

**MALAYSIAN SUSTAINABLE PALM OIL
– ANNUAL SURVEILLANCE ASSESSMENT 1
Public Summary Report**

TDM Plantation Sdn Bhd
Head Office: Level 3, Bangunan UMNO Terengganu Lot 3224, Jalan Masjid Abidin 20100 Kuala Terengganu Terengganu, Malaysia
Certification Unit: Sungai Tong Palm Oil Mill & Plantations: Jaya Estate, Fikri Estate, Tayor Estate, Pelung Estate, Jerangau Estate and Pinang Emas Estate Location of Certification Unit: Kilang Kelapa Sawit Sungai Tong, Lot 7663, Batu 23, Jalan Kuala Terengganu-Kota Bharu, 21500 Setiu, Terengganu, Malaysia

Report prepared by:
Hafriazhar Mohd Mokhtar (Lead Auditor)

Report Number:

Assessment Conducted by:
BSI Services Malaysia Sdn Bhd,
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Mill/Estate	MPOB License Number	Expiry date	
Sungai Tong Palm Oil Mill	500042704000	31/03/2019	
Jaya Estate	501497502000	31/03/2019	
Fikri Estate	503379102000	31/03/2019	
Tayor Estate	501496700000	31/10/2019	
Pelung Estate	502826702000	31/07/2019	
Jerangau Estate	502250102000	31/08/2019	
Pinang Emas Estate	502606002000	31/08/2019	
Company Name	TDM Plantation Sdn Bhd		
Address	Head Office: Level 3, Bangunan UMNO Terengganu, Lot 3224, Jalan Masjid Abidin 20100 Kuala Terengganu, Terengganu, Malaysia Certification unit: Kilang Kelapa Sawit Sungai Tong, Lot 7663, Batu 23, Jalan Kuala Terengganu-Kota Bharu, 21500 Setiu, Terengganu, Malaysia		
Group name if applicable:	N/A		
Subsidiary of (if applicable)	N/A		
Contact Person Name	Mohd Izwan Haffez bin Che Azmi		
Website	www.tdmberhad.com.my	E-mail	izwan.tdmp@tdmberhad.com.my
Telephone	09-6204 800/ 019-9515 898	Facsimile	09-6204 803

1.2 Certification Information			
Certificate Number	Mill: MSPO 678754 Plantations: MSPO 686825		
Issue Date	27/12/2017	Expiry date	26/12/2022
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	24-25 September 2017		
Continuous Assessment Visit Date (CAV) 1	9-11 December 2018		
Continuous Assessment Visit Date (CAV) 2	N/A		
Continuous Assessment Visit Date (CAV) 3	N/A		
Continuous Assessment Visit Date (CAV) 4	N/A		

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Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 595564	RSPO	BSI Services (M) Sdn Bhd	26/12/2023

1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
Sungai Tong Palm Oil Mill	Sungai Tong, 21500 Setiu, Terengganu, Malaysia	102° 54' 37.80" E	5° 18' 29.88" N
Jaya Estate	Sungai Tong, 21500 Setiu, Terengganu, Malaysia	102° 53' 30.12" E	5° 21' 15.84" N
Fikri Estate	Sungai Tong, 21500 Setiu, Terengganu, Malaysia	102° 53' 51.36" E	5° 19' 21.00" N
Tayor Estate	Sungai Tong, 21500 Setiu, Terengganu, Malaysia	102° 53' 27.60" E	5° 15' 57.60" N
Pelung Estate	Sungai Tong, 21500 Setiu, Terengganu, Malaysia	102° 49' 59.52" E	5° 16' 55.56" N
Jerangau Estate	Wakil Pos Pelar, 21810 Ajil, Terengganu, Malaysia	103° 9' 46.79" E	4° 57' 39.60" N
Pinang Emas Estate	Bukit Besi, 23000 Dungun, Terengganu, Malaysia	103° 13' 25.68" E	4° 45' 39.96" N

1.4 Plantings & Cycle					
Estate	Age (Years) – ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
Jaya Estate	-	-	2,920.72	444.78	-
Fikri Estate	243.36	82.36	2,018.00	855.13	-
Tayor Estate	304.09	51.64	995.29	594.29	198.10
Pelung Estate	780.63	-	304.54	375.90	-
Jerangau Estate	283.55	479.61	-	159.11	514.30
Pinang Emas Estate	600.39	139.75	857.89	1,260.88	-
Total	2,212.02	753.36	7,096.44	3,690.09	712.40

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1.5 Certified Tonnage of FFB (Own Certified Scope)			
Estate	Tonnage / year		
	Estimated (Dec 2017– Nov 2018)	Actual (Dec 2017– Nov 2018)	Forecast (Dec 2017– Nov 2018)
Jaya Estate	76,800.00	59,115.43	76,000.00
Fikri Estate	63,400.00	44,090.11	51,550.00
Tayor Estate	40,950.00	30,026.36	34,160.00
Pelung Estate	12,000.00	7,226.48	8,537.73
Jerangau Estate	28,300.00	20,718.06	20,530.00
Pinang Emas Estate	40,670.00	31,900.00	41,664.00
Total	262,120.00	193,076.44	232,441.73

1.6 Certified CPO / PK Tonnage			
Sungai Tong POM 60 MT/hr	Estimated (Dec 2017– Nov 2018)	Actual (Dec 2017– Nov 2018)	Forecast (Dec 2017– Nov 2018)
	CPO (OER: 21.16%)	CPO (OER: 22.17%)	CPO (OER: 19.51%)
	55,458.00	42,798.97	45,346.37
	PK (KER: 5.52%)	PK (KER: 5.09%)	PK (KER: 5.00%)
	14,465.00	9,830.37	11,633.15

1.7 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Jaya Estate	3,365.50	-	90.29	3,455.79	97.39
Fikri Estate	3,198.85	-	607.20	3,711.05	86.20
Tayor Estate	2,143.41	5.00	142.41	2,274.68	94.23
Pelung Estate	1,461.07	305.88	993.14	3,017.20	48.42
Jerangau Estate	1,436.57	-	14.06	1,450.63	99.03
Pinang Emas Estate	2,858.91	-	847.01	3,670.92	77.88
Total	14,464.31	310.88	2,694.11	17,580.27	82.28

1.8 Details of Certification Assessment Scope and Certification Recommendation:

BSI Services Malaysia Sdn Bhd has conducted the Annual Surveillance Assessment of TDM Plantation Sdn Bhd – Sungai Tong Palm Oil Mill located in Setiu, Terengganu comprising 6 estates, 1 palm oil mill and infrastructure.

The assessment was conducted onsite to assess the compliance of the certification unit against the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills and MSPO Guidance - Part 2(060814).

The onsite assessment was conducted on 9-11 December 2018.

Based on the assessment result, TDM Plantation Sdn Bhd – Sungai Tong Palm Oil Mill complies with the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills and MSPO Guidance - Part 2_EDITED VERSION (100114) and recommended for certification.

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
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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.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 9-11 December 2018. The audit programme is included as Appendix A. The approach to the audit was to treat the mill or plantations as a MSP0 Certification Unit. 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. MS 2530-3:2013 and MS 2530-4:2013 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 estates or smallholders sample were determined based on formula $S = r\sqrt{n}$ where n is the number of estates while when applicable, the smallholders sample were determined following the MSP0 Certification Requirement. The sampling of smallholders were based on the formula $(r\sqrt{n})$; where r is the risk factor (may defers 1, 1.5 and 2 depending on risk), where n is total number of group members. The sampled smallholder listed in Appendix C.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSP0 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 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 B.

All the previous nonconformities are remains closed. The assessment findings for the initial assessment are detailed in Section 4.2.

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This report is structured to provide a summary of assessment finding as attached in the Section 3. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was externally reviewed by MSPO approved Peer 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 / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Sungai Tong Palm Oil Mill	✓	✓	✓	✓	✓
Jaya Estate	✓	-	✓	-	✓
Fikri Estate	✓	-	✓	-	✓
Tayor Estate	✓	-	✓	-	✓
Pelung Estate	-	✓	-	✓	-
Jerangau Estate	-	✓	-	✓	-
Pinang Emas Estate	-	✓	-	✓	-

Tentative Date of Next Visit: September 24, 2019 - September 26, 2019

Total No. of Mandays: 6

BSI Assessment Team:

Hafriazhar Mohd Mokhtar – Lead Auditor

He is a Chemical Engineer by qualification. He has more than five years of direct work experience in the upstream processes of palm oil within the plantation industry. He is a qualified Lead Auditor for CDM, ISO 14001, ISO 50001 and ISO 9001 and has accumulated more than 1000 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia, Thailand, Brunei and Hong Kong. He has been trained in the RSPO P&C and SCCS standards and recently completed his RSPO P&C Lead Assessor training and has been involved in RSPO audits within Malaysia, Papua New Guinea, Solomon Islands, Gabon and Nigeria. During assessment, he covered the mill and estate best practices, legal issues, social issues, workers consultation, stakeholder consultation, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.

Muhamad Nagiuddin Mazeli – Team Member

He graduated with Bachelor of Science Horticulture at University Putra Malaysia. He started his career in 2009 as Researcher at Sime Darby Research Seed Centre and manage for Quality control for seed production for paddy, chilli and corn with collaboration with Malaysian Agricultural Research and Development Institute (MARDI) for 4 years. During the period, he was also involved with Nestle project on Red Rice production. He later joins the Sime Darby Plantation Berhad Sustainability Team in 2013 as Sustainability Executive. Joining the sustainability team, he managed, implemented and monitored the RSPO, ISCC, MSPO and ISO 9001 and ISO 18001 certification requirements for the estates, mills, refineries and Smallholder scheme. He also support in providing training and internal audits related to RSPO, MSPO and other certifications where applicable to the operations within Sime Darby Plantation. He is a trained Safety Officer and he managed the Occupation Safety and Health of Northern Region Sime Darby Plantation Berhad operations.

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.

- MSPO MS 2530-2:2013 – General Principles for Independent Smallholders
- MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders
- MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the annual surveillance assessment there was 1 Major non-conformance raised. TDM Kemaman Palm Oil Mill & estates 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 the effectiveness and closed accordingly.

Major Nonconformities:		
Ref	Area/Process	Clause
1720560-201812-M1	MSPO MS 2530-4 (MSPO Part 4) TDM Plantation Sdn. Bhd. Sg. Tong Palm Oil Mill	4.3.1.1
Requirements:	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations	
Statement of Nonconformity:	Found certain compliance not been followed as per applicable laws and regulations	
Objective Evidence:	Sg. Tong Mill: i) Found oil drum in Biocompost been store without proper storage control. ii) Found leachate from EFB storage not properly channel back into effluent pond as per Jadual Pematuhan Seksyen 21. iii) Found oil spillage in Boiler Station not been handled properly as Scheduled Waste 2005.	

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Corrections:	<ul style="list-style-type: none"> i) The drum was sent back to the mill store immediately after the audit session. ii) The estate is required to lift the EFB whenever they are loading FFB at mill ramp. iii) As for their understandings, mill management has conducted a demo training on how to handle schedule waste in case of oil spillage.
Root cause analysis:	<ul style="list-style-type: none"> i) The site which the oil drum found is not permanent site for oil drum storage. The site is only temporarily site to facilitate driver to take oil to change oil for the vehicle. Normally the drum will be sending back to the mill store after vehicle service. ii) EFB are placed temporarily on platform before being lifted by estate lorry. However due to rainy season the EFB were not properly lifted/ disposed to the field. iii) Mill management has conducted few trainings related to chemical handling and environment. Still the workers did not apply in their routine work.
Corrective Actions:	<ul style="list-style-type: none"> i) To inform all staff in written memo to ensure that the drum kept in proper store. ii) To construct sump for leachate collection. The leachate then will be channeled back into palm oil mill effluent. iii) For the year of 2019, to conduct more environment awareness training and chemical handling amongst workers and staff. At the end of the training, they are required to fill up feedback form to ensure and measure their understandings.
Assessment Conclusion:	CAP has been accepted and evidence of CAP submitted confirmed that the CAP taken was efficient to address the NC. Hence, Major NC was closed on 10/3/2019.

Opportunities for Improvements	
1	Part 3 - 4.4.6.2: Trainings were given by the employer such as scheduled waste training, first aid training, and chemical handling however conditions observed during the site verification and response received from workers interviews were not fully reflective of actual trainings given
2	Part 4 - 4.4.6.2: Trainings were given by the employer such as scheduled waste training, first aid training, and chemical handling however conditions observed during the site verification and response received from workers interviews were not fully reflective of actual trainings given
3	Part 3 - 4.4.5.11: Non-authorized additional construction and extension or renovation of company's house shall be observed
4	Part 4 - 4.4.5.11: Non-authorized additional construction and extension or renovation of company's house shall be observed

Noteworthy Positive Comments	
1	Good cooperation among the team.
2	Good document retrieval.

3.3 Status of Nonconformities Previously Identified and OFI

Finding Reference	1530255-201709-M1	Certificate Reference	MSPO 678754
Certificate Standard	MS2530-3:2013 & MS2530-4:2013	Clause	Part 3: 4.1.2.1
Category	Major		
Area/Process:	TDM Plantation Sdn Bhd Sungai Tong Certification Unit		
Details:	The internal audit reports for 3 estates visited were not available.		
Objective evidence:	<p>Internal audit was conducted on September 2017 for all supply bases. However, the internal audit report was not available to review by BSI auditor.</p> <ol style="list-style-type: none"> 1. Fikri Estate 2. Tayor Estate 3. Jaya Estate 		
Cause	Internal audit was not scheduled.		
Correction / containment	The internal audit reports will be attached together within the 60 days of closing timeframe. All the internal audit reports will be ready by two weeks' time.		
Corrective action	<p>All internal audits will be scheduled in a timely manner which is once a month based on the needs of the operation unit. The whole schedule for next year will be attached.</p> <p>ASA 1 verification: Internal audit was planned as per 2018 MSPO/RSPO Compliance Audit Plan and conducted from 12/6/2018 to 18/9/2018. Records of internal audit report and findings shown the internal audit able to determine the strong and weak points and potential area for further improvement. No recurrence of issues and NC is remained closed.</p>		
Closed?:	Yes		

Finding Reference	1530255-201709-M2	Certificate Reference	MSPO 678754
Certificate Standard	MS2530-3:2013 & MS2530-4:2013	Clause	Part 3: 4.1.3.1
Category	Major		
Area/Process:	TDM Plantation Sdn Bhd Sungai Tong Certification Unit		
Details:	The minute for last MRM was not available.		
Objective evidence:	Management Review procedure was established accordingly. However, the minute for last MRM was not available to verify by BSI auditor during this assessment.		

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Cause	Minutes of meeting was not completed.
Correction / containment	The MRM held after all the pending reports are ready to be presented. The MRM was held in October 2017 and the minutes attached together with the Corrective Action Report.
Corrective action	MRM to be held at least once a year so that all the audit reports can be presented during the meeting and minutes recorded. The minutes of the October 2017's MRM attached together with the Corrective Action Report. ASA1 verification: Latest management review conducted on 23/11/2018 as per records of minutes of meeting " <i>Minit Mesyuarat Management Review (RSPO/MSPO) TDMP Kali Ke-1 01/2018</i> ". No recurrence of issues and NC is remained closed.
Closed?:	Yes

Finding Reference	1530255-201709-M1	Certificate Reference	MSPO 678754
Certificate Standard	MS2530-3:2013 & MS2530-4:2013	Clause	Part 4: 4.1.2.1
Category	Major		
Area/Process:	TDM Plantation Sdn Bhd Sungai Tong Certification Unit		
Details:	The internal audit reports for 3 estates visited were not available.		
Objective evidence:	Internal audit was conducted on September 2017 for all supply bases. However, the internal audit report was not available to review by BSI auditor.		
Cause	Internal audit was not scheduled.		
Correction / containment	The internal audit reports will be attached together within the 60 days of closing timeframe. All the internal audit reports will be ready by two weeks' time.		
Corrective action	All internal audits will be scheduled in a timely manner which is once a month based on the needs of the operation unit. The whole schedule for next year will be attached. ASA 1 verification: Internal audit was planned as per 2018 MSPO/RSPO Compliance Audit Plan and conducted from 12/6/2018 to 18/9/2018. Records of internal audit report and findings shown the internal audit able to determine the strong and weak points and potential area for further improvement. No recurrence of issues and NC is remained closed.		
Closed?:	Yes		

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Finding Reference	1530255-201709-M2	Certificate Reference	MSPO 678754
Certificate Standard	MS2530-3:2013 & MS2530-4:2013	Clause	Part 4: 4.1.3.1
Category	Major		
Area/Process:	TDM Plantation Sdn Bhd Sungai Tong Certification Unit		
Details:	The minute for last MRM was not available.		
Objective evidence:	Management Review procedure was established accordingly. However, the minute for last MRM was not available to verify by BSI auditor during this assessment.		
Cause	Minutes of meeting was not completed.		
Correction / containment	The MRM held after all the pending reports are ready to be presented. The MRM was held in October 2017 and the minutes attached together with the Corrective Action Report.		
Corrective action	<p>MRM to be held at least once a year so that all the audit reports can be presented during the meeting and minutes recorded. The minutes of the October 2017's MRM attached together with the Corrective Action Report.</p> <p>ASA1 verification: Latest management review conducted on 23/11/2018 as per records of minutes of meeting "<i>Minit Mesyuarat Management Review (RSPO/MSPO) TDMP Kali Ke-1 01/2018</i>". No recurrence of issues and NC is remained closed.</p>		
Closed?:	Yes		

Finding Reference	1530255-201709-M5	Certificate Reference	MSPO 678754
Certificate Standard	MS2530-3:2013 & MS2530-4:2013	Clause	Part 4: 4.4.2.2
Category	Major		
Area/Process:	TDM Plantation Sdn Bhd Sungai Tong Certification Unit		
Details:	No evidence to show that the complainants were accepted for the action taken to resolve their complaints.		
Objective evidence:	The mill has implemented Linesite Repair Report. Any complaints related to housing repair will be recorded in the report. Evidence of action taken was sighted. However, no acknowledgement by the complainants once the complaint has resolved to show that he accepted.		

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Cause	Complaints were resolved immediately without recording.
Correction / containment	The complainant has to sign and comment (if any) after the housing repair works.
Corrective action	<p>Linesite Officer has to make sure that every complaint which already taken into action must be acknowledge back by the complainants.</p> <p>ASA1 verification: Based on the records of Complaint Logbooks in mill, it was verified that all complaints and action able to be resolved in effective, timely and appropriate manner. Verification of resolution signatures by Officer, Assistant Manager and Manager were sighted. No recurrence of issues and NC is remained closed.</p>
Closed?:	Yes

Finding Reference	1530255-201709-M6	Certificate Reference	MSP0 678754
Certificate Standard	MS2530-3:2013 & MS2530-4:2013	Clause	Part 3: 4.4.2.2
Category	Major		
Area/Process:	TDM Plantation Sdn Bhd Sungai Tong Certification Unit		
Details:	No evidence to show that the complainants were accepted for the action taken to rectify their complaints.		
Objective evidence:	Housing Repair Complaint Form was implemented in Tayor Estate and Jaya Estate. All the complaints were filed properly. However, no evidence of acknowledgement by the complainants after the repair work was completed sighted in Fikri Estate and Tayor Estate.		
Cause	Complaints were resolved immediately without recording.		
Correction / containment	The complainant has to sign and comment (if any) after the housing repair works.		
Corrective action	<p>Linesite Officer has to make sure that every complaint which already taken into action must be acknowledge back by the complainants.</p> <p>ASA1 verification: Based on the records of Complaint Logbooks in visited estates, it was verified that all complaints and action able to be resolved in effective, timely and appropriate manner. Verification of resolution signatures by Officer, Assistant Manager and Manager were sighted. No recurrence of issues and NC is remained closed.</p>		

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Closed?:	Yes
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Finding Reference	1530255-201709-M7	Certificate Reference	MSPO 678754
Certificate Standard	MS2530-3:2013 & MS2530-4:2013	Clause	Part 3: 4.4.5.5
Category	Major		
Area/Process:	TDM Plantation Sdn Bhd Sungai Tong Certification Unit		
Details:	Records that contain full names, gender, and date of birth, date of entry, a job description, wage and the period of employment were not available for contract workers.		
Objective evidence:	Personal details for the contract workers were not available in Tayor Estate and Jaya Estate.		
Cause	Contractors not told to prepare the list.		
Correction / containment	Started from October 2017, all estate has to keep contractor employees personal details, employment contract and update the data for any changes.		
Corrective action	<p>PIC has to make sure all contractors submit their employee personal details and offer letter to the estate their working with.</p> <p>ASA1 verification: There is a list of employees consist of employee number, name, division, pay, NRIC/Passport no, employment category, nationality, DOB, age, race and status in the HR/Payroll system sighted as at November 2018. No recurrence of issues and NC is remained closed.</p>		
Closed?:	Yes		

Finding Reference	1530255-201709-N1	Certificate Reference	MSPO 678754
Certificate Standard	MS2530-3:2013 & MS2530-4:2013	Clause	Part 4: 4.4.1.1
Category	Minor		
Area/Process:	TDM Plantation Sdn Bhd Sungai Tong Certification Unit		
Details:	No specific timeline to mitigate the negative impacts and promotion of positive impacts was not available in the action plan.		
Objective evidence:	Social Impact Assessment Action Plan Revision 2017/2018 was developed on 18/9/2017. The plan has incorporated area of concerns, findings from SIA assessors, action plan status, remarks as well as person in charge. However, no specific timeline		

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	to mitigate the negative impacts and promotion of positive impacts was not available in the action plan.
Cause	The plan template was not included with time frame of implementation.
Correction / containment	To add new column for timeline and positive impact into Action Plan for Sg. Tong POM FY 2017/2018 Reviewed on 4/10/2017
Corrective action	<p>New Action Plan for Sg. Tong POM FY 2017/2018 mentioned the implementation date of Area of Concern as well as Positive Impact for each issues arise</p> <p>ASA1 verification: Initial Social Impact Assessment (SIA) Kompleks Sungai Tong; Report date: May 2012 by SRA Consultancy. Based on this initial assessment, action plan was established on annual basis as per sighted Action Plan Revision 2018/2019; Reviewed on 9/8/2018. Sighted area of concerns including housing and infrastructure with social impact identified were poor facilities and infrastructure, housing not complying with legal requirement, poor waste dumpsite and etc.</p> <p>No recurrence of issues confirmed the CAP is effective. Thus, the minor NC is closed on 11/12/2018.</p>
Closed?:	Yes

Finding Reference	1530255-201709-N2	Certificate Reference	MSPO 678754
Certificate Standard	MS2530-3:2013 & MS2530-4:2013	Clause	Part 3: 4.4.1.1
Category	Minor		
Area/Process:	TDM Plantation Sdn Bhd Sungai Tong Certification Unit		
Details:	Specific timetable for mitigating the negative impacts and promotion of positive impacts was not included into the action plan.		
Objective evidence:	<p>Fikri Estate, Tayor Estate and Jaya Estate: Social Impact Assessment Action Plan 2017 was developed on 9/8/2017 in Fikri Estate, 15/3/2017 for Tayor Estate and 11/7/2017 for Jaya Estate. The plan has incorporated area of concerns, findings from SIA assessors, results of investigation and action plan as well as person in charge.</p> <p>However, specific timetable for mitigating the negative impacts and promotion of positive impacts was not included into the action plan.</p>		
Cause	The plan template was not included with time frame of implementation.		
Correction / containment	To add new column for timeline and positive impact into Action Plan for Sg. Tong POM FY 2017/2018 Reviewed on 4/10/2017		

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Corrective action	<p>New Action Plan for Sg. Tong POM FY 2017/2018 mentioned the implementation date of Area of Concern as well as Positive Impact for each issues arise</p> <p>ASA1 verification: Initial Social Impact Assessment (SIA) Kompleks Sungai Tong; Report date: May 2012 by SRA Consultancy. Based on this initial assessment, action plan was established on annual basis as per sighted Action Plan Revision 2018/2019; Reviewed on 9/8/2018. Sighted area of concerns including housing and infrastructure with social impact identified were poor facilities and infrastructure, housing not complying with legal requirement, poor waste dumpsite and etc.</p> <p>No recurrence of issues confirmed the CAP is effective. Thus, the minor NC is closed on 11/12/2018.</p>
Closed?:	Yes

Finding Reference	1530255-201709-N3	Certificate Reference	MSPO 678754
Certificate Standard	MS2530-3:2013 & MS2530-4:2013	Clause	Part 3: 4.4.5.4
Category	Minor		
Area/Process:	TDM Plantation Sdn Bhd Sungai Tong Certification Unit		
Details:	Employment contracts for the contract workers were not available and contract worker was not paid according to minimum standards.		
Objective evidence:	<p>In Tayor Estate, contract piece-rated worker (Passport No.: B2941926) did not achieve Minimum Wage Order 2016 where the pay for the sampled month are listed as below:</p> <ul style="list-style-type: none"> a. August 2017 – RM 725.79 b. July 2017 – RM 847.81 c. June 2017 – RM 482.69 d. May 2017 – RM 821.13 e. April 2017 – RM 706.42 f. March 2017 – RM 556.01 g. February 2017 – RM 654.58 <p>Tayor Estate and Jaya Estate: Employment contracts for the contract workers that agreed between the contractor and the employees were not available.</p>		
Cause	Contractor workers were not working full time at TDM Estate site only.		

Correction / containment	All contractors need to make sure all of their workers achieve the Minimum Wages Order 2016 and Work Agreement between contractors and their employees
Corrective action	Contractor had submitted all employee (Passport No.:B2941926) salary details and achieved Minimum Wages Order 2016 and Agreement Letter. ASA1 verification: Management ensured employees of contractors are paid based on legal standards as per MAPA Circular No. 44/2018; Date: 29/11/2018 which referring to the Minimum Wages Order (Amendment) 2018 that would come into operation on 1/1/2019. No recurrence of issues confirmed the CAP is effective. Thus, the minor NC is closed on 11/12/2018.
Closed?:	Yes

3.4 Issues Raised by Stakeholders

IS #	Description
1	Issues: Contractors – He informed that the payments were made promptly without any delay. Contract agreement were signed prior commencement of work.
	Management Responses: The management will ensure the payment was made according to the terms.
	Audit Team Findings: No further issue.
2	Issues: Doctor from Klinik Kesehatan Sungai Tong – Company has own clinic and HA however some staff often get treatment at clinic especially for maternity. Mill management always invite clinic representative for stakeholder meeting and shared good sustainability information during meeting.
	Management Responses: Company has own clinic and HA but not provide maternity treatment service. Employees are not prohibited to get treatment at the nearby government clinic.
	Audit Team Findings: No other issue.
3	Issues: Deputy Manager, Koperasi TDM Sungai Tong – Having good relationship with mill and estate management. Employees always buy petrol from the cooperative pump station.
	Management Responses: The cooperative meant for all TDM employees investment and business run by cooperative meant as part of employees amenities.
	Audit Team Findings: No other issue.
	Issues:

4	<p>Workers' Representative (Bangladeshi and Indonesian) – They have been treated equally without any discrimination. Their salary was according to Minimum Wage Order 2016. Free housing was provided to them with subsidized of water and electricity.</p> <p>Management Responses: The management will continue to treat all the workers equally and comply with the regulations.</p> <p>Audit Team Findings: No further issue.</p>
5	<p>Issues: Crèche minder – management always concern about crèche and children conditions. Facilities provided always ensured sufficient for crèche operation.</p> <p>Management Responses: It is management responsibility to ensure employee's children is well taken care off so for the employee to work efficiently.</p> <p>Audit Team Findings: No further issue.</p>
6	<p>Issues: Village representative – almost 70% of mill local employees are from nearby village within Sungai Tong area. Company always promote employment among local people in case of vacancy through direct info among employees themselves.</p> <p>Management Responses: Candidate for job vacancy fulfilment is based on qualification, experience and training. Priority is given to local people as part of company's contribution towards local community social development.</p> <p>Audit Team Findings: No further issue.</p>

3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1530255-201709-M1	Major	25/9/17	Closed on 28/11/17
1530255-201709-M2	Major	25/9/17	Closed on 28/11/17
1530255-201709-M3	Major	25/9/17	Closed on 28/11/17
1530255-201709-M4	Major	25/9/17	Closed on 28/11/17
1530255-201709-M5	Major	25/9/17	Closed on 28/11/17
1530255-201709-M6	Major	25/9/17	Closed on 28/11/17
1530255-201709-M7	Major	25/9/17	Closed on 28/11/17
1530255-201709-N1	Minor	25/9/17	Closed on 11/12/18
1530255-201709-N2	Minor	25/9/17	Closed on 11/12/18
1530255-201709-N3	Minor	25/9/17	Closed on 11/12/18
1720560-201812-M1	Major	11/12/18	Closed on 10/3/19

3.6 Summary of the findings by Principles and Criteria

MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	On group level, policy for the implementation of MSPO established as TDM Berhad Sustainability Policy; approved by the BOD of TDM Directors dated 27/3/2018.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	For TDM Plantation Sdn. Bhd. (TDMP), an MSPO Policy has been established and authorized by the Chief Executive Officer dated 1/8/2017.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audit was planned as per 2018 MSPO/RSPO Compliance Audit Plan and conducted from 12/6/2018 to 18/9/2018. Records of internal audit report and findings shown the internal audit able to determine the strong and weak points and potential area for further improvement.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to	Internal audit procedure established as TDM Plantation Sdn. Bhd. STPOM MSPO Internal Audit Standard Operating Procedure; Date: 1/8/2017; Edition: TDMP/01; Rev.: TDMP-01/2017. Identified	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	implement the necessary corrective action. - Major compliance -	findings recorded in Sustainability Audit Non-Compliance Findings and Recommendations form as per sighted for the latest audit conducted on 18/9/2018. Sighted the Corrective Action Report on Non-compliance Findings on the analysis of nonconformity raised.	
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	Report made available for review in the management review meeting and recorded in the minutes under " <i>Pembentangan Laporan Audit Dalam Kelestarian MSPO 2018</i> ".	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	Latest management review conducted on 23/11/2018 as per records of minutes of meeting " <i>Minit Mesyuarat Management Review (RSPO/MSPO) TDMP Kali Ke-1 01/2018</i> ".	Complied
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. - Major compliance -	Based on the stakeholder consultation from Stakeholder Meeting dated 30/7/2018 conducted at Akademi TDM, a Continuous Improvement Plan FY2018/2019 (Sungai Tong Palm Oil Mill; Review on 4/12/2018) was established in terms of welfare as per following samples:	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Issue: Waste dumping at mill compound and workers' line site; Action: Collection by MDS and provision of 3R bin; Objective: Cleaner surrounding and promote 3R Program - Issue: Bad housing condition; Action: Repair and replace wooden house with concrete house; Objective: Better housing provision 	
4.1.4.2	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p>- Major compliance -</p>	TDM Sg. Tong estates established the use of mechanical spreader for manuring activity. This system able to reduce the dependency of extensive labor in estate filed activity,	Complied
4.1.4.3	<p>An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.</p> <p>- Major compliance -</p>	TDM Sg. Tong estates established the use of mechanical spreader for manuring activity. This system able to reduce the dependency of extensive labor in estate filed activity,	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or</p>	Sg Tong estates has maintained records of request and response, land titles, OSH plans and etc. relating to environmental and social issues, plans for pollution prevention, complaints and grievances records that make available upon request.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	disclosure that could result in negative environmental or social outcomes. - Major compliance -		
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	As per Memorandum by Group Chief Executive Officer; Ref. # TDM/CC/01; Date: 8/4/2018 from Corporate Communication Department to Heads of Subsidiaries, Heads of Department and All Staff of TDM Berhad Group on Sustainability Policies for the new policies approved by the Board on 27/10/201 as following: <ul style="list-style-type: none"> - Sustainability Policy - Environment & Biodiversity Policy - Social & Humanity Policy - Occupational safety & health Policy - Gender & Diversity Policy 	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	TDM Plantation Sdn Bhd has developed a Communication Procedure with POM/ Estates and Flowchart to Handle Social Issue. Maximum 28 working days shall be taken to resolve the issues. All internal and external stakeholders were briefed on this procedure.	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	The Mill Manager was appointed as the management officials as per Letter of " <i>Perlantikan Sebagai Wakil Syarikat Bagi Mengendalikan Isu Sosial Dengan Pihak Luar Di Peringkat Ladang/Kilang</i> " from Group	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Senior Human Resource Manager; ref. # TDMP/HR/PSN-GEN/RSPO; dated 2/9/2014.	
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	Stakeholder list was developed where all the affected stakeholders were included into the list such as government authorities, local communities, contractors and supplier, neighboring schools and etc. for the sampled 3 estates. Latest Stakeholder Meeting dated 30/7/2018 was conducted at Akademi TDM for the whole Sg. Tong Complex with the participation of internal and external stakeholders. Seen the meeting minutes and attendance list. No issue was raised during the meeting. Only questions and requests were raised and immediate replies from the management during the meeting.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	SOP on the traceability of the FFB has established and describe in the TDM Plantation Sdn. Bhd. Standard Operating Procedure dated 21/8/2017. Assistant Manager was responsible and the records were kept by harvesting supervisors.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Estate supervisor will verify the records related to the traceability of FFB. Sighted the harvesting record for the month of September 2017 for all estate.	Complied
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system.	All the field and harvesting supervisors were responsible to implement and maintain the traceability system.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	Records of sales and delivery/transportation of FFB were maintained and updated on daily basis as part of estate production report.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	TDM Sg Tong Certification Unit continued to implement its compliance with legal requirements. Among the evidence of compliance verified were: a) Jerangau estate: JTK permit is available for levi deduction and Pas Lawatan Pekerja Sementara (PLKS) dated 15 June 2005 b) Jerangau estate: MPOB License referred 502250102000 valid from 1 Sept 2018 until 31 August 2019 c) Pinang Emas Estate: MPOB License #502606002000 – 3510.19 Ha, validity 1/3/18 – 28/2/18. d) Pinang Emas Estate: Certificate of permit for air receiver - #TG PMT 4819, valid until 2/3/2019.	Complied
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register. - Major compliance -	In estate, management already list all laws applicable to their operation such as OSHA 1996, FMA 1978, Min Housing and Amenities Act 1990 and others.	Complied

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4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	Employment Insurance Scheme(EIS) already been updated for TDM Sg Tong Management that apply to their operation.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance -	The mechanism for ensuring compliance for both estates was done through evaluation of compliance. The status of compliance was reported in the legal register itself. Based on the report, all requirements were complied with. Sampling on Jerangau estate they have appoint En Rohaizad Bin Abu Bakar dated 1 March 2018	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	Estate activities do not diminish the land use rights of other users. Ownership documents sighted i.e. State Title; Ownership # 6521; Lot #7663; Area: 58.7685 ha; District: Kuala Terengganu: Mukim Belara; Date: 18/11/1976; Owner: Perbadanan Memajukan Iktisad Negeri Terengganu; Leasing to: Kumpulan Ladang-ladang Terengganu Sdn. Bhd.; Period: 1/1/1973 – 31/12/2017. Sighted too the Management Agreement as following: <ul style="list-style-type: none"> - Between Kumpulan Ladang-ladang Terengganu Sdn. Bhd. and TDM Plantation Sdn. Bhd. dated 20/7/2016 - Between TDM Plantation Sdn. Bhd. and TDM Berhad dated 20/7/2016 - Between Kumpulan Ladang-ladang Terengganu Sdn. Bhd. and TDM Berhad dated 1/9/2012 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Sample land titles for Pelung Estate, Jerangau Estate and Pinang Emas Estate sighted as following:</p> <ul style="list-style-type: none"> - Title # HSD 1235; Lot # PT 7218 - Title # HSD 1285; Lot # PT 12682 - Title # HS(D) 74; Lot # PT 1140 - Title # HS(D) 73; Lot # PT 141 - Title # HS(D) 75; Lot # PT 1143 - Title # HS(D) 76; Lot # PT 1144 - Title # HS(D) 77; Lot # PT 1145 - Title # 14644; Lot # 3999 	
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>As above, legal ownership (titles) of land were provided by visited estate management during audit.</p>	Complied
4.3.2.3	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>Legal perimeter boundary markers uses pole painted with red, blue and white. The boundaries were clearly marked within field at the estate boundary area.</p>	Complied
4.3.2.4	<p>Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).</p> <p>- Minor compliance -</p>	<p>There is no land dispute in the Sungai Tong Certification units at the time of audit. The land belongs to TDM and land ownership documents verified.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	No any lands encumbered by customary rights within TDM Sg. Tong complex. However, company able to demonstrate that any customary rights are understood and not being threatened or reduced.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	No any lands encumbered by customary rights within TDM Sg. Tong complex. However, company able to demonstrate that any customary rights are understood and not being threatened or reduced.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	No any lands encumbered by customary rights within TDM Sg. Tong complex. However, company able to demonstrate that any customary rights are understood and not being threatened or reduced.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	Initial Social Impact Assessment (SIA) Kompleks Sungai Tong; Report date: May 2012 by SRA Consultancy. Based on this initial assessment, action plan was established on annual basis as per sighted Action Plan Revision 2018/2019; Reviewed on 9/8/2018. Sighted area of concerns including housing and infrastructure with social impact identified were poor facilities and infrastructure,	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		housing not complying with legal requirement, poor waste dumpsite and etc.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	A system for dealing with complaints and grievances were established and documented as a Flowchart on Handling Social Issue and Complaint/ Grievance Procedure. Any issue raised by stakeholders will be discuss within 2 weeks for the first meeting and issues to be resolved within 28 working days.	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	Based on the records of Complaint Logbooks in visited estates, it was verified that all complaints and action able to be resolved in effective, timely and appropriate manner. Verification of resolution signatures by Officer, Assistant Manager and Manager were sighted.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	Complaint Logbook for Linesite Repair and Complaint/ Request form was established and implemented. No external stakeholders were recorded related on complaint and grievances.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Interview with internal and external stakeholders during stakeholder consultation found that they were aware of the complaint procedure and they were briefed by the management during stakeholder meeting	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon	The complaint logbook/ complaint files that recorded complaints and solutions since at least January 2014 was maintained available to affected stakeholders upon request.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	request. - Major compliance -		
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	Contributions were made as part of Continuous Improvement Plan FY2018/2019 Review on 4/12/2018. Sighted contributions were as following: a. Pupils transportation b. Tabika Kemas DUN Langkap; Memohon menggunakan dewan tujuan latihan kompiang kanak-kanak; date: 26/7/2018	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	TDM Plantation has established Occupational, Safety & Health and Environment dated 1/9/17 which signed by CEO, Mr Jailani Che Kar. The OSH plan has developed and in-lined with company's policy and incorporated with the training plan.	Complied
4.4.4.2	The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:	OSH Programmed and training need and plan is available in OSH file dated 1 Jan 2018. The OSH Committee appointment letter referred date 16 August 2018 sampling on En Amirul Mukminin Bin Aziz. OSH meeting is conducted quarterly, the record latest meeting dated 18 Sept 2018 and previously is on 13 June 2018 and 27 March 2018.	Major non-compliance

Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded. h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees. 	<p>SOP of safety can be referred on Standard Operating Procedure edition TDPM/01 revision TDMP – 01/2001 dated 1 May 2011. Same also for emergency response procedure and HIRARC is in the same documentation.</p> <p>JKKP 8 sent to DOSH dated 10 January 2018 for past year accident and incident record at Jerangau estate</p> <p>CHRA have been conduct by Dr Yasriza Bin Yahya (JKKP HIE 127/171/2(8)) from Occumed Consultancy & Service Sdn Bhd report JKKP HIE 127/171/2(8)-2017/019). The assessment date on 14 June 2017 at Jerangau estate.</p> <p>In Jerangau estate the medical surveillance already been sent on 28 October 2018 at Dr Aisam Abu Bakar (Klinik Medic Bistari Sdn Bhd). Referred report TDMP/LJR/Medical. Total workers that involve is 12 person. First aid training was last conducted on 20/9/2018 by hospital assistant and 12/8/18 by HA, Pinang Emas Estate.</p> <p>Lembaga Racun Makhluk Perosak Jabatan Pertanian; LRMP-L16C; Kebenaran Pembelian Racun Perosak Amat Berbisa /Terhad (Paraquat Dichloride # TRG/2018/PARA/134(GL); Validity: 13/11/2018 – 3/12/2018; Allowed volume: 600 liter; Vendor: KPT Peladang Sdn. Bhd.</p> <p>2017 a.i/ha: 0.07</p> <p>2018 a.i/ha: 0.13</p> <p>PO# PO18004126; Date: 12/11/18; Volume: 600 liter</p>	

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Criterion / Indicator		Assessment Findings	Compliance
	i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite. j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals. - Major compliance -		
Criterion 4.4.5: Employment conditions			
4.4.5.1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees. - Major compliance -	TDM Plantation Sdn Bhd has developed Human Rights Policy dated 1/6/2017 and Social Policy dated 1/6/2017 which signed by CEO. Briefing of the policies were provided to the workers on 20/8/2017. The policies were displayed at the notice board outside the office.	Complied
4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. - Major compliance -	TDM Plantation Sdn Bhd has developed Human Rights Policy dated 1/6/2017 and Social Policy dated 1/6/2017 which signed by CEO. These policies have stated that the management was committed to treat everyone equally without any discrimination and provide equal opportunities regardless of race, nationality, gender and etc. Interviewed with workers confirmed that no discrimination was practice by the management. Briefing of the policies were provided to the workers on 20/8/2017. The policies were displayed at the notice board outside the office.	Complied
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed	The management have ensured that employees' pay and conditions meet applicable legal requirements i.e. National Minimum Wages	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Order 2016. Sighted payslips for following Pinang Emas Estate, Pelung Estate & Jerangau Estate sampled workers:</p> <ul style="list-style-type: none"> - Employee ID: PE1801335; Gang 09 (Operation – Harvester); Date join: 31/7/2018; Nationality: Indonesia - Employee ID: PE0801214; Gang 04 (Operation – Harvester); Date join: 24/1/2016; Nationality: Indonesia - Employee ID: PL1100820; Gang 04 (General Worker – Upkeep); Date join: 1/6/2015; Nationality: Malaysia - Employee ID: PL1100873; Gang 08 (General Worker – Manuring); Date join: 21/5/2017; Nationality: Malaysia 	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Management ensured employees of contractors are paid based on legal standards as per MAPA Circular No. 44/2018; Date: 29/11/2018 which referring to the Minimum Wages Order (Amendment) 2018 that would come into operation on 1/1/2019.</p>	Minor Non_Compliance
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>There is a list of employees consist of employee number, name, division, pay, NRIC/Passport no, employment category, nationality, DOB, age, race and status in the HR/Payroll system sighted as at November 2018.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of</p>	<p>Fair contracts have been signed by both employee and employer with both kept a copy each. Sample contract sighted as following</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Pinang Emas Estate, Pelung Estate & Jerangau Estate sampled workers:</p> <ul style="list-style-type: none"> - Employee ID: PE00088; Gang 01 (General Worker – Upkeep); Date join: 2/9/2002; Nationality: Malaysia - Employee ID: PE00801059; Gang 02 (General Worker – Upkeep); Date join: 9/5/2014; Nationality: Bangladesh - Employee ID: PE1801359; Gang 07 (Operation – Harvester); Date join: 10/4/2018; Nationality: Indonesia - Employee ID: PL0900560; Gang 06 (Operation – Harvester); Date join: 21/5/2018; Nationality: Indonesia - Employee ID: PL1100762; Gang 09 (General Worker – Upkeep); Date join: 21/5/2018; Nationality: Bangladesh - Employee ID: PL1100893; Gang 05 (Operation – Harvester); Date join: 16/3/2018; Nationality: Bangladesh 	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>Recording system established and implemented through the punch card check roll system with reports generated as the Time and Attendance Report for the computation of working hours and overtime that is transparent for both employees and employers.</p>	Complied
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p>	<p>Working hours is 8 hours. From Monday to Saturday. Total monthly working hours is 208 hours. The overtime maximum is 104 hours according to the Employment Act 1955.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>As at current status, there was none has crossed 104 hours of overtime. Verified the payslips, the payment and calculation of overtime well distributed.</p> <p>Overtime rate after 8 hours daily-rated (upkeeps) is as following:</p> <ul style="list-style-type: none"> - Sun - Thu – daily rated / 8 hours x 1.5 - Friday - daily rated / 8 hours x 2.0 - Public holiday – daily rated / 8 hours x 3.0 <p>Overtime rate after 8 hours piece-rated (harvester) is as following:</p> <ul style="list-style-type: none"> - Sun - Thu – flat rate - Friday – flat rate x 2.0 - Public holiday – flat rate x 3.0 	
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Wages and overtime payment documented found consistent with legal regulations and collective agreements. Sighted payslips for following samples:</p> <ul style="list-style-type: none"> - Employee ID: PE1801335; Gang 09 (Operation – Harvester); Date join: 31/7/2018; Nationality: Indonesia - Employee ID: PE0801214; Gang 04 (Operation – Harvester); Date join: 24/1/2016; Nationality: Indonesia - Employee ID: PL1100820; Gang 04 (General Worker – Upkeep); Date join: 1/6/2015; Nationality: Malaysia - Employee ID: PL1100873; Gang 08 (General Worker – Manuring); Date join: 21/5/2017; Nationality: Malaysia 	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. - Minor compliance -	Other forms of social benefits for workers including the insurance as following: - Local workers & staff: Social Security Organization (SOCSO) Monthly Contribution sighted as per sample latest Form 8A; for the monthly contribution for the month of November 2018 - Foreign workers: Foreign Workers Compensation Scheme Policy;	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. - Major compliance -	On-site living quarters are provided and visit to the housing area/line site showed quarters are decently habitable and equipped with basic amenities of free electricity and water supply including other facilities such as mosque, community hall, sundry store, canteen, children's crèche and football field. However, non-authorized additional construction and extension or renovation of company's house shall be observed.	OFI
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	TDM Plantation Sdn Bhd has developed Gender Policy and Reproductive Policy dated 1/6/2017 which signed by CEO. The management will ensure the workplace and surrounding are free from any types of harassment included ethnic harassment, religious, gender, country of origin and etc. They will ensure that the rights of women will be protected.	Complied
4.4.5.13	The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to	TDM Plantation Sdn Bhd has developed Gender Policy and Reproductive Policy dated 1/6/2017 which signed by CEO. The management will ensure the workplace and surrounding are free from any types of harassment included ethnic harassment, religious,	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>gender, country of origin and etc. They will ensure that the rights of women will be protected.</p>	
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>TDM Plantation Sdn Bhd has developed Child Protection Policy dated 1/6/2017 which signed by CEO. The company will not recruit or exploit any individual less than 16 years old to work in the company. Seen the employee master list confirmed that all the workers were above 18 years old. Besides, interviewed with workers and stakeholders confirmed that TDM Plantation Sdn Bhd did not recruit any workers less than 18 years old.</p>	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Awareness and training program 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>	Complied
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and</p>	<p>The training needs is available identified training that needed for each workers for their job scope.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance																										
	competency required to all employees based on their job description. - Major compliance -	Training was given by the employer such as scheduled waste training, first aid training, and chemical handling and etc.																											
4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. - Minor compliance -	<p>Training records for employees available and maintained at the office. Records are verified on a sampling basis which covers all aspect of training and MSPO P&C requirement.</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>26/8/18</td> <td>Pest and disease</td> <td rowspan="3">Jerangau Estate</td> </tr> <tr> <td>1/8/18</td> <td>Rat baiting</td> </tr> <tr> <td>18/4/18</td> <td>Training for driver</td> </tr> <tr> <td>13/2/18</td> <td>Manuring</td> <td rowspan="5">Pinang Emas Estate</td> </tr> <tr> <td>18/8/18</td> <td>Rat baiting</td> </tr> <tr> <td>15/8/18</td> <td>Manuring</td> </tr> <tr> <td>21/3/18</td> <td>Spraying</td> </tr> <tr> <td>19/3/18</td> <td>Pruning</td> </tr> <tr> <td></td> <td></td> <td>15/4/18</td> <td>Harvesting</td> <td></td> </tr> </tbody> </table>	Date	Training	Remark	26/8/18	Pest and disease	Jerangau Estate	1/8/18	Rat baiting	18/4/18	Training for driver	13/2/18	Manuring	Pinang Emas Estate	18/8/18	Rat baiting	15/8/18	Manuring	21/3/18	Spraying	19/3/18	Pruning			15/4/18	Harvesting		Complied
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4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services																													
Criterion 4.5.1: Environmental Management Plan																													

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	TDM Plantations Sdn Bhd has established an environmental policy with relevant to the applicable laws and regulations. Policy was signed by Chief Executive Director on 1 st September 2017. The policy has been displayed at the notice board in front of office and line site area. The workers also been briefed on the policy during morning muster. Interviews of staff and workers found that the policy has been communicated and implemented.	Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. - Major compliance -	TDMP has established SOP for the operating units to conduct the Environmental Impact Assessment and documented in the TDM Estate Quality Management Systems Sub Section 5.4.	Complied
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -	EIA has been established and documented in Environmental Aspect and Impact Identification and Environmental Impact Evaluation. Latest review was conducted on 29/9/2018 with update on FFB loading activity. Refer activity no. EAI/2018/02-01. The assessment covers all operation in the estate including support activities such as harvesting, spraying, FFB loading, building construction and field upkeep.	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	The monitoring records of the Environment Improvement Plan / Pollution Prevention Plan / Continuous Improvement Plan are available. The plan was reviewed annually.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the	The awareness programme and also the training has establish for workers to ensure environment issue is aware by the workers. The training that have been done is Spraying and Buffer zone training	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p>	<p>on 11 April 2018 and training on scheduled waste is on 12 march 2018.</p>	
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>The management have discuss environmental issue during OSH meeting done by quarterly and also Continuous education to the workforce was done through muster call briefing. Among the topics covered were buffer zone, HCV area and RTE species. Apart from that, signage of no hunting and pictures of RTE species were also displayed at various strategic places such as points of entry of the estate</p>	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>Diesel consumption is only been using as tractor and other vehicle for operation activity. The consumption usage will vertically in line with production of FFB. As to date Diesel usage/FFB is 6.8.</p>	Complied
4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.</p>	<p>The estimation of usage of diesel for their operations for 2018 is 7.0 and todate is 6.8 still in range of their target. For the next year as budget their target is 7.5 increase from 2018 because they estimate their production will increase.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -		
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	There was no use of renewable energy at Sungai Tong Estate’s complex as to date. Operation either by TNB grid supply or standby diesel genset and vehicle is fully dependent on fossil fuel.	Complied
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	Estates has established Waste Management Action Plan FY 2017. 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, line site, office, mill effluent pond. Other specific type of waste generated by the mill is organic (biomass) waste which is also a source of renewable energy consists of fibres, shells, empty fruit bunches, boiler ashes and decanter solids. Other specific activities such as mill maintenance and estate vehicle workshop generate few categories of scheduled waste such as SW 305, SW 102 and SW 410.	Complied
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:	Waste Management Action Plan 2018 has identified different type of waste, generated location, action to be taken, person in charge and expected completion.	Complied

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Criterion / Indicator		Assessment Findings	Compliance												
	a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products - Major compliance -	In the action plan FY2018 has identified the waste generated location and action to be taken; for example: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Waste</th> <th>Location</th> <th>Action to be taken</th> </tr> </thead> <tbody> <tr> <td>Schedule waste</td> <td>Mechanical/electrical workshop, chemical store, schedule waste store</td> <td>Send to licensed contractor</td> </tr> <tr> <td>Domestic waste</td> <td>Line site, office, workshop, store, shop</td> <td>Landfill in estate, recycling campaign</td> </tr> <tr> <td>Industrial waste</td> <td>EFB, scrap metal</td> <td>recycling, mulching</td> </tr> </tbody> </table>	Waste	Location	Action to be taken	Schedule waste	Mechanical/electrical workshop, chemical store, schedule waste store	Send to licensed contractor	Domestic waste	Line site, office, workshop, store, shop	Landfill in estate, recycling campaign	Industrial waste	EFB, scrap metal	recycling, mulching	
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4.5.3.3	The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. - Major compliance -	The Standard Operating Procedure for handling of used chemical container is available under file RSPO working instruction title Scheduled waste dated January 2016 prepared by SP Team.	Complied												
4.5.3.4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the	The disposal of used chemicals and containers were done accordingly as per regulation. Stores for scheduled waste were inspected at audited sites and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment. The estates also have designated Scheduled Waste Store for storing scheduled waste until time of disposal by DOE	Complied												

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Criterion / Indicator		Assessment Findings	Compliance				
	national programme on recycling of used HDPE pesticide containers. - Major compliance -	authorized waste disposal contractor. All Scheduled Waste were collected by Pentas Flora to be disposed. Inventory for all SW generated was maintained. Sighted the inventory of SW for the month of August and September 2018 documented in SW In/Out form and reported to DOE through E-SWISS. The SW was disposed through licensed contractor, Pentas Flora Kelantan. Sighted the consignment note as follows: a. 29 /9/2018 for SW 409; C/N no: 2018092911SR13GVM b. 29 /9/2018 for SW 305; C/N no: 2018092911H7FTY c. 29 /9/2018 for SW 410; C/N no: 20180929118WP20E					
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	In Pinang estate sighted the domestic waste collection records for the month of June, July and August 2018. The collection was done twice a week.	Complied				
Criterion 4.5.4: Reduction of pollution and emission							
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Both estates assessed their polluting activities. It is tabulated under the environmental management program. Therein is given potential sources of pollutants, objective & targets and action to be taken. Sighted targeted area assessed among other as follows; <table border="1" data-bbox="1048 1193 1861 1375"> <thead> <tr> <th>Sources/objective & target</th> <th>Action steps</th> </tr> </thead> <tbody> <tr> <td>Management of HCV river reserve & buffer zone conservation</td> <td>To train/retrain sprayers/manuring gang to avoid any chemical-related works at the area</td> </tr> </tbody> </table>	Sources/objective & target	Action steps	Management of HCV river reserve & buffer zone conservation	To train/retrain sprayers/manuring gang to avoid any chemical-related works at the area	Complied
Sources/objective & target	Action steps						
Management of HCV river reserve & buffer zone conservation	To train/retrain sprayers/manuring gang to avoid any chemical-related works at the area						

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Criterion / Indicator		Assessment Findings		Compliance
		To monitor waste management plan for its suitability	SW disposal monitoring	
		To improve employees awareness on pollution prevention at housing complex including zero burning policy.	Continuous reminders	
		To minimise spillage of oil/chemical onto the ground	Continuous training and use of spill trays	
		To review aspect identification & impact evaluation to identify significant critical points for control.	Review through EA/EIE	
		Maintenance of sentang trees	Ensure signage & demarcation are visible to avoid chemical intervention. To monitor pollution/erosion	
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	Details of action plan for identified pollutants are shown in 4.5.4.1 above		Complied
Criterion 4.5.5: Natural water resources				
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a. Assessment of water usage and sources of supply.	No river or small stream in Pelung and Jerangau Estate. Sighted the implementation of the management plan at Pinang Emas Estate. Monitoring of river water quality for Sg. Bakar and Sg. Petah. Pesticides Water Analysis conducted annually by third party laboratory, Eralab (KT) Sdn. Bhd. Sighted the latest result of Pesticides Water Analysis no. 18/07/W0598 Result of the analysis shows conformation with Class IIA/IIB.		Complied

Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. <p>- Major compliance -</p>		
<p>4.5.5.2 No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>There were no construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p>	<p>Complied</p>
<p>4.5.5.3 Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p>	<p>During site visit at P18 found road conservation water harvesting is been implemented.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
- Minor compliance -			
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <ul style="list-style-type: none"> a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. <p>- Major compliance -</p>	<p>Information was collated in a Bio-Diversity Assessment by SRA Consultancy on 18/3/12 – 19/4/2012 (report dated May 2012) which had covered all estates under Sg Tong Complex, including the POM. 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.</p>	Complied
4.5.6.2	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <ul style="list-style-type: none"> a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. 	<p>No RTE species at Jaya Estate and Pinang Emas Estate and Pelung Estate was recorded in the report. Continuous education to the workforce was done through muster call briefing. Among the topics covered were buffer zone, HCV area and RTE species. Apart from that, signage of no hunting and pictures of RTE species were also displayed at various strategic places such as points of entry of the estates. No HCV or RTE species at except worship at Jerangau Estate and Pinang Emas Estate (HCV6) and river buffer zone area at Pinang Emas Estate (HCV4). The management were put a worker everyday</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	to clean the worship area while for river, water sampling analysis was done once a year.	
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. - Major compliance -	Management and Monitoring plan for 2018 has been established and reviewed on 27/9/2018. Among the action plans implemented were continuous education to employees and surrounding communities about bio-diversity through explanation of company's policy, meetings, signage for buffer zone, restriction of any development activity at the area which has been identified as Bio-Diversity.	Complied
Criterion 4.5.7: Zero burning practices			
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	TDMP has established Zero Burning Policy and documented in Occupational Safety, Health and Environmental Policy signed by the CEO on 5th June 2017. No evidence of open burning sighted during site visit at sampled estates.	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	Not applicable for all sampled estates as there are no phyto-sanitation activities as to date. A normal land preparation practices were observed for replanting.	Not applicable
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	Not applicable for all sampled estates as there are no phyto-sanitation activities as to date. A normal land preparation practices were observed for replanting.	Not applicable

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Criterion / Indicator		Assessment Findings	Compliance
4.5.7.4	<p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p> <p>- Minor compliance -</p>	No use of fire for land preparation during replanting as sighted at replanting of P18 at Pinang Emas Estate. No open burning noted based on the records on the land clearing and felling for the replanting work. Method of land clearing and preparation was used such as (felling & chipping, cambering/land forming and path construction).	Not applicable
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	SOP has been established for the Estates as a guidance for the operating units to conduct daily operations. Estates holds SOP as references to run the operation and documented in TDM Plantation Sdn. Bhd. Standard Operating Procedure. Latest review was conducted on May 2017.	Complied
4.6.1.2	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	The SOP covers all main and support operations i.e Boundary marking, Replanting at slope, Soil Conservation at slope area, Water management, Manuring, Weeding and Harvesting.	Complied
4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p> <p>- Major compliance -</p>	From the site visit in estate, the implementation at field P18 in Pinang Emas Estate.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Annual business plan and 5 years for 2019 – 2023 projection was established and document was available for review. The plan was established as basis for the company and operating units to conduct the business.	Complied
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	The estates visited has established 5 years replanting programme. The replanting programme was planned for tall palm and older than 25 years old as well as low production field. Replanting programme as follow: Pelung Estate: 2020 : 115.30 ha for field 1995 2021 : 119.11 ha for field 1995	Complied
4.6.2.3	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) Financial indicators : cost benefit, discounted cash flow, return on investment	The business plan covers hectarage statement, FFB yield per Ha, CPO yield per Ha, PK yield per Ha, Mature area expenditures, Immature area expenditures, Capital Expenditures including crop projection for 2018, Cost of production/mt, and gross P&L.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	The Plantation Advisor report covers on crop quality, Manpower deployment, production performance, Quality of Input FFB, Quality of Palm Products, Process efficiency, Palm products storage and dispatch and Production Cost and latest visit on 22-24/4/2017 by from SDSAS Sdn. Bhd.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	The contractors have signed on the service agreement or Work Order Agreement prior to provide services. The agreement has detailed the pricing mechanism for the service offered. Sampled of Work Order Agreement as below: Work Order # 012/18 for rental of lorry to transport FFB from ramp to mill which valid until 31/12/2018.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	The payment was made by Head Office after the mill has sent the invoice to Head Office. Interviewed with the contractors confirmed that the payment was made promptly.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Additional requirements such as MSPO for the contractors to comply were stamped on the Work Order Agreement and it was signed by the contractors. Interviewed with the contractors confirmed that MSPO requirements and policies were explained to them.	Complied

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		Management has also emailed the relevant MSPO requirements to the contractors on 10-13/9/2017.	
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	The contractors have signed on the Work Order Agreement on monthly basis prior to provide services. Seen the Work Order Agreement and details refer to Criterion 3, Indicator 1.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	TDM Plantation Sdn Bhd has agreed for BSI auditors to verify the assessment through a physical inspection if required.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	The contractor will issued the working chit for every work done on daily basis as stated in the contract agreement. During the month end, the contractor will issued the tax invoice to the company for all the work done to proceed for payment.	Complied
<p>4.7 Principle 7: Development of new planting</p> <p>Sungai Tong Palm Oil Mill & supply bases did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.</p>			

MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill.

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	On group level, policy for the implementation of MSPO established as TDM Berhad Sustainability Policy; approved by the BOD of TDM Directors dated 27/3/2018. For TDM Plantation Sdn. Bhd. (TDMP), an MSPO Policy has been established and authorized by the Chief Executive Officer dated 1/8/2017.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The established policy has emphasized on the commitment to continual Improvement with the objective of improving the milling operation.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audit was planned as per 2018 MSPO/RSPO Compliance Audit Plan and conducted from 12/6/2018 to 18/9/2018. Records of internal audit report and findings shown the internal audit able to determine the strong and weak points and potential area for further improvement.	Complied
4.1.2.2	The internal audit procedures and audit results shall be	Internal audit procedure established as TDM Plantation Sdn. Bhd. STPOM MSPO Internal Audit Standard Operating Procedure;	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Date: 1/8/2017; Edition: TDMP/01; Rev.: TDMP-01/2017. Identified findings recorded in Sustainability Audit Non-Compliance Findings and Recommendations form as per sighted for the latest audit conducted on 18/9/2018. Sighted the Corrective Action Report on Non-compliance Findings on the analysis of nonconformity raised has been established and implemented accordingly to address the issue.	
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	Report made available for review in the management review meeting and recorded in the minutes under " <i>Pembentangan Laporan Audit Dalam Kelestarian MSPO 2018</i> ".	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	Latest management review conducted on 23/11/2018 as per records of minutes of meeting " <i>Minit Mesyuarat Management Review (RSPO/MSPO) TDMP Kali Ke-1 01/2018</i> ".	Complied
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	Based on the stakeholder consultation from Stakeholder Meeting dated 30/7/2018 conducted at Akademi TDM, a Continuous Improvement Plan FY2018/2019 (Sungai Tong Palm Oil Mill; Review on 4/12/2018) was established in terms of welfare as per following samples:	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Issue: Waste dumping at mill compound and workers' line site; Action: Collection by MDS and provision of 3R bin; Objective: Cleaner surrounding and promote 3R Program - Issue: Bad housing condition; Action: Repair and replace wooden house with concrete house; Objective: Better housing provision 	
4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p>	TDM established the plan to construct methane capture (biogas) plant for its POME treatment system. This system will be able to utilize the use of renewable energy further.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p>- Major compliance -</p>	Sg Tong POM has maintained records of request and response, land titles, OSH plans and etc. relating to environmental and social issues, plans for pollution prevention, complaints and grievances records that make available upon request.	Complied
4.2.1.2	<p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	As per Memorandum by Group Chief Executive Officer; Ref. # TDM/CC/01; Date: 8/4/2018 from Corporate Communication Department to Heads of Subsidiaries, Heads of Department and All Staff of TDM Berhad Group on Sustainability Policies for the new policies approved by the Board on 27/10/201 as following:	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Sustainability Policy - Environment & Biodiversity Policy - Social & Humanity Policy - Occupational Safety & Health Policy - Gender & Diversity Policy 	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>TDM Plantation Sdn Bhd has developed a Communication Procedure with POM/ Estates and Flowchart to Handle Social Issue. Maximum 28 working days shall be taken to resolve the issues. All internal and external stakeholders were briefed on this procedure.</p> <p>Sample records of Communication With Stakeholders, STPOM shown latest communication records dated on 26/8/2018 by PIBG SK Fikri was sighted.</p>	Complied
4.2.2.2	<p>The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i>.</p> <p>- Minor compliance -</p>	<p>The Mill Manager was appointed as the management officials as per Letter of "<i>Perlantikan Sebagai Wakil Syarikat Bagi Mengendalikan Isu Sosial Dengan Pihak Luar Di Peringkat Ladang/Kilang</i>" from Group Senior Human Resource Manager; ref. # TDMP/HR/PSN-GEN/RSPO; dated 2/9/2014.</p>	Complied
4.2.2.3	<p>A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.</p>	<p>Stakeholder list was developed where all the affected stakeholders were included into the list such as government</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>authorities, local communities, contractors and supplier, neighboring schools and etc. for the sampled 3 estates.</p> <p>Latest Stakeholder Meeting dated 30/7/2018 was conducted at Akademi TDM for the whole Sg. Tong Complex with the participation of internal and external stakeholders. Seen the meeting minutes and attendance list. No issue was raised during the meeting. Only questions and requests were raised and immediate replies from the management during the meeting.</p>	
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p>	<p>Procedures are controlled documents and controlled and updated by STPOM (MSPO Traceability SOP, TDM/STPOM/01 dated 1/8/2017). These procedures are current and include all elements of the traceability for controlling the receipt, sale and dispatch of palm products.</p>	Complied
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>STPOM has conducted internal inspections on compliance with the traceability system.</p>	Complied
4.2.3.3	<p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p> <p>- Minor compliance -</p>	<p>The Mill Manager has an overall responsibility for the traceability activities, eg: planning and executing sales of CPO & PK, aspects of FFB receipts, processing and shipping of palm products. Interview with the Mill Manager confirmed his knowledge of the MSPO traceability requirements.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Records of storage, sales, and delivery/transportation of both CPO and PK were maintained and updated on daily basis as part of mill production report.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	<p>In Sg Tong Mill, The management is comply with the regulation and applicable law such as per sampling below:-</p> <p>MPOB license referred to license no 500042704000; mill can processes 300,000 MT and its valid from 1 April 2018 to 3 March 2019.</p> <p>KPDNKK license referred BST.800-1/8/23/14 for Diesel license (No; T012518), Its valid from 4 June 2017 until 3 June 2018. This License already been renew dated 17 May 2018 still waiting from KPDNKK for the new license.</p> <p>In Mill they have CePPOME competent person, En Muhammad Shahairie Bin Abdul Razak (CePPOME/182862) and for CePSWAM is Pn. Norwati Binti Mamat (CePSWAM/172052). For AESP can referred to En Mohd Lazin Bin Draman(NW-NCT-AE-R-1153-P) and for AGT they have Muhammad Shahairie Abdul Razak (NT 1814-R).</p> <p>They also have Steam Cert referred to Hasan Bin Osman(JKKP IS 127/438/2/1302 for Gred 1 steam cert for Gred 2 Steam cert is Zaidi bin Abd Rahman (171/2013)</p>	Major noncompliance

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Criterion / Indicator		Assessment Findings	Compliance
		<p>However found certain issue in Sg Tong Mill as per below detail:-</p> <ul style="list-style-type: none"> i) Found oil drum in Biocompost is been store without properly storage. ii) Found leachate is not channel back properly into effluent pond as per Jadual Pematuhan Syeksen 21. iii) Found oil spillage in Boiler is not been dispose properly as Scheduled waste 2005 <p>Hence, a major NC has been raised on these matters.</p>	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>Legal and Other Register is available and management already update dated March 2018 and prepared by Pn. Norwati Bin Mamat.</p>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>The legal requirement already updated for new amendments legal such as Employment Insurance Shceme (EIS/SIP) by management.</p>	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>The management already assign referred letter of appointment KL.KKS/3/10.07 dated 1 January 2017 for Pn Norwati Mamat as Legal updater in KKS Sg Tong.</p>	Complied
Criterion 4.3.2 – Lands use rights			

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.1	<p>The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>Milling activities do not diminish the land use rights of other users. Ownership documents sighted i.e. State Title; Ownership # 6521; Lot #7663; Area: 58.7685 ha; District: Kuala Terengganu: Mukim Belara; Date: 18/11/1976; Owner: Perbadanan Memajukan Iktisad Negeri Terengganu; Leasing to: Kumpulan Ladang-ladang Terengganu Sdn. Bhd.; Period: 1/1/1973 – 31/12/2017. Sighted too the Management Agreement as following:</p> <ul style="list-style-type: none"> - Between Kumpulan Ladang-ladang Terengganu Sdn. Bhd. and TDM Plantation Sdn. Bhd. dated 20/7/2016 - Between TDM Plantation Sdn. Bhd. and TDM Berhad dated 20/7/2016 - Between Kumpulan Ladang-ladang Terengganu Sdn. Bhd. and TDM Berhad dated 1/9/2012 	Complied
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.</p> <p>- Major compliance -</p>	<p>As above, legal ownership (lease agreement) of land was provided by management during audit.</p>	Complied
4.3.2.3	<p>Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>Mill building boundary surrounded by fence while POME treatment area parameter boundary clearly demarcated and visibly maintained on the ground.</p>	Complied
4.3.2.4	<p>Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior</p>	<p>There is no land dispute in the Sungai Tong Certification units at the time of audit. The land belongs to TDM and land ownership documents verified.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	informed consent (FPIC). - Minor compliance -		
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	No any lands encumbered by customary rights within TDM Sg. Tong complex. However, company able to demonstrate that any customary rights are understood and not being threatened or reduced.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	No any lands encumbered by customary rights within TDM Sg. Tong complex. However, company able to demonstrate that any customary rights are understood and not being threatened or reduced.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	No any lands encumbered by customary rights within TDM Sg. Tong complex. However, company able to demonstrate that any customary rights are understood and not being threatened or reduced.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	Initial Social Impact Assessment (SIA) Kompleks Sungai Tong; Report date: May 2012 by SRA Consultancy. Based on this initial assessment, action plan was established on annual basis as per sighted Action Plan Revision 2018/2019; Reviewed on 9/8/2018. Sighted area of concerns including housing and infrastructure	Complied

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		with social impact identified were poor facilities and infrastructure, housing not complying with legal requirement, poor waste dumpsite and etc.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	A system for dealing with complaints and grievances were established and documented as a Flowchart on Handling Social Issue and Complaint/ Grievance Procedure. Any issue raised by stakeholders will be discuss within 2 weeks for the first meeting and issues to be resolved within 28 working days.	Complied
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	Based on the records of Complaint Logbooks in mill, it was verified that all complaints and action able to be resolved in effective, timely and appropriate manner. Verification of resolution signatures by Officer, Assistant Manager and Manager were sighted.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	Complaint Logbook for Linesite Repair and Complaint/ Request form was established and implemented. No external stakeholders were recorded related on complaint and grievances.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	Interview with internal and external stakeholders during stakeholder consultation found that they were aware of the complaint procedure and they were briefed by the management during stakeholder meeting.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon	The complaint logbook/ complaint files that recorded complaints and solutions since at least January 2014 was maintained available to affected stakeholders upon request.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	request. - Major compliance -		
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	Contributions were made as part of Continuous Improvement Plan FY2018/2019 (Sungai Tong Palm Oil Mill) Review on 4/12/2018. Sighted contributions were as following: <ul style="list-style-type: none"> - Opening of Pusat Timbang Komuniti - Donation/funds to communities surrounding Sg. Tong POM - PIBG SK Kampung Fikri, Sg. Tong; Memohon sumbangan untuk lawatan sambal belajar ke Langkawi, Kedah; Ref. # SKKF(ST) 900/01/001 (91); Date: 26/8/2018 	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	Policy for Occupational Safety and Health (TDM/CC/01) already been renew dated 27 March 2018 signed by Dato' Mohamat Bin Muda. This policy already been communicated to all workers on 1 August 2018 by management.	Complied
4.4.4.2	The occupational safety and health plan should cover the following: a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented.	OSH meeting was conducted on quarterly. OSH meeting minutes dated 25/9/18, 27/6/18, 26/3/18 and 18/12/17 were sighted. Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors. Emergency	Complied

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<p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p>	<p>response Team organization chart for 2018 available. ERT Training schedule 2018 sighted</p> <p>Awareness and training program 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 and CHRA assessor's recommendation.</p> <p>During the site visit, the PPE were adequately implemented. Eg: Sterilizer Station, Press Station, Kernel Station</p> <p>HIRARC was established to include all the activities in the mill including construction site. HIRARC register was last reviewed on 19/9/2018 after accident happened for activity manual heavy lifting.</p> <p>Fire drill was last conducted with BOMBA on 16/7/2018 to all workers, staff and executive (STPOM) and 14/8/18 at Pinang Emas Estate.</p> <p>First aid boxes were available at worksite (sterilizer station, supervisor room and office). All the items in the first aid boxes were found not expired. First aid training was last conducted on 20/9/2018 by hospital assistant,</p> <p>Records of all accidents are kept. Accident incidences are reviewed during the safety meetings. Records on Lost Time Accident (LTA) metrics was maintained and based on JKKP 6, 7</p>	

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Criterion / Indicator		Assessment Findings	Compliance
	<p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>& 8. JKKP 8 for Sg Tong POM was submitted to DOSH on 24/1/2018.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>TDM Plantation Sdn Bhd has developed Human Rights Policy dated 1/6/2017 and Social Policy dated 1/6/2017 which signed by CEO. Briefing of the policies were provided to the workers on 20/8/2017. The policies were displayed at the notice board outside the office.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>TDM Plantation Sdn Bhd has developed Human Rights Policy dated 1/6/2017 and Social Policy dated 1/6/2017 which signed by CEO. These policies have stated that the management was committed to treat everyone equally without any discrimination and provide equal opportunities regardless of race, nationality, gender and etc. Interviewed with workers confirmed that no discrimination was practice by the management. Briefing of the policies were provided to the workers on 20/8/2017. The policies were displayed at the notice board outside the office.</p>	Complied

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4.4.5.3	<p>Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>The management have ensured that employees’ pay and conditions meet applicable legal requirements i.e. National Minimum Wages Order 2016. Sighted payslips for following samples:</p> <ul style="list-style-type: none"> - SM00043; Div. G02 (Gang 2); Press Operator - SM0900240; Div. GD1 (Guard); Security - SM0900245; Div. G01 (Gang 1); General - SM00067; Div. G03 (Gang 3); Gardener <p>Shown all received minimum wages as per legal requirements.</p>	Complied
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Management ensured employees of contractors are paid based on legal standards as per MAPA Circular No. 44/2018; Date: 29/11/2018 which referring to the Minimum Wages Order (Amendment) 2018 that would come into operation on 1/1/2019.</p>	Minor nonconformance
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>Records of employee analysis summary containing information of full names, gender, date of birth, start work date, job description, wages and employee personal ID sighted available for the latest updated as of 30/11/18.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment</p>	<p>Fair contracts have been signed by both employee and employer with both kept a copy each. Sample contract sighted as following:</p>	Complied

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	contract shall be made available for each and every employee indicated in the employment records. - Major compliance -	<i>Tawaran Bekerja Secara Kontrak; Tempoh: 1/8/2018 – 31/12/2018; Letter ref. # KL-KKS/3/06.44; Date: 25/7/2018; Azhar Mansor; on statement "Tuan tidak tertakluk kepada sebarang perjanjian MAPA/NUPW" – no EPF deduction (due to short term contract)</i>	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	Mill established a time recording system using Check Roll Book for all employees at different station. The working hours for all employees has been clearly documented in the Check Roll Book as well as their pay slip under OT section to ensure transparent for both employees and employer. Time recording system has been carried out manually on daily basis. The documented working hours available in the daily check roll records	Complied
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	Working hours is 8 hours. From Monday to Saturday. Total monthly working hours is 208 hours. The overtime maximum is 104 hours according to the Employment Act 1955. As at current status, there was none has crossed 80 hours of overtime. Verified the payslips, the payment and calculation of overt time well distributed. The overtime rate after 8 hours daily rated is as following: <ul style="list-style-type: none"> - Sun - Thu – daily rated / 8 hours x 1.5 - Friday - daily rated / 8 hours x 2.0 - Public holiday – daily rated / 8 hours x 3.0 	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Wages and overtime payment documented found consistent with legal regulations and collective agreements. Sighted payslips for following samples:	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - SM00043; Div. G02 (Gang 2); Press Operator - SM0900240; Div. GD1 (Guard); Security - SM0900245; Div. G01 (Gang 1); General - SM00067; Div. G03 (Gang 3); Gardener 	
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p>	<p>Other forms of social benefits for workers including the insurance as following:</p> <ul style="list-style-type: none"> - Local workers & staff: Social Security Organization (SOCSO) Monthly Contribution sighted as per sample latest Form 8A; for the monthly contribution for the month of November 2018 - Foreign workers: Foreign Workers Compensation Scheme Policy; 	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>On-site living quarters are provided and visit to the housing area/line site showed quarters are decently habitable and equipped with basic amenities of free electricity and water supply including other facilities such as mosque, community hall, sundry store, canteen, children’s crèche and football field.</p> <p>However, non-authorized additional construction and extension or renovation of company’s house shall be observed.</p>	OFI
4.4.5.12	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>TDM Plantation Sdn Bhd has developed Gender Policy and Reproductive Policy dated 1/6/2017 which signed by CEO. The management will ensure the workplace and surrounding are free from any types of harassment included ethnic harassment,</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		religious, gender, country of origin and etc. They will ensure that the rights of women will be protected.	
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>TDM Plantation Sdn Bhd has developed Gender Policy and Reproductive Policy dated 1/6/2017 which signed by CEO. The management will ensure the workplace and surrounding are free from any types of harassment included ethnic harassment, religious, gender, country of origin and etc. They will ensure that the rights of women will be protected.</p> <p>Sighted the latest employee representative meeting as per records of minutes of meeting <i>Mesyuarat Bersama Wakil Pekerja Kali Ke 1/2018; Date: 17/9/2018; Wakil Pekerja Kilang Kelapa Sawit Sungai Tong Sesi 2017/2018.</i></p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>TDM Plantation Sdn Bhd has developed Child Protection Policy dated 1/6/2017 which signed by CEO. The company will not recruit or exploit any individual less than 16 years old to work in the company. Seen the employee master list confirmed that all the workers were above 18 years old. Besides, interviewed with workers and stakeholders confirmed that TDM Plantation Sdn Bhd did not recruit any workers less than 18 years old.</p>	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p>	<p>Sg Tong POM and supply base has established an annual training program that covers all aspects of the RSPO Principles and Criteria. The training need and program was made available for verification at all visited sites.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance																				
	- Major compliance -																						
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>Training records for employees available and maintained at the office. Records are verified on a sampling basis which covers all aspect of training and RSPO P&C requirement.</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>20/2/18</td> <td>Permit to work</td> <td rowspan="9">STPOM</td> </tr> <tr> <td>12/3/18</td> <td>Scheduled waste</td> </tr> <tr> <td>29/4/18</td> <td>Authorised entrant and standby person</td> </tr> <tr> <td>4/7/18</td> <td>Compliance to DOE license</td> </tr> <tr> <td>1/8/18</td> <td>Safety and health at workplace</td> </tr> <tr> <td>15/11/17</td> <td>Training on basic operation at mill</td> </tr> <tr> <td>14/9/17</td> <td>Grading</td> </tr> <tr> <td>12/9/17</td> <td>Chemical handling</td> </tr> </tbody> </table>	Date	Training	Remark	20/2/18	Permit to work	STPOM	12/3/18	Scheduled waste	29/4/18	Authorised entrant and standby person	4/7/18	Compliance to DOE license	1/8/18	Safety and health at workplace	15/11/17	Training on basic operation at mill	14/9/17	Grading	12/9/17	Chemical handling	Complied
Date	Training	Remark																					
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1/8/18	Safety and health at workplace																						
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14/9/17	Grading																						
12/9/17	Chemical handling																						
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>		<p>The training programme is available for all employee according to their job function. It been documented in training record verified during audit.</p>	Complied																			
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services																							
Criterion 4.5.1: Environmental Management Plan																							

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.1	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Reporting for POME results and in line with mil’s compliance schedule requirements. New Guided Self Regulation was introduced by DOE to ensure all operator self-assessed the compliance status on environmental related issues. The approach is based on 7 Environmental Monitoring Tools (EMT) and implemented since June 2016. New establishment of EPMC @ Environmental Performance Monitoring Committee (operation level – mill) and ERCMC @ Environmental Regulatory Compliance Monitoring Committee (HQ level) shows the commitment towards continuous compliance.</p> <p>Latest ERCMC meeting – 28 August 2018 attended by mill manager and HQ representative with total 12 person.</p> <p>EPMC meeting – 08/2018 24 Sept 2018, and 07/2018 3 August 2018 .The frequency is every month in a year.</p>	Complied
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>TDMP has established SOP for the operating units to conduct the Environmental Impact Assessment and documented in the TDM Quality Management Systems.</p> <p>STPOM</p> <p>EIA has been established and documented in Environmental Aspect and Impact Identification and Environmental Impact Evaluation. Latest review was conducted on 1/1/2018 by compliance executives and approve by the manager. The assessment covers all activities base on working station such as:</p> <p>i. Reception Area</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> ii. Sterilizer Bay iii. EFB Ramp iv. Workshop v. Schedule Waste Store vi. Press station and etc. 	
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p>- Major compliance -</p>	<p>Activities with significant impacts were determined by the score in Environmental Impact Evaluation. As per SOP established all activities with significant impacts were documented in Environmental Management plan dated July 2018 where the mitigation measures were developed. In the management plan also stated the responsible person to ensure the implementation of the plan.</p>	Complied
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>The monitoring records of the Environment Improvement Plan / Pollution Prevention Plan / Continuous Improvement Plan are available. The plan was reviewed annually.</p>	Complied
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.</p> <p>- Major compliance -</p>	<p>The awareness programme and also the training has establish for workers to ensure environment issue is aware by the workers. The training that have been done is Clean air training on 19 July 2018 and training at National Seminar on Palm Oil Mill, Environment and quality on 27 until 28 November 2018.</p>	Complied
4.5.1.6	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p>	<p>Latest ERCMC meeting – 28 August 2018 attended by mill manager and HQ representative with total 12 person.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	EPMC meeting – 08/2018 24 Sept 2018, and 07/2018 3 August 2018 .The frequency is every month in a year.	
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period - Major compliance -	The consumption of non-renewable energy is been optimized and close monitored, todate diesel usage per FFB is 0.5. From the interview from management team high usage because low in crop intake.	Complied
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The mill has established plan for improving the efficiency of the use of fossil fuel by planning to construct methane capture facilities. The biogas recovered will be utilized to generate energy. The company have finished the contract interview stage and the contract was awarded to Concorde Sdn. Bhd. Project expected to complete the construction before 2019.	Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Additionally, the mill is using industrial waste, fibre as boiler fuel. Sighted the record of fibre usage as follows: i. Jul 2018 – 545.47 MT ii. Aug 2018 – 1007.33 MT iii. Sep 2018 – 493.95	Complied
Criterion 4.5.3: Waste management and disposal			

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Criterion / Indicator		Assessment Findings	Compliance
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	STPOM has established Waste Management Plan and the document was available for review. The plan has identified the waste generated, location/station generated, mitigation plan and person responsible for each plan.	Complied
4.5.3.2	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for: a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. - Major compliance -	Sighted the implementation of plan as follows: i. Sighted the inventory of SW generated for the month July, August and September 2018 ii. Sighted the disposal records for SW 305; C/N no: 20180828153M21YD dated 28 /8/2018.	Complied
4.5.3.3	The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005 - Major compliance -	Mill has established monitoring method for Scheduled waste inventory. In the inventory form stated the date of SW generated, type of SW, and quantity generated. The date of SW generated also displayed at the SW store. Sighted the inventory form for SW 410, and 305 for the month of July, August and September 2018. The inventory was also send to DOE through E-SWISS. Sighted the E-SWISS 5th Scheduled form for the month of July, August And September 2018. In STPOM, schedule waste dispose through licensed contractor: Pentas Flora Kelantan. Latest consignment note dated Consignment note for schedule waste : a. 28 /8/2018 for SW 305; C/N no: 20180828153M21YD b. 21 /5/2018 for SW 410; C/N no: 2018052212081GT	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -	Domestic waste is disposed by Majlis Daerah Setiu. Collection by MDS is twice per week.	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	EIA has been established and documented in Environmental Aspect and Impact Identification and Environmental Impact Evaluation. Latest review was conducted on 1/1/2018 by compliance executives and approve by the manager. The assessment is include pollution by greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	The polluting activities identified in the Environmental Aspect and Impact assessment. Various monitoring has been conducted including the effluent analysis, stack monitoring and river water monitoring. For continuous emission reporting system, it always online and send to HQ of Department of Environment in Putrajaya. Measurement of dust particulate concentration of Stack 1- Boiler (PMD 8703). Following is the monitoring report sighted: a. Ref no: L-GB-TC1705CSN-0530 dated 30/5/2017; The monitoring result indicated at 0.3446 gm/Nm ³ , lower than the permissible limit of 0.4 gm/Nm ³ stipulated under the Environmental Quality (Clean Air) Regulations, 1978.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>b. Ref no: L-GB-TC1711CSN-450 dated 27/11/2017</p> <p>The monitoring result indicated at 0.3985 gm/Nm³, lower than the permissible limit of 0.4 gm/Nm³ stipulated under the Environmental Quality (Clean Air) Regulations, 1978.</p>	
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>The POME analysis is conducted by third party and all result is comply with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977.</p> <p>Noted the following report in the Sg Tong POM:-</p> <ul style="list-style-type: none"> i. Report no: 18/04/W0344 BOD: 38 mg/L Suspended Solid: 44 mg/L ii. Report no: 18/05/W0414 BOD: 37 mg/L Suspended Solid: 86 mg/L iii. Report no: 18/06/W0453 BOD: 34 mg/L Suspended Solid: 30 mg/L 	Complied
Criterion 4.5.5: Natural water resources			
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources</p>	<p>STPOM Water management plant has been established and documented. Latest reviewed was conducted on 5/3/2018. The plan identified the issues of concern, mitigation plan, resource,</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>(surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<p>person responsible and time plan. The management plan focusing on issues during shortage of water supply / dry spell source and water pollution. The management plan also include water reduction program such as rain water harvesting, air conditioner water collection, replace and repair main water pipeline and steam turbine collection of excess of water discharge.</p>	
4.5.5.2	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	<p>The effluent analysis conducted by third party and submitted the quarterly return form to DOE every 3 months through OER (Online Environmental Report in the) and all the parameters have confirm to parameters limit for watercourse discharge.</p>	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>SOP has been established for the Palm Oil Mill as a guidance for the operating units to conduct daily operations.</p> <ul style="list-style-type: none"> i. Mill Standard Operating Procedure and Operation Manuals, TDM/STPOM/01 rev. 01/2011 issued on 11 May 2011 which covers mill operations by stations i.e Reception station, sterilization station, kernel recovery, water treatment plant, 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Laboratory, product quality and HIRARC. The latest reviewed was conducted on Nov 2012 and no changes was made.</p> <p>ii. Sustainability Standard Operating Procedure which covers sustainability management procedure i.e Water sampling, flood management, OSH committee, complaint, communication and handling of scheduled waste.</p>	
4.6.1.2	<p>All palm oil mills shall implement best practices.</p> <p>- Major compliance -</p>	<p>The management has appointed external parties, Sime Darby Seeds and Agricultural Services to provide External Mill Advisor and External Plantation Advisor to inspect and report on mill and estates implementation of procedures. The visit was conducted on annually basis.</p> <p>The Mill Advisor/Plantation Advisor report covers on crop quality, Mill and processing, Manpower deployment, production performance, Quality of Input FFB, Quality of Palm Products, Process efficiency, Palm products storage and dispatch and Production Cost.</p>	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>Annual business plan and 5 years for 2019 – 2023 projection was established and document was available for review. The plan was established as basis for the company and operating units to conduct the business. The business plan covers the FFB production, CPO, OER, and KER, general charges, mill maintenance, process shift labour, general services, and total processing cost.</p>	Complied



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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	Sungai Tong POM has received FFB crop from weighing center and independent smallholder. The pricing of FFB was displayed at the weighbridge area.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Contracts are fair, legal and transparent as per Sampled of contract agreement with the contractors as below: <ul style="list-style-type: none"> - Company # 4603 for transporting CPO and PK which valid until 31/12/2018 <p>The term for payment has agreed by both parties which is 14 days from the date of receipt of invoice from contractors. Document verified the invoices and payment vouchers confirmed that payment was made accordingly. Sampled of invoice and payment voucher as below:</p> <ul style="list-style-type: none"> - INV# A0182 dated 30/6/2018 with Payment Voucher# 146/18 dated 4/7/2018. - INV# 064179 dated 1/9/2018 with Payment Voucher# 196/18 dated 6/9/2018 	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Additional requirements such as MSPO for the contractors to comply were stamped on the Work Order Agreement and it was signed by the contractors. Interviewed with the contractors confirmed that MSPO requirements and policies were explained	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		to them. Management has also emailed the relevant MSPO requirements to the contractors on 10-13/9/2017.	
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	The contractors have signed on the Work Order Agreement on monthly basis prior to provide services. Seen the Work Order Agreement and details refer to Criterion 3, Indicator 1.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	TDM Plantation Sdn Bhd has agreed for BSI auditors to verify the assessment through a physical inspection if required.	Complied

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment TDM Plantation Sungai Tong POM and Estates Certification Unit complies with the MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholder and MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills. It is recommended that the certification of TDM Plantation Sungai Tong POM and Estates Certification Unit is approved.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Haji Hassan Osman	Name: Hafriazhar Mohd. Mokhtar
Company name: TDM Plantation – Sg. Tong POM	Company name: BSI Services Malaysia Sdn. Bhd.
Title: Mill Manager	Title: Lead Auditor
Signature: 	Signature: 
Date: 20/4/2019	Date: 19/4/2019

Appendix A: Assessment Plan

Date	Time	Subjects	HMM	MNM
Saturday 8/12/2018	23:20 – 06:00	Travel to Kuala Terengganu & Check-in @ TH Hotel KT	✓	✓
Sunday 9/12/2018	08:30 – 09:00	Opening Meeting (Sg. Tong Palm Oil Mill) • Presentation by TDM Sg. Tong • Presentation by BSI Lead Auditor -introduction of team member and assessment agenda • Confirmation of assessment scope and finalizing audit scope	✓	✓
	09:00 – 12:30	Sg. Tong Palm Oil Mill Field Assessment: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	✓	✓
	12:30 – 13:30	Lunch / Break	✓	✓
	13:30 – 14:30	Travel to Pelung Estate	-	✓
	13:30 – 16:30	Sg. Tong Palm Oil Mill & Pelung Estate Document Review (MS2530 Part 4 & Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices	✓	✓
	16:30 – 17:00	Interim closing meeting	✓	✓
Monday 10/12/2018	07:30 –	Travel to Pelung Estate	✓	-
	08:30	Travel to Jerangau Estate	-	✓
	08:30- 12:30	Pelung Estate & Jerangau 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.	✓	✓
	11:00 – 12:30		✓	✓
	12:30 – 13:30	Lunch / Break	✓	✓
	13:30 – 16:30	Pelung Estate & Jerangau Estate Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	✓	✓
	16:30 – 17:00	Interim closing meeting	✓	✓
		Travel to Jerangau Estate	✓	-

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Date	Time	Subjects	HMM	MNM
Tuesday 11/12/2018	07:30 – 08:30	Travel to Pinang Emas Estate	-	✓
	08:30-12:30	Jerangau Estate & Pinang Emas 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.	✓	✓
	12:30 – 13:30	Travel to Pinang Emas Estate Lunch / Break	✓ ✓	- ✓
	13:30 – 15:30	Pinang Emas Estate Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	✓	✓
	15:30 – 16:30	Preparation for closing meeting	✓	✓
	16:30 – 17:30	Closing meeting	✓	✓

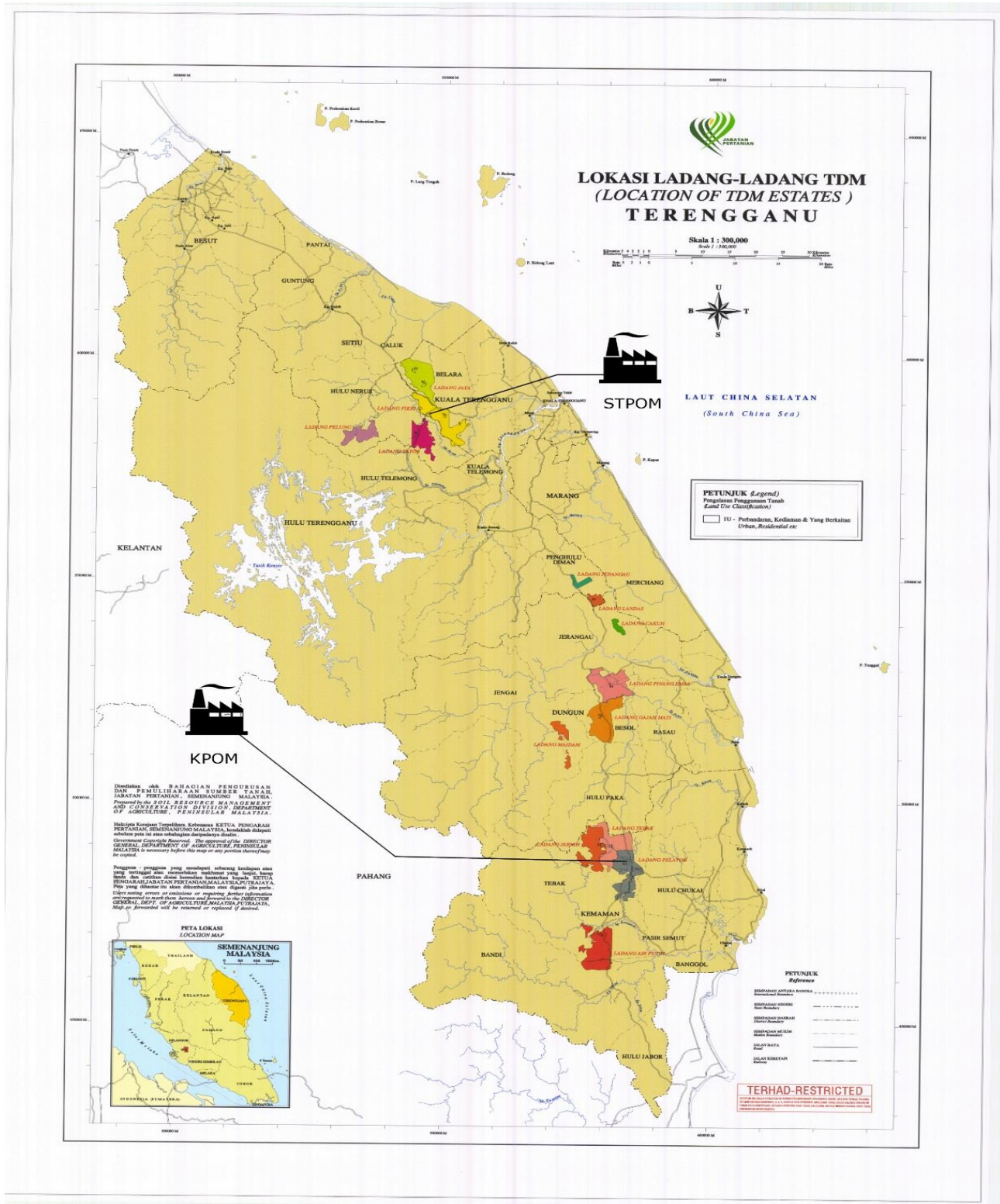
Appendix B: List of Stakeholders Contacted

Internal Stakeholders	External Stakeholders
<p>Sungai Tong POM Management team and staff</p> <p>On site compliance executives</p> <p>Mill Manager and Assistants</p> <p>Estate Managers and Assistants</p> <p>Facility Administrators</p> <p>Gender Committee Representatives</p> <p>Male and Female workers</p> <p>Workers Representatives</p> <p>Foreign Workers Representatives</p>	<p>General Contractor</p> <p>FFB Supplier</p> <p>FFB Transport contractor</p> <p>Local Villagers</p> <p>Sungai Tong District Health Clinic</p> <p>Koperasi TDM Sungai Tong</p>

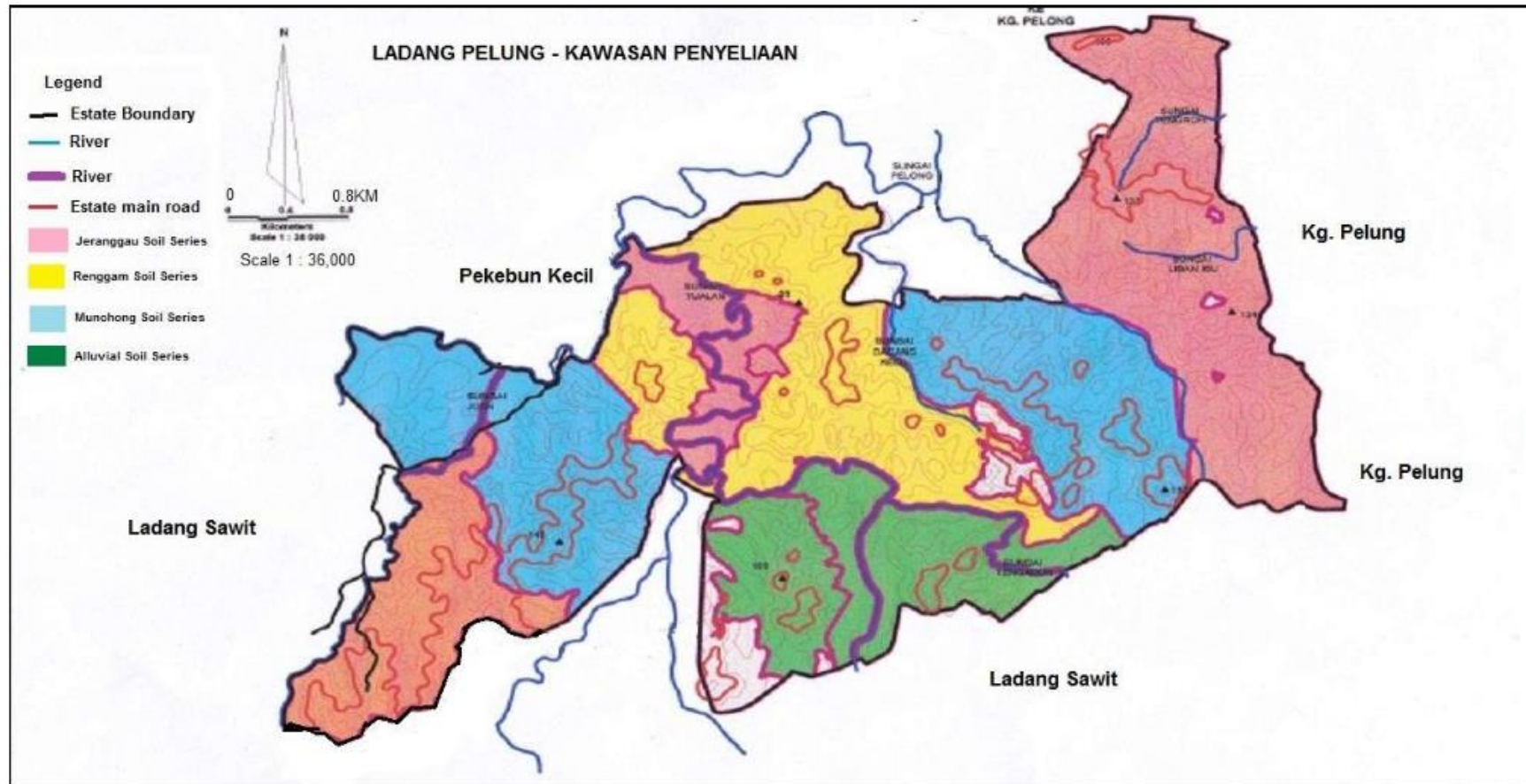
Appendix C: Smallholder Member Details

No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1	Not applicable	-	-	-
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
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17				
18				
19				
20				
21				
22				
23				
TOTAL				

Appendix D: Location and Field Maps (Location of TDM Mill & Estates)



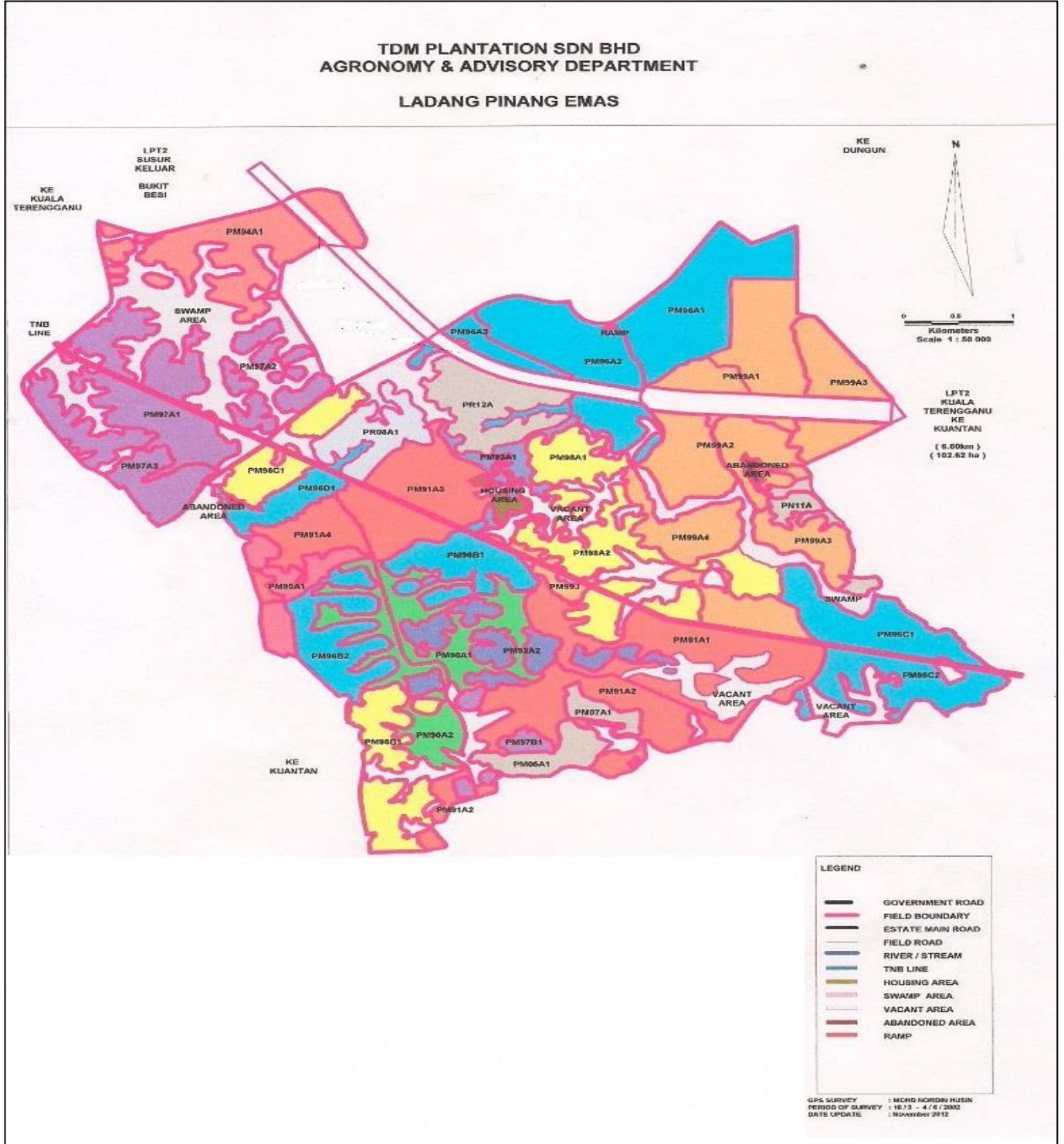
Pelung Estate



Jerangau Estate



Pinang Emas Estate



Appendix E: List of Abbreviations Used

AN	Ammoniacal Nitrogen
ANPN	National Park Agency Gabon
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DGEPN	Environmental Protection Agency Gabon
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
O&G	Oil and Grease
PK	Palm Kernel
PPE	Personal Protective Equipment
PSQM	Plantation Sustainability and Quality Management
PQR	Performance Quality Rating
RC	Re-Certification
RED	Renewable Energy Directive
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SOU	Strategic Operating Unit
SS	Suspended Solids
TN	Total Nitrogen
TS	Total Solids
VFA	Volatile Fatty Acids