

**MALAYSIAN SUSTAINABLE PALM OIL  
ANNUAL SURVEILLANCE ASSESSMENT 3  
Public Summary Report**

<b>TDM Plantation Sdn Bhd</b>
Client Company Address: 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:**  
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**Report Number: SMO 3091826**

**Assessment Conducted by:**  
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## Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	TDM Plantation Sdn Bhd		
Mill/Estate	MPOB License No.	Expiry Date	
	500042704000 (Sungai Tong POM)	31.03.2021	
	501497502000 (Jaya Estate)	31.03.2021	
	503379102000 (Fikri Estate)	31.08.2021	
	501496702000 (Tayor Estate)	31.03.2021	
	502826702000 (Pelung Estate)	31.03.2021	
	502250102000 (Jerangau Estate)	31.08.2021	
	502606002000 (Pinang Emas Estate)	28.02.2021	
Address	Kilang Kelapa Sawit Sungai Tong, Lot 7663, Batu 23, Jalan Kuala Terengganu-Kota Bharu, 21500 Setiu, Terengganu, Malaysia		
Certification Unit	Sungai Tong Palm Oil Mill & Plantations: Jaya Estate, Fikri Estate, Tayor Estate, Pelung Estate, Jerangau Estate and Pinang Emas Estate		
Contact Person Name	Mohd Izwan Haffez bin Che Azmi		
Website	<a href="http://www.tdmberhad.com.my">www.tdmberhad.com.my</a>	E-mail	<a href="mailto:izwan.tdmp@tdmberhad.com.my">izwan.tdmp@tdmberhad.com.my</a>
Telephone	09-6204 800/ 019-9515 898	Facsimile	09-6204 803

1.2 Certification Information			
Certificate Number	Mill: MSPO 678754 Estate: 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 Estates: Production of Sustainable Oil Palm Fruits		
Standard	MS 2530-3:2013 and MS 2530-4:2013		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	24-25/09/2017		
Continuous Assessment Visit Date (CAV) 1	09-11/12/2018		
Continuous Assessment Visit Date (CAV) 2	23-26/09/2019		
Continuous Assessment Visit Date (CAV) 3	28/09-01/10/2020		
Continuous Assessment Visit Date (CAV) 4	-		
Other Certifications			

Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 595564	RSPO Principles & Criteria: MYNI 2019	BSI Services Malaysia 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	
		Latitude	Longitude
Sungai Tong Palm Oil Mill	Sungai Tong, 21500 Setiu, Terengganu, Malaysia	5° 18' 29.88" N	102° 54' 37.80" E
Jaya Estate	Sungai Tong, 21500 Setiu, Terengganu, Malaysia	5° 21' 15.84" N	102° 53' 30.12" E
Fikri Estate	Sungai Tong, 21500 Setiu, Terengganu, Malaysia	5° 19' 21.00" N	102° 53' 51.36" E
Tayor Estate	Sungai Tong, 21500 Setiu, Terengganu, Malaysia	5° 15' 57.60" N	102° 53' 27.60" E
Pelung Estate	Sungai Tong, 21500 Setiu, Terengganu, Malaysia	5° 16' 55.56" N	102° 49' 59.52" E
Jerangau Estate	Wakil Pos Pelar, 21810 Ajil, Terengganu, Malaysia	4° 57' 39.60" N	103° 9' 46.79" E
Pinang Emas Estate	Bukit Besi, 23000 Dungun, Terengganu, Malaysia	4° 45' 39.96" N	103° 13' 25.68" E

### 1.4 Certified Area

Estates	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Jaya	3,365.50		90.29	3,455.79	97.39
Fikri	3,102.72		608.33	3,711.05	83.61
Tayor	2,124.27	5.00	90.65	2,219.92	95.69
Pelung	1,347.24	305.88	1,364.08	3,017.20	44.65
Jerangau	1,436.57		44.36	1,480.93	97.00
Pinang Emas	2,823.91		1,046.27	3,870.18	72.97
TOTAL	14,200.21	310.88	3,549.86	17,755.07	79.98

### 1.5 Plantings & Cycle

Estates	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		

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Jaya			2,920.72	444.78		3,365.50	-
Fikri	281.08	82.36	973.86	1,277.56	487.86	2,821.64	281.08
Tayor	465.40		10.59	1,648.28		1,658.87	465.40
Pelung	929.80			417.44		417.44	929.80
Jerangau	510.58	479.61		59.72	386.66	925.99	510.58
Pinang Emas	684.73	79.57	565.60	1,458.87	35.14	2,139.18	684.73
Total (ha)	2,871.59	641.54	4,470.77	5,306.65	909.66	11,328.62	2,871.59

**1.6 Certified Tonnage of FFB**

Estates	Tonnage / year		
	Estimated (Dec 2019 - Nov 2020)	Actual (Dec 2019 - Aug 2020)	Forecast (Dec 2020 - Nov 2021)
Jaya	69,800.00	45,562.17	68,900.00
Fikri	45,590.00	30,682.90	39,910.00
Tayor	29,900.00	20,032.50	26,900.00
Pelung	4,100.00	2,982.65	4,360.00
Jerangau	15,000.00	11,718.32	12,400.00
Pinang Emas	3,320.00	2,000.59	4,600.00
Total	167,710.00	112,979.13	157,070.00

**1.7 Uncertified Tonnage of FFB**

Estate	Tonnage / year		
	Estimated (Dec 2019 - Nov 2020)	Actual (Dec 2019 - Aug 2020)	Forecast (Dec 2020 - Nov 2021)
Third parties	NA	19,890.71	NA
Total	NA	19,890.71	NA

**1.8 Certified Tonnage**

Mill Capacity: 60 MT/hr	Estimated (Dec 2019 - Nov 2020)	Actual (Dec 2019 - Aug 2020)	Forecast (Dec 2020 - Nov 2021)
	FFB	FFB	FFB
	167,710.00	112,979.13	157,070.00
SCC Model: MB	CPO (OER: 20.50%)	CPO (OER: 18.92%)	CPO (OER: 19.08%)
	34,380.55	21,380.77	29,970.10
	PK (KER: 5.00%)	PK (KER: 3.79%)	PK (KER: 4.28%)

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	8,385.50	4,280.35	6,730.24
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<b>1.9 Actual Sold Volume (CPO) (Dec 2019 - Aug 2020)</b>				
<b>MSP0 Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
	<b>ISCC</b>	<b>RSPO</b>		
0	0	15,904.91	8,861.19	<sup>1</sup> 24,766.10

Note: <sup>1</sup>The total sold appears to be higher than the production stated in Table 1.8 is due to timing variance of announcement in RSPO PalmTrace.

<b>1.10 Actual Sold Volume (PK) (Dec 2019 - Aug 2020)</b>				
<b>MSP0 Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
	<b>ISCC</b>	<b>RSPO</b>		
0	0	4,332.53	643.42	<sup>1</sup> 4,975.95

Note: <sup>1</sup>The total sold appears to be higher than the production stated in Table 1.8 is due to timing variance of announcement in RSPO PalmTrace.

## Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 190 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 28/09-01/10/2020. The audit programme is included as Section 2.3. The approach to the audit was to treat the TDM Sungai Tong POM an MSPO Certification Unit and its six (Jaya Estate, Fikri Estate, Tayor Estate, Pelung Estate, Jerangau Estate and Pinang Emas Estate) FFB supply bases as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, 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 MSPO Certification Requirement. The sampling of smallholders was 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 MSPO 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.

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.

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

<b>Assessment Program</b>					
<b>Name (Mill / Plantation / Group smallholders)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
Sungai Tong Palm Oil Mill	✓	✓	✓	✓	✓
Jaya Estate	✓		✓		✓
Fikri Estate	✓		✓		✓
Tayor Estate	✓		✓		✓
Pelung Estate		✓		✓	
Jerangau Estate		✓		✓	
Pinang Emas Estate		✓		✓	

**Tentative Date of Next Visit: September 27, 2021 - September 30, 2021**

**Total No. of Mandays: 8**



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**2.1 BSI Assessment Team**

Team Member Names	Role	Qualifications
Valence Shem (VSH)	Team Leader	He holds Bachelor Degree in Industrial Technology, graduated from University of Science Malaysia in 1998 and has 9 years working experience in oil palm plantation industry. He has been in the management system auditing line since 2009 for various standards such as ISO 140001, RSPO P&C, RSPO SCCS, MSPO and SMETA. He completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012, MSPO Awareness Training in 2014 and ISO 45000 Lead Auditor Course in 2019. During assessment, he covered the legal issues, social issues, worker’s welfare and stakeholder consultation. He is able to communicate in Bahasa Malaysia and English.
Hafriazhar Mohd Mokhtar (HMM)	Team Member	Hafriazhar Mohd. Mokhtar 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 500 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia and Thailand. 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 and Gabon. During this assessment, he covers the aspects on legal, mill best practices, good agriculture practice, occupational safety and health. He is fluent in Bahasa Malaysia and English languages.

**2.2 Accompanying Persons**

No.	Name	Role
	NA	

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**2.3 Assessment Plan**

The Assessment plan was sent to the client prior to the assessment.

Date	Time	Subjects	HMM	VSH
Monday 28/9/2020	0830-0900	Opening meeting: <ul style="list-style-type: none"> <li>Opening presentation by audit team leader</li> <li>Confirmation of assessment scope and finalize audit plan (including stakeholder's consultation)</li> </ul>	✓	✓
	0900-1230	<b>Pelung Estate</b> 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, Scheduled wastes management, workers housing, clinic, Landfill, etc.	✓	✓
	1230-1330	Lunch break		
	1330-1630	<b>Pelung Estate</b> Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Tuesday 29/9/2020	0900-1230	<b>Pinang Emas Estate</b> 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, Scheduled wastes management, workers housing, clinic, Landfill, etc.	✓	✓
	1230-1330	Lunch break		
	1330-1630	<b>Pinang Emas Estate</b> Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Wednesday 30/9/2020	0900-1230	<b>Jerangau Estate</b> 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, Scheduled wastes management, workers housing, clinic, Landfill, etc.	✓	✓
	1230-1330	Lunch break		
	1330-1630	<b>Jerangau Estate</b> Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Thursday 1/10/2020	0900-1230	<b>Sungai Tong POM</b> Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders, etc.	✓	✓

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Date	Time	Subjects	HMM	VSH
	1000-1200	Stakeholder consultation	✓	-
	1230-1330	Lunch break		
	1330-1600	<b>Sungai Tong POM</b> Document Review P1 – P6 (MSPO Part 4): SOPs, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation, etc.	✓	✓
	1600-1630	Audit team discussion & preparation for closing meeting	✓	✓
	1630-1700	Closing meeting	✓	✓

## Section 3: Assessment Findings

### 3.1 Details of audit results

This assessment has been assessed using the following MSPO 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 Certification Assessment there were zero (0) Major, one (1) Minor nonconformities and four (4) OFI raised. The Sungai Tong POM Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Minor Nonconformities:		
Ref: 1953934-202009-N1	Area/Process: Pelung Estate	Clause: MS 2530:2013 Part-3, 4.4.5.3
	Issue Date: 01/10/2020	Due Date: Next assessment visit
Requirements:	Management shall ensure that employees' pay, and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	
Statement of Nonconformity:	The evidence that shows the employment contract agreement conditions are met was not adequately demonstrated.	
Objective Evidence:	Based on employment contract, workers shall be provided with 35 gallon/person/day of water. However, at Pelung Estate, there was no evidence to show that this condition is adhered to.	
Corrections:	Previously for the year 2018, the workers live in ' <i>rumah kongsi</i> ' which situated inside the field and the water supply comes from natural resources, thus there is no water deduction. However, after the workers quarters is completed, the workers then transferred to new housing and the water deduction is being made since the water supplied by SATU. Water deduction has been made to the workers without referring to legal requirement.	
Root cause analysis:	Water subsidy has been provided to the workers started from September 2020. The workers will receive their water subsidy money from previous deduction by October 2020.  Water subsidy will be given to the workers at RM2.10 person/ month equivalent to 35 gallons/person/day.	

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Corrective Actions:	In this case, the water deduction has been made without referring to housing requirement and operation/ HR department what is the value of water subsidy. TDMP will prepare standardized water subsidy and distributed to all estates and mills, to prevent recurrence this matter in future.
Assessment Conclusion:	The correction and corrective action are accepted. The evidence of implementation shall be carried out in the next assessment.

Opportunity for Improvement		
<b>Ref:</b> 1953934-202009-I1	<b>Area/Process:</b> Jerangau Estate	<b>Clause:</b> MS 2530:2013 Part-3, 4.5.3.2
Objective Evidence:	Identification and monitoring of waste sources and pollution by Jerangau Estate based on operational activities could be further enhanced	

Opportunity for Improvement		
<b>Ref:</b> 1953934-202009-I2	<b>Area/Process:</b> Pelung Estate	<b>Clause:</b> MS 2530:2013 Part-3, 4.5.6.3
Objective Evidence:	Management plan established for HCV set-aside in Pelung Estate based on recommendation from assessor could be further enhanced.	

Opportunity for Improvement		
<b>Ref:</b> 1953934-202009-I3	<b>Area/Process:</b> Estates	<b>Clause:</b> MS 2530:2013 Part-3, 4.6.4.1
Objective Evidence:	The monitoring of load of FFB Transporters against the load limit stipulated in Land Public Transport Commission (SPAD) permit can be further improved.	

Opportunity for Improvement		
<b>Ref:</b> 1953934-202009-I4	<b>Area/Process:</b> Mill	<b>Clause:</b> MS 2530:2013 Part-4, 4.5.3.2
Objective Evidence:	Efficiency and recycling of potential by-products by Sungai Tong Palm Oil Mill based on generation of shredded EFB fibers, decanter cake and boiler ash could be further enhanced.	

Noteworthy Positive Comments	
1	Good cooperation by management team/staff/sustainability team
2	Good documentation upkeep and retrieval
3	Good housekeeping at working places e.g. workshop, storage, mill operation areas, etc.

**3.3 Status of Nonconformities Previously Identified and OFI**

Major Nonconformities:		
Ref: 1821642-201909-M1	Area/Process: Plantation	Clause: MS 2530:2013 Part-3, 4.3.1.1
	Issue Date: 26/12/2019	Due Date: 25/03/2020
Requirements:	All operations are in compliance with the applicable local, state, national and ratified International laws and regulations.	
Statement of Nonconformity:	The compliance for legal requirement is not effectively demonstrated.	
Objective Evidence:	<ol style="list-style-type: none"> <li>1. In Fikri Estate, the JTK Permit for salary deduction is not available.</li> <li>2. Employment Act 1955:               <ol style="list-style-type: none"> <li>a) Jaya Estate, the wages for Md Rafikul Islam on April 2019 was paid for 24 working days instead of his actual 25 working days.</li> <li>b) Tayor Estate, the tools allowance for Roni Harianto was paid RM 19.47 instead of RM 21.23.</li> <li>c) Fikri Estate, the tools allowance was paid for Mohammad Habil Miah RM 28.56 instead of RM 29.32 for June 2019 and RM 7.74 instead of RM 7.83 for Apr 2019.</li> </ol> </li> <li>3. Minimum Wages Order 2018:               <ol style="list-style-type: none"> <li>a) Tayor Estate: Public Holiday was paid less than minimum wages for Roni Harianto (RM 8.46/day in Apr 2019) and Sudi (RM 37.56/day in Aug 2019).</li> <li>b) Fikri Estate: Public Holiday was paid less than minimum wages for Sudi (RM 41.27/day in Apr 2019, RM 41.38/day for Aug 2019) and Norsuziayu (RM29.89/day for Aug 2019).</li> <li>c) Jaya Estate: Public Holiday was paid less than minimum wages for Omi Saputra (RM 37.39/day for Aug 2019).</li> </ol> </li> <li>4. Workers' Minimum Standards of Housing and Amenities Act 1990:               <ol style="list-style-type: none"> <li>a) Jaya Estate: it was found that in Bangladesh workers house (K04B 21002) and Indonesian workers house (K04B 15002 and K04B 15001) have blocked drain.</li> <li>b) Tayor Estate: it was found that in Bangladesh workers house (K06B16103) have blocked drain.</li> </ol> </li> </ol>	
Corrections:	<ol style="list-style-type: none"> <li>1. Estate management has requested the copy of the approval letter from JTK Besut/ Setiu.</li> <li>2. Employment Act 1955:               <ol style="list-style-type: none"> <li>a) For another day's payoff has been made to Md Rafikul Islam on 25th September 2019.</li> <li>b) A meeting has been conducted on 7th October 2019 with HR department representative to inform about the system error.</li> </ol> </li> <li>3. Minimum Wages Order 2018:               <ol style="list-style-type: none"> <li>a) Additional payment has been made on 5th October 2019 through "Baucer Wang Runcit".</li> <li>b) Additional payment will be made on October 2019 salaries.</li> </ol> </li> <li>4. To clean the blocked drain immediately.</li> </ol>	
Root cause analysis:	1. Estate have submitted application to JTK Besut/ Setiu in year 2017 and has been approved. However, during the auditing process, estate management unable to produce the approval letter to auditors.	

	<p>2. Employment Act 1955:</p> <ul style="list-style-type: none"> <li>a) There is error in plant-ware system. The system supposed to capture 25 working days which already key-in by the payroll officer. The system however only captured for 24 working days for Md Rafikul Islam on April 2019. Suspected there was a power shortage or internet connection problem when keying in the data.</li> <li>b) Tool allowance was paid according to the tonnage of the month multiplied by RM0.60.</li> <li>c) For Fikri and Tayor Estate, the actual tool allowance payment to the respective workers are correct. However, when the auditor asked for payslip and reprinted for the current month from plant-ware system, the tonnage automatically increased by the system, thus affecting the calculation of the tools allowance. This is due to plant-ware system error.</li> </ul> <p>3. Wrong calculation is due to check roll Plant-ware system error.</p> <p>4. Minimum Wage Order 20198:</p> <ul style="list-style-type: none"> <li>a) The clogged drain is due to a pile of wood after storm incident.</li> <li>b) Drainage checking are not included in existing line-site inspection checklist and no report of blocked drain has been made. The estate also experienced heavy rain on 24/9/2019.</li> </ul>
<p>Corrective Actions:</p>	<ul style="list-style-type: none"> <li>1. Estate will improve the current available checklist of all relevant document/certificates and its permit expiry.</li> <li>2. Superior/ field officer to ensure the plant-ware system and check roll recorded is in line with the attendance, OT, etc., before the pay-out is made by manually double checking the data.</li> <li>3. TDMP HQ will produce a memo to remind all CC against reprinting worker's payslip during an audit session to prevent the same issue from happening again.</li> <li>4. Public holidays will be pay based on MAPA/NUPW daily rate RM42.31 to all estate workers. TDMP HQ will produce a memo regarding this issue.</li> <li>5. To assign permanent employee to perform drainage maintenance at line site.</li> <li>6. To conduct weekly checking. Using the new line-site inspection which has included checking on drainage.</li> <li>7. New line-site inspection checklist has included drainage inspection in weekly line-site inspection.</li> </ul>
<p>Assessment Conclusion:</p>	<p>Audit team have reviewed the evidence submitted on 24/12/2019 and the major NC is satisfactorily closed on 24/12/2019. Continuous implementation of corrective action taken will be further verified in the next assessment visit.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> <li>1. JTK Permit: Potongan Upah di Bawah Seksyen 24 Akta Kerja 1955 dated 22/10/2017 for Ladang Fikri for Simpanan Tabung Haji, Bil Air &amp; Elektrik, Yuran Kesatuan Sekerja, Yuran Koperasi Ladang Sungai Tong, Yuran JKK (Perkampungan).</li> <li>2. "Baucer Wang Runcit" dated 25/09/2019 &amp; Akuan Penerimaan to Mohammad Rafikul Islam for RM 42.31.</li> <li>3. "Baucer Wang Runcit" dated 5/10/2019 to Supardifor RM 42.31.</li> <li>4. Drainage cleaning status.</li> <li>5. Meeting with HR for MSPO.RSPO finding on 07/10/2019.</li> <li>6. "Baucer Wang Runcit" dated 05/10/2019 for RM 48.16 to Roni Harianto.</li> <li>7. "Baucer Wang Runcit" dated 09/10/2019 for RM 48.16 to Supardi.</li> <li>8. Appointment letter of person in charge for linesite inspection on 30/12/2017 to Mr Suhaimi Bin Jusoh (HA).</li> <li>9. Revised legal checklist includes JTK permit monitoring of expiry dates.</li> </ul>

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	<p>10. Memo titled "Kewajiban Untuk Menyemak Checkroll &amp; Payslip Sebelum Penutupan Akaun Pada Setiap Bulan" dated 08/12/2019 tp all clerks and chief clerk from Manager of Jaya Estate</p> <p>11. Memorandum from TDMP Headquarters on the public holiday payment ro all estate &amp; mill manager dated 06/11/2019.</p> <p>12. Revised linesite inspection checklist includes draignage conditions for Jaya Estate &amp; Tayor Estate.</p>
ASA3 Verification	There has been no recurrence of non-conformity. Thus, the NCR remains closed.

Major Nonconformities:		
<b>Ref:</b> 1821642-201909-M2	<b>Area/Process:</b> Mill	<b>Clause:</b> MS 2530:2013 Part-3, 4.3.1.1
	<b>Issue Date:</b> 26/12/2019	<b>Due Date:</b> 25/03/2020
Requirements:	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	
Statement of Nonconformity:	The compliance for legal requirement is not effectively demonstrated.	
Objective Evidence:	<p>1. In Sungai Tong Palm Oil Mill, Azhar bin Mansor has been hired as contract workers for 3 months since 1 November 2017 continuously until now but didn't has the EPF contribution at all. This is not complying with the EMPLOYEES PROVIDENT FUND ACT 1991.</p> <p>2. In Sungai Tong Palm Oil Mill, the wages pay for Fatimah Osman on Jun 2019 was paid for 20 working days instead of his actual 21 working days. This is not complying with the Employment Act 1955.</p>	
Corrections:	<p>1. EPF contribution has been made for both employees (RM2,079.00) and employer (RM2,456.00) on 7th October 2019.</p> <p>2. Another one working day has been added in affected worker salary for the Month of October 2019.</p>	
Root cause analysis:	<p>1. For contract workers, only SOCSO contribution are being made, considering of accidents before or after work. However, no EPF contribution were made until they get their confirmation as permanent worker.</p> <p>2. There is human error during data key-in in Mill-ware System.</p>	
Corrective Actions:	<p>1. EPF contribution will be made even though the hired worker is contract worker. The implementation of EPF contribution to the contract worker will be stated in his/her offer letter.</p> <p>2. Supervisor to double check the workers' payslip (no of working days, OT, shift allowance, etc.) before account closing to ensure the wages paid align with the check-roll and attendance.</p>	
Assessment Conclusion:	<p>Audit team have reviewed the evidence submitted on 24/12/2019 and the major NC is satisfactorily closed on 24/12/2019. Continuous implementation of corrective action taken will be further verified in the next assessment visit.</p> <p>Evidence reviewed:</p> <p>1. The EPF pay in arrears (Borang A) for Azhar Bin Mansor) amounted RM 2456 (employer) and RM 2079 (employee).</p> <p>2. Payment voucher of RM 42.31 to Fatimah Binti Mansor June 2019.</p> <p>3. Memorandum from Mill Manager to HR clerk dated 29/09/19 on the need for EPF contribution for contract worker, temporary or casual worker as well as probation worker hired as per EPF Act 1991.</p>	



	<p>4. Example of new offer letter (Normawarni Binti Omar) dated 28/10/2019 for probationa period of 3 months will immediately eligible to have EPF contribution from employer.</p> <p>5. Memorandum from Mill Manager to all clerks and chief clerk titled "Kewajiban Untuk Menyemak Checkroll &amp; Payslip Sebelum Penutupan Akaun Pada Setiap Bulan" dated 15/10/2019.</p>
ASA3 Verification	There has been no recurrence of non-conformity. Thus, the NCR remains closed.

Major Nonconformities:		
Ref: 1821642-201909-M3	Area/Process: Mill	Clause: MS 2530:2013 Part-4, 4.5.3.3
	Issue Date: 26/12/2019	Due Date: 25/03/2020
Requirements:	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.	
Statement of Nonconformity:	Handling of used chemicals was not effectively implemented.	
Objective Evidence:	Sighted traced of oil spills/residues evident on the grounds in the surrounding areas of the workshop.	
Corrections:	The traces of oil spills/ residues have been removed immediately.	
Root cause analysis:	The oil spill has been removed. However, the traces of oil still there. The oil came from a gearbox that had been placed at undesignated area and caused pollution in the surrounding area.	
Corrective Actions:	To allocate specific area for gearbox or any oil contained equipment for maintenance purposes.	
Assessment Conclusion:	Audit team have reviewed the evidence submitted on 24/12/2019 and the major NC is satisfactorily closed on 24/12/2019. Continuous implementation of corrective action taken will be further verified in the next assessment visit. Evidence reviewed: The current status is work in progress for gearbox area or any oil contained for maintenance purpose.	
ASA3 Verification	There has been no recurrence of non-conformity. Thus, the NCR remains closed.	

Major Nonconformities:		
Ref: 1821642-201909-M4	Area/Process: Estates	Clause: MS 2530:2013 Part-3, 4.5.3.3
	Issue Date: 26/12/2019	Due Date: 25/03/2020
Requirements:	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.	
Statement of Nonconformity:	Handling of used chemicals was not effectively implemented.	
Objective Evidence:	Oil trap (workshop) was not effectively maintained at both Jaya and Fikri estates.	

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Corrections:	The spillages/ oil stain has been cleaned. The oil trap will be fenced properly and to carry out training to the dedicated workers who is responsible to do collection.
Root cause analysis:	Spillages/ oil stain at the trap because of wrong handling during collection time. Lack of monitoring which caused the oil trap was not effectively maintained.
Corrective Actions:	<ol style="list-style-type: none"> <li>1. Estate Management has improvised the SOP for handling schedule waste at the oil trap.</li> <li>2. To conduct checking at oil trap at least once a month.</li> </ol>
Assessment Conclusion:	<p>Audit team have reviewed the evidence submitted on 24/12/2019 and the major NC is satisfactorily closed on 24/12/2019. Continuous implementation of corrective action taken will be further verified in the next assessment visit.</p> <p>Evidence reviewed:</p> <ol style="list-style-type: none"> <li>1. SOP for Pengumpulan Minyak Kotor Daripada Oil Trap.</li> <li>2. Checklist titled "Monthly oil trap inspection for November 2019".</li> <li>3. Checklist been used on 07/11/2019 &amp; 12/12/2019 by Fikri Estate, 11/11/2019 &amp; 15/12/2019 by Jaya Estate.</li> <li>4. Fencing for oil/filter area at Jaya Estate.</li> <li>5. Latihan dan Penerangan Tentatng Barang Yang Trjadual/Oil Trap management on 22/09/2019 from Assistant Manager to 11 workers in Jaya Estate and 24/12/2019 attended by 19 workers in Fikri Estate.</li> </ol>
ASA3 Verification	There has been no recurrence of non-conformity. Thus, the NCR remains closed.



**3.4 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
1530255-201709-M1	Major	25/09/2017	Closed on 28/11/2017
1530255-201709-M2	Major	25/09/2017	Closed on 28/11/2017
1530255-201709-M3	Major	25/09/2017	Closed on 28/11/2017
1530255-201709-M4	Major	25/09/2017	Closed on 28/11/2017
1530255-201709-M5	Major	25/09/2017	Closed on 28/11/2017
1530255-201709-M6	Major	25/09/2017	Closed on 28/11/2017
1530255-201709-M7	Major	25/09/2017	Closed on 28/11/2017
1530255-201709-N1	Minor	25/09/2017	Closed on 11/12/2018
1530255-201709-N2	Minor	25/09/2017	Closed on 11/12/2018
1530255-201709-N3	Minor	25/09/2017	Closed on 11/12/2018
1720560-201812-M1	Major	11/12/2018	Closed on 10/03/2019
1821642-201909-M1	Major	26/09/2019	Closed on 24/12/2019
1821642-201909-M2	Major	26/09/2019	Closed on 24/12/2019
1821642-201909-M3	Major	26/09/2019	Closed on 24/12/2019
1821642-201909-M4	Major	26/09/2019	Closed on 24/12/2019
1953934-202009-N1	Minor	01/10/2020	Open

**3.5 Issues Raised by Stakeholders**

IS #	Description
1	<p><b>Feedback:</b>  <u>Government agencies (JTK and Immigration Department)</u>            The departments have been invited and attended the stakeholders meeting with the certification unit and had been explained about the MSPO requirements. There has been no complaint lodged against the certification unit so far and the relationship between the departments has been good.</p> <p><b>Management Responses:</b>            No further action.</p> <p><b>Audit Team Findings:</b>            No further action.</p>
2	<p><b>Feedback:</b>  <u>Contractors and vendors</u>            They have been invited and attended the stakeholders meeting with the certification unit and had been explained about the MSPO requirements. Business relationship between them and the certification unit has been good. Satisfied with the due diligence process, pricing mechanism and payments. They also aware of the complaint mechanism and TDM’s business ethics.</p> <p><b>Management Responses:</b>            No further action.</p> <p><b>Audit Team Findings:</b>            No further action.</p>
3	<p><b>Feedback:</b>  <u>Surrounding communities</u>            They have been invited and attended the stakeholders meeting with the certification unit and had been explained about the MSPO requirements. Relationship between them and the certification unit has been good. Aware of the complaint mechanism. So far, the operations of the estates and mill do not affect their livelihood or activities. Contributions and support from the certification units for local development are much appreciated.</p> <p><b>Management Responses:</b>            No further action.</p> <p><b>Audit Team Findings:</b>            No further action.</p>

**Section 4: Assessment Conclusion and Recommendation**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment, TDM Plantation Berhad-Sungai Tong POM Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of TDM Plantation Berhad-Sungai Tong POM Certification Unit Certification Unit is approved and/or continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> HAJI SHAHBUDIN BIN USOP	<b>Name:</b> Valence Shem
<b>Company name:</b> TDM PLANTATION SDN. BHD.	<b>Company name:</b> BSI Services Malaysia Sdn Bhd
<b>Title:</b> MILL MANAGER	<b>Title:</b> Lead Auditor
<b>Signature:</b>  HAJI SHAHBUDIN BIN USOP PENGURUS KILANG SAWIT SUNGAI TONG SETIU, TERENGGANU	<b>Signature:</b> 
<b>Date:</b> 25.03.2021	<b>Date:</b> 25/03/2021

**Appendix A: 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
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	TDM Plantation Sdn Bhd (hereinafter referred as TDM) has established its MSPO policy which was signed by the Chief Executive Officer (Hj Mohd Ghozali Bin Yahaya) dated 1/7/2020.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. <b>- Major compliance -</b>	The established policy has emphasized on the adherence to the following key principles i) Management Commitment and Responsibility ii) Transparency iii) Compliance to Legal Requirements iv) Social Responsibility, Health, Safety and Employment Condition v) Environment, Natural Resources, Biodiversity and Ecosystem Services. vi) Best Practices vii) Development of New Plantings	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	Internal audits were conducted as per plans (ref.: e-mail dated 4/9/2020 from the Compliance Executive) i.e. 9/9/2020 (Pelung), 7/9/2020 (Pinang Emas) and 8/9/2020 (Jerangau). The objective of the internal audit is to determine the strong and weak points and	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	potential area for further improvement as mentioned in its MSPO Internal Audit SOP.	
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 implement the necessary corrective action.  - <b>Major compliance</b> -	Ref.: MSPO Internal Audit Standard Operating Procedure [TDMP/01, rev. TDMP-01/2017]. There were several NCRs raised as a result of the audits. The estates have submitted their corrective actions and currently in the process of closing out by the internal auditors.	Complied
4.1.2.3	Report shall be made available to the management for their review.  - <b>Major compliance</b> -	Internal Audit report was available for verification and it was taken into consideration as part of the management review meeting agendas.	Complied
<b>Criterion 4.1.3 – Management Review</b>			
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.  - <b>Major compliance</b> -	Management Review meeting for year 2020 has been incorporated with the operational meeting at the complex (certification unit) level. Last MR meeting was conducted on 22/9/2019 to review the performance of Jan-Dec 2018. This has been covered in the last BSI's MSPO audit. Next MRM is expected to be conducted at the end of October 2020 where the status of non-conformity raised in the internal audit will be covered.	Complied
<b>Criterion 4.1.4 – Continual Improvement</b>			
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.  - <b>Major compliance</b> -	Continuous improvement plan for year 2020 has been established by all the visited estates. The plans were focusing on mitigation of social and environmental impacts. Among the plans established were:  - Water harvesting - Minimizing soil erosion through correct frond stacking	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Road maintenance</li> <li>- Organizing recreational activities &amp; sport events with workers</li> <li>- Contribution to stakeholders</li> <li>- Various trainings</li> <li>- Motivational activities</li> <li>- Wastes management</li> <li>- Integrated pest management</li> </ul>	
<b>4.1.4.2</b>	<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><b>- Major compliance -</b></p>	The new information and techniques or new industry standards and technology was normally obtained through field visits and trainings by suppliers and Mechanisation Manager at HQ level.	Complied
<b>4.1.4.3</b>	<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><b>- Major compliance -</b></p>	Should there be any new techniques or new industry standard or technology, training will be provided to all the relevant employees to ensure effective implementation.	Complied
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	<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>	All the visited estates maintained their records of request and response, land titles, OSH plans, etc. related to environmental and social issues, plans for pollution prevention, complaints and grievances records that were made available upon request.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	disclosure that could result in negative environmental or social outcomes. <b>- Major compliance -</b>		
<b>4.2.1.2</b>	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. <b>- Major compliance -</b>	The information regarding sustainability and the company is available in website <a href="https://sustainability.tdemberhad.com.my/">https://sustainability.tdemberhad.com.my/</a> and publicly available in each estate. The policies were also publicly displayed at the office notice board.	Complied
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	TDM has developed a Communication Procedure for POM/Estates and Flowchart to Handle Social Issue. Maximum of 28 working days shall be taken to resolve issues. All internal and external stakeholders had been briefed on this procedure.	Complied
<b>4.2.2.2</b>	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. <b>- Minor compliance -</b>	The Estate Managers were appointed as the management officials to be responsible in handling issues related to indicator 4.2.2.1.	Complied
<b>4.2.2.3</b>	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. <b>- Major compliance -</b>	Stakeholder list was developed where all the affected stakeholders were included in the list such as government authorities, local communities, contractors and supplier, neighbouring schools, etc. for the sampled 3 estates.  Latest Stakeholder Meeting dated 13/8/2020 was conducted at Akademi TDM for the entire Sg. Tong Complex with the participation of internal and external stakeholders. Verified the minutes of meeting and attendance list. No issue was raised from the meeting.	Complied



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Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). <b>- Major compliance -</b>	SOP on the traceability of the FFB has established and describe in the TDM Plantation Sdn. Bhd. MSPO Standard Operating Procedure dated 01/8/2017. Assistant Manager is responsible, and the records were kept by the management.	Complied
<b>4.2.3.2</b>	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	Estate supervisor will verify the records related to the traceability of FFB. Harvesting records for all the sampled estates were available for verification.	Complied
<b>4.2.3.3</b>	The management should identify and assign suitable employees to implement and maintain the traceability system. <b>- Minor compliance -</b>	As mentioned in the procedure, the appointed Traceability Person in Charge (TPIC) were the assistant managers, e.g. appointment letter dated 1/3/2019 for Jerangau Estate.	Complied
<b>4.2.3.4</b>	Records of sales, delivery or transportation of FFB shall be maintained. <b>- Major compliance -</b>	Records of sales and delivery/transportation of FFB were maintained and updated on daily basis as part of estate production report.	Complied
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. <b>- Major compliance -</b>	All operations generally found to be in compliance with applicable local, state and national regulations based on permits and license available as per samples sighted in Pelung Estate as following:	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>- MPOB license # 502826702000; License activity: Menjual dan Mengalih FFB #; License validity: 1/4/2020 – 31/3/2021; Lot PT 7218; Area: 1,238.81 ha</li> <li>- MPOB license # 613577111000; License activity: Menghasilkan, Menjual dan Mengalih, Menyimpan SLGBIJI #; License validity: 1/4/2020 – 31/3/2021</li> <li>- Perakuan Kelayakan Pengandung Tekanan Tak Berapi; Reg. # TG PMT 5152; Validity: 27/5/2020 – 26/8/2021</li> <li>- Permit Khas Barang Kawalan Berjadual - Petrol; Serial # T001706; Ref. # B.PGK.KT.003/1/14(343); Quantity: 100 liters/day</li> <li>- Permit Khas Barang Kawalan Berjadual - Diesel; Serial # T001008; Ref. # KPDNKK.BST.800-1/10/14(SK/D); Quantity: 8190 liters/day</li> </ul> <p>Sample permit and license in Pinang Emas Estate as following:</p> <ul style="list-style-type: none"> <li>- MPOB license # 502606002000; License activity: Menjual dan Mengalih FFB #; License validity: 1/3/2020 – 28/2/2021; Lot PT1140, PT1143, PT1144, PT1145, PT140, PT141; Area: 3,870.18 ha</li> <li>- Perakuan Kelayakan Pengandung Tekanan Tak Berapi; Reg. # TG PMT 5152; Validity: 27/5/2020 – 26/8/2021</li> <li>- Permit Barang Kawalan Berjadual – Petrol RON95; Serial # T001136; Ref. # B.PGK/DGN/01/014(156); Quantity: 150 litres; Validity period: 23/9/2020 – 22/3/2021</li> </ul>	

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Permit Barang Kawalan Berjadual – Diesel (Euro 2M); Serial # T000019; Ref. # TR/DGN/11/08 (SKD); Quantity: 10,000 litres; Validity period: 10/10/2019 – 9/10/2020</li> <li>- Perakuan Kelayakan Pengandung Tekanan Tak Berapi; Reg. # TG PMT 4819; Validity: 19/3/2019 – 18/6/2020 – Latest Inspection visit date: 24/8/2020; Invoice bill # TG/BIL/20/6571; Date: 25/8/2020</li> </ul> <p>Sample permit and license in Pinang Emas Estate as following:</p> <ul style="list-style-type: none"> <li>- MPOB license # 502250102000; License activity: Menjual dan Mengalih FFB #; License validity: 1/9/2020 – 31/8/2021; Lot 37 &amp; 204; Area: 1,480.94 ha</li> <li>- Perakuan Kelayakan Pengandung Tekanan Tak Berapi; Reg. # TG PMT 7793; Validity: 17/3/2020 – 16/6/2021</li> </ul>	
<b>4.3.1.2</b>	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p>	Relevant laws related to the operations of estates within Sg. Tong POM complex were listed in the Legal and Other Requirements Register updated on March 2020 as prepared by Sustainability & Compliance Officer.	Complied
<b>4.3.1.3</b>	<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><b>- Major compliance -</b></p>	The updated Legal and Other Requirements Register for estates within Sg. Tong POM complex has been included with newly amended regulations including the Occupational Safety and Health (Noise Exposure) Regulations 2019.	Complied
<b>4.3.1.4</b>	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p><b>- Minor compliance -</b></p>	The management assigned Pn. Norwati Mamat as the person responsible to monitor compliance and to track update the changes in regulatory requirements of the estates within Sg. Tong POM complex as per letter of appointment ref. # KL.KKS/3/10.07 dated 1/1/2017 with the assistance by each estates' executives.	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	TDM is having the legal land titles and there is no evidence that the oil palm cultivation activities diminish land use rights of other users.	Complied
<b>4.3.2.2</b>	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. <b>- Major compliance -</b>	The management ensures that their oil palm cultivation activities do not diminish the land use rights of other users by having the land titles in place. E.g.: <ul style="list-style-type: none"> <li>- Pelung Estate has 2 land titles with a total area of 3,017.20 Ha</li> <li>- Pinang Emas Estate has 6 land titles with a total area of 7,745.19 Ha, but 3,875 Ha is used by Gajah Mati Estate</li> <li>- Jerangau Estate has 4 land titles with a total area of 1,481.05 Ha. The ownership of all the 4 titles is under Perbadanan Memajukan Iktisan Negeri Terengganu. The Lease Agreement dated 7/2/2018 between Perbadanan Memajukan Iktisad Negeri Terengganu and Kumpulan Ladang-ladang Terengganu Sdn Bhd was made available for verification.</li> </ul> The estates have planted the lands with oil palm which is in line with the conditions stipulated in the land titles.	Complied
<b>4.3.2.3</b>	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	Based on site visit of the estates' boundaries with third parties' lands, among the method of demarcation are metal pegging (painted with blue & white), perimeter trench and electrical fencing.	Complied

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<b>4.3.2.4</b>	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). <b>- Minor compliance -</b>	There was no land dispute at all the visited estates.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. <b>- Major compliance -</b>	NA. There was no land encumbered by customary rights.	NA
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. <b>- Minor compliance -</b>	NA. There was no land encumbered by customary rights.	NA
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. <b>- Major compliance -</b>	NA. There was no land encumbered by customary rights.	NA
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
<b>4.4.1.1</b>	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. <b>- Minor compliance -</b>	Initial Social Impact Assessment (SIA) Kompleks Sungai Tong; Report dated May 2012 by SRA Consultancy. Based on this initial assessment, action plan was established on annual basis by all the sampled estates as evident in Action Plan Revision 2020/2021. Some examples of area	Complied

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		of concerns were housing and infrastructure not meeting legal requirement, poor waste dumpsite, etc.	
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented. <b>- Major compliance -</b>	A system for dealing with complaints and grievances were established and documented in a Flowchart on Handling Social Issue and Complaint/Grievance Procedure. Any issue raised by stakeholders will be discussed within 2 weeks for the first meeting and issues to be resolved within 28 working days.	Complied
<b>4.4.2.2</b>	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. <b>- Major compliance -</b>	Based on the records of complaints at the sampled 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
<b>4.4.2.3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. <b>- Minor compliance -</b>	Complaint Logbook for Line site Repair and Complaint/ Request form was established and implemented. There has been no complaint or grievance received from external stakeholders since the last assessment.	Complied
<b>4.4.2.4</b>	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. <b>- Minor compliance -</b>	Interview with internal and external stakeholders during stakeholder consultation found that they were aware of the complaint procedure and they had been briefed by the management during stakeholder meeting.	Complied
<b>4.4.2.5</b>	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. <b>- Major compliance -</b>	The complaint logbook/ complaint files that recorded complaints and solutions for the past 24 months were well maintained and available to affected stakeholders upon request.	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development			
<b>4.4.3.1</b>	<p>Growers should contribute to local development in consultation with the local communities.</p> <p><b>- Minor compliance -</b></p>	<p>Among the contributions delivered by the estates since the last audit were:</p> <ul style="list-style-type: none"> <li>- Providing facilities such as transport for school's various events</li> <li>- Monetary donations to school's various events</li> </ul>	Complied
<b>Criterion 4.4.4:</b> Employees safety and health			
<b>4.4.4.1</b>	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>A documented Occupational Safety and Health Policy; Approved by Haji Mohd. Ghozali Bin Yahaya; CEO of TDM Plantation Sdn. Bhd.; Dated 1/7/2020 and OSH Plan 2020 found in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) has been communicated and implemented mainly during muster ground assembly sessions conducted daily by the estate management with all employees.</p>	Complied
<b>4.4.4.2</b>	<p>The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risks of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:               <ul style="list-style-type: none"> <li>i. all employees involved shall be adequately trained on safe working practices</li> <li>ii. all precautions attached to products shall be properly observed and applied</li> </ul> </li> </ul>	<p>The OSH Plan 2020 covered amongst all the following:</p> <ul style="list-style-type: none"> <li>- Sample communications of policies conducted during weekly workers assembly on Sundays and during safety committee meeting session 2019/2020 conducted on 23/12/2019, 22/6/2020 and 13/9/2020. One meeting planned on March 2020 was unable to be conducted due to MCO.</li> <li>- Risks of all operations assessed and documented as per HIRARC register with latest revision dated 1/9/2020 for visitor entering mill with risk of COVID-19 spreading</li> <li>- Workers exposed to chemicals were trained based on the Chemical Health Risks Assessments (CHRA). Latest Chemical Health Risk Assessment Report; Pelung Estate; DOSH Reg. # TG 0404255; Report ref. # HQ/08/ASS/00/259-2019/009; Date of assessment</li> </ul>	Complied

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<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 and 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 must 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 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.</p> <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 should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p>	<p>25/11/2019; by MS Inttech Sdn. Bhd.; Assessor: Muhamad Khairul Najib Bin Ahmad; Hygiene reg. # HQ/08/ASS/00/29</p> <p>i. Sample of latest training sighted on chemical handling for sprayers i.e. Chemical Hazard Towards Health conducted on 26/5/2020 and Rat Baiting Handling Care dated on 5/9/2020</p> <p>ii. Precautions taken including monitoring of chemical exposure level among workers whom handle chemicals as per recommendation of CHRA assessor. There was also a DOSH Terengganu Inspection visit conducted at Pelung Estate on 29/5/2020. Precautions taken in other visited estates are as following:</p> <p>Pinang Emas Estate:</p> <ul style="list-style-type: none"> <li>- Occupational Medical Surveillance Programme USECHH 1; Date 30/1/2020; Total employee: 27</li> <li>- Chemical Health Risk Assessment Report; Ref. # JKPP HQ/10/ASS/00/8 2019/145; Assessor: Dr. Yasriza Bin Yahaya; DOSH Reg. # JKPP HQ/10/ASS/00/8; Date of assessment: 18/6/2019 by Occumed Consultancy &amp; Service Sdn. Bhd.</li> <li>- Accident Employee ID # AT911647; Date: 5/1/2020</li> <li>- HIRARC Rev. date: 15/1/2020</li> <li>- JKPP 6 date: 10/1/2020</li> <li>- DOSH visit book; TGLS/PL/0403; latest visit date: 2/9/2020</li> <li>- JKPP 8 2019 Ref. # JKPP 8/52589/2019; Date of submit: 21/1/2020; Calendar year: 2019; Industry classification: 01117; Industry size: B; Lost time accident 2019: 56; Total manhours 2019: 535,200.00</li> </ul> <p>Jerangau Estate:</p>	



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<p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<ul style="list-style-type: none"> <li>- Occupational Medical Surveillance Programme USECHH 1; Date 12-13/9/2020; Total employee: 16</li> <li>- Chemical Health Risk Assessment Report; Ref. # JKPP HIE 127/171/2(8)-2017/019; Assessor: Dr. Yasriza Bin Yahaya; DOSH Reg. # JKPP HIE/127/171/2(8); Date of assessment: 14/6/2017 by Occumed Consultancy &amp; Service Sdn. Bhd.</li> <li>- Appropriate PPE were used by the workers where the management provide appropriate PPE to the workers based on the job type. The PPE given as per HIRARC and Standard Operating Procedure. PPE issuance was recorded in '<i>Borang Penyerahan Peralatan kerja dan Pengambilan Barang</i>' PPE by individual basis.</li> <li>- SOP in all operations including handling of chemicals has been established in estates within Sg. Tong POM complex to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</li> <li>- Responsible persons for workers' safety and health were appointed as per Safety Committee Members whom consist of representatives of both management and employee side.</li> <li>- Regular two-way communications were often done via daily muster briefing and during safety committee meetings. For session 2019/2020, meetings were conducted on 23/12/2019, 22/6/2020 and 13/9/2020. One meeting planned on March 2020 was unable to be conducted due to MCO.</li> <li>- Accident and emergency procedures available with emergency drill been conducted on periodical basis. Fire drill was last conducted by</li> </ul>	

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		<p>estates with BOMBA on 16/7/2018 to all workers, staff and management at Sg. Tong POM.</p> <ul style="list-style-type: none"> <li>- First aid boxes were available at field kept by mandora of each gang. 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 for all first aider in all estates</li> <li>- Records of all accidents are kept. Accident incidences are reviewed during the safety meetings. Records of Lost Time Accident (LTA) metrics was maintained and based on JKPP 6, 7 &amp; 8. JKPP 8 for estates within Sg. Tong POM complex was submitted to DOSH on 24/1/20120.</li> </ul>	
<b>Criterion 4.4.5: Employment conditions</b>			
<b>4.4.5.1</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>TDM Plantation Sdn Bhd has developed Human Rights Policy dated 1/7/2020 and Social Policy dated 1/7/2020 which were signed by their CEO. Workers were briefed about the policy and records of briefing were available at all the sampled estates. The policies were also displayed at the office notice boards.</p>	Complied
<b>4.4.5.2</b>	<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><b>- Major compliance -</b></p>	<p>It is stated in the Human Rights and Social Policies that the management is committed to treat everyone equally without any discrimination and provide equal opportunities regardless of race, nationality, gender, etc. Interview with workers confirmed that no discrimination was practiced by the management.</p>	Complied
<b>4.4.5.3</b>	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed</p>	<p>The management have ensured that employees' pay and conditions meet applicable legal requirements i.e. National Minimum Wages Order 2020. Based on verification of pay slips, the wages received by the</p>	Non-conformity

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	<p>Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p><b>- Major compliance -</b></p>	<p>workers found to be meeting all the legal minimum standards. The following workers' pay slips were sampled for the month of January and August 2020:</p> <p><u>Pelung:</u>            PL000027, PL1100873, PL1100689, PL1100890, PL1100912, PL1100941, PL1100932</p> <p><u>Pinang Emas:</u>            PE1801332, PE0800811, PE1901380, PE1901419, PE1901417, PE0801066, PE000056, PE1901384</p> <p><u>Jerangau:</u>            JR1503224, JR1803295, JR1803333, JR1803258, JR1203009, JR0800152</p> <p>Based on employment contract, workers shall be provided with 35 gallon/person/day of water. However, at Pelung Estate, there was no evidence to show that this condition is adhered to. Thus, a non-conformity was assigned due to this lapse.</p>	
<b>4.4.5.4</b>	<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><b>- Minor compliance -</b></p>	<p>The management ensures the employees of contractors are paid based on legal or industry minimum standard by obtaining the pay slips of the contractors' employees and verify against legal requirements.</p>	Complied
<b>4.4.5.5</b>	<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</p>	<p>The estates have their list of employees which has the information about name, division, pay, NRIC/Passport no, employment category,</p>	Complied

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	<p>should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p><b>- Major compliance -</b></p>	<p>nationality, date of birth, date joined age, race and status in the HR/Payroll system.</p>	
<b>4.4.5.6</b>	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></p>	<p>All employees were provided with fair contracts that have been signed by both employee and employer. Based on interview, the employees confirmed that they were given a copy of the contract for their retention. The contract agreements of the following workers were verified:</p> <p><u>Pelung:</u>            PL000027, PL1100873, PL1100689, PL1100890, PL1100912, PL1100941, PL1100932</p> <p><u>Pinang Emas:</u>            PE1801332, PE0800811, PE1901380, PE1901419, PE1901417, PE0801066, PE000056, PE1901384</p> <p><u>Jerangau:</u>            JR1503224, JR1803295, JR1803333, JR1803258, JR1203009, JR0800152</p>	Complied
<b>4.4.5.7</b>	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p><b>- Major compliance -</b></p>	<p>Recording system established and implemented through the 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

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<b>4.4.5.8</b>	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. <b>- Major compliance -</b>	Working hours is 8 hours/day i.e. from Monday to Saturday. Total monthly working hours is 208 hours. The maximum overtime is 104 hours which is in-line with the Employment Act 1955.  Interview with the workers revealed that overtime work is to be done on mutual agreement between the employees and the employer.	Complied
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. <b>- Major compliance -</b>	Based on verification of the pay slips and time recording, the overtime was found to be accurately paid in accordance to the legal regulations.	Complied
<b>4.4.5.10</b>	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. <b>- Minor compliance -</b>	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: SOCSO	Complied
<b>4.4.5.11</b>	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. <b>- Major compliance -</b>	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.	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>4.4.5.12</b>	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>TDM Plantation Sdn Bhd has developed Gender Policy and Reproductive Policy dated 1/7/2020 which is signed by the CEO. The management will ensure the workplace and surrounding are free from any types of harassment including ethnic harassment, religions, gender, country of origin, etc. There is no evidence of any kind of harassment at all the sampled estates.</p>	Complied
<b>4.4.5.13</b>	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p><b>- Major compliance -</b></p>	<p>TDM Plantation Sdn Bhd has developed Freedom of Association Policy dated 1/7/2020 which is signed by the CEO. Based on interview with the workers, there was no evidence that the employer is restricting anyone from joining any trade union.</p>	Complied
<b>4.4.5.14</b>	<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 be exposed to hazardous working conditions.</p> <p><b>- Major compliance -</b></p>	<p>TDM Plantation Sdn Bhd has developed Child Protection Policy dated 1/7/2020 which is signed by the CEO. Based on verification of workers register, there was no evidence that anyone below 18 years of age was recruited for employment.</p>	Complied
<b>Criterion 4.4.6: Training and competency</b>			

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<b>4.4.6.1</b>	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. <b>- Major compliance -</b>	All estates within Sg. Tong POM complex has established an annual training program that covers all aspects of the operations as well certifications (MSPO & RSPO) requirements.	Complied
<b>4.4.6.2</b>	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. <b>- Major compliance -</b>	Training needs of individual employees was established as per sample Pelung Estate OSH Plan, Training Matrix & Training Schedule 2020/2021 (Updated on 20/9/2020). Trainings identified for all estate employees including manager, assistant managers, staffs and workers.	Complied
<b>4.4.6.3</b>	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. <b>- Minor compliance -</b>	Among training identified and implemented in estates within Sg. Tong POM complex sighted as per sample as following: <ul style="list-style-type: none"> <li>- Handling of sickles with pole and safe method of FFB cutting; dated 22/1/2020</li> </ul> Briefing of work procedure during contagious COVID-19 pandemic; dated 3/3/2020	Complied
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.	A documented Biodiversity and Environmental Policy; Approved by Haji Mohd. Ghozali Bin Yahaya; CEO of TDM Plantation Sdn. Bhd.; Dated 1/7/2020 and Environmental Management Plan 2020 found in line with Environmental Quality Act 1974 (Act 127) has been communicated and	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	implemented accordingly during several meetings and briefings sessions conducted by the estates management with all employees.	
<b>4.5.1.2</b>	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) An environmental policy and objectives;</li> <li>b) The aspects and impacts analysis of all operations.</li> </ul> <p>- <b>Major compliance</b> -</p>	<p>The Environmental Management Plan 2020 covered amongst all the following:</p> <ul style="list-style-type: none"> <li>- Sample communications of environmental policies and objectives conducted during weekly workers assembly on Sundays and during environmental committee meeting sessions among the committee members (<i>Jawatankuasa Pengawasan Prestasi Alam Sekitar</i>) Jerangau Estate 2019/2020; Minutes of meeting latest date: 15/9/2020. Among objectives in the year 2020 was to implement the War on Waste (WoW) programs in Jerangau Estate.</li> </ul> <p>Environmental aspects of all operations assessed and documented as per Environmental Aspect and Impact Identification Form as well as Environmental Impact Evaluation Form; File # TDMP/5.2/EAI for sample aspects and impacts related to Felling &amp; Chipping activities; Serial # EAI/2020/15-03 since Jerangau Estate currently conducting replanting activities.</p>	Complied
<b>4.5.1.3</b>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- <b>Major compliance</b> -</p>	<p>Environmental improvement plan to mitigate the negative impacts and to promote the positive ones developed, implemented and monitored for all identified significant environmental aspects mainly related to the estate's replanting activities. Monitoring including daily patrol by field staff at contractor's felling &amp; chipping sites and by estate's security personnel. Other significant environmental aspects related to mature palm operational activities including spraying and manuring were monitored based on the established pollution prevention plan and biodiversity management plan.</p>	Complied



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4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - <b>Minor compliance</b> -	Program to promote the positive impacts included in the continual improvement plans of estates within Sg. Tong POM complex including the Integrated Pest Management Program which continuously reduce the use of chemicals with introduction of biological pests such as barn owl for rat control. Other positive impacts including the use of organic fertilizer from Sg. Tong POM to reduce the use of inorganic fertilizers.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - <b>Major compliance</b> -	Awareness programs for estates within Sg. Tong POM complex employees has been included in the established annual training programs that covers all aspects of the operations as well certifications (MSPO & RSPO) requirements to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - <b>Major compliance</b> -	Regular communications of environmental policies and objectives were conducted during daily muster briefings and during environmental committee meeting sessions among the committee members ( <i>Jawatankuasa Pengawasan Prestasi Alam Sekitar</i> ) Pelung Estate 2019/2020; Minutes of meeting latest date: 15/9/2020.	Complied
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>			
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 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. - <b>Major compliance</b> -	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 for Pinang Emas Estate. No renewable energy consumption established in estates within Sg. Tong POM complex.	Complied

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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. <b>- Major compliance -</b>	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 for Pinang Emas Estate.	Complied
4.5.2.3	The use of renewable energy should be applied where possible. <b>- Minor compliance -</b>	No renewable energy consumption established in estates within Sg. Tong POM complex.	Complied
<b>Criterion 4.5.3: Waste management and disposal</b>			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	All waste products and sources of pollution in estates within Sg. Tong POM complex has been identified and documented in Identification and Management of Wastewater FY 2020/2021; Review date: 25/1/2020 and Waste Management Action Plan FY 2020/2021; Review date: 25/1/2020. Among categories of wastes identified including Scheduled Waste, Domestic Waste and Field Waste where there were some usable wastes or by-products generated from the estate operation such as empty fertilizer bags and tripled-rinsed empty chemical containers. The field waste consists of all parts of palm tree including pruned palm fronds and chipped palm trunk were use as part of organic fertilizers.	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: a) Identifying and monitoring sources of waste and pollution	Implementation of the waste management plan sighted as per Waste Management Action Plan 2019/2020 with identified Scheduled Waste and Domestic waste. However, identification and monitoring of waste sources and pollution by Jerangau Estate based on operational	OFI

Criterion / Indicator		Assessment Findings	Compliance
	<p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p><b>- Major compliance -</b></p>	<p>activities could be further enhanced. Hence, an OFI has been raised on the matter.</p>	
<b>4.5.3.3</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>The SOP Scheduled Waste (Edition TDMP-02, Rev TDMP-02/2017) for handling used chemicals has been established and documented. Therein the procedure described the requirements in Labeling, Legal requirement, Waste generator, Training required, DOE license much in line with the DOE Guidelines for Packaging, Labelling and Storage of Scheduled Wastes.</p> <p>Labels were sighted affixed properly on the container of SW inclusive of required details at the SW Store. Scheduled waste inventory being updated as per sample sighted for Jerangau Estate; Fifth Schedule file ref. # AS(B)T:11/123/000/033;</p> <ul style="list-style-type: none"> <li>- Authorised Scheduled Waste disposal contractor Pentas Flora (Kelantan) Sdn. Bhd.; DOE license # 004878; License validity period: 1/5/2020 – 30/4/2021</li> </ul> <p>Sample scheduled waste disposal:</p> <ul style="list-style-type: none"> <li>- Consignment Note # 20200913131WK2U3; Date: 13/9/2020; Waste code: SW410 – Oil Filter; Quantity: 0.33 mt; Facility: Pentas Flora (Kelantan) Sdn. Bhd.</li> <li>- Consignment Note # 20200913131YEW130; Date: 13/9/2020; Waste code: SW409 – Contaminated containers; Quantity: 0.24 mt; Facility: Pentas Flora (Kelantan) Sdn. Bhd.</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Consignment Note # 2020091313SYM5TD; Date: 13/9/2020; Waste code: SW305 – Spent lubricating oil; Quantity: 1.00 mt; Facility: Pentas Flora (Kelantan) Sdn. Bhd.	
<b>4.5.3.4</b>	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer’s labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers. <b>- Major compliance -</b>	All estates within Sg. Tong POM complex handled its empty pesticide containers based on the SOP – Chemical Handling (13) Disposal of empty containers, empty pesticide containers were either reused as premixing containers or been triple-rinsed and punctured prior to disposal as scheduled waste. Sighted records of disposal as per sample above.	Complied
<b>4.5.3.5</b>	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. <b>- Minor compliance -</b>	Disposal of domestic wastes is through landfill. TDM SOP June 2017; section B8: Guidance for establishing landfill within the estate states landfill site to be situated 3 km far from the watercourse and residential area. Waste is collected 3x /week from line site. Recyclable wastes such as plastic bottles, aluminium cans and paper are disposed through 3rd party contractor.	Complied
<b>Criterion 4.5.4: Reduction of pollution and emission</b>			
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. <b>- Major compliance -</b>	Estates visited 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
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	Estate has established IPM Management Plan for FY 2019/2020. Last reviewed was conducted on 26/9/2019. The management plan identified the planting of beneficial plant as issue of concern which	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	have positive impact to reduce the usage of chemical in controlling pest.	
<b>Criterion 4.5.5: Natural water resources</b>			
<b>4.5.5.1</b>	<p>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:</p> <ul style="list-style-type: none"> <li>a. Assessment of water usage and sources of supply.</li> <li>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</li> <li>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.).</li> <li>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.</li> <li>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</li> <li>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</li> </ul>	<p>No river or small stream in 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 as following:</p> <ul style="list-style-type: none"> <li>- River Water Quality Monitoring Report for Pelung Estate; July 2020; By Eralab (KT) Sdn. Bhd.; Certificate of Analysis Lab Report # 20/07/W0447; Date of Sampling: 28/07/2020; Date of report: 27/08/2020; For sampling as following:</li> <li>- W1: Upstream Sg. Tengadoh</li> <li>- W2: Downstream Sg. Tualan</li> <li>- W3: Upstream Sg. Dagang Besar</li> <li>- W4: Downstream Sg. Dagang Besar</li> </ul> <p>During the field visit in sampled estates, it was sighted that the river buffer zone was properly maintained with no spraying and/or manuring conducted within the area. Buffer zones were demarcated with paint markings on the palm tree.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -		
<b>4.5.5.2</b>	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.  - <b>Minor compliance</b> -	Not sight any construction of bunds, weirs and dams across main rivers or waterways passing through an estate.	Complied
<b>4.5.5.3</b>	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).  - <b>Minor compliance</b> -	During site visit in Pinang Emas Estate, it was found at P18 that road conservation water harvesting was implemented.	Complied
<b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b>			
<b>4.5.6.1</b>	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:  a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.  b) Conservation status ( <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.  - <b>Major compliance</b> -	Information was collated in a Bio-Diversity Assessment by SRA Consultancy on 18/3/12 – 19/4/2012 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. Based on the report Bio Diversity Assessment Sg. Tong Complex by SRA Consultancy; Report date: May 2012; Findings:  Findings on Pelung Estate:  - Border to forest reserve: Hutan Simpan Hulu Telemas & Hutan Simpan Petuang  - Mammals (presence): Elephant, Tiger, Tapir & Wild Goat	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Decision on Pelung Estate HCV status: - Abandon/unplantable area: Conservation area – Slope > 25 degree; Sentang - Border to forest reserve: Conservation area - Water catchment area: HCV 4 River Buffer zone: HCV 4 – Erosion control	
<b>4.5.6.2</b>	If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include: a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. <b>- Major compliance -</b>	Presence of rare, threatened and endangered species were monitored mainly in Pelung Estate since the boundary of the estate was a forest reserve. Management of the high biodiversity presence at the boundary of Pelung estate includes regular communication with the authority among Wildlife Department and Forestry Department. Regular monitoring also conducted as recorded in the HCV Area Wildlife Sightings Book (Pelung Estate); there was an Elephant attack dated on 13/6/2020; 10:30am; at Field 19A. communications made with Wildlife Department on the same day and officers from the department informed of the attack and advised the estate management not to take any action since the Wildlife Department already monitor the situation. No other attacks since last reported.	Complied
<b>4.5.6.3</b>	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. <b>- Major compliance -</b>	Due to the attack, it was confirmed that there is presence of RTE within Pelung Estate. Hence, management plan established for HCV set-aside in Pelung Estate based on recommendation from assessor could be further enhanced. Thus, an OFI has been raised on the matter.	OFI
<b>Criterion 4.5.7: Zero burning practices</b>			

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Criterion / Indicator		Assessment Findings	Compliance
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. <b>- Major compliance -</b>	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.	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. <b>- Major compliance -</b>	Visit to the estates within Sg. Tong POM complex confirmed that no fire been use for oil palm tree diseased control as well as replanting. Hence, no special approval been obtained so far.	Complied
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. <b>- Major compliance -</b>	Since no special approval been obtained so far for burning, hence this requirement is not applicable.	Complied
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. <b>- Minor compliance -</b>	Visit to the estates within Sg. Tong POM complex confirmed that previous oil palm trees were felled and chipped prior to replanting.	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			



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Criterion / Indicator		Assessment Findings	Compliance
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. <b>- Major compliance -</b>	SOP for estates operation was based on TDM Plantation Sdn. Bhd. Agriculture Policy # 01.01 – 14.03. Monitoring of implementation was conducted on periodical basis through inspection visits by Plantation Advisor, Agricultural Services Personnel as well as certification audits internally and externally.	Complied
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. <b>- Major compliance -</b>	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	A visual identification or reference system shall be established for each field. <b>- Major compliance -</b>	During the field visit in sampled estates, it was sighted that the oil palm tree blocks were either demarcated with paint markings on one of the palm tree at the angle or corner and a signboard identifying block name and planted year were installed for each blocks.	Complied
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
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. <b>- Major compliance -</b>	Documented business or management were established as following samples:  Pinang Emas Estate:  Documented as Budget (Business Plan) 2020 – 2025; Updated August 2020 which includes the estimate for estate field hectarage; FFB	Complied

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Criterion / Indicator		Assessment Findings	Compliance																		
		<p>tonnage and yield (mt/ha). Based on the plan, budgeted yield = 16.20 mt/ha; actual to date August 2020 = 9.15 mt/ha</p> <p>Jerangau Estate: Documented as Budget (Business Plan) 2020 – 2024; Updated September 2020 which includes the estimate for estate field hectareage; FFB tonnage and yield (mt/ha). Based on the plan, budgeted yield = 20.33 mt/ha; actual to date August 2020 = 13.18 mt/ha</p>																			
<b>4.6.2.2</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>Long term replanting programme were established and reviewed annually as following samples:</p> <p>Pinang Emas Estate: Long term replanting program included in the Budget (Business Plan) 2020 – 2025 document; Updated August 2020 which includes the plan for estate field area replanting as per following sample:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Year</th> <th style="text-align: center;">Field</th> <th style="text-align: center;">Area (ha)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2022</td> <td style="text-align: center;">PM93A1</td> <td style="text-align: center;">35.14</td> </tr> <tr> <td style="text-align: center;">2022</td> <td style="text-align: center;">PM98A2</td> <td style="text-align: center;">118.66</td> </tr> <tr> <td style="text-align: center;">2023</td> <td style="text-align: center;">PM98B1</td> <td style="text-align: center;">91.17</td> </tr> <tr> <td style="text-align: center;">2024</td> <td style="text-align: center;">PM96A3</td> <td style="text-align: center;">40.34</td> </tr> <tr> <td style="text-align: center;">2025</td> <td style="text-align: center;">PM96C1</td> <td style="text-align: center;">76.42</td> </tr> </tbody> </table>	Year	Field	Area (ha)	2022	PM93A1	35.14	2022	PM98A2	118.66	2023	PM98B1	91.17	2024	PM96A3	40.34	2025	PM96C1	76.42	Complied
Year	Field	Area (ha)																			
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Criterion / Indicator		Assessment Findings	Compliance																		
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Year	Field	Area (ha)																			
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2021	PM96A1	59.72																			
<b>4.6.2.3</b>	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> <li>a) Attention to quality of planting materials and FFB</li> <li>b) Crop projection: site yield potential, age profile, FFB yield trends</li> <li>c) Cost of production : cost per tonne of FFB</li> <li>d) Price forecast</li> <li>e) e) Financial indicators : cost benefit, discounted cash flow, return on investment</li> </ul> <p><b>- Major compliance -</b></p>	<p>The business plan covers hectareage 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 next year, Cost of production/mt, and gross operational profit and loss P&amp;L.</p>	Complied																		

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<b>4.6.2.4</b>	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.  - <b>Major compliance</b> -	TDM plantation monitored the estate performance against the targets. The estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein. The management also provides variance report on the performance and reviewed monthly. The supervisory personnel maintained a daily cost sheet for the field operations.  The Estate Managers sit monthly with the CEO reviewing performance, operational issues, financial positions.	Complied
<b>Criterion 4.6.3:</b> Transparent and fair price dealing			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented.  - <b>Major compliance</b> -	Generally, the pricing mechanism is guided by TDM’s Delegation of Authority Limit Policy, rev. 2017/02, dated 15/8/2017 and Procurement Unit SOP Guideline, doc. No.: TDM/PU/2019/01, rev. PP/2019/Rev 01, dated 19/9/2019. Based on verification of contract awards and interview with contractors, the implementation of the tender procedure is satisfactorily demonstrated.	Complied
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.  - <b>Major compliance</b> -	Verification of contract agreement, records of payment and interview with contractors showed that contracts was fair, legal and transparent and agreed payments were made in timely manner.	Complied
<b>Criterion 4.6.4:</b> Contractor			
<b>4.6.4.1</b>	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.  - <b>Major compliance</b> -	All the sampled estates have made their contractors understand the MSPO requirements mainly through trainings and meeting. Records of training and meeting were available for verification. Based on interview during external stakeholder consultation, the engaged contractors	OFI

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		were able to demonstrate a good understanding on the MSPO requirements. Nonetheless, the monitoring of load of FFB Transporters against the load limit stipulated in Land Public Transport Commission (SPAD) permit can be further improved (OFI).	
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	All of the engaged contractors such as FFB transporters were provided with agreed contracts. Verification of the contracts and records of payment showed that the implementation of the stipulated terms and conditions of the contract was effective.	Complied
<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. <b>- Minor compliance -</b>	The requirement of accepting MSPO accredited auditors to audit against the contractors was mentioned in the work order and addendum in jobs specifications.	Complied
<b>4.6.4.4</b>	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. <b>- Major compliance -</b>	All works performed at the estates are checked and verified by the management before any payment is approved. The records of performance evaluation were made available for verification.	Complied
<b>4.7 Principle 7: Development of new planting</b>			
<b>Criterion 4.7.1:</b> High biodiversity value			

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.7.1.1</b>	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.  - Major compliance -	There is no development of new planting at all the sampled estates.	NA
<b>4.7.1.2</b>	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.  - Major compliance -	There is no development of new planting at all the sampled estates.	NA
<b>Criterion 4.7.2: Peat Land</b>			
<b>4.7.2.1</b>	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.  - Major compliance -	There is no development of new planting at all the sampled estates.	NA
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
<b>4.7.3.1</b>	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.	There is no development of new planting at all the sampled estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.  - Major compliance -	There is no development of new planting at all the sampled estates.	NA
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.  - Major compliance -	There is no development of new planting at all the sampled estates.	NA
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.  - Minor compliance -	There is no development of new planting at all the sampled estates.	NA
<b>Criterion 4.7.4:</b> Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.  - Major compliance -	There is no development of new planting at all the sampled estates.	NA

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.7.4.2</b>	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.  - Major compliance -	There is no development of new planting at all the sampled estates.	NA
<b>Criterion 4.7.5:</b> Planting on steep terrain, marginal and fragile soils			
<b>4.7.5.1</b>	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.  - Major compliance -	There is no development of new planting at all the sampled estates.	NA
<b>4.7.5.2</b>	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.  - Major compliance -	There is no development of new planting at all the sampled estates.	NA
<b>4.7.5.3</b>	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.  - Major compliance -	There is no development of new planting at all the sampled estates.	NA
<b>Criterion 4.7.6:</b> Customary land			
<b>4.7.6.1</b>	No new plantings are established on recognised customary land without the owners' free, prior and informed consent,	There is no development of new planting at all the sampled estates.	NA



Criterion / Indicator		Assessment Findings	Compliance
	dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. <b>- Major compliance -</b>		
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. <b>- Minor compliance -</b>	There is no development of new planting at all the sampled estates.	NA
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. <b>- Major compliance -</b>	There is no development of new planting at all the sampled estates.	NA
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. <b>- Major compliance -</b>	There is no development of new planting at all the sampled estates.	NA
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. <b>- Major compliance -</b>	There is no development of new planting at all the sampled estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. <b>- Major compliance -</b>	There is no development of new planting at all the sampled estates.	NA
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. <b>- Major compliance -</b>	There is no development of new planting at all the sampled estates.	NA
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. <b>- Minor compliance -</b>	There is no development of new planting at all the sampled estates.	NA

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

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	Policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	TDM Plantation Sdn Bhd (hereinafter referred as TDM) has established its MSPO policy which was signed by the Chief Executive Officer (Hj Mohd Ghozali Bin Yahaya) dated 1/7/2020.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. <b>- Major compliance -</b>	The established policy has emphasized on the adherence to the following key principles viii) Management Commitment and Responsibility ix) Transparency x) Compliance to Legal Requirements xi) Social Responsibility, Health, Safety and Employment Condition xii) Environment, Natural Resources, Biodiversity and Ecosystem Services. xiii) Best Practices xiv) Development of New Plantings	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. <b>- Major compliance -</b>	Internal audits were conducted as per plans i.e. 4/8/2020. The objective of the internal audit is to determine the strong and weak points and potential area for further improvement as mentioned in its MSPO Internal Audit SOP.	Complied

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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 implement the necessary corrective action.  - Major compliance -	Ref.: MSPO Internal Audit Standard Operating Procedure [TDMP/01, rev. TDMP-01/2017]. There were several NCRs raised as a result of the audits. The mill have submitted their corrective actions and currently in the process of closing out by the internal auditors.	Complied
4.1.2.3	Reports shall be made available to the management for their review.  - Major compliance -	Internal Audit report was available for verification and it was taken into consideration as part of the management review meeting agendas.	Complied
<b>Criterion 4.1.3 – Management Review</b>			
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 -	Management Review meeting for year 2020 has been incorporated with the operational meeting at the complex (certification unit) level. Last MR meeting was conducted on 22/9/2019 to review the performance of Jan-Dec 2019. This has been covered in the last BSI's MSPO audit. Next MRM is expected to be conducted at the end of October 2020 where the status of non-conformity raised in the internal audit will be covered.	Complied
<b>Criterion 4.1.4 – Continual Improvement</b>			
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 -	Continuous improvement plan for year 2020 has been established by the mill. The plans were focusing on mitigation of social and environmental impacts. Generally, among the plans established were:  - To improve the employees' welfare such as housing facilities, school children transportation, and relationship with surrounding communities	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- To improve the working conditions at various work stations such as workshop, store, sterilizers, lab, etc.</li> <li>- To improve the environmental protection such as reduction of GHG emission, reduction of pesticide usage and wastes management</li> </ul>	
<b>4.1.4.2</b>	<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><b>- Major compliance -</b></p>	The new information and techniques or new industry standards and technology was normally obtained through field visits and trainings by suppliers and Mechanisation Manager at HQ level.	Complied
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	<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><b>- Major compliance -</b></p>	The mill maintained their records of request and response, land titles, OSH plans, etc. related to environmental and social issues, plans for pollution prevention, complaints and grievances records that were made available upon request.	Complied
<b>4.2.1.2</b>	<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><b>- Major compliance -</b></p>	The information regarding sustainability and the company is available in website <a href="https://sustainability.tdmerhad.com.my/">https://sustainability.tdmerhad.com.my/</a> and publicly available at the mill. The policies were also publicly displayed at the office notice board.	Complied
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			

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4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	TDM has developed a Communication Procedure for POM/Estates and Flowchart to Handle Social Issue. Maximum of 28 working days shall be taken to resolve issues. All internal and external stakeholders had been briefed on this procedure.	Complied
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . <b>- Minor compliance -</b>	The Mill Manager was appointed as the management official to be the person responsible in handling issues related to indicator 4.2.2.1.	Complied
4.2.2.3	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. <b>- Major compliance -</b>	Stakeholder list was developed where all the affected stakeholders were included in the list such as government authorities, local communities, contractors and supplier, neighbouring schools, etc. for the mill.  Latest Stakeholder Meeting dated 13/8/2020 was conducted at Akademi TDM for the entire Sg. Tong Complex with the participation of internal and external stakeholders. Verified the minutes of meeting and attendance list. No issue was raised from the meeting.	Complied
<b>Criterion 4.2.3 – Traceability</b>			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. <b>- Major compliance -</b>	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.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system.	STPOM has conducted internal inspections on compliance with the traceability system.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The Mill Manager has an overall responsibility for the traceability activities, e.g. planning and executing sales of CPO & PK, aspects of FFB receipts, processing and shipping of palm products. Interview with the Mill Manager showed that he is well versed with the MSPO traceability requirements.	Complied
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
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	All operations generally found to be in compliance with applicable local, state and national regulations based on permits and license available as per samples sighted as following: a) MPOB license # 500042704000; License activity: Menjual dan Mengalih FFB, PK, CPO, SPO #; Membeli dan mengalih FFB, PK, CPO #, Menyimpan, PK, CPO, SPO #; Mengilang FFB #; Mac processing capacity: 300,000 mt/year; Validity period: 1/4/2020 – 31/3/2021 b) Fire Certificate # JBPM: TR/7/034/2018; Serial # 315833; Validity: 20/5/2020 – 19/5/2021	Complied

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		<p>c) Permit to Purchase, Store and Use of Sodium Hydroxide # 006430; Max Quantity: 3,042 kg (Solid); Reg. # TC0041/2020; Validity period: 1/1 – 31/12/2020</p> <p>d) Perakuan Kelayakan Dandang; Reg. # TG PMD 424; Validity: 10/8/2020 – 9/11/2021</p> <p>e) Perakuan Kelayakan Pengandung Tekanan Tak Berapi; Reg. # TG PMT 7024; Validity: 10/8/2020 – 9/11/2021</p> <p>f) DOE license # 004079; Validity period: 5/6/2020 – 5/6/2021; Boiler particulate matter emission limit: 400 mg/m<sup>3</sup></p> <p>g) DOE license # 004090; Validity period: 1/7/2020 – 30/6/2021; Final discharge method: Water course; BOD limit: 100 mg/l; FFB processing capacity: 60 mt/hr</p> <p>h) Permit Barang Kawalan Berjadual - Diesel; Serial # T001035; Ref. # KPDNKK.BST.800-1/8/23//14(SK/D); Quantity: 20,000 litres; Validity period: 24/2/2020 – 23/2/2021</p> <p>Energy Commission Private Installation License # 2020/00760; Serial # 43347; Installation capacity: 3,845 kW; Validity period: 12/3/2020 – 11/3/2021</p>	
<b>4.3.1.2</b>	The management shall list all relevant laws related to their operations in a legal requirements register.  <b>- Major compliance -</b>	Relevant laws related to the operations of Sg. Tong POM were listed in the Legal and Other Requirements Register updated on March 2020 as prepared by Sustainability & Compliance Officer.	Complied
<b>4.3.1.3</b>	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming	The updated Legal and Other Requirements Register for Sg. Tong POM has been included with newly amended regulations including the Occupational Safety and Health (Noise Exposure) Regulations 2019.	Complied



Criterion / Indicator		Assessment Findings	Compliance
	into force. - <b>Major compliance</b> -		
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - <b>Minor compliance</b> -	The management assigned Pn. Norwati Mamat as the person responsible to monitor compliance and to track update the changes in regulatory requirements of Sg. Tong POM as per letter of appointment ref. # KL.KKS/3/10.07 dated 1/1/2017.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - <b>Major compliance</b> -	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.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - <b>Major compliance</b> -	Legal ownership as mentioned above was made available by management for verification.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - <b>Major compliance</b> -	The mill building boundary is perimeter fenced whereas the POME treatment area parameter boundary is clearly demarcated and visibly maintained on the ground.	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>4.3.2.4</b>	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 informed consent (FPIC). <b>- Minor compliance -</b>	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.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. <b>- Major compliance -</b>	NA. There was no land encumbered by customary rights.	NA
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. <b>- Minor compliance -</b>	NA. There was no land encumbered by customary rights.	NA
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. <b>- Major compliance -</b>	NA. There was no land encumbered by customary rights.	NA
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			

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4.4.1.1	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p><b>- Minor compliance -</b></p>	<p>Initial Social Impact Assessment (SIA) Kompleks Sungai Tong; Report dated May 2012 by SRA Consultancy. Based on this initial assessment, action plan was established on annual basis by all the sampled estates as evident in Action Plan Revision 2020/2021. Some examples of area of concerns were housing and infrastructure not meeting legal requirement, poor waste dumpsite, etc.</p>	Complied
<b>Criterion 4.4.2: Complaints and grievances</b>			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p><b>- Major compliance -</b></p>	<p>A system for dealing with complaints and grievances were established and documented in a Flowchart on Handling Social Issue and Complaint/Grievance Procedure. Any issue raised by stakeholders will be discussed within 2 weeks for the first meeting and issues to be resolved within 28 working days.</p>	Complied
4.4.2.2	<p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p> <p><b>- Major compliance -</b></p>	<p>Based on the records of complaints, 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.</p>	Complied
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p> <p><b>- Minor compliance -</b></p>	<p>Complaint Logbook for Line site Repair and Complaint/ Request form was established and implemented. There has been no complaint or grievance received from external stakeholders since the last assessment.</p>	Complied

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4.4.2.4	<p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.</p> <p><b>- Minor compliance -</b></p>	<p>Interview with internal and external stakeholders during stakeholder consultation found that they were aware of the complaint procedure and they had been briefed by the management during stakeholder meeting.</p>	Complied
4.4.2.5	<p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.</p> <p><b>- Major compliance -</b></p>	<p>The complaint logbook/ complaint files that recorded complaints and solutions for the past 24 months were well maintained and available to affected stakeholders upon request.</p>	Complied
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			
4.4.3.1	<p>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.</p> <p><b>- Minor compliance -</b></p>	<p>Among the contributions delivered by the mill since the last audit were:</p> <ul style="list-style-type: none"> <li>- Providing facilities such as transport for school's various events</li> <li>- Monetary donations to school's various events</li> <li>- Donation of thermometer to school</li> <li>- Providing facilities for various religious activities to employees and Pejabat KEMAS Daerah Setiu</li> </ul>	Complied
<b>Criterion 4.4.4: Employees safety and health</b>			
4.4.4.1	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>A documented Occupational Safety and Health Policy; Approved by Haji Mohd. Ghazali Bin Yahaya; CEO of TDM Plantation Sdn. Bhd.; Dated 1/7/2020 and OSH Plan 2020 found in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) has been communicated and implemented accordingly during</p>	Complied

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		several meetings and briefings sessions conducted by the mill management with all employees.	
<b>4.4.4.2</b>	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risk of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:               <ul style="list-style-type: none"> <li>i. All employees involved are adequately trained on safe working practices;</li> <li>ii. All precautions attached to products should be properly observed and applied;</li> </ul> </li> <li>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).</li> <li>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.</li> <li>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust</li> </ul>	<p>The OSH Plan 2020 covered amongst all the following:</p> <ul style="list-style-type: none"> <li>- Sample communications of policies conducted during weekly workers assembly on Sundays and during safety committee meeting session 2019/2020 conducted on 23/12/2019, 22/6/2020 and 13/9/2020. One meeting planned on March 2020 was unable to be conducted due to MCO.</li> <li>- Risks of all operations assessed and documented as per HIRARC register with latest revision dated 15/6/2020 for FFB Grading Section, 12/5/2020 for Biogas plant excavation works and 1/9/2020 for visitor entering mill with risk of COVID-19 spreading</li> <li>- Workers exposed to chemicals were trained based on the Chemical Health Risks Assessments (CHRA). Latest CHRA for Sg. Tong POM was reported as per DOSH Reg. # TGK-0548; Report Ref. # HQ/08/ASS/00/259-2019/005; Date of assessment: 5/8/2019; by MS Inttech Sdn. Bhd. Assessor: Muhamad Khairul Najib Bin Ahmad; HQ/08/ASS/00/259</li> <li>i. Sample of latest training sighted on chemical handling for water treatment plan training was conducted on 9/8/2020</li> <li>ii. Precautions taken including monitoring of chemical exposure level among workers whom handle chemicals as per recommendation of CHRA assessor. Latest Occupational Medical Surveillance Programme sighted as per USECHH 1 by Klinik Ibra; MMC # 29001; DOSH Reg. # HQ/08/DOC/00/272; Total Employee: 17. All workers found fit work.</li> <li>- Appropriate PPE were used by the workers where the management provide appropriate PPE to the workers based on the job type. The PPE given as per HIRARC and Standard Operating Procedure. PPE</li> </ul>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>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 and the concerns of employees and any remedial actions taken shall be recorded.</p> <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><b>- Major compliance -</b></p>	<p>issuance was recorded in '<i>Borang Penyerahan Peralatan kerja dan Pengambilan Barang</i>' PPE by individual basis.</p> <ul style="list-style-type: none"> <li>- SOP in all operations including handling of chemicals has been established in Sg. Tong POM to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</li> <li>- Responsible persons for workers' safety and health were appointed as per Safety Committee Members whom consist of representatives of both management and employee side.</li> <li>- Regular two-way communications were often done via weekly workers assembly on Sundays and during safety committee meetings. For session 2019/2020, meetings were conducted on 23/12/2019, 22/6/2020 and 13/9/2020. One meeting planned on March 2020 was unable to be conducted due to MCO.</li> <li>- Accident and emergency procedures available with emergency drill been conducted on periodical basis. Fire drill was last conducted with BOMBA on 16/7/2018 to all workers, staff and management of Sg. Tong POM.</li> <li>- 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 for all first aider in the mill</li> <li>- Records of all accidents are kept. Accident incidences are reviewed during the safety meetings. Records of Lost Time Accident (LTA) metrics was maintained and based on JKPP 6, 7 &amp; 8. JKPP 8 for Sg. Tong POM was submitted to DOSH on 24/1/20120.</li> </ul>	

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.4.5:</b> Employment conditions			
<b>4.4.5.1</b>	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.  - Major compliance -	TDM Plantation Sdn Bhd has developed Human Rights Policy dated 1/7/2020 and Social Policy dated 1/7/2020 which were signed by their CEO. Workers were briefed about the policy and records of briefing were available at the mill. The policies were also displayed at the office notice boards.	Complied
<b>4.4.5.2</b>	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 -	It is stated in the Human Rights and Social Policies that the management is committed to treat everyone equally without any discrimination and provide equal opportunities regardless of race, nationality, gender, etc. Interview with workers confirmed that no discrimination was practiced by the management.	Complied
<b>4.4.5.3</b>	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.  - Major compliance -	The management have ensured that employees' pay and conditions meet applicable legal requirements i.e. National Minimum Wages Order 2020. Based on verification of pay slips, the wages received by the workers found to be meeting all the legal minimum standards. The following workers' pay slips were sampled for the month of January and August 2020:  SM0900205, SM0900212, SM0900210, SM0900152, SM0900202, SM00058	Complied
<b>4.4.5.4</b>	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the	The management ensures the employees of contractors are paid based on legal or industry minimum standard by obtaining the pay slips of the contractors' employees and verify against legal requirements.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	employment contract agreed between the contractor and his employee. <b>- Minor compliance -</b>		
<b>4.4.5.5</b>	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. <b>- Major compliance -</b>	The mill has their list of employees which has the information about name, division, pay, NRIC/Passport no, employment category, nationality, date of birth, date joined age, race and status in the HR/Payroll system.	Complied
<b>4.4.5.6</b>	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records. <b>- Major compliance -</b>	All employees were provided with fair contracts that have been signed by both employee and employer. Based on interview, the employees confirmed that they were given a copy of the contract for their retention. The contract agreements of the following workers were verified:  SM0900205, SM0900212, SM0900210, SM0900152, SM0900202, SM00058	Complied
<b>4.4.5.7</b>	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. <b>- Major compliance -</b>	Sg Tong mill is using thumbprint and check roll for the computation of working hours and overtime that is transparent for both employees and employers.	Complied
<b>4.4.5.8</b>	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and	Working hours is 8 hours/day i.e. from Monday to Saturday. Total monthly working hours is 208 hours. The maximum overtime is 104 hours which is in-line with the Employment Act 1955.	Complied



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	<p>collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p><b>- Major compliance -</b></p>	<p>Interview with the workers revealed that overtime work is to be done on mutual agreement between the employees and the employer.</p>	
<b>4.4.5.9</b>	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p><b>- Major compliance -</b></p>	<p>Based on verification of the pay slips and time recording, the overtime was found to be accurately paid in accordance to the legal regulations.</p>	Complied
<b>4.4.5.10</b>	<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><b>- Minor compliance -</b></p>	<p>Other forms of social benefits for workers including the insurance as following:</p> <ul style="list-style-type: none"> <li>- Local workers &amp; staff: Social Security Organization (SOCSO) Monthly Contribution sighted as per sample latest Form 8A; for the monthly contribution for the month of November 2018</li> <li>- Foreign workers: SOCSO</li> </ul>	Complied
<b>4.4.5.11</b>	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p><b>- Major compliance -</b></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>	Complied
<b>4.4.5.12</b>	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>TDM Plantation Sdn Bhd has developed Gender Policy and Reproductive Policy dated 1/7/2020 which is signed by the CEO. The management will ensure the workplace and surrounding are free from any types of harassment including ethnic harassment, religions,</p>	Complied

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		gender, country of origin, etc. There is no evidence of any kind of harassment at the mill.	
<b>4.4.5.13</b>	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.  - Major compliance -	TDM Plantation Sdn Bhd has developed Freedom of Association Policy dated 1/7/2020 which is signed by the CEO. Based on interview with the workers, there was no evidence that the employer is restricting anyone from joining any trade union.	Complied
<b>4.4.5.14</b>	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.  - Major compliance -	TDM Plantation Sdn Bhd has developed Child Protection Policy dated 1/7/2020 which is signed by the CEO. Based on verification of workers register, there was no evidence that anyone below 18 years of age was recruited for employment.	Complied
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.  - Major compliance -	Sg. Tong POM has established an annual training program that covers all aspects of the operations as well certifications (MSPO & RSPO) requirements.	Complied
<b>4.4.6.2</b>	Training needs of individual employees shall be identified prior	Training needs of individual employees was established as per Sg. Tong POM OSH Plan, Training Matrix & Training Schedule 2020/2021	Complied

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	<p>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><b>- Major compliance -</b></p>	<p>(Updated on 20/9/2020). Trainings identified for all mill employees including manager, assistant managers, staffs and workers. Sighted the Competency Certificates as per sample as following:</p> <ul style="list-style-type: none"> <li>- Fire Safety Watch Certificate of Completion; Mohd. Fauzi bin Jantan; Validity period: 23/7/2020 – 22/7/2022</li> <li>- Competency Certificate of Certified Environmental Professional in the Treatment of Palm Oil Mill Effluent (CePPOME); Serial # CePPOME/182862; Validity period: 20/12/2017 – 20/12/2018 (Extension due to FTR due date: 20/12/2021)</li> <li>- Competency Certificate of Certified Environmental Professional in Scheduled Waste Management (CePSWaM); Date: 28/8/2019</li> <li>- NIOSH Authorised Entrant and Standby Person for Confined Space Refresher; Serial # NW-ECRO-AE-R-2716-S; Due: 15/8/2022</li> <li>- Certificate of Proficiency Basic Occupational First Aid, CPR &amp; AED; Serial # 2019/FA/00128; Date: 9-10/1/2019</li> <li>- Certificate of Competency Steam Engineer Grade 2 # 056/2018; Ahmad Syahir bin Mohamad; Date: 5/2/2018</li> </ul>							
<b>4.4.6.3</b>	<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><b>- Minor compliance -</b></p>	<p>Among training identified and implemented in Sg. Tong POM as per sample as following:</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Participant</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Boiler operation and engine driver</td> <td>Boiler engine driver, firemen</td> <td>15/9/2020</td> </tr> </tbody> </table>	Training	Participant	Date	Boiler operation and engine driver	Boiler engine driver, firemen	15/9/2020	Complied
Training	Participant	Date							
Boiler operation and engine driver	Boiler engine driver, firemen	15/9/2020							

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		Safe operation procedure – Press station	Press operator; mandore, supervisor	9/9/2020	
		First aid	Supervisors, mandores, operators	27/7/2020	
		Mill environmental compliance	HOD	24/6/2020	
		PPE use, chemical handling, hearing (noise) and ergonomic	All employee	19/2/2020	
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>					
<b>Criterion 4.5.1: Environmental Management Plan</b>					
<b>4.5.1.1</b>	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.  <b>- Major compliance -</b>	A documented Biodiversity and Environmental Policy; Approved by Haji Mohd. Ghozali Bin Yahaya; CEO of TDM Plantation Sdn. Bhd.; Dated 1/7/2020 and Environmental Management Plan 2020 found in line with Environmental Quality Act 1974 (Act 127) has been communicated and implemented accordingly during several meetings and briefings sessions conducted by the mill management with all employees.			Complied
<b>4.5.1.2</b>	The environmental management plan shall cover the following: a) An environmental policy and objectives;	The Environmental Management Plan 2020 covered amongst all the following:			Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>b) The aspects and impacts analysis of all operations</p> <p><b>- Major compliance -</b></p>	<p>- Sample communications of environmental policies and objectives conducted during weekly workers assembly on Sundays and during environmental committee meeting sessions among the committee members (<i>Jawatankuasa Pengawasan Prestasi Alam Sekitar</i>) STPOM 2019/2020; Minutes of meeting latest date: 15/9/2020. Among objectives in the year 2020 was to implement the War on Waste (WoW) programs in Sg. Tong POM.</p> <p>Environmental aspects of all operations assessed and documented as per Environmental Aspect and Impact Identification Form as well as Environmental Impact Evaluation Form; File # TDMP/5.2/EAI for sample aspects and impacts related to Construction Activities; Serial # EAI/2020/15-03 since Sg. Tong POM currently installing the new dust collection system for its boiler stack to comply with EQ (Clean Air) Regulations 2014.</p>	
<b>4.5.1.3</b>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>Environmental improvement plan to mitigate the negative impacts and to promote the positive ones developed, implemented and monitored for all identified significant environmental aspects related to the mill's POME final discharges, boiler emissions and generations of scheduled wastes. Sighted sample monitoring records of following:</p> <p>- Measurement of Dust Particulates Concentration (MS 1506:2003) Stack Flue Gas of Boiler No. 2 for Semahir Niaga at Sg. Tong POM; Report ref. # L-GB-TC2008CSN-0150; Sampling date: 12/8/2020; Report date: 19/8/2020 by Environmental Science (M) Sdn. Bhd.</p> <p>Certificate of Analysis APHA Standard Methods for the Examination of Water and Wastewater (2005) 21<sup>st</sup> Edition for Water Sample; Lab Report # 20/08/W0556; Date of sampling: 30/8/2020; Date issued: 10/9/2020 by ERALab (KT) Sdn. Bhd.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - <b>Minor compliance</b> -	A programme to promote the positive impacts has been included in the continual improvement plan as per sample in the mill's Waste Management Action Plan FY 2020/2021; Review date: 25/1/2020 which emphasized on the waste reduction, reuse and recycle programs within the mill. Among the usable wastes or by-products generated from the mill process are shredded EFB fibres, decanter cake and boiler ashes.	Complied
4.5.1.5	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. - <b>Major compliance</b> -	Awareness programs for Sg. Tong POM employees has been included in the established annual training programs that covers all aspects of the operations as well certifications (MSPO & RSPO) requirements to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.	Complied
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - <b>Major compliance</b> -	Regular communications of environmental policies and objectives were conducted during weekly workers assembly on Sundays and during environmental committee meeting sessions among the committee members ( <i>Jawatankuasa Pengawasan Prestasi Alam Sekitar</i> ) STPOM 2019/2020; Minutes of meeting latest date: 15/9/2020. Among objectives in the year 2020 was to implement the War on Waste (WoW) programs in Sg. Tong POM.	Complied
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>			
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	Consumption of non-renewable energy were optimized by Sg. Tong POM by ensuring the steady operational up-time and avoid or reduce down-time through preventive maintenance and maintain sufficient supply of FFBs all the time. This will ensure optimized operation of boiler which fuelled by the renewable mesocarp fibres of processed	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	fossil fuel, electricity in the operations over the base period <b>- Major compliance -</b>	FFB to generate steam for steam turbine operation and reduce the fossil-fuelled diesel genset usage for power generation.	
<b>4.5.2.2</b>	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. <b>- Major compliance -</b>	Depend on the availability of FFB supplies, Sg. Tong POM has estimated 90% of its power generation through renewable energy generation whilst 10% for fossil fuel energy usage for diesel genset. No contractors consuming fuel operated in Sg. Tong POM.	Complied
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible. <b>- Minor compliance -</b>	Other than steam turbine engine, Sg. Tong POM will apply its latest renewable energy facility upon completion of its biogas plant which pending commissioning due to the COVID-19 pandemic.	Complied
<b>Criterion 4.5.3: Waste management and disposal</b>			
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	All waste products and sources of pollution in Sg. Tong POM has been identified and documented in Identification and Management of Wastewater FY 2020/2021; Review date: 25/1/2020 and Waste Management Action Plan FY 2020/2021; Review date: 25/1/2020. Among categories of wastes identified including Scheduled Waste, Domestic Waste and Industrial Waste where there were some usable wastes or by-products generated from the mill process such as shredded EFB fibres, decanter cake and boiler ashes.	Complied
<b>4.5.3.2</b>	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:	Implementation of the waste management plan sighted as per sample scheduled waste disposal as following:	OFI

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<p>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.</p> <p><b>- Major compliance -</b></p>	<ul style="list-style-type: none"> <li>- Consignment Note # 2020092314TUN52F; Date: 23/9/2020; Waste code: SW305 – Spent lubricating oil; Quantity: 0.60 mt; Facility: Pentas Flora (Kelantan) Sdn. Bhd.</li> <li>- Consignment Note # 2020092314w3FOZ0; Date: 23/9/2020; Waste code: SW410 – Contaminated cotton rags; Quantity: 0.04 mt; Facility: Pentas Flora (Kelantan) Sdn. Bhd.</li> </ul> <p>Visit to the mill found that the usable wastes or by-products generated from the mill process such as shredded EFB fibres, decanter cake and boiler ashes were mainly consumed or utilized by the mill itself or by group estate. However, efficiency and recycling of potential by-products by Sungai Tong Palm Oil Mill based on generation of shredded EFB fibres, decanter cake and boiler ash could be further enhanced. Hence, an OFI has been raised on the matter.</p>	
<p><b>4.5.3.3</b></p> <p>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</p> <p><b>- Major compliance -</b></p>	<p>The SOP Scheduled Waste (Edition TDMP-02, Rev TDMP-02/2017) for handling used chemicals has been established and documented. Therein the procedure described the requirements in Labeling, Legal requirement, Waste generator, Training required, DOE license much in line with the DOE Guidelines for Packaging, Labelling and Storage of Scheduled Wastes.</p> <p>Labels were sighted affixed properly on the container of SW inclusive of required details at the SW Store. Inventory records available and disposal of SW verified not exceeding 180 days or 20mt as per sample scheduled waste disposal as following:</p> <ul style="list-style-type: none"> <li>- Consignment Note # 2020092314TUN52F; Date: 23/9/2020; Waste code: SW305 – Spent lubricating oil; Quantity: 0.60 mt; Facility: Pentas Flora (Kelantan) Sdn. Bhd.</li> </ul>	<p>Complied</p>



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Criterion / Indicator		Assessment Findings	Compliance
		<p>- Consignment Note # 2020092314w3FOZ0; Date: 23/9/2020; Waste code: SW410 – Contaminated cotton rags; Quantity: 0.04 mt; Facility: Pentas Flora (Kelantan) Sdn. Bhd.</p> <p>Based on interviews with the workers, their understandings on proper handling, storage and disposal of wastes were satisfactory.</p>	
<b>4.5.3.4</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p><b>- Minor compliance -</b></p>	<p>Disposal of domestic wastes is through landfill. TDM SOP June 2017; section B8: Guidance for establishing landfill within the estate states landfill site to be situated 3 km far from the watercourse and residential area. Waste is collected 3x /week from line site. Recyclable wastes such as plastic bottles, aluminium cans and paper are disposed through 3rd party contractor.</p>	Complied
<b>Criterion 4.5.4: Reduction of pollution and emission</b>			
<b>4.5.4.1</b>	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p><b>- Major compliance -</b></p>	<p>Based on the assessment done by the mill of all polluting activities from the Environment Aspect and Impact exercise, identified sources were SW, boiler chimney (particulate and soot) &amp; POME treatment/anaerobic process as the main GHG pollutants.</p> <p>Current monitoring was through online boiler smoke density and alarm and quarterly boiler stack monitoring of dust particulate. Other environmental assessment carried out as per Action Plan for Environmental Assessment 2020/2021 and Continuous Improvement Plan established as per Indicator 4.5.1.3 and 4.5.1.4 above.</p>	Complied
<b>4.5.4.2</b>	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p><b>- Major compliance -</b></p>	<p>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.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>For continuous emission reporting system, it always online and send to HQ of Department of Environment in Putrajaya. Measurement of dust particulate concentration of Boiler Stacks conducted as per sighted sample monitoring records as following:</p> <ul style="list-style-type: none"> <li>- Measurement of Dust Particulates Concentration (MS 1506:2003) Stack Flue Gas of Boiler No. 2 for Semahir Niaga at Sg. Tong POM; Report ref. # L-GB-TC2008CSN-0150; Sampling date: 12/8/2020; Report date: 19/8/2020 by Environmental Science (M) Sdn. Bhd.</li> </ul> <p>Result of measurement shown the dust particulate concentration was complied to the limit under the EQ (Clean Air) Regulations 2014 as per DOE license.</p>	
<b>4.5.4.3</b>	<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><b>- Major compliance -</b></p>	<p>POME final discharge water sampling analysis conducted as per sighted sample monitoring records as following:</p> <ul style="list-style-type: none"> <li>- Certificate of Analysis APHA Standard Methods for the Examination of Water and Wastewater (2005) 21<sup>st</sup> Edition for Water Sample; Lab Report # 20/08/W0556; Date of sampling: 30/8/2020; Date issued: 10/9/2020 by ERALab (KT) Sdn. Bhd.</li> </ul> <p>Result of analysis shown the BDO concentration complied to the limit under the Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977 as per DOE license.</p>	Complied
<b>Criterion 4.5.5: Natural water resources</b>			
<b>4.5.5.1</b>	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources</p>	<p>The mill has established a 2020/2021 Water Management Plan, reviewed on February 2019. The plan incorporated the following programs:</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"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</li> <li>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.).</li> </ul> <p><b>- Major compliance -</b></p>	<ul style="list-style-type: none"> <li>- Water reduction - to use rainwater harvesting for cleaning, chemical mixture and others.</li> <li>- Safety and Health: to provide clean drinking water by installing new water filtration system</li> <li>- Environmental:               <ul style="list-style-type: none"> <li>a. to ensure no leakage or overflow of effluent into local rivers during heavy rain by digging 2 new ponds and rebuild the flatbeds.</li> <li>b. to keep smooth and unobstructed flow of rain water drainage around the mill compound through repair and renew damage monsoon drains around mill compound.</li> <li>c. to repair and improve drainage system at oil room to avoid the drains from blockage and clogging</li> <li>d. to install flowmeter to monitor efficiency of drainage to effluent ponds</li> <li>e. to perform water analysis to check monsoon drain water discharge quality once a year, that is, to monitor pollutants from mill escape.</li> </ul> </li> <li>- Safety /Social:               <ul style="list-style-type: none"> <li>a. to identify water sources as contingency plan during water shortage, example, drought                   <ul style="list-style-type: none"> <li>i. to purchase water from SATU (Terengganu Water Company)</li> <li>ii. to obtain water supply from nearby estates</li> </ul> </li> </ul> </li> </ul> <p>to train staff/workers to save water usage</p>	
<p><b>4.5.5.2</b> 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>The effluent is retained for treatment in a flow series through several / multiple stage ponds before being discharged into the watercourse and land application. The compliance requirement provided in the DOE Compliance Schedule (<i>Jadual Pematuhan</i>) license is BOD &lt;100 mg/l</p>	<p>Complied</p>

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	- Major compliance -	<p>for final water discharge. Under the improvement plan the mill had the flowing plan in relation to the effluent management improvement.</p> <ul style="list-style-type: none"> <li>- Biogas plant – reduction in GHG into the atmosphere</li> <li>- Polishing plant – to comply to reduce BOD to 20 ppm for water discharge.</li> </ul> <p>Effluent pond system – to remove solid content in cooling pond under desludging program.</p>	
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Mill Management</b>			
<b>4.6.1.1</b>	<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"> <li>- 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, Laboratory, product quality and HIRARC. The latest reviewed was conducted on Nov 2012 and no changes was made.</li> </ul> <p>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>	Complied
<b>4.6.1.2</b>	All palm oil mills shall implement best practices.	The management has appointed external parties, Sime Darby Seeds and Agricultural Services to provide External Mill Advisor and External	Complied

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	- <b>Major compliance</b> -	<p>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>	
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
<b>4.6.2.1</b>	<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>- <b>Major compliance</b> -</p>	<p>A business management plan established to demonstrate attention to economic and financial viability through long-term management planning was documented as per Sungai Tong Palm Oil Mill Budget Summary 2020-2021 which include projected FFB processed, targeted CPO &amp; PK production and total processing cost for period until the year 2025/2026.</p>	Complied
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
<b>4.6.3.1</b>	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- <b>Major compliance</b> -</p>	<p>Generally, the pricing mechanism is guided by TDM's Delegation of Authority Limit Policy, rev. 2017/02, dated 15/8/2017 and Procurement Unit SOP Guideline, doc. No.: TDM/PU/2019/01, rev. PP/2019/Rev 01, dated 19/9/2019. Based on verification of contract awards and interview with contractors, the implementation of the tender procedure is satisfactorily demonstrated.</p>	Complied

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4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	Verification of contract agreement, records of payment and interview with contractors showed that contracts was fair, legal and transparent and agreed payments were made in timely manner.	Complied
<b>Criterion 4.6.4: Contractor</b>			
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. <b>- Major compliance -</b>	The mill has made their contractors understand the MSPO requirements mainly through trainings and meeting. Records of training and meeting were available for verification. Based on interview during external stakeholder consultation, the engaged contractors were able to demonstrate a good understanding on the MSPO requirements.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	All of the engaged contractors such as CPO/PK transporters, engineering works were provided with agreed contracts. Verification of the contracts and records of payment showed that the implementation of the stipulated terms and conditions of the contract was effective.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. <b>- Minor compliance -</b>	The requirement of accepting MSPO accredited auditors to audit against the contractors was mentioned in the work order and addendum in jobs specifications.	Complied

**Appendix B: List of Stakeholders Contacted**

<p><b>Government Officer:</b></p> <ul style="list-style-type: none"> <li>- Jabatan Tenaga Kerja, Setiu</li> <li>- Immigration Department, Kuala Terengganu</li> </ul>	<p><b>Community/neighbouring village:</b></p> <ul style="list-style-type: none"> <li>- Kg Bukit Nenas</li> <li>- SK Kg Fikri</li> <li>- SK Kg Tayor</li> <li>-</li> </ul>
<p><b>Suppliers/Contractors/Vendors:</b></p> <ul style="list-style-type: none"> <li>- SF Suria Enterprise</li> <li>- Azam Ibrahim</li> <li>- Cahaya Nilam Enterprise</li> <li>- Perkhidmatan Mekanikal &amp; Auto Mobil</li> <li>- Abdullah Muda</li> <li>- Nurul Amira</li> <li>- Technopalm Resources</li> </ul>	<p><b>Worker's Representative/Gender Committee:</b></p> <ul style="list-style-type: none"> <li>- Mill and estates workers</li> <li>- Mill and estates staff</li> <li>- Gender committee representative</li> </ul>

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**Appendix C: Smallholder Member Details**

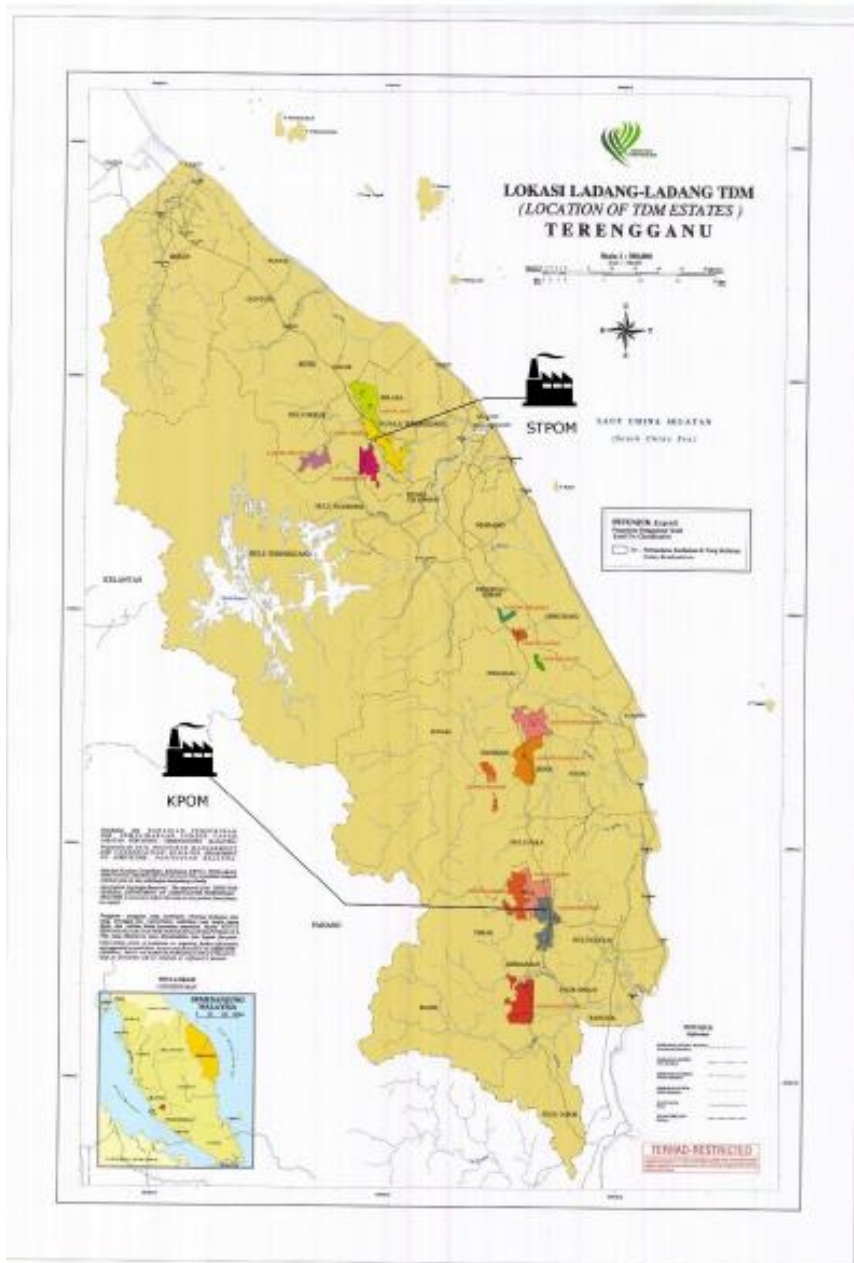
Not applicable

No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
	N/A					

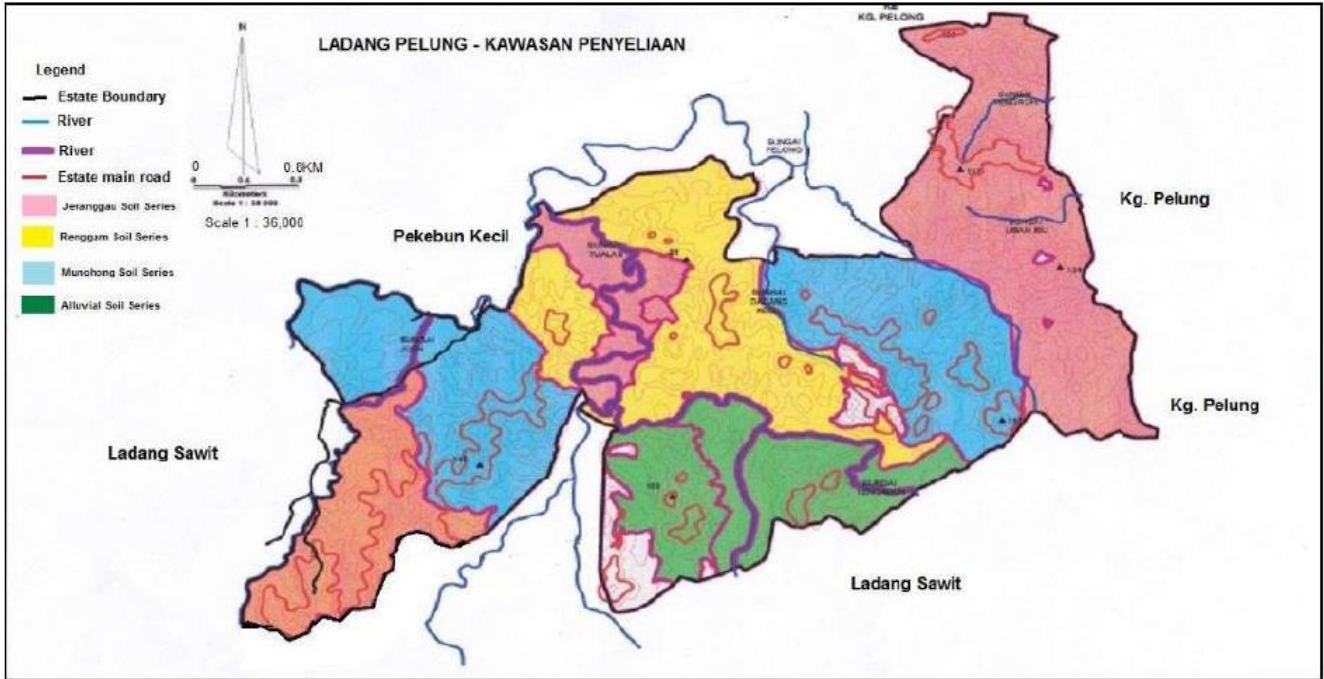


**Appendix D: Location and Field Maps**

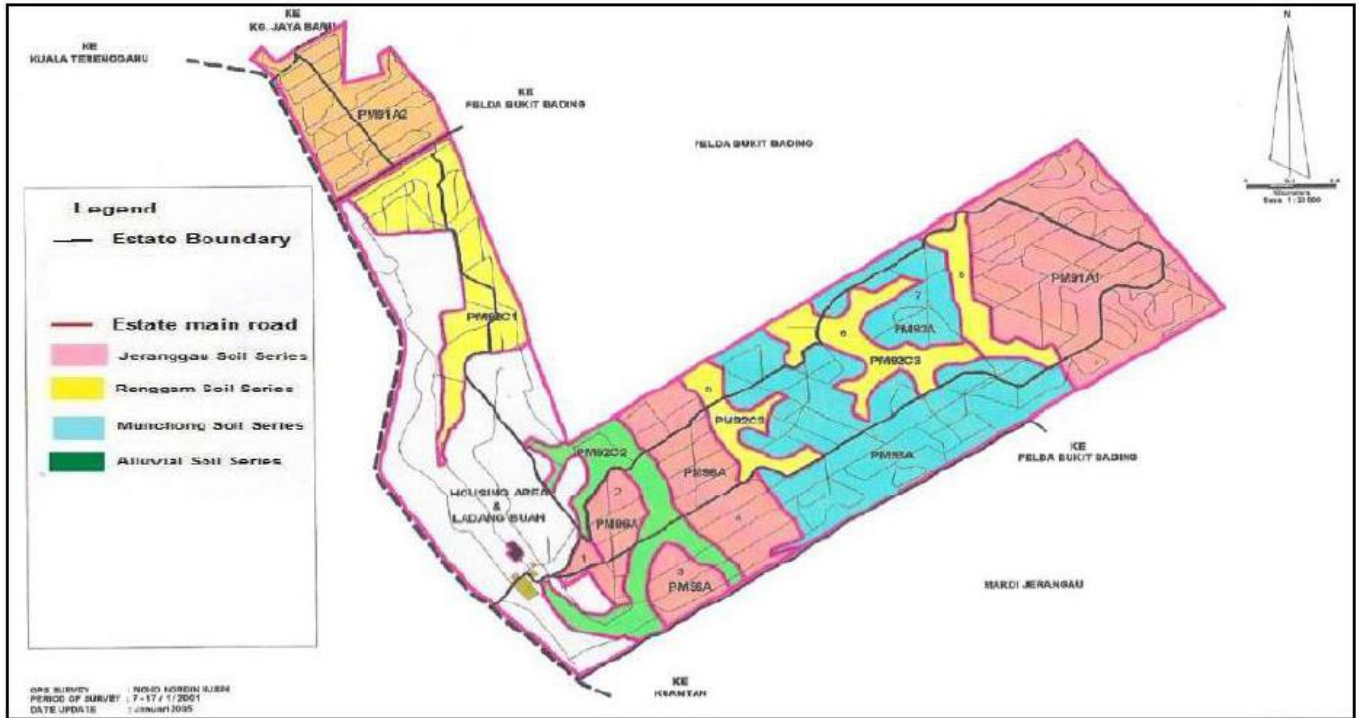
**Sungai Tong Palm Oil Mill**



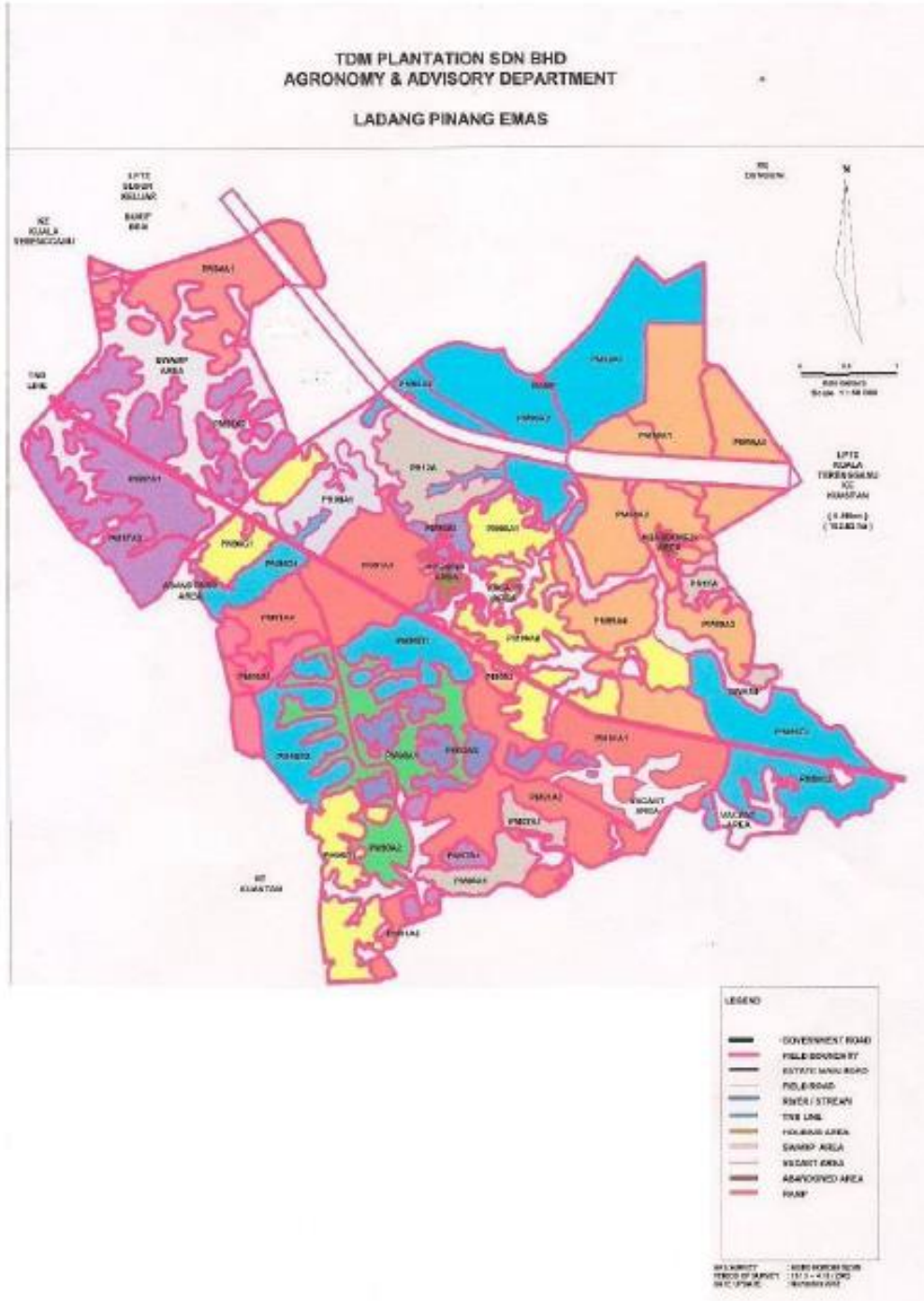
**Pelung Estate**



**Jerangau Estate**



## Pinang Emas Estate



**Appendix E: List of Abbreviations**

BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
EFB	Empty Fruit Bunch
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior, Informed and Consent
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
GPS	Global Positioning System
HCV	High Conservation Value
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MSPO	Malaysian Sustainable Palm Oil
MSDS	Material Safety Data Sheet
MT	Metric Tonnes
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RTE	Rare, Threatened or Endangered species
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure