supply base for TDM Plantation Sdn. Bhd. Sungai Tong Palm Oil Mill, Setiu, Terengganu, Malaysia.			

Appendix C: Certification Unit RSPO Certificate Details

TDM Plantation Sdn. Bhd.
Kemaman Palm Oil Mill
KM 121, Jerangau – Jabor Highway
24101 Kemaman
Terengganu, Malaysia
RSPO membership number: 1-0095-11-000-00

BSI RSPO Certificate No. : RSPO 587626
Date of Initial Certificate Issued: 01/11/2013
Date of Expiry: 31/10/2018
Applicable Standards: RSPO P&C MYNI-2014; RSPO Supply Chain Certification Standard November 2014 Module D
– CPO Mills: Identity Preserved)

Kemaman Palm Oil Mill and Supply Base					
Location Address	Kemaman Palm Oil Mill, KM 121, Jerangau – Jabor Highway 24101 Kemaman, Terengganu, Malaysia				
GPS Location	103.248° E ; 4.403° N				
CPO Tonnage Total	45,960 mt				
PK Tonnage Total	12,331 mt				
CPO Claimed for Certification*	45,960 mt				
PK Claimed for Certification *	12,331 mt				
Own estates FFB Tonnage	222,395 mt				
Scheme Smallholder FFB Tonnage	-				
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Tebak	2,594.84	327.92	369.87	3,292.63	45,855
Pelantoh	3,156.49	-	135.11	3,291.60	56,600
Jernih	2,437.97	391.75	318.71	3,148.43	47,000
Air Putih	2,021.23	2,020.45	296.46	4,338.14	38,000
Gajah Mati	1,865.37	1,650.23	359.40	3,875.00	30,320
Majlis Agama Islam	500.16	255.80	151.38	907.34	6,420
TOTAL	12,576.06	4,646.15	1,630.93	18,853.14	222,395

Appendix D: Assessment Plan

Date	Time	Subjects	Hafiz	Hidhir	Ning Shing	Daniel
Monday 26/09/2016	PM	Audit Team travelling to Terengganu	√	√	√	√
Tuesday 27/09/2016	0830-0900	Opening meeting (Kemaman POM) • Presentation by Kemaman CU team • Presentation by BSI Lead auditor – Introduction of team members and assessment agenda	√	√	√	√
	0900-1230	Kemaman Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	-	√
	1000-1230	Meeting with Stakeholders (village rep, workers leader, contractor etc)	-	-	√	-
	1230-1330	Lunch	√	√	√	√
	1330-1630	Kemaman Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, SCCS, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√	√
	1630-1700	Interim Closing briefing	√	√	√	√
Wednesday 28/09/2016	0830–1230	Gajah Mati Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√	√
	1230-1330	Lunch	√	√	√	√
	1330-1630	Gajah Mati Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√	√

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Date	Time	Subjects	Hafiz	Hidhir	Ning Shing	Daniel
	1630-1700	Interim Closing briefing	√	√	√	√
Thursday 29/09/2016	0830-1230	Jernih Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√	√
	1230-1330	Lunch	√	√	√	√
	1330-1600	Jernih Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√	√
	1600-1630	Verify any outstanding issues & Preparation for closing Meeting	√	√	√	√
	1630-1730	Closing meeting	√	√	√	√
Friday 30/09/2016	AM	Audit Team traveling back to KL	√	√	√	√

Appendix E: Stakeholders Contacted

<p>Internal Stakeholders</p> <p>Managers and Assistant Managers Staff and Clerks Foreign Workers Gender Committee Chairman Field workers</p>	<p>Union/Contractors/Local Communities</p> <p>NUPW representatives Contractors</p>
<p>Government Departments</p> <p>Police School</p>	<p>NGO</p>

Appendix F: CPO Mill Supply Chain Assessment Report (Module D - CPO Mills: Identity Preserved)

Requirements	Compliance
D.1 Definition	
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>KPOM only receives certified FFB. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products</p>
D.2 Explanation	
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>
D.3 Documented procedures	
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements; b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>Latest written documented procedures (No. TDM/KPOM/01Rev.01/2015) Dated 01/09/15) for the chain of custody is with Identity Preserved (IP) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB. This developed based on the RSPO SCCS 21 November 2014. The previous SOP was for SG. The mill manager has the responsibility to ensure implementation assisted by the on-site compliance executive. The IP model is used because only certified FFB from own supply base and adjacent certified estates are received and processed at Kemaman Palm Oil Mill.</p> <p>The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements</p>
<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>KPOM has documented procedures (as per above in D 3.1) for the incoming FFB, processing and outgoing palm products (CPO and PK). The procedure covers receiving and processing certified and non-certified FFBs.</p>

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D.4 Purchasing and goods in	
<p>D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBS received.</p>	<p>Similar to last assessment daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified by internal and external audit. KPOM have system to verify at the weighbridge. Crop diversion from other certified estate under TDM plantation checked.</p> <p>Sample of weighbridge ticket for diversion crop:</p> <p><u>Pinang Emas Estate</u> Supplier ID: 110-LPE, docket# P0163001 dated 13/2/16, Field 94A, vehicle # TAQ5052, weight : 7,500 kg, ID FFB SG????</p> <p><u>Jerangau Estate</u> Supplier ID: 110-LJ, docket# P0153503 dated 7/10/15, Field PM96A, vehicle # TBR6028, weight : 37,370 kg, ID FFB SG????</p> <p><u>Bari/Jaya Estate</u> Supplier ID: 110-LJY, docket# P0153598 dated 7/10/15, Field 98A1, vehicle # CCK5660, weight : 39,550 kg, ID FFB SG????</p> <p>It was verified that FFB was from other certified management unit, certificate# RSPO 595564.</p>
<p>D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>The facilities aware of this procedure and stated in the.</p>
D.5 Record keeping	
<p>D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p>	<p>All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. Computerized system in place. No PKO and Palm kernel meal at Kemaman Palm Oil mill. Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the FFB received. Records of certified FFB received verified during annual surveillance. Records verified by internal and external audit.</p>
D.6 Processing	
<p>D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.</p>	<p>During this assessment it was confirmed that only certified source of FFB from own plantation is processed. This ensures that there is no possibility of mixing during processing.</p>
<p>D.6.2 The objective is for 100 % segregated material to be reached.</p>	<p>Processing and storage records can trace back to only certified segregated FFB and finish product (CPO and PK) through traceability records such as weighbridge records. This ensures that 100% segregated materials are reached.</p>

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Actual Tonnage Certified Palm Production – Sept 2015 – Aug 2016 (ASA3)

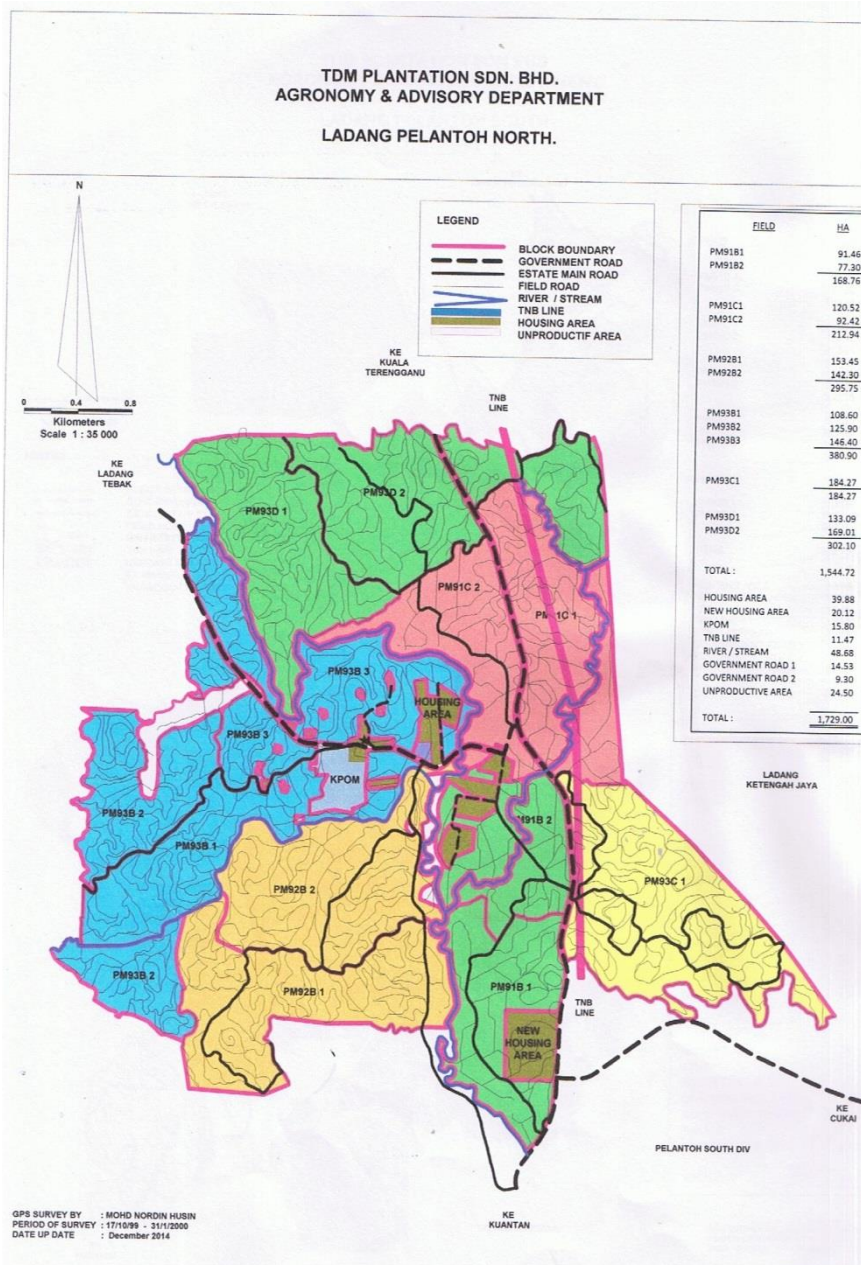
Mill	Capacity	CPO	PK
Kemaman Palm Oil Mill	60 MT/hr	43,256.88	11,125.17

Actual Tonnage Sales of Certified Palm Products – Sept 2015 – Aug 2016 (ASA3)

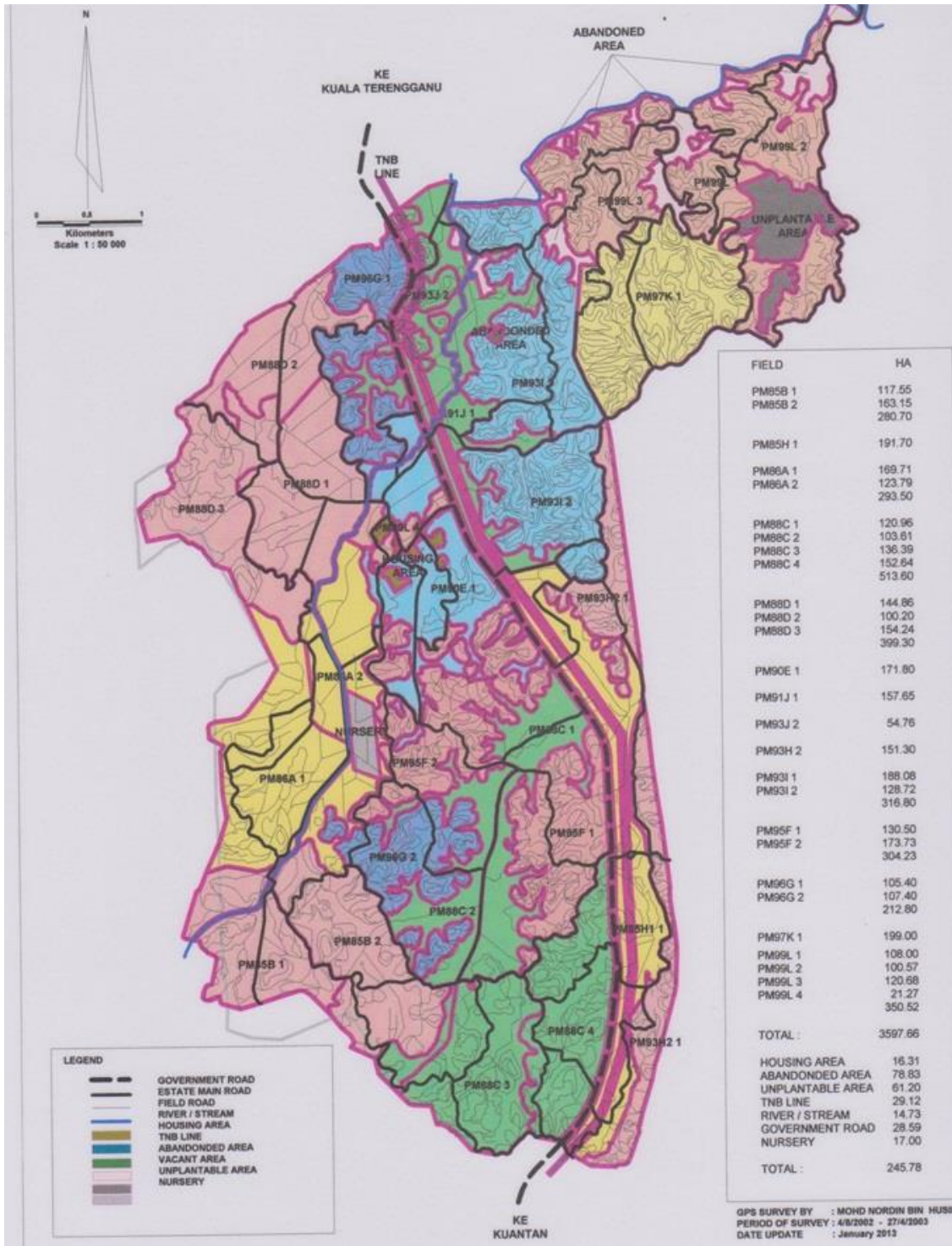
Mill	Certified CPO Sales	Certified PK Sales	Remarks
Kemaman Palm Oil Mill	43,653.85 mt	11,364.17 mt	-

Month	Certified Supply Base (from own certificate scope) (mt)						Others (Sg Tong CU)	Total FFB/Month (mt)
	Jernih Estate	Tebak Estate	Air Putih Estate	Pelantoh Estate	Majlis Agama Islam Estate	Gajah Mati Estate		
Sept 2015	4,706.99	4,362.10	2,971.99	4,246.74	707.28	2,642.07	4,035.39	23,672.56
Oct 2015	4,968.97	5,738.10	3,491.12	5,997.34	886.86	3,234.75	5,619.43	29,936.57
Nov 2015	4,438.09	5,162.10	1,171.35	5,084.86	828.67	2,355.05	3,593.36	22,636.48
Dec 2015	3,526.06	5,208.01	2,171.05	5,361.78	656.45	2,271.29	3,611.80	22,806.44
Jan 2016	1,921.56	3,452.90	1,870.50	4,641.73	435.62	1,757.81	2,328.69	16,408.81
Feb 2016	1,110.90	2,019.13	1,002.24	2,144.13	223.39	822.45	1,913.25	9,235.49
Mar 2016	2,143.42	3,194.84	1,328.18	3,382.69	452.78	841.06	996.42	12,339.39
Apr 2016	2,577.03	3,386.40	1,896.33	3,574.89	460.09	1,702.90	2,174.49	15,772.13
May 2016	2,486.28	3,637.42	1,910.84	3,916.32	523.60	2,065.34	2,194.89	16,734.69
June 2016	2,613.19	3,065.48	2,097.51	3,167.07	445.39	1,997.81	2,206.06	15,592.51
July 2016	3,186.68	2,684.31	1,712.45	2,974.28	411.79	1,538.52	2,952.20	15,460.23
Aug 2016	3,503.89	2,603.51	1,730.59	2,755.67	436.44	1,521.89	3,026.11	15,578.10
Total	37,183.06	44,514.30	23,357.15	47,247.50	6,468.36	22,750.94	34,652.09	216,173.40

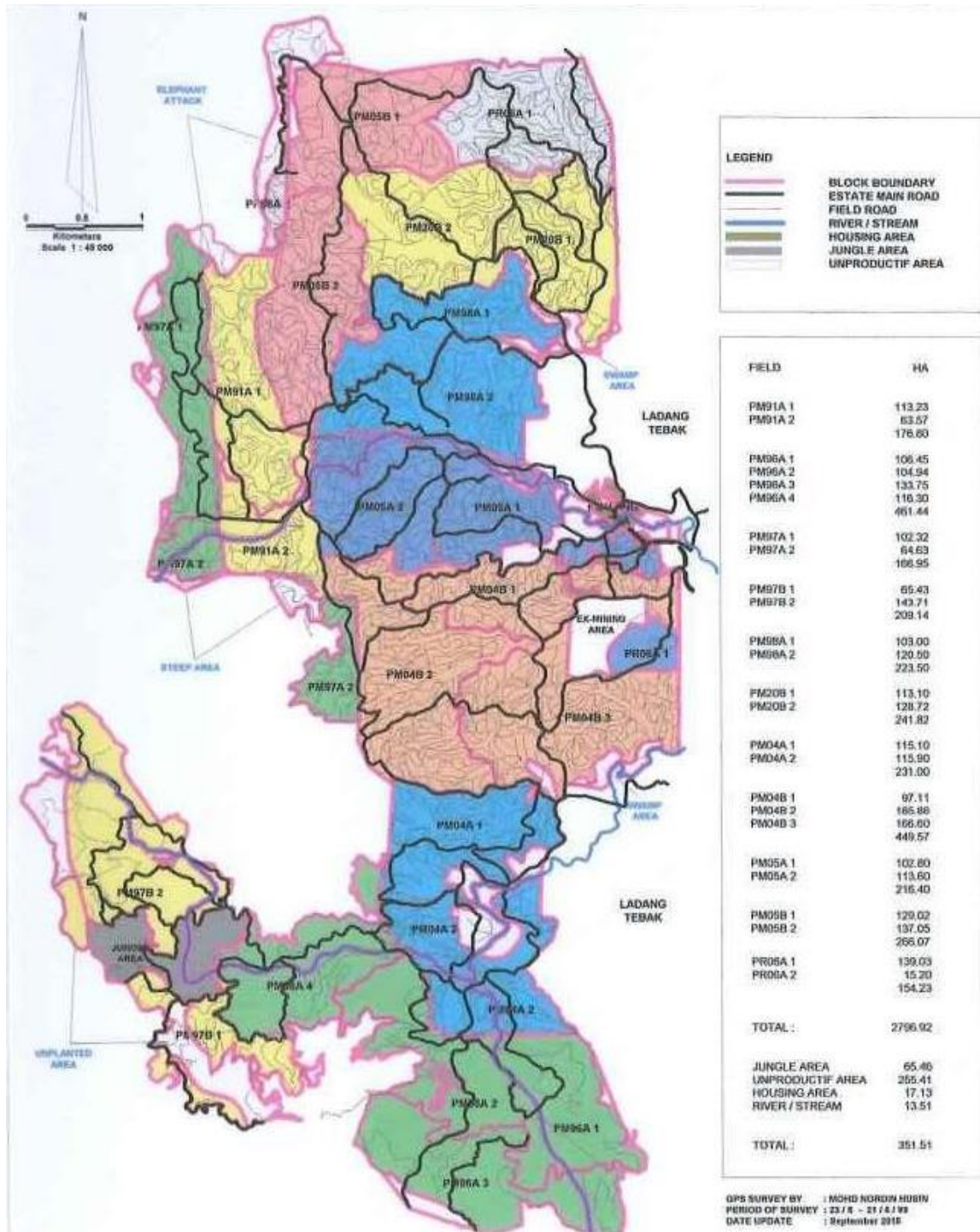
Appendix G: Location Map of Kemaman Palm Oil Mill (KPOM) and Supply bases



Appendix H: Gajah Mati Field Map



Appendix I: Jernih Estate Field Map



Appendix J: List of Smallholder Sampled

(Not applicable)

Appendix K: List of Abbreviations Used

ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CIP	Continual Improvement Plan
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EMS	Environmental Management System
ERP	Emergency Response Plan
FFB	Fresh Fruit Bunch
GME	Gajah Mati Estate
HCV	High Conservation Value
HIRARC	Hazard Identification, Risk Assessment and Risk Control
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
JE	Jernih Estate
KPOM	Kemaman Palm Oil Mill
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
MY-NI	Malaysian National Interpretation
NGO	Non Governmental Organisation
OSH	Occupational Safety & Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
PPE	Personal Protective Equipment
RED	Renewable Energy Directive
RSPO	P&C Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SHO	Safety and Health Officer
SIA	Social Impact Assessment
SOP	Standard Operating Procedure