

**MALAYSIAN SUSTAINABLE PALM OIL
– INITIAL ASSESSMENT
Public Summary Report**

TDM Plantation Sdn Bhd
Head Office: Level 3, Bangunan UMNO Terengganu Lot 3224, Jalan Masjid Abidin 20100 Kuala Terengganu Terengganu, Malaysia
Certification Unit: Kemaman Palm Oil Mill & Plantations including Tebak Estate, Pelantoh Estate, Jernih Estate, Air Putih Estate, Gajah Mati Estate & MAIDAM Estate Location of Certification Unit: KM 121, Jerangau – Jabor Highway 24101 Kemaman, Terengganu, Malaysia

Report prepared by:
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Report Number: 8779633

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person

MPOB License	Kemaman Palm Oil Mill : MPOB license # 500041904000; valid until 31/3/2018 Tebak Estate : MPOB license number 501373102000, valid until 31/3/18 Pelantoh Estate : MPOB license number 501374002000, valid until 31/3/18 Jernih Estate : MPOB license number 501868702000, valid until 31/10/18 Aifr Putih Estate : MPOB license number 503322802000 valid until 31/7/18 (Bandi Division), 503558102000 valid until 31/7/18 (main division) Gajah Mati Estate : MPOB license number 502036302000, valid until 31/8/18 MAIDAM Estate : MPOB license number 503576002000 valid until 31/8/2018		
Company Name	TDM Plantation Sdn Bhd		
Address	Head Office: Level 3, Bangunan UMNO Terengganu, Lot 3224, Jalan Masjid Abidin 20100 Kuala Terengganu, Terengganu, Malaysia Certification unit: KM 121, Jerangau – Jabor Highway 24101 Kemaman, Terengganu, Malaysia		
Group name if applicable:	N/A		
Subsidiary of (if applicable)	N/A		
Contact Person Name	Mr Shahbudin Bin Usop		
Website	www.tdmberhad.com.my	E-mail	kpom.tdmp@tdmberhad.com.my
Telephone	09 822 6566	Facsimile	09 822 6704

1.2 Certification Information

Certificate Number	Mill: MSPO 678572 Plantations: MSPO 686877		
Issue Date	15/12/2017	Expiry date	15/12/2022
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	15-17 August 2017		
Continuous Assessment Visit Date (CAV) 1	N/A		
Continuous Assessment Visit Date (CAV) 2	N/A		
Continuous Assessment Visit Date (CAV) 3	N/A		
Continuous Assessment Visit Date (CAV) 4	N/A		

Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 587626	RSPO	BSI Services (M) Sdn Bhd	31/10/2018

1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
Kemaman Palm Oil Mill	KM 121, Jerangau-Jabor Highway 24101 Kemaman, Terengganu, Malaysia	103° 14' 52.8"	4° 24' 10.80"
Tebak Estate	KM 121, Jerangau-Jabor Highway 24101 Kemaman, Terengganu, Malaysia	103° 13' 35.4"	4° 25' 48.61"
Pelantoh Estate	KM 121, Jerangau-Jabor Highway 24101 Kemaman, Terengganu, Malaysia	103° 14' 59.64"	4° 25' 19.23"
Jernih Estate	KM 121, Jerangau-Jabor Highway 24101 Kemaman, Terengganu, Malaysia	103° 12' 39.59"	4° 26' 24.00"
Air Putih Estate	KM 121, Jerangau-Jabor Highway 24101 Kemaman, Terengganu, Malaysia	103° 7' 47.99"	4° 8' 23.99"
Gajah Mati Estate	Bukit Besi 23000 Dungun, Terengganu, Malaysia	103° 12' 23.30"	4° 41' 45.05"
MAIDAM Estate	Bukit Besi 23000 Dungun, Terengganu, Malaysia	103° 12' 24.42"	4° 37' 39.58"

1.4 Plantings & Cycle					
Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
Jernih Estate	405.40	-	1,955.23	461.44	-
Tebak Estate	327.92	87.39	-	227.29	2,043.26
Pelantoh Estate	138.20	-	-	2,139.71	864.07
Air Putih Estate	1,006.81	1,510.92	-	890.51	634.46
MAIDAM Estate	255.8	-	-	500.16	-
Gajah Mati	1457.34	687.60	352.21	1,023.72	-

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Estate					
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1.5 FFB Production (Actual) and Projected (tonnage)

Producer Group	Actual (previous 12 month) Sept 16 – Aug 17	Forecast (next 12 month) Sept 17 – Aug 18
Jernih Estate	39,098.62	42,300.00
Tebak Estate	44,900.69	51,430.00
Pelantoh Estate	50,712.69	54,000.00
Air Putih Estate	31,490.68	35,450.00
MAIDAM Estate	4,861.09	6,780.00
Gajah Mati Estate	23,744.06	31,300.00
Total	194,807.83	221,260.00

1.6 Certified CPO / PK Tonnage

Mill	Estimated		Actual (previous 12 month) Sept 16 – Aug 17		Forecast (next 12 month) Sept 17 – Aug 18	
	CPO	PK	CPO	PK	CPO	PK
Kemaman Palm Oil Mill	N/A	N/A	44,255.88	11,793.10	45,358.30	11,063.00

Forecast OER : 20.5%, forecast KER: 5%

1.7 Details of Certification Assessment Scope and Certification Recommendation:

BSI Services Malaysia Sdn Bhd has conducted the Initial Certification Assessment of TDM Plantation Sdn Bhd – Kemaman Palm Oil Mill located in Kemaman, Terengganu comprising 6 estates, 1 palm oil mill and infrastructure

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

The onsite assessment was conducted on 15-17 August 2017.

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

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel +603 2242 4211 Fax +603 2242 4218
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 15-17 August 2017. The audit programme is included as Appendix A. The approach to the audit was to treat the mill or plantations 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 HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. MS 2530-3:2013 and MS 2530-4:2013 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The estates or smallholders sample were determined based on formula $N = 1.0\sqrt{y}$ where y is the number of estates while when applicable, the smallholders sample were determined following the MSPO Certification Requirement. The sampling of smallholders were based on the formula $(1.0\sqrt{y}) \times (z)$; where 1.0 is the risk factor (may defer to 1.2 and 1.4 depending on risk), where y is total number of group members and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix C. The comments made by external stakeholders were also taken into account in the assessment where the stakeholder notification was made on 13 July 2017 through BSI website as per following link:

https://www.bsigroup.com/LocalFiles/en-MY/MSPO/Public%20Notification/MSPO%20stakeholder%20letter_TDM%20Kemaman_english.pdf

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.

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

1. Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Kemaman Palm Oil Mill	√	√	√	√	√
Tebak Estate	√	-	√	-	√
Pelantoh Estate	-	√	-	√	-
Jernih Estate	√	-	√	-	√
Air Putih Estate	√	-	√	-	√
Gajah Mati Estate	-	√	-	√	-
MAIDAM Estate	-	√	-	√	-

Tentative Date of Next Visit: November 5, 2018 - November 7, 2018

Total No. of Mandays: 6

BSI Assessment Team:

Mohamed Hidhir Zainal Abidin – Lead Auditor

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

Hoo Boon Han – Team Member

He holds Master of Technology (Environmental Management) from the University Malaya and Bachelor of Science Forestry (Hons) Majored in International Tropical Forestry from University Malaysia Sabah. He has more than 3

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years working experience in in environmental monitoring & audit, carbon accounting & reduction, wastewater treatment, waste management and sustainable development. He has successfully completed the RSPO Lead Auditor and RSPO Supply Chain Training in April 2012. He has been involved in RSPO P&C audit in Indonesia and Malaysia as well as RSPO SC audit across different region including Asia, Europe and North America for the past 4 years. During this assessment, he assessed on the aspect of environment, Safety and Health, Legal, social and community engagements, stakeholders consultation, and workers welfare. He is able to speak and understand Bahasa Malaysia, English and Mandarin.

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Summary of the findings by Principles and Criteria

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	TDM Plantation has established a policy on sustainable palm oil production signed by CEO , Mr Jailani Che Kar dated 1/8/17.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement.	The established policy has emphasized on the commitment for key legal, social and environmental consideration with the objective of improving the milling and estate operation.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	As to date there was no internal audit conducted to ensure compliance with MSPO requirements.	Major non-compliance
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 -	There was no internal audit procedure for documented for MSPO	Major non-compliance
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	There was no MSPO internal audit report generated to the management for review. Thus, a major NC was issued under criterion 4.1.2. Refer NC ID, 1512739-201708-M2	Major non-compliance
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	There was no management review meeting carried out as to date to review effective implementation of MSPO. Thus, a major NC was issued. Refer NC ID, 1512739-201708-M3	Major non-compliance

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>Continuous improvement plan for POM FY2016/2017. It cover the welfare and the operation aspect. For example:</p> <p>Provide additional housing blocks</p> <p>Installing new water filtration system</p> <p>Building a new BioCompost Plant</p> <p>Install CCTV for ensuring the safety of all workers</p>	Complied
4.1.4.2	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p>- Major compliance -</p>	<p>The estate has optimised the use of mechanised operations to reduce pollutions. For example, existing crop evacuation system using mechanized buffalo (MB), Mini Tractor Grabber (MTG) and bin system are still in used. Verified during assessment, there was no new information and techniques or new industry standards and technology observed.</p>	Complied
4.1.4.3	<p>An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.</p> <p>- Major compliance -</p>	<p>The action plan is included in the Continous Improvement Plan for FY 2017/2018.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>TDM Plantation Sdn Bhd has established Flowchart dated 01/06/2016 for Handling Social Issue and Procedures for External and Internal Communication to handle any communication, consultation and complaints from stakeholders.</p> <p>The estate management will communicate all information requested by relevant stakeholders. All information relating to external stakeholder will be responded by Mill Management depends on the confidentiality. According to the flow chart, the request shall be responded within 2 weeks from the date of receipt.</p> <p>Requests for information from the Regulatory Department such as DOSH during compliance visit (31/7/2017) to Tebak Estate and Air Putih Estate (19 December 2017) were attended and relevant issue recorded in the inspection book.</p>	<p>Complied</p>
4.2.1.2	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>There was no restriction noted as to the documents made available to the public except those prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>Access to these documents is made available upon request. Information relating to land titles, safety and health plans, pollution prevention plans was made available at all operating units.</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Procedure for complaints and grievances were available at notice boards. The company is in the progress to make available the documents on the company’s website in the future.</p> <p>Among the documents that were made available for viewing are:</p> <ul style="list-style-type: none"> • Good Agricultural Practices • Social Enhancement • Sustainability Management Programmes • Complaint and Grievances procedure. • Environmental Conservation <p>These documents highlight current TDM Plantation Sdn Bhd practices and their continual improvement plans. Besides the above document TDM Plantations Sdn Bhd policy on the followings are also available:</p> <ol style="list-style-type: none"> 1) Social 2) Quality 3) Freedom of Association 4) Occupational Safety, Health and Environment 5) Environment & Biodiversity 6) Protection of Children 7) Gender <p>The policies were displayed at various locations including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p>	
<p>Criterion 4.2.2 – Transparent method of communication and consultation</p>		

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Criterion / Indicator		Assessment Findings	Compliance
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	TDM Plantation Sdn Bhd has established Flowchart for Handling Social Issue and Procedures for External and Internal Communication to handle any communication, consultation and complaints from stakeholders.	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	Estate Managers was appointed as officer to handle social issue by Human Resource Department. Letter of appointment dated 02/09/2014 for Tebak Estate and 02 September 2014 for Air Putih Estate was sighted.	Complied
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	The estates have developed the stakeholder list FY2017 which included all relevant stakeholders such as local communities, government authorities, contractors and suppliers and etc. Stakeholder meeting was conducted on 18/6/2017 for whole Kemaman Complex with stakeholders such as local communities, managers from other estates, workers' representatives, school representatives and etc. Issues raised during the stakeholders was explained in the meeting and unresolved issue has incorporated into the Social Action Plan to monitor.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	TDM Plantations' estate only send their FFB to Kemaman POM. Mill's Supply Chain Procedures TDM/KPOM/01; REV: KPOM-02/2017 describes the procedure for all levels or receiving oil products, processing, storage, transportation and distribution.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Daily FFB production report are available up to July 2017. In the report, it recorded the sub-block, hectarage and the total FFB send to palm oil mill.</p> <p>The weighbridge ticket will be issued during the delivery of FFB from the estate to mill.</p>	
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>Daily FFB production report are available up to July 2017. In the report, it recorded the sub-block, hectarage and the total FFB send to palm oil mill. The POM will send the summary of the received FFB to the estate on daily basics.</p> <p>Verified the record dated 13 and 12 August 2017 contain all the required information.</p>	Complied
4.2.3.3	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p>	<p>In Tebak Estate, the assistant manager has been assigned to maintain the traceability system. The appointment letter dated 1/08/17 with job responsibility has been clearly defined. Similar appointment letter dated 01 August 2017 sighted in Air Putih estate.</p>	Complied
4.2.3.4	<p>Records of sales, delivery or transportation of FFB shall be maintained.</p> <p>- Major compliance -</p>	<p>Inspection of records confirmed these were updated daily according to the established traceability procedure. Verified traceability records:</p> <p><u>Tebak Estate</u></p> <p>a. Weighbridge ticket: 7501 dated 31/05/2017 b. Weighbridge ticket: 7449 dated 29/06/2017 c. Weighbridge ticket: 7939 dated 31/07/2017</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<u>Air Putih Estate</u> a. Weighbridge ticket: 1626 dated 10/08/2017 b. Weighbridge ticket: 1605 dated 31/07/2017 c. Weighbridge ticket: 1182 dated 30/06/2017	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	Kemaman estate’s complex had continued to comply with the legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and sustainability team. In POM, following license and permit available: Jernih Estate i) Diesel permit, ref# KPDNKK/KMN/25 02/07 SK D , permit# 02/2017, quantity: 16,380 liter valid until 7/8/18. ii) Petrol permit, ref# KPDNKK/KMN/25 05/11 P SK, permit# 4/2011 quantity : 150 liter /day valid until Dec 2017. iii) MPOB license: 501868702000, valid until 31/10/17 Air Putih Estate i) Permit to buy class IB chemical, paraquat dichloride. Refer to ref# TRG/2017/PARA/133(GL) valid until 25/7/17 for total of 200 liter. ` ii) MPOB license, 503322802000 valid until 31/7/18 (Bandi Division), 503558102000 valid until 31/7/18 (main division).aNursery license, 560687011000 valid until 30/4/18	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>iii) Diesel permit, ref# KPDNKK/KMN/25 002/2/1091D , permit# 14/2014, quantity: 22,000 liter valid until 7/8/18.</p> <p>iv) Deduction permit issued by Labour Department, serial# PMT.2010/044 effective 1/1/11.</p>	
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>List of applicable legal and other requirements was made available during the assessment and compiled in the Legal Register 2017. Documented procedure has been established and implemented; refer to SOP: Procedure for Legal and Other Requirements dated November 2012.</p> <p>A summary of legal register FY2017 incorporating all the legal requirements are sighted during onsite at Air Putih, Tebak and Jernih Estate. Latest requirements such as Minimum Wages Order 2016 are registered in the list.</p>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>Documented procedure has been established and implemented; refer to SOP: Procedure for Legal and Other Requirements dated November 2012.</p> <p>The estate management will identify all legal and other requirements that are applicable to the estate's operations. The Group Legal Department, Plantation Coordinator and Plantation Advisor will advise of any new regulatory requirements. All the requirements will be evaluated once a year.</p>	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>Safety Officer is the person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	The Estates and Mill are on government lease land and they hold copies of Land Titles. The oil palm operations are consistent with the land title for agricultural purposes. In Tebak estate, sighted the copy of the land title (no: 18274) onsite and the original keep at the headquarters. In Air Putih Estate, there are total 5 land titles with 4933.26 ha	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	In Tebak estate, sighted the copy of the land title (no: 18274) onsite and the original keep at the headquarters. In Air Putih Estate, there are total 5 land titles with 4933.26 ha All the land lease belong to state land. There is no issue on land use claims evidence during the audit.	Complied
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The estate boundary is well maintained with the construction of boundary pegs to demarcate the mill's compound. There are more than 10 boundary pegs installed at the boundary of the estate and are evidence in Layout Plan with details GPS Coordinate.	Complied
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).	There is no issue on legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants in the estate.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no land dispute or customary rights issues in the estate.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	There is no land dispute or customary rights issues in the estate.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There is no land dispute or customary rights issues in the estate.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	SIA was conducted on 23/10-1/11/2011 by SRA Consultancy. The assessment was covered the whole Kemaman Complex which included Kemaman POM, Pelantoh Estate, Jernih Estate, Air Putih Estate, Gajah Mati Estate, MAIDAM Estate and Tebak Estate. The assessment team has interviewed with the relevant stakeholders such contractors, local communities, internal workers included local and foreign and etc. The mill and estates have developed SIA Action Plan for Y2017	Complied

Criterion / Indicator		Assessment Findings	Compliance
		which covered the social profile such as safety & health, education, housing & infrastructure and etc. The plan was developed through the issues raised during SIA and stakeholder meetings. The plan has incorporated the specific time frame with the person in charge to solve the issue. The SIA plan was updated by each SOU accordingly. The updated SIA plan for each issues raised in the stakeholder meeting was verified.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	<p>TDM Plantation Sdn Bhd has established a flowchart on handling social issue. Two way communication was the method been utilized by the management. The management has to discuss the issue raised by stakeholders within 2 weeks for the first meeting.</p> <p>According to the procedure, all the complaints and grievances will be recorded in each individual form. The forms can be filling and drop into the suggestion box at the office or send to PIC.</p> <p>The estate management has implemented House Maintenance Records to record any complaints related to housing by the workers. For eg: roof was leaking, water pipe broken and etc. The management has taken action to rectify the problem. For example, record complaint for the toilet door in Air Putih dated 31 July 2017 sighted during site visit.</p>	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	<p>Communication to the affected parties is evidenced. For instance, any social issues are communicated through social and legal PIC.</p> <p>The established grievance procedures specifies the estimated 2</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>weeks shall be taken for each of the process to be addressed before proceed to the subsequent process.</p> <p>Grievances procedure flowchart also displayed on the office signboard and security post. Checked the complainants file noted that acknowledgement was evident in the complaint form.</p> <p>Interviewed with the workers' representatives confirmed that the management has addressed the issues raised by them.</p>	
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p>- Minor compliance -</p>	<p>Grievances procedure flowchart and complaint form displayed on the office signboard.</p> <p>The estate maintains 'complaint form' and 'maintenance and repairing report' for receiving and responding to requests and complaints from employees.</p> <p>Up to date, no external stakeholders were recorded related on complaint and grievances. Review of the registers found there was no outstanding or unresolved grievance.</p>	Complied
4.4.2.4	<p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p>- Minor compliance -</p>	<p>Training (complaint and grievance procedures, communication and consultation procedure) has been conducted too all the Kemaman POM and estates' stakeholder on 18 June 2017.</p> <p>The procedures also available at the office as well as the line site.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	Flowchart indicate records of complaints and resolution for the last 24 months are available in the Complaint and Grievances file. Up to date there is no complaint documented in exception of housing maintenance request.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	Estates has made contributions to the local communities and stakeholders such as below: a. Request for transportation to school dated 16 March 17 (Tebak estate) b. Request for lorry for sand transportation dated 5 Feb 2017 (Tebak estate) c. Donation to Belia 4B Teladas dated 6 Jul 2017 (Air Putih Estate) d. Backhoe service for JKKK Air Putih dated 5 Jun 2017 (Air Putih Estate)	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	TDM Plantation has established Occupational, Safety & Health and Environment dated 1/6/17 which signed by CEO, Mr Jailani Che Kar. The OSH plan has developed and in-lined with company's policy and incorporated with the training plan.	Complied
4.4.4.2	The occupational safety and health plan shall cover the	TDM plantation estates has safety and health policy that has been	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for 	<p>communicated to the staff and workers. On site supervisors and estate assistant managers ensure the implementation of it.</p> <p>HIRARC – Latest review in December 2016. Coverage of activities (Field maintenance and up keep, manuring, transportation, farm tractor, workers transportation, diesel station, domestic waste, security, workshop and warehouse)</p> <p>In addition to specific training courses, safety briefings are given during muster to reinforce awareness, such as correct wearing of PPE.</p> <p>Chemical register dated 5 March 2017 was sighted. There is class IB used for weeding at immature area. Refer to Permit to buy class IB chemical, paraquat dichloride. Refer to ref# TRG/2017/PARA/133(GL) valid until 25/7/17 for total of 200 liter.</p> <p>SDS for the said chemicals are available at the store in Dual-language (Bahasa Malaysia and English). I.e Paraquat Dichloride (reduced Ai @ 13%), GLYSO 410 (Glyphosate isopropylammonium) and FOXIL (triclopyr butyl)</p> <p>Records were available of PPE issued to individual workers and contractors, including signatures to confirm receipt. PPE standard is based on CHRA assessor’s recommendation as per the following:</p>	

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Criterion / Indicator		Assessment Findings		Compliance
<p>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>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	Activity/work unit	PPE recommendation		
	Spraying	Half face respirator (3M 3311K-55) Rubber nitrile gloves Chemical goggles Body apron		
	Manuring/fertilizer	Dust mask 3M 9010 N95 Rubber/cotton gloves		
	Workshop	Ventilation fan/ Natural ventilation Dusk mask 3M 9010 N95 Safety boots Welding gloves		
		<p>TDM plantations estate follows the SOP for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (CLASS) Regulation 2013 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>TDM Plantation has established Standard Operating Procedure for Oil Palm Plantations (SOP) dated May 2017. The SOP covers all estate's activities from nursery management, replanting, field maintenance and upkeep, crop evacuation, chemical and agrochemical management, transportation of workers, utilities management, Pest control and domestic and scheduled waste disposal.</p>		

Criterion / Indicator	Assessment Findings	Compliance
	<p>Re-assessment of CHRA was done on 14/6/16 by Occumed Consultancy & Services Sdn Bhd by DOSH registered assessor, JKPP IH 127/171-2(08). Recommendation</p> <p>Jernih Estate CHRA dated 2 August 2016 (JKPP HIE 127/171-2[230]) Recommendation : i)Medical Surveillance(Sprayer, chemical mixer, workshop operator)</p> <p>Jernih Estate Medical surveillance was last done for 2 batches of workers from workshop, store, chemical sprayer and mixer. The last medical surveillance was carried out on 12 & 13/8/17 by Occupational Health Doctor DOSH Reg. No. JKPP HQ/08/DOC/00/352 under Klinik Bestari. Result of the Medical Examinations found to be normal without any health detrimental issues.</p> <p>Air Putih Estate The management of Estate send 45 sprayers/workshop/Store keeper for medical check up on 25/09/2016 and the result from OHD (JKPP HQ/08/DOC/00/352-Klinik Bestari Sdn Bhd) were found normal.</p> <p>At the estate, there is a designated OSH Coordinator who is responsible for organising safety training, meetings and investigation and reporting of accidents and Incidents.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Jernih Estate : SHC secretary: Assistant manager, 27/3/17</p> <p>Air Putih Estate: Estate manager appointment as SHC chairman dated TDMP/OD/05/32 dated 28/11/16.</p> <p>Jernih Estate Refer OHS meeting minutes : #1: 6/3/16 #2: 27/6/17</p> <p>Air Putih Estate: Refer to OHS meeting minutes: #1: 12/2/17 #2: 21/5/17</p> <p>Workplace inspection, HIRARC and line site inspection will be carried out prior to SHC meeting. Records were available confirming that quarterly OSH meetings had been held at the estate.</p> <p>Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors. Emergency response Team organization chart for 2017/2018 available. ERT Training schedule 2017 sighted. Workers trained in firefighting, Rescue method and prepared for the any unforeseen circumstances.</p> <p>First Aid Kits are provided at various work sites at the estates and inspection confirmed these had been appropriately stocked. Total of 1 certified first aider available at Jernih Estate.</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>Tun Mohd Azmi – First Aid 2.0 (Basic Outdoor Occupational First Aid, CPR + AED) valid for 3 years until 24/11/18</p> <p>All accidents are investigated and reported to Head Office and well as DOSH. Accident statistics for Jernih Estate as follows : Based on JKPP 8 for 2016; i) 1 case, total of 57 LTI recorded. ii) Air Putih – 1 case with 60 LTI recorded.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<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>- Major compliance -</p>	<p>TDM Plantation Sdn Bhd has implemented Human Rights Policy dated 1/6/2017. The management is committed to support the principle of Universal Declaration of Human Rights and ILO Core Convention on Labour Standards. They evaluated and managed the human rights activities parallel to the policy such as workers, contractors and suppliers, local communities and etc. The policy was displayed at the notice board in front of office and canteen area.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>TDM Plantation Sdn Bhd has developed Social Policy dated 1/6/2017 where they are committed to treat all the workers equally during the recruitment and promotion process without discrimination based on nationality, race, ethnic, religion, sexual orientation, age and etc.</p> <p>There were no evidences of any form of discrimination based on race, national origin, religion, gender, union and political affiliation and is covered in the policy as well.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Interview with workers indicates that there is no such discrimination occurs in the workplace	
4.4.5.3	<p>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.</p> <p>- Major compliance -</p>	<p>The payroll and pay slip records of employees showed that all employees are paid with the monthly salary are compliance with the local minimum wages requirements.</p> <p>Payslip of month January 2017, March 2017 and June 2017 for workers have been sampled as below:</p> <ul style="list-style-type: none"> a. Employee# TB1000516 (Tebak Estate) b. Employee# TB1300804 (Tebak Estate) c. Employee# TB1500943 (Tebak Estate) d. Employee# TB1400829 (Tebak Estate) e. Passport No.: B1401400 (APE's Contract Worker) f. Passport No.: B1400848 (APE's Contract Worker) g. Passport No.: AT822899 (APE's Contract Worker) <p>Review the pay slip of mill employees pay statements has been carried out and confirm that their basic salary wages are comply with Minimum Wage Order 2016 of RM 1000/ month or RM 38.46/ day.</p>	Complied
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>There is no evidence that the management in ensuring employees of contractors are paid based on legal on industry minimum standards. Thus a major NC was issued. Refer to NC ID, 1512739-201708-N1.</p>	Minor Non_Compliance

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.5.5 The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>Estate maintain an accurate record of all employees under the following documents :</p> <ol style="list-style-type: none"> 1) Workers paid on monthly basics 2) Working paid on daily/hourly workers <p>Both above records (e.g. records updated as of year 2017) verified during the audit were found contains the following details of information for every employees.</p> <ul style="list-style-type: none"> • Employee Name • New IC/Passport • Position • Date of Birth • EPF No • SOCSO No • Tax No • Marital Status • No of children • Nationality • Race • Remuneration • OT Rate <p>Appointment Join Date</p>	<p>Complied</p>
<p>4.4.5.6 All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p>	<p>There is a contract and agreement for staff and workers including foreign workers and pay and conditions are documented and are above the industry minimum standard. Inspection of a sample of employee contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>Copies of Employment Contract for each local workers indicated in the employment records are available. Sample of employment contract available for the local workers:</p> <ul style="list-style-type: none"> a. Employee# TB1000516 (Tebak Estate) b. Employee# TB1300804 (Tebak Estate) c. Employee# TB1500943 (Tebak Estate) d. Employee# TB1400829 (Tebak Estate) e. Passport No.: B1401400 (APE's Contract Worker) f. Passport No.: AT102565 (APE's Contract Worker) g. Passport No.: AT102474 (APE's Contract Worker) h. Passport No.: AT746284 (APE's Contract Worker) 	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>Estates established a time recording system using Check Roll Book for all employees at different station. The working hours for all employees has been clearly documented in the Check Roll Book as well as their pay slip under OT section to ensure transparent for both employees and employer.</p> <p>Time recording system has been carried out manually on daily basis for field and office staff & executives.</p> <p>For office staff & executives, the working hours are recorded in the Executives & Staff Attendance List.</p> <p>For field workers, they record the working hours in the Daily Time Record. The overtime working hours always approved by the assistant manager.</p> <p>The documented working hours available in the daily check roll records</p>	Complied

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4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p>Through the verification of the O/T form, overtime sheet and also the sampled payslip. There is no overtime more than the legal permitting 104 hours.</p>	Complied
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Pay slips of all employees are available as evidence of salary payment. The pay slip contain the following information :</p> <ul style="list-style-type: none"> i. Earnings j. Basic Salary (Daily Rated Work, Work on Rest Day and Work on Holiday) k. Overtime (Week days, Rest days and Holiday) l. Price Bonus m. Advance n. Deduction o. SOCSO, EPF , Others <p>Payslip of month January 2017, March 2017 and June 2017 for workers have been sampled as below:</p> <ul style="list-style-type: none"> a. Employee# TB1000516 (Tebak Estate) b. Employee# TB1300804 (Tebak Estate) c. Employee# TB1500943 (Tebak Estate) d. Employee# TB1400829 (Tebak Estate) e. Passport No.: B1401400 (APE's Contract Worker) f. Passport No.: B1400848 (APE's Contract Worker) g. Passport No.: AT822899 (APE's Contract Worker) 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Observed that the wages and overtime payment documented on the pay slips are in line with legal requirement and as stated in the employment contract	
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. - Minor compliance -	Estates has provided yearly bonus, monthly incentive which are paid according to staff's performances Apart from that, the management also provides free housing facilities with water and electricity. In addition, clinic facilities are prepared in the estate and the VMO visit once a month.	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. - Major compliance -	On-site living quarters are provided to general workers and staff. Observed that the living quarters are habitable and have amenities such as water, electricity etc. Transportation to send children to neighbouring school was provided as well. Subsidy of RM 6 for water and RM 5 for electricity was given by the management.	Complied
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	TDM Plantation Sdn Bhd has developed Gender Policy dated 1/6/2017 where they are responsible to ensure the workplaces are free from any harassment related to sexual, religion, nationality and etc. The policy has been displayed at the notice board in front of office. Up to date, there is no case reported in the estate. In respective estate will organise gender committee meeting quarterly. For example, meeting conducted on 20/3/2017 and 18/7/2017 in Air	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Putih Estate.	
4.4.5.13	<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>- Major compliance -</p>	<p>TDM Plantation Sdn Bhd has implemented Freedom of Association Policy dated 1/6/2017. The workers were able to join or form any association according to the Employment Act without any restriction. Besides, they also implemented Social Policy dated 1/6/2017 where they workers are allowed to join and form association freely.</p> <p>Interview of Staff and Workers also confirmed their awareness of freedom of association but there was no worker unions being formed at the moment.</p> <p>In Tebak estate, the latest union meeting conducted on 13 August 2017. Various issues being discussed between the union representatives and also management</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>TDM Plantation Sdn. Bhd. has developed Protection of Children Policy dated 1/6/2017. They are committed not to exploit or recruit any individual less than 16 years old in the plantations.</p> <p>Estate maintain an accurate record of all employees under the list of workers. Through document reviewed on the Employee Listing confirmed that the workers recruited are above 18 years old. Evidence that there is no underage worker (below 18 years old) employed at the work locations visited.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.6: Training and competency			
<p>4.4.6.1</p>	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Kemaman Complex Estate’s has prepared an Annual Training Plan for 2017 for workers and contractors that lists the internal and external training courses scheduled for the year. Sample of training carried out in 2017:</p> <p><u>Jernih Estate</u></p> <ul style="list-style-type: none"> i) MSPO Awareness Training – 16/8/17 ii) Kick-off meeting on National Elephant Conservation Action Plan – NECAP with Wildlife Department, Terengganu – 11/7/17 iii) Manurer training (fertilizer spreader) – 25/7/17 iv) Spraying Training – 15/6/17 v) Occupational Safety and Health in the office – 12-13/7/17 vi) Knapsack Sprayer Training (myCrop) – 21/3/17 vii) Rat baiting training – 12/2/17 ix) Safe Handling of chemical – 5/9/16 <p><u>Air Putih Estate</u></p> <ul style="list-style-type: none"> i) Chemical Handling and PPE Training – 29/4/17 ii) Harvesting Training – 22/2/17 iii) Spraying Training – 17/1/17 iv) Manuring Training – 1/2/17 v) First Aid Training – 8/6/17 	<p>Complied</p>
<p>4.4.6.2</p>	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job</p>	<p>Kemaman Complex Estate’s has conducted training needs assessment prior to prepare the annual training plan for the year 2017 for all the employee groups including new and existing workers and staffs. Training programmes is based on worker’s competency</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
	description. - Major compliance -	requirements. Workers must be properly trained before assigned to the respective work units. On-site observation @ assessment will be carried out by field staff and assistant to monitor training effectiveness.	
4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. - Minor compliance -	Continuous training programme is planned and implemented covering all employees and contractors as per the documented training procedure.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	TDM Plantations Sdn Bhd has established an environmental policy with relevant to the applicable laws and regulations. Policy was signed by Chief Executive Director on 1 st June 2017. The policy has been displayed at the notice board in front of office and line site area. The workers also been briefed on the policy during morning muster. Interviews of staff and workers found that the policy has been communicated and implemented.	Complied
4.5.1.2	The environmental management plan shall cover the following:	The established environmental improvement plan/ pollution prevention plan (review on June 2017) has covered all the environmental issue, mitigating measure, action PIC, time frame and status.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. - Major compliance -	<p>TDM Plantations Sdn Bhd has established an environmental policy with relevant to the applicable laws and regulations. Policy was signed by Chief Executive Director on 1st June 2017.</p> <p>Environmental Aspect and Impact Identification (EAI) 2017 (date: 1 May 2011; TDM/KPOM/01) has identify the environmental aspects related to its activities, products or services, and to evaluate the significance of the associated environmental impacts. Besides, the applicable law & regulation also incorporated into the evaluation form. For example, replanting activities have been identified in the aspect and impact identification in Tebak and Air Putih estates.</p>	
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -	<p>The established environmental improvement plan/ pollution prevention plan (review on June 2017) has covered all the environmental issue, mitigating measure, action PIC, time frame and status.</p> <p>Results of the programs that were monitored will determine operational changes whether have positive or negative environmental impacts. For example, in Tebak estate management plan updated on 12 Jan 2017. List for environmental improvement plan as such:</p> <ul style="list-style-type: none"> a. River water quality monitoring b. Waste management c. Reduction of pesticide d. Recycling 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		In Tebak estate, river water quality monitoring report July 2017 and March 2017 indicated all parameters measure were in compliance with the limit stated in Class IIA/IIB of National Water Quality Standards for Malaysia (NWQSM)	
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Estates environmental improvement programme also includes continual improvement plans. For example, the chemical containers triple rinsed and pierced and send to recycler. For EFB, mill will send to Bio-compost plant for composting and send to estate. In Air Putih Estate, the management plan 2017 incorporated various activities including: <ul style="list-style-type: none"> a. Rainwater harvesting b. Reduction of pesticide usage through IPM 	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. - Major compliance -	Annual training programme of the mill includes environmental awareness and compliance related trainings to the executives, staffs and workers. In Tebak estate, the latest training conducted on 15 August 2017 for all the workers during every Tuesday morning muster.	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	Environmental Performance Monitoring Committee (EPMC) established since 1 January 2017 for ensuring the environmental monitoring tools implemented effectively. Environmental related matters such as policy, law & regulations, open burning, river pollution and etc were discussed during the	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>meeting. Workers interview reveal that they are encouraged to discuss environmental issues with the management.</p> <p>In addition, quarterly environmental meeting was last conducted on 19/07/17 Tebak. All pertinent environmental matters were discussed during the meeting. For Air Putih, the meeting conducted on 30 may 2017 with the attendance of various environmental aspect representatives (biology, cleanliness, river, drain and etc).</p>	
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>Monthly record on energy consumption for non-renewable sources were kept and documented. It is monitored to optimise use of non-renewable energy for reference. Data is being compiled for comparison and control for future improvement and reduction plan.</p>	Complied
4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>Kemaman Complex Estate's has estimation on total energy required. This estimation was compared to the actual usage by monthly and reported to the head office for monitoring.</p>	Complied
4.5.2.3	<p>The use of renewable energy should be applied where</p>	<p>There was no use of renewable energy at Kemaman Estate's</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance						
	possible. - Minor compliance -	complex as to date. Operation of diesel set and vehicle is fully dependent on fossil fuel.							
Criterion 4.5.3: Waste management and disposal									
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	<p>Estates has established Waste Management Action Plan FY 2017. Few type of waste has been identified i.e. Scheduled Waste, Domestic Waste and Industrial Waste. The source of these wastes were mainly located at mechanical/electrical workshop, chemical store, scheduled waste store, line site, office, mill effluent pond.</p> <p>Other specific type of waste generated by the mill is organic (biomass) waste which is also a source of renewable energy consists of fibres, shells, empty fruit bunches, boiler ashes and decanter solids.</p> <p>Other specific activities such as mill maintenance and estate vehicle workshop generate few categories of scheduled waste such as SW 305, SW 102 and SW 410.</p>	Complied						
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <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>Waste Management Action Plan 2017 has identified different type of waste, generated location, action to be taken, person in charge and expected completion.</p> <p>In the action plan FY2017 has identified the waste generated location and action to be taken; for example:</p> <table border="1" data-bbox="1034 1294 1818 1358"> <thead> <tr> <th>Waste</th> <th>Location</th> <th>Action to be taken</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Waste	Location	Action to be taken				Complied
Waste	Location	Action to be taken							

Criterion / Indicator		Assessment Findings			Compliance
	- Major compliance -	Schedule waste	Mechanical/electrical workshop, chemical store, schedule waste store	Send to licensed contractor	
		Domestic waste	Line site, office, workshop, store, shop	Landfill in estate, recycling campaign	
		Industrial waste	EFB, scrap metal	recycling, mulching	
4.5.3.3	<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>- Major compliance -</p>	<p>TDM Plantations Sdn Bhd has established a procedure for handling of schedule waste (TDMP-02/2017). The SOP stated all the methodology for handling different kind of schedule waste.</p> <p>The estate has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor.</p> <p>In estate, the empty pesticides container were collected in scheduled waste store after piercing at the bottom of the container. The licensed contractor will collect from the mill. Following record sighted: <u>Tebak</u></p> <ul style="list-style-type: none"> • Consignment note: 2017032910J7YWU0 dated 29 Mar 2017; SW305 by Hiap Huat Chemicals • Consignment note: 2017032911QVPR6W dated 29 Mar 2017; SW409 by Hiap Huat Chemicals 			Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Air Putih</u></p> <ul style="list-style-type: none"> Consignment note: 20170712129G4OR6 dated 12 July 2017; SW409 by Urban Environmental Industries Sdn Bhd <p>Consignment note: 2017071211WJU7OV dated 12 July 2017; SW410 by Urban Environmental Industries Sdn Bhd</p>	
4.5.3.4	<p>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.</p> <p>- Major compliance -</p>	<p>During site visit, all estates have a proper Scheduled Waste Store for storing scheduled waste. Empty chemical containers were triple rinse and punctured prior collect by DOE authorized waste disposal contractor</p> <p>Empty chemical container need to be marked or painted before re-used back for premix.</p>	Complied
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p>TDM SOP June 2017; section B8: Guidance for establishing landfill within the estate which required at least 3 km far from the watercourse and residential area.</p> <p>Domestic waste are being disposed at landfill established at the block 95A3 in Tebak estate and block 96A F1 in Air Putih Estate.</p>	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>Both estates assessed their polluting activities. It is tabulated under the environmental management program. Therein is given potential sources of pollutants, objective & targets and action to be taken. Sighted targeted area assessed among other as follows;</p>	Complied

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Criterion / Indicator		Assessment Findings		Compliance
		Sources/objective & target	Action steps	
		Management of HCV river reserve & buffer zone conservation	To train/retrain sprayers/manuring gang to avoid any chemical-related works at the area	
		To monitor waste management plan for its suitability	SW disposal monitoring	
		To improve employees awareness on pollution prevention at housing complex including zero burning policy.	Continuous reminders	
		To minimise spillage of oil/chemical onto the ground	Continuous training and use of spill trays	
		To review aspect identification & impact evaluation to identify significant critical points for control.	Review through EA/EIE	
		Maintenance of sentang trees	Ensure signage & demarcation are visible to avoid chemical intervention. To monitor pollution/erosion	
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	Details of action plan for identified pollutants are shown in 4.5.4.1 above		Complied
Criterion 4.5.5: Natural water resources				

Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.5.1 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. <p>- Major compliance -</p>	<p>Water management plan FY2017/2018 available for review. The plan has included reduction plan, pollution prevention, maintenance and upkeep of field drain for irrigation.</p> <p>Air Putih Estate - rainfall data recorded at 2491 mm (2016) compared with 1839 mm for todate 2017. Rainfall data will be used as basis for availability of water resource for rain water harvesting programme. Water supply is from government supply, SATU.</p> <p>Water monitoring quality report, by ERALAB (KT) SDN BHD.</p> <p>Refer to COA, 17/07/W595 dated 21/7/17. Water sampling point, upstream Sg Bandi (W1), Midstream Sg Bandi (W2).</p> <p>Comply with limit under NWQSN Class IIA – Water supply II : conventional treatment required, Fishery II – sensitive aquatic species. Class IIB – Recreational use with body contact.</p> <p>Parameter check : pH, BOD5, COD, TSS , AN (NH3 N) Phosphorus (P*), Pesticides in water test (organochlorine pesticides, paraquat)</p> <p><u>Jernih Estate</u></p> <p>Total rainfall 2016 : 2,956 mm, todate 2017: 2103.70 mm Rainfall data will be used as basis for availability of water resource for rain water harvesting programme. Water supply is from government supply, SATU.</p> <p>SOP for Water Sampling (streams/rivers), issue:1 dated 28/7/12. Frequency of sampling, once a year.</p> <p>Water monitoring quality report, by ERALAB (KT) SDN BHD.</p> <p>Refer to COA, 17/06/W560 dated 17/7/17. Water sampling point,</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>upstream (W1) N 04o 25' 47.9, E 103o 10' 47"</p> <p>Comply with limit under NWQSN Class IIA – Water supply II : conventional treatment required, Fishery II – sensitive aquatic species. Class IIB – Recreational use with body contact.</p> <p>Parameter check : pH, BOD5, COD, TSS , AN (NH3 N) Phosphorus (P*), Pesticides in water test (organochlorine pesticides, paraquat). Basd on the analysis report, all parameter tested were within stipulate limit and no pesticides detected in water.</p>	
4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>There were no construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p>	Complied
4.5.5.3	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	<p>Water management plan includes rain water harvesting programme, desilting of road side drains and etc.</p>	Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly</p>	<p>HCV assessment was conducted in November 2011 by an independent consultant from SRA Consultancy with working experience in conducting HCV and Social Impact Assessment. HCV Toolkit for Malaysia by WWF – Malaysia was used. There were appropriate consultation processes as per the HCV Toolkit-Malaysia which covers the three main components of identification,</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>affected by the grower(s) activities.</p> <p>b) Conservation status (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p>	<p>management and monitoring. There were no HCV area within the mill and plantation.</p> <p>Following identification of HCV in the assessment report:</p> <p>a. Tebak Estate: N.A</p> <p>b. Air Putih Estate: Tabung F (Division Bandi); 10 ha</p> <p>c. Jernih Estate: Field 97B and Field 96A</p>	
<p>4.5.6.2 If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>Based on the assessment report findings, endangered, rare and threatened species by IUCN was recorded during the surveys. Among the species recorded are elephant (<i>Elephas maximus</i>), Malayan tiger (<i>Panthera tigris corbetti</i>), Malayan tapir (<i>Tapirus indicus</i>) and wild boar. It is due to certain estate bordering with the forest reserve.</p> <p>Besides, respective estate has the animal sighting record which documented types and frequency of the animal being sighted by the workers in the field.</p> <p>No illegal hunting signage are prominently erected at the estate entrance and other strategic area and awareness training has been given to workers and other stakeholders</p> <p>Besides, Wildlife Department Kemaman visited the Tebak estate on 15 August 2017 to discuss on the elephant conflict issue the on the replanting area- 211 ha. The mitigation measures for the estate such as patrolling, tyre burning and electric fencing.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance															
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. - Major compliance -	In Tebak estate, the HCV management and monitoring plan 2017 was established. Activities such as: a. Policy training b. Conservation of natural areas c. Enhance the plantation landscape d. Animal sighting records e. Erect signage In Tebak estate, similar HCV Management and Monitoring Plan 2017 sighted during site visit. Record for respective record available.	Complied															
Criterion 4.5.7: Zero burning practices																		
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	Replanting programme was completed in 2016 at Jernih Estate. Verified work programme for replanting at Jernih Estate Block 91A - 176.80 ha, block 97A & 06B -214.95 ha <table border="1"> <thead> <tr> <th>Work</th> <th>Progress</th> <th>Duration</th> </tr> </thead> <tbody> <tr> <td>Felling</td> <td>Completed in Dec 2015</td> <td>53 days</td> </tr> <tr> <td>Road</td> <td>Completed in Jan 2016</td> <td>45 days</td> </tr> <tr> <td>Terracing</td> <td>Completed in Jan 2016</td> <td>45 days</td> </tr> <tr> <td>Drain and desilting</td> <td>Completed in Jan 2016</td> <td>30 days</td> </tr> </tbody> </table>	Work	Progress	Duration	Felling	Completed in Dec 2015	53 days	Road	Completed in Jan 2016	45 days	Terracing	Completed in Jan 2016	45 days	Drain and desilting	Completed in Jan 2016	30 days	Complied
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Criterion / Indicator		Assessment Findings			Compliance														
		<table border="1"> <tr> <td>Cambering</td> <td>Completed in Jan 2016</td> <td>15 days</td> </tr> <tr> <td>Platforming</td> <td>Completed in Feb 2016</td> <td>45 days</td> </tr> <tr> <td>Silt Pit</td> <td>Completed in Feb 2016</td> <td>40 days</td> </tr> <tr> <td>Lining of planting</td> <td>Completed in Feb 2016</td> <td>50 days</td> </tr> <tr> <td>Holling/planting</td> <td>Completed in Feb 2016</td> <td>45 days</td> </tr> </table>	Cambering	Completed in Jan 2016	15 days	Platforming	Completed in Feb 2016	45 days	Silt Pit	Completed in Feb 2016	40 days	Lining of planting	Completed in Feb 2016	50 days	Holling/planting	Completed in Feb 2016	45 days		
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4.5.7.2	<p>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.</p> <p>- Major compliance -</p>	<p>Not applicable for Tebak, Jernih and Air Putih Estate as there was no phyto-sanitation activities as todate. A normal land preparation practices were observed for replanting.</p>			Not applicable														
4.5.7.3	<p>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.</p> <p>- Major compliance -</p>	<p>Not applicable for Tebak, Jernih and Air Putih Estate as there was no phyto-sanitation activities as todate. A normal land preparation practices were observed for replanting.</p>			Not applicable														
4.5.7.4	<p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p> <p>- Minor compliance -</p>	<p>Not applicable for Tebak, Jernih and Air Putih Estate as there was no phyto-sanitation activities as todate. A normal land preparation practices were observed for replanting.</p>			Not applicable														
4.6 Principle 6: Best Practices																			

Criterion / Indicator		Assessment Findings	Compliance								
Criterion 4.6.1: Site Management											
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>Kemaman Complex Estate’s has well established management systems for monitoring and control of best practice implementation at its estate. This includes the programme of regular internal audits by Sustainability Department and agronomist for maintaining and improving the production. In addition, 3rd party Plantation Advisory visit by Sime Darby Seeds and Agricultural Services Sdn Bhd was conducted on from 18-19/4/17 Areas of visit scope (crop recovery, harvesting guidelines, field upkeep and maintenance, frond stacking discipline, manuring matters, pest management, FFB production etc. Other internal check and monitoring done by agronomist department such as; fertilizer recommendation dated 23/5/17, appendix 3 by TDM Agronomist and Manuring audit (April – March 2017) report dated 15/5/17 – Overall satisfactory.</p>	Complied								
4.6.1.2	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	<p>Replanted area is established with cover crops and vegetation is well established. Field inspection showed groundcover with soft grass and soft weeds. There is no significant erosion risk was noted during the field visit.</p> <p>Terracing and “Stops bunds” have been constructed to reduce the soil erosion. It was confirmed area with more than 25 degree has no planting of oil palm during visit at block 13A and 13B at Air Putih Estate. Summary of soil type and terrain within Jernih Estate:</p> <table border="1" data-bbox="1032 1321 1834 1382"> <thead> <tr> <th>Soil type</th> <th>Terrain</th> <th>Area (ha)</th> <th>%</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Soil type	Terrain	Area (ha)	%					Complied
Soil type	Terrain	Area (ha)	%								

Criterion / Indicator		Assessment Findings				Compliance
		Awang Series	Flat (0-2o)	32	1.04	
		Bongor Series	6-12	128	4.14	
		Bongor Series	12-20	686	22.19	
		Bongor Series	>25	116	3.75	
		Bukit Tuku Series	Flat	98	3.17	
		Penambang Series	0-2	26	0.84	
		Kesatuan Renggam-Tai Tak	6-12 undulating	27	0.87	
		Kesatuan Renggam-Tai Tak	12-20 hilly	467	15.11	
		Renggam Series	6-12	125	4.04	
		Renggam Series	12-20	698	22.58	
		Tanah Curam	Steep >25	688	22.26	
		<p>*Based on soil suitability assessment by Department of Agriculture dated December 2011.</p> <p>There are no peat soils or soil categorised as problematic or fragile soil at at visited estates.</p>				
4.6.1.3	A visual identification or reference system shall be established for each field.	All fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are				Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	both stencilled at the palm trees and also displayed in signages at the boundary/corners of every fields. This is observed during the field visit at Tebak, Jernih and Air Putih Estate	
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	TDM plantation has implemented a management system for monitoring and reporting of performance against production targets for achieving long-term economic and financial viability.	Complied
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	Long range replanting programme available from 2015-2022 Jernih i) 2017 – no replanting programme ii) 2018 – 97B1: 65.43 ha, 97B2: 75.88 ha, 97B3: 67.83 ha Tebak i) 2017 – 90A3: 125.78 ha, 90A4: 111.12 ha ii) 2018 – 92A1: 57.47 ha, 92A2: 81.44 ha Air Putih No replanting for the next 4 years.	Complied
4.6.2.3	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends	TDM Plantation has an annual operating budget for the calendar year 2016 and 2 projections (2017 – 2018) for production. The plan includes age profile, yield projection, cost per tonne of FFB production and etc. Besides the OPEX, CAPEX was also gazzeted for improvement. Sample of CAPEX for 2017: i) Bulding and Construction – workers and staff quarters (1.336	Complied

Criterion / Indicator		Assessment Findings	Compliance
	c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment - Major compliance -	mill) ii) Plant & Machineries – Compost spreader, fertilizer spreader (mechanization)	
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	TDM plantation monitored the estate performance against the targets. It also recommends changes to the plans if necessary.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	For estates, they always engage the contractor for services such as replanting, cleaning, vehicle maintenance and etc. Pricing for the service has been documented in the contracts for the transportation: a. Contract for hiring excavator; Contract no: TB039/2017 b. FFB Transportation (Sam Chan Foo Contractor & Workshop); contract: TB048/2017 c. Excavating work (Wing Soon Excavating Work); contract: AP 002/17 d. FFB transportation (ce-NEH Maju Enterprise); contract AP048/17 All the terms and conditions were specified in the contract and	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		contractors have acknowledged on each page of the contract.	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Sample contract and payment record verification together with interviews of suppliers and contractor found the payments has been made as per contract. Sampled Contractor as below: a. Excavator service (Alias bin Jusoh; Invoice: 0472), Payment#558 dated 01/07/2017. b. FFB Transportation (Sam Chan Foo Contractor & Workshop; No: 00008549); payment made on 6 Aug 2017 c. Drain washing; (Koperasi Ladang Kelapa Sawit Kemamn Terengganu Berhad; Invoice: K02178/17); Payment# made 31/07/2017. d. Excavating work (Wing Soon Excavating Work); contract: AP 002/17; Payment# made 2/08/2017 FFB transportation (ce-NEH Maju Enterprise); contract AP048/17; Payment# made 30/07/2017	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Estates (Jernih, Tebak and Air Putih) yet to engage their contractors for understanding the MSPO requirements. Thus a major NC was issued. Refer to NC ID, 1512739-201708-M1	Major nonconformance
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Estates has prepared a standard contract for all the contractors. The signed copy of the contract available at the estate office. Sample of contract agreement for harvesting contractor and maintenance work;	Complied

Criterion / Indicator		Assessment Findings	Compliance
		a. Excavator service (Alias bin Jusoh), contract: TB039/2017. b. FFB Transportation (Sam Chan Foo Contractor & Workshop); contract: TB048/2017 Drain washing; (Koperasi Ladang Kelapa Sawit Kemamn Terengganu Berhad; contract: TB:001/2017	
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	Estates has no objection to allow BSI auditors to verify the assessment through physical inspection if required.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	All works performed at the estates are checked and verified by the estates personnel. Projects where tenders are issued by HQ are checked by representative from TDM HQ.	Complied
4.7 Principle 7: Development of new planting Kemaman Palm Oil Mill & supply bases did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.			

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	TDM Plantation has established a policy on sustainable palm oil production signed by CEO , Mr Jailani Che Kar dated 1/8/17.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The established policy has emphasized on the commitment for key legal, social and environmental consideration with the objective of improving the milling and estate operation.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	As to date there was no internal audit conducted to ensure compliance with MSPO requirements.	Major nonconformance
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.	There was no internal audit procedure for documented for MSPO.	Major nonconformance

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.1.2.3	<p>Reports shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>There was no MSPO internal audit report generated to the management for review.</p> <p>Thus, a major NC raised under criterion 4.1.2. Refer to NC ID, 1512739-201708-M2</p>	Major nonconformance
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>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.</p> <p>- Major compliance -</p>	<p>There was no management review meeting carried out as to date to review effective implementation of MSPO. Thus, a major NC was issued. Refer to NC ID, 1512739-201708-M3</p>	Major nonconformance
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p>	<p>Continuous improvement plan for POM FY2016/2017. It cover the welfare and the operation aspect. For example:</p> <ul style="list-style-type: none"> Provide additional housing blocks Installing new water filtration system Building a new BioCompost Plant Install CCTV for ensuring the safety of all workers 	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p>	<p>The staff/workers competency training plan for FY 2017/2018 was established. The training identified including operations, understanding of MSPO/RSP0 requirements, human rights, company policies, health and safety etc.</p> <p>The FY2017/2018 OPEX budget has include training budget and operations improvement including environmental improvement, worker welfare, OHS etc.</p> <p>Interview with workers confirmed trainings are provided by company on regular basis.</p>	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p>- Major compliance -</p>	<p>TDM Plantation Sdn Bhd has established Flowchart dated 01/06/2016 for Handling Social Issue and Procedures for External and Internal Communication to handle any communication, consultation and complaints from stakeholders.</p> <p>The mill management will communicate all information requested by relevant stakeholders. All information relating to external stakeholder will be responded by Mill Management depends on the confidentiality. According to the flow chart, the request shall be responded within 2 weeks from the date of receipt.</p> <p>Requests for information from the Regulatory Department such as DOSH during compliance visit (23/7/2017) and DOE visit</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		(9/10/2016) were attended and relevant issue recorded in the inspection book.	
4.2.1.2	<p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>There was no restriction noted as to the documents made available to the public except those prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>Access to these documents is made available upon request. Information relating to land titles, safety and health plans, pollution prevention plans was made available at all operating units. Procedure for complaints and grievances were available at notice boards. The company is in the progress to make available the documents on the company’s website in the future. Among the documents that were made available for viewing are:</p> <ul style="list-style-type: none"> • Good Agricultural Practices • Social Enhancement • Sustainability Management Programmes • Complaint and Grievances procedure. • Environmental Conservation <p>These documents highlight current TDM Plantation Sdn Bhd practices and their continual improvement plans. Besides the above document TDM Plantations Sdn Bhd policy on the followings are also available:</p> <ol style="list-style-type: none"> 1) Social 2) Quality 3) Freedom of Association 4) Occupational Safety, Health and Environment 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		5) Environment & Biodiversity 6) Protection of Children 7) Gender The policies were displayed at various locations including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Kemaman POM has established Flowchart for Handling Social Issue and Procedures for External and Internal Communication to handle any communication, consultation and complaints from stakeholders.	Complied
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	Managers was appointed as officer to handle social issue by Human Resource Department. Letter of appointment dated 1/11/2012 was sighted.	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. - Major compliance -	Kemaman POM has developed the stakeholder list FY2017 which included all relevant stakeholders such as local communities, government authorities, contractors and suppliers and etc. Stakeholder meeting was conducted on 18/6/2017 for whole Kemaman Complex with stakeholders such as local communities, managers from other estates, workers' representatives, school representatives and etc. Issues raised during the stakeholders was explained in the meeting and	Complied

Criterion / Indicator		Assessment Findings	Compliance
		unresolved issue has incorporated into the Social Action Plan to monitor.	
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p>	<p>Kemaman POM only receive FFB from their own supply base; did not receiver from out-grower or any other smallholder.</p> <p>Mill's Supply Chain Procedures TDM/KPOM/01; REV: KPOM-02/2017 describes the procedure for all levels or receiving oil products, processing, storage, transportation and distribution.</p> <p>Daily production report and sales & stock movement (MT) are available for 2017. In the report, incoming and outgoing of FFB and palm product (CPO and PK) as well as the despatch record is available.</p> <p>The weighbridge ticket will be issued during the delivery of FFB from the estate to mill as well as delivery of CPO and PK from mill to refinery.</p>	Complied
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>Daily production report and sales & stock movement (MT) are available for 2017. In the report, incoming and outgoing of FFB and palm product (CPO and PK) as well as the despatch record is available. Verified the record dated 13 and 12 August 2017 contain all the required information.</p>	Complied
4.2.3.3	<p>The management shall identified and assign suitable employees to</p>	<p>Mill Manager has been appointed as the person in charge of traceability. Refer to appointment letter (ref: P/S09/004/2017)</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
implement and maintain traceability system. - Minor compliance -	dated 04 Feb 2017.	
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, delivery or transportation of crude palm oil and palm kernel were maintained at the mill. Example of records evidence are as below: a. Daily production Record dated 13 and 12 August 2017 b. Despatch record and sales contract (contract no: PO-170517; SGPO-170810; SGPO-170803) c. Weighbridge ticket <u>Pelantoh Estate</u> Supplier ID: 110-LPN, docket# P0196994 dated 31/7/17, Field 92b2, vehicle # TAV3624, weight: 7,900 kg <u>Tebak Estate</u> Supplier ID: 110-LTB, docket# P0196467 dated 23/07/17, Field PM95A3, vehicle # TBD1755, weight : 7,010 kg <u>Air Putih Estate</u> Supplier ID: 110-LAP, docket# P0197030 dated 31/10/17, Field 14D1, vehicle # TAK4371, weight : 5,700 kg The mill has generated a monthly CPO/ PK product sales statement on daily basis.	Complied
4.3 Principle 3: Compliance to legal requirements		

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>Kemaman POM has maintained the systems for documentation, checking and assessment of legal compliance with applicable laws and regulations. Inspection of records showed that the Kemaman POM has yet to comply with legal and statutory requirements as per the following:</p> <p>Sample of Permit and license sighted were :</p> <p>i) Diesel license, serial# T009925, ref# KPDNKK/KMN/25 02/08 SK D, quantity: 42,000 litre valid until 17/4/18</p> <p>ii) MPOB license # 500041904000; validity period 01- April 2017 to 31-Mar-2018 for 384,000 mt</p> <p>iii) Mill DOE license and compliance schedule #004055; validity 1-Jul-2017 to 30-Jun-2018 for 60 MT FFB/hr and method of POME discharge on waterways. Limit of BOD is <100 mg/l.</p> <p>iv) Certificate of fitness checked: Boiler: TG PMD 232 expired 13/8/18 Steam header: TG PMT 8215 expired 13/8/18 Steam dryer capacity 15 ton/hr: TG PMT 8213 expired 13/8/18 Stand filter: TG PMT 87 expired 13/8/18</p> <p>v)Electrical Installation license, Form F, serial# 18503, license# 2016/02285, capacity 2400 kW valid until 21/11/17.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.3.1.2</p> <p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>List of applicable legal and other requirements was made available during the assessment and compiled in the Legal Register 2017. Documented procedure has been established and implemented; refer to SOP: Kemaman Palm Oil Mill: Procedure for Legal and Other Requirements dated November 2012.</p> <p>All operating units have Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. Refer to legal register for 2017. Sustainability and compliance department have reviewed and updated the applicable and relevant legal such as:</p> <ul style="list-style-type: none"> i) Minimum wages order 2016 ii) OSHA 1994 – USECHH 2000, SHC 1996, NADOPOD 2004, CLASS Regulation 2013 iii) FMA, Noise Exposure Regulations 1989 iv) ICOP, Confined Space 2010 v) FMA, Person In Charge Regulation (amendment) 2014 	<p>Complied</p>
<p>4.3.1.3</p> <p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>Evaluation of the legal requirements and compliance status with legal requirement are through internal audits by the compliance and productivity team.</p> <p>At POM, internal audit has been conducted on 19 September 2016 by compliance and productivity team manager. Assessment report for respective area with all the findings have been documented. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH website as well as</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		from government gazette website.	
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	Documented procedure has been established and implemented; refer to SOP: Kemaman Palm Oil Mill: Procedure for Legal and Other Requirements dated November 2012. The mill management will identify all legal and other requirements that are applicable to the Mill operations. The Group Legal Department, Plantation Coordinator and Plantation Advisor will advise of any new regulatory requirements. All the requirements will be evaluated once a year.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	The Estates and Mill are on government lease land and they hold copies of Land Titles. The oil palm operations are consistent with the land title for agricultural purposes. For POM, the land title sharing with Pelantoh Estate. Sighted the copy of the land title onsite and the original keep at the headquarters.	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. - Major compliance -	For POM, the land title (first date alienation: 29 April 1967) sharing with Pelantoh Estate. Sighted the copy of the land title onsite and the original keep at the headquarters. There is no issue on land use claims evidence during the audit.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated	POM located within the compound of the Pelantoh estate. It was noted that legal boundaries are clearly demarcated and visibly	Complied

Criterion / Indicator		Assessment Findings	Compliance
	and visibly maintained on the ground where practicable. - Major compliance -	maintained.	
4.3.2.4	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). - Minor compliance -	There is no land dispute in the Kemaman operating units at the time of audit. The land belongs to TDM and land ownership documents verified.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no land dispute or customary rights issues in the mill.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	There is no land dispute or customary rights issues in the mill.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	There is no land dispute or customary rights issues in the mill.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			

Criterion / Indicator		Assessment Findings	Compliance
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>- Minor compliance -</p>	<p>SIA was conducted on 23/10-1/11/2011 by SRA Consultancy. The assessment was covered the whole Kemaman Complex which included Kemaman POM, Pelantoh Estate, Jernih Estate, Air Putih Estate, Gajah Mati Estate, MAIDAM Estate and Tebak Estate. The assessment team has interviewed with the relevant stakeholders such contractors, local communities, internal workers included local and foreign and etc.</p>	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>TDM Plantation Sdn Bhd has established a flowchart on handling social issue. Two way communication was the method been utilized by the management. The management has to discuss the issue raised by stakeholders within 2 weeks for the first meeting.</p> <p>According to the procedure, all the complaints and grievances will be recorded in each individual form. The forms can be filling and drop into the suggestion box at the office or send to PIC.</p> <p>The mill management has implemented House Maintenance Records to record any complaints related to housing by the workers. For eg: roof was leaking, water pipe broken and etc. The management has taken action to rectify the problem</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>- Major compliance -</p>	<p>Communication to the affected parties is evidenced. For instance, any social issues are communicated through social and legal PIC.</p> <p>The established grievance procedures specifies the estimated 2 weeks shall be taken for each of the process to be addressed</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>before proceed to the subsequent process.</p> <p>Grievances procedure flowchart also displayed on the office signboard and security post. Checked the complainants file noted that acknowledgement was evident in the complaint form.</p> <p>Interviewed with the workers' representatives confirmed that the management has addressed the issues raised by them.</p>	
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>- Minor compliance -</p>	<p>Grievances procedure flowchart and complaint form displayed on the office signboard.</p> <p>The mill maintains 'complaint form' and 'maintenance and repairing report' for receiving and responding to requests and complaints from employees.</p> <p>Up to date, no external stakeholders were recorded related on complaint and grievances. Review of the registers found there was no outstanding or unresolved grievance.</p>	Complied
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>- Minor compliance -</p>	<p>Training (complaint and grievance procedures, communication and consultation procedure) has been conducted too all the POM's stakeholder on 18 June 2017</p> <p>The procedures also available at the office as well as the line site.</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</p>	<p>Flowchart indicate records of complaints and resolution for the last 24 months are available in the Complaint and Grievances file.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	request. - Major compliance -	Up to date there is no complaint documented in exception of housing maintenance request.	
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	The mill operation workers are mainly from local communities only. From the SIA report, it is noted that the mill has provide employment opportunities to the surrounding communities. POM has made contributions to the local communities and stakeholders such as below: <ul style="list-style-type: none"> a. Sponsor Hamper to SK Padang Kubu dated 10 March 2017 b. Van service provide to JKKK Padang Kubu dated 17 March 2017 c. Donation to PIBG S.K Seri Bandi dated 17 March 2017 	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	An Occupational Safety & Health and Environmental Policy dated 1 June 2017 signed by CEO, Mr Jailani Che Kar is available and been displayed at POM office. Occupational Safety and Health Plan for 2017 has include related OSH compliance monitoring activities:	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Monthly task</p> <ul style="list-style-type: none"> i) First aid check ii) Firefighting equipment check iii) Monthly inspection (Fire fighting) iv) In house LEV monitoring (monthly) v) Emergency shower and eyewash <p>Annual</p> <ul style="list-style-type: none"> i) JKPP 8 submission ii) Fire Drill iii) Inspection and renewal of CF iv) Audiometric test v) Medical Surveillance vi) LEV monitoring (annual) 	
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. 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"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the 	<p>a) Kemaman POM has safety and health policy that has been communicated to the staff and workers. On site supervisors and Mill assistant managers ensure the implementation of it. Sample of OSH activities carried out were:</p> <p>Audiometric testing</p> <ul style="list-style-type: none"> i) Audiometric testing was last done on 22-23 February 2017 by SI Energy Sdn Bhd. Total of 114 workers was sent for testing. iii) Medical surveillance was carried as per CHRA recommendation on 6/2/17 by OHD,HQ/08/DOC/00/547 under Klinik Nabilah. Specific test for n-Hexane (2,5-Hexadione) was carried for those exposed for the said chemical. In overall, no occupational poisoning recorded and Biological Exposure Indices (BEI) < 5 mg/g creatinine. 	Complied

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Criterion / Indicator	Assessment Findings	Compliance															
<p>place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept 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>- Major compliance -</p>	<p>b) Kemaman POM has reviewed the Safety Risk Assessment (HIRARC) for 2017. All mill operation strating from was threshing station, mixed raw effluent (MRE), kernel wet separation (hydrocyclone), oil room, TTP and confined space. Refer to register dated 1/1/17</p> <p>CHRA - dated 10/6/15 by DOSH registered assessor, JKPP HIE 127/171-2(259). Based on recommendation, lab operator is required to be sent for medical surveillance. LEV monitoring is required every year and together with chemical exposure monitoring</p> <p>-Chemical exposure monitoring was carried out on 9/11 and 20/12/2016 by registered IHT2, JKPP HIE 127/171-3/1(122) dated 2/3/17. Result is below PEL for 8 hrs TWA recorded as per below:</p> <table border="1" data-bbox="1072 997 1641 1230"> <thead> <tr> <th>Chemical/parameter</th> <th>PEL for 8 hrs TWA</th> <th>Exposure results</th> </tr> </thead> <tbody> <tr> <td>Respirable dust</td> <td>3</td> <td>0.1371</td> </tr> <tr> <td>n- Hexane</td> <td>50</td> <td>3.0791</td> </tr> <tr> <td>Manganese</td> <td>0.6</td> <td><0.0067</td> </tr> <tr> <td>Mineral Oil</td> <td>5</td> <td>0.3370</td> </tr> </tbody> </table> <p>c) In addition to specific training courses, safety briefings are given during muster to reinforce awareness, such as correct wearing of PPE.</p>	Chemical/parameter	PEL for 8 hrs TWA	Exposure results	Respirable dust	3	0.1371	n- Hexane	50	3.0791	Manganese	0.6	<0.0067	Mineral Oil	5	0.3370	
Chemical/parameter	PEL for 8 hrs TWA	Exposure results															
Respirable dust	3	0.1371															
n- Hexane	50	3.0791															
Manganese	0.6	<0.0067															
Mineral Oil	5	0.3370															

Criterion / Indicator		Assessment Findings	Compliance
		<p>SDS for all the chemicals used are available at the store in Dual-language (Bahasa Malaysia and English). Sample of SDS sighted –NALCO ® 8507, Nexguard ® 22312 and n-Hexane.</p> <p>d) Records were available of PPE issued to individual workers and contractors, including signatures to confirm receipt. Standard of PPE used for lab analyst :</p> <ul style="list-style-type: none"> i)Nitrile glove – (37-176-9) ii)Respirator – 3M 8210 (N95), double cartridge type (3M 6003) organic vapor cartridge. iii) Anti-fog goggle <p>e)SOP established for laboratory and chemical handling – SOP on Chemical Storage and Handling for POM. Last training was conducted on (Chemical safe handling (n-Hexane) – 17/7/17, laboratory</p> <p>CHRA dated July 2012 (JKKP HIE 127/171/2(71)) Recommendation :</p> <ul style="list-style-type: none"> i) Medical Surveillance (Lab,) ii)PCEM (Personal Chemical Exposure Monitoring for n-Hexane and Potassium Chromate iii) LEV monitoring iv) Training (Chemical Safe Handling) <p>f) At the Mill, there is a designated OSH Coordinator who is responsible for organising safety training, meetings and investigation and reporting of accidents and Incidents.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>SHC Chairman & OSH coordinator - Mill Safety and Health Coordinator: Mill manager, Wan Amilin Wan Ngah. Refer to ref# P/S09/005/2017</p> <p>g) Records were available confirming that quarterly OSH meetings had been held at the Mill.</p> <p>SHC meeting : #2: 13/6/17, WI : 11/6/17 #1: 6/3/17 WI: 2/3/17</p> <p>h) The Mill has site specific Plans including maps showing assembly areas and up-to-date lists of emergency contacts with training conducted to communicate the Plan. Interviews of Mill staff and workers confirmed understanding of emergency response procedures. Emergency response team has been established for fire fighter, first aider, spillage and accident investigation.</p> <p>ERP drill – Spillage drill 10/6/16, for 2017, planned on September 2017</p> <p>i) First Aid Kits are installed at various work stations at the Mill and inspection confirmed these had been appropriately stocked.</p> <p>j) All accidents are investigated and reported to Head Office and DOSH. Last LTI occurred on 28/7/16 with 18 lost mandays. 2 accident recorded for 2016 with total of 34 LTI. Verified JKKP 6</p>	

Criterion / Indicator		Assessment Findings	Compliance
		and JKKP 8 for 2016 via Mykkp. Verified acceptance record, ref# JKKP 8/3760/2016.	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>TDM Plantation Sdn Bhd has implemented Human Rights Policy dated 1/6/2017. The management is committed to support the principle of Universal Declaration of Human Rights and ILO Core Convention on Labour Standards. They evaluated and managed the human rights activities parallel to the policy such as workers, contractors and suppliers, local communities and etc. The policy was displayed at the notice board in front of office and canteen area.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>TDM Plantation Sdn Bhd has developed Social Policy dated 1/6/2017 where they are committed to treat all the workers equally during the recruitment and promotion process without discrimination based on nationality, race, ethnic, religion, sexual orientation, age and etc.</p> <p>There were no evidences of any form of discrimination based on race, national origin, religion, gender, union and political affiliation and is covered in the policy as well.</p> <p>Interview with workers indicates that there is no such discrimination occurs in the workplace</p>	Complied
4.4.5.3	Management shall ensure that employees' pay and conditions meet	The payroll and pay slip records of employees showed that all employees are paid with the monthly salary are compliance with	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>the local minimum wages requirements.</p> <p>Payslip of month January 2017, March 2017 and June 2017 for workers have been sampled as below:</p> <ul style="list-style-type: none"> h. Employee# KM00012 i. Employee# KM00057 j. Employee# KM0900139 k. Employee# KM0900159 <p>Review the pay slip of mill employees pay statements has been carried out and confirm that their basic salary wages are comply with Minimum Wage Order 2016 of RM 1000/ month or RM 38.46/ day.</p>	
<p>4.4.5.4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>There is no evidence that the management has ensure employees of contractors are paid based on legal on industry minimum standards.</p>	<p>Minor nonconformance</p>
<p>4.4.5.5 The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>POM maintain an accurate record of all employees under the following documents :</p> <p>Employee Listing verified during the audit were found contains the following details of information for every employees.</p> <ul style="list-style-type: none"> • Employee Name • New IC/Passport • Position • Date of Birth • EPF No 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> • SOCSO No • Tax No • Marital Status • No of children • Nationality • Race • Remuneration • OT Rate <p>Appointment Join Date</p>	
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>In POM, only local workers were hired. Information indicated in the form showed that all employees are provided with fair contracts in term of salary, accommodation and other benefits.</p> <p>Copies of Employment Contract for each local workers indicated in the employment records are available. Sample of employment contract available for the local workers:</p> <ul style="list-style-type: none"> l. Employee# KM00012 m. Employee# KM00057 n. Employee# KM0900139 o. Employee# KM0900159 	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>POM has established a time recording system using Check Roll Book for all employees at different station. The working hours for all employees has been clearly documented in the Check Roll Book as well as their pay slip under OT section to ensure transparent for both employees and employer.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.8	<p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p>- Major compliance -</p>	<p>From the overtime transaction of the workers, noted that some of the workers exceeded the OT limit of 104 hours per month.</p> <p>Permit (PTK/KMN/T/2/1100/7) from the Labour Department Kemaman dated 20 Feb 2012 for overtime more than 104 hours per month is allow based on the agreement between employee and employer. Sighted the mutual agreement signed by all the workers on 1 Mac 2012.</p>	Complied
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Pay slips of all employees are available as evidence of salary payment. The pay slip contain the following information :</p> <ul style="list-style-type: none"> a) Earnings <ul style="list-style-type: none"> - Basic Salary (Daily Rated Work, Work on Rest Day and Work on Holiday) - Overtime (Week days, Rest days and Holiday) - Price Bonus - Advance b) Deduction <ul style="list-style-type: none"> - SOCSO, EPF , Others <p>Payslip of month January 2017, March 2017 and June 2017 for workers have been sampled as below:</p> <ul style="list-style-type: none"> a. Employee# KM00012 b. Employee# KM00057 c. Employee# KM0900139 d. Employee# KM0900159 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Observed that the wages and overtime payment documented on the pay slips are in line with legal requirement and as stated in the employment contract	
4.4.5.10	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. - Minor compliance -	Kemaman POM has provided yearly bonus, monthly incentive which are paid according to staff's performances Apart from that, the management also provides free housing facilities with water and electricity. In addition, clinic facilities are prepared in the estate and the VMO visit once a month.	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	On-site living quarters are provided to general workers and staff. Observed that the living quarters are habitable and have amenities such as water, electricity etc.	Complied
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	TDM Plantation Sdn Bhd has developed Gender Policy dated 1/6/2017 where they are responsible to ensure the workplaces are free from any harassment related to sexual, religion, nationality and etc. The policy has been displayed at the notice board in front of office.	Complied
4.4.5.13	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	TDM Plantation Sdn Bhd has implemented Freedom of Association Policy dated 1/6/2017. The workers were able to join or form any association according to the Employment Act without any restriction. Besides, they also implemented Social	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Policy dated 1/6/2017 where they workers are allowed to join and form association freely. Interviewed with the workers confirmed that they are allowed to join NUPW without any restriction.</p> <p>The latest union meeting conducted on 13 August 2017. Various issues being discussed between the union representatives and also management.</p>	
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>TDM Plantation Sdn. Bhd. has developed Protection of Children Policy dated 1/6/2017. They are committed not to exploit or recruit any individual less than 16 years old in the plantations. Through document reviewed on the Employee Listing confirmed that the workers recruited are above 18 years old.</p>	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>Kemaman POM has prepared an Annual Training Plan 2017 for workers and contractors that lists the internal and external training courses scheduled for the year.</p> <p>Training plan and records for 2017 as follows: i) Operation – Kernel Plant and Depericarping (9/3/17) ii) Boiler Operation Training (10/4/17) iii) Laboratory Training (16/5/17) iv) MSPO policy awareness training – 14/8/17 v) HIRARC Training – 1/4/17 vi) Hearing Conservation Training – 14/5/7</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		vii) Incident Investigation – 23/7/17 viii) Authorized Entrant and Standby Person refresher – 19/2/17 and 23/4/17	
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>The training needs for the mill 2017/18 training program has been established. The details of the training needs include categories of stations, subjects, and employees group.</p> <p>Included in this program are subjects related to environment e.g. environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training, machine handling, mill stations operations, control of process parameters, workshop management. etc</p>	Complied
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>This is in compliance and detailed in 4.4.6.1 above. Training program are made on annual basis. In addition it is subject for a review during the financial year should need arises.</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p>	<p>Environmental management plan was not effectively implemented. Observed during site visit at Kemaman POM, discharge point no.1 was found silted. Cleaning water was mixed with oil/sludge and overflow to the nearby drain. Refer to</p>	Major Non-Compliance

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	NC ID, 1512739-201708-M7.	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>The established environmental improvement plan/ pollution prevention plan (review on June 2017) has covered all the environmental issue, mitigating measure, action PIC, time frame and status.</p> <p>TDM Plantations Sdn Bhd has established an environmental policy with relevant to the applicable laws and regulations. Policy was signed by Chief Executive Director on 1st June 2017.</p> <p>Environmental Aspect and Impact Identification (EAI) 2017 (date: 1 May 2011; TDM/KPOM/01) has identity the environmental aspects related to its activities, products or services, and to evaluate the significance of the associated environmental impacts. Besides, the applicable law & regulation also incorporated into the evaluation form.</p>	Complied
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p>- Major compliance -</p>	<p>The established environmental improvement plan/ pollution prevention plan (review on June 2017) has covered all the environmental issue, mitigating measure, action PIC, time frame and status.</p> <p>Results of the programs that were monitored will determine operational changes whether have positive or negative environmental impacts. List for environmental improvement plan as such:</p> <ol style="list-style-type: none"> a. River water quality monitoring b. Waste management c. Noise pollution 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		d. CEMS and Stack monitoring	
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Kemaman POM environmental improvement programme also includes continual improvement plans. For example, the POME applied to land through flatbed and long bed application system. For EFB, mill will send to Bio-compost plant for composting and send to estate.	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. - Major compliance -	Annual training programme of the mill includes environmental awareness and compliance related trainings to the executives, staffs and workers. The latest training conducted on 14 August 2017 for all the workers during every Tuesday morning muster.	Complied
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	Environmental Performance Monitoring Committee (EPMC) established since 1 January 2017 for ensuring the environmental monitoring tools implemented effectively. Environmental related matters such as policy, law & regulations, CEMS, effluent and etc were discussed during the meeting. Workers interview reveal that they are encouraged to discuss environmental issues with the management. In addition, quarterly environmental meeting was last conducted on 09/04/17. All pertinent environmental matters were discussed during the meeting.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			

Criterion / Indicator		Assessment Findings	Compliance
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period</p> <p>- Major compliance -</p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement.</p> <p>Apart from use of grid electricity, palm fibre and shells were also used to generate electricity through steam turbine and boiler. The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO.</p>	Complied
4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>Electricity generation was through steam turbine and boiler where Palm fibre and PK shells were used as renewable energy/fuel on a 70:30 ratio basis. Monthly records of energy consumption of non-renewable and renewable fuel per metric tonne of palm product at the Mill were available.</p> <p>For shell and fibre usage monitoring example:</p> <ul style="list-style-type: none"> a. April- 0.06 shell/ FFB (MT); 0.14 fibre/FFB (MT) b. May- 0.06 shell/ FFB (MT); 0.14 fibre/FFB (MT) c. June- 0.06 shell/ FFB (MT); 0.13 fibre/FFB (MT) <p>For diesel usage monitoring:</p> <ul style="list-style-type: none"> a. April- 1.44 diesel litre/ FFB (MT); b. May- 1.72 diesel litre/ FFB (MT); c. June- 2.04 diesel litre/ FFB (MT); 	Complied
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p>	<p>The fibre and shell are used in the boiler for fuel recycled in the process system. Surplus quantity of shell/fibre are</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	<p>delivered to estates for multi purposes or sold to outside buyers. EFB is used in the estates for mulching. Details of renewable energy fibre/shell used in the mill is shown in 4.5.2.2 above.</p> <p>The long term planning for biogas implementation was reviewed. The recovered biogas will be used for energy generation (e.g. steam & electricity and included under Kemaman POM FY2017/2018 CAPEX.</p>	
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>Kemaman POM has established Waste Management Action Plan FY 2017. Few type of waste has been identified i.e. Scheduled Waste, Domestic Waste and Industrial Waste. The source of these wastes were mainly located at mechanical/electrical workshop, chemical store, scheduled waste store, line site, office, mill effluent pond.</p> <p>Other specific type of waste generated by the mill is organic (biomass) waste which is also a source of renewable energy consists of fibres, shells, empty fruit bunches, boiler ashes and decanter solids.</p> <p>Other specific activities such as mill maintenance and estate vehicle workshop generate few categories of scheduled waste such as SW 305, SW 102 and SW 410.</p>	Complied
4.5.3.2	A waste management plan shall be developed and implemented, to	Waste Management Action Plan 2017 has identified different	Complied

Criterion / Indicator	Assessment Findings	Compliance												
<p>avoid or reduce pollution. The waste management plan should include measure for:</p> <ul style="list-style-type: none"> 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>- Major compliance -</p>	<p>type of waste, generated location, action to be taken, person in charge and expected completion.</p> <p>In the action plan FY2017 has identified the waste generated location and action to be taken; for example:</p> <table border="1" data-bbox="1072 608 1646 1099"> <thead> <tr> <th>Waste</th> <th>Location</th> <th>Action to be taken</th> </tr> </thead> <tbody> <tr> <td>Schedule waste</td> <td>Mechanical/electrical workshop, chemical store, schedule waste store</td> <td>Send to licensed contractor</td> </tr> <tr> <td>Domestic waste</td> <td>Line site, office, workshop, store, shop</td> <td>Landfill in estate, recycling campaign</td> </tr> <tr> <td>Industrial waste</td> <td>Mill effluent pond, mill, workshop</td> <td>BOD monitoring, mulching, recycling</td> </tr> </tbody> </table> <p>For mill effluent, the POME applied to land through flatbed and long bed application system. For EFB, mill will send to estate for mulching purpose.</p>	Waste	Location	Action to be taken	Schedule waste	Mechanical/electrical workshop, chemical store, schedule waste store	Send to licensed contractor	Domestic waste	Line site, office, workshop, store, shop	Landfill in estate, recycling campaign	Industrial waste	Mill effluent pond, mill, workshop	BOD monitoring, mulching, recycling	
Waste	Location	Action to be taken												
Schedule waste	Mechanical/electrical workshop, chemical store, schedule waste store	Send to licensed contractor												
Domestic waste	Line site, office, workshop, store, shop	Landfill in estate, recycling campaign												
Industrial waste	Mill effluent pond, mill, workshop	BOD monitoring, mulching, recycling												
<p>4.5.3.3 The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005,</p>	<p>TDM Plantations Sdn Bhd has established a procedure for handling of schedule waste (TDMP-02/2017). The SOP stated all the methodology for handling different kind of schedule waste.</p>	<p>Complied</p>												

Criterion / Indicator		Assessment Findings	Compliance
	<p>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>- Major compliance -</p>	<p>The POM and estate has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor.</p> <p>In Kemaman POM, the empty pesticides container were collected in scheduled waste store after piercing at the bottom of the container. The licensed contractor will collect from the mill. Following record sighted:</p> <ul style="list-style-type: none"> • Consingment note: 20170712129G4OR6 dated 12 July 2017; SW409 by Urban Environmental Industries Sdn Bhd • Consingment note: 2017071211WJU7OV dated 12 July 2017; SW410 by Urban Environmental Industries Sdn Bhd 	
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	<p>For domestic waste, Kemaman POM send the domestic waste to the dumpsite at the Pelandoh estate. Inspection to the dump site and the location far from river as well as the residential area.</p> <p>TDM SOP June 2017; section B8: Guidance for establishing landfill within the estate which required at least 3 km far from the watercourse and residential area.</p>	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<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>Based on the assessment of all polluting activities as documented under Environmental Aspect and Impact Identification (EAI) 2017 (date: 1 May 2011; TDM/KPOM/01), the identified source was boiler and incinerator chimney.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>- Major compliance -</p>	<p>Current monitoring was through online boiler smoke density and alarm and six-monthly boiler and incinerator stack monitoring of dust particulate.</p> <p>2nd half of 2016: Boiler no.1 (TG PMD 232) – Report ref# L-GB-TC1705CTP-0541 dated 15/6/17.</p> <p>Dust emission load: 0.3613 g/Nm3 , dry @ 12% CO2 vs 0.4 g/Nm3 , dry @ 12% CO2</p> <p>1st half of 2017 : Boiler no.2 (PMD 12383) – Report ref# L-GB-TC1705CTP-0541 dated 15/6/17.</p> <p>Dust emission load: 0.2251 g/Nm3 , dry @ 12% CO2 vs 0.4 g/Nm3 , dry @ 12% CO2</p> <p>2nd half of 2017: Scheduled on September 2017. Will further verified in the next audit</p>	
<p>4.5.4.2 An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Kemaman POM pollution prevention plan has been integrated into environmental improvement plan which is being reviewed on yearly basis. Based on pollution prevention plan dated March 2014, main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH4) emission</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		through POME treatment. The company are in process of obtaining proposals to construct methane capture facilities in POME treatment pond. Other less significant GHG emissions identified including CO _x , SO _x and NO from various sources including fossil fuel, chemical and fertilizer consumptions. GHG emission calculated using and RSPO approved calculator, Palm GHG version 2.	
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>Palm Oil Mill Effluent (POME) treated through anaerobic pond treatment system where the licensed limit for final discharge BOD is 100 mg/l for latest compliance schedule. Regular monitoring was conducted by the mill by taking the sample of waste water in final discharge point before entering the river.</p> <p>(Sample: FGV, Makmal Bukit Boh, Certificate of analysis ref# 1916/2017 dated 17/7/17.</p> <p>Effluent final discharge analysis was monitored on monthly basis by accredited 3rd party laboratory (Makmal Analisa Bukit Goh, FGV). Refer to the latest analysis dated 17/7/17, ref# 1916/2017. BOD₃ recorded <100 mg/l (60 mg/l) and comply with the limit stipulated in mill's compliance schedule.</p> <p>In addition, Kemaman POM also required to submit Quarterly Return Report to DOE. Latest quarter (April – June 2017) was verified.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.5.5: Natural water resources			
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<p>Water management plan for 2017 was made available. The plan includes water consumption management (reduction plan) and contingency plan during water shortage. The rainfall data collected to monitor the availability of water. Water consumption were monitored and measured individually for mill processing, boiler, firefighting and housing. Average consumption todate for 2017 =2.37 m3/FFB processed.</p> <p>Plan to reduce usage was observed at Kemaman POM as per below:</p> <ul style="list-style-type: none"> i) Process water recycling – turbine cooling water, vacuum dryer recycled water ii) Dilution water consumption – sterlizer condensate recycle 	<p>Complied</p>
4.5.5.2	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	<p>Palm Oil Mill Effluent (POME) treated through anaerobic pond treatment system where the licensed limit for final discharge BOD allowed by DOE was 100mg/l through discharge to river course.</p> <p>Parameter monitored:- pH, Total Alkalinity, VFA, BOD, COD, TS, SS, VSS, TN, AN, O&G. Effluent Analysis conducted by Felda Industries Sdn Bhd and submitted to DOE every 3 months through OER (Online Environmental Report). Following report sighted:</p> <ul style="list-style-type: none"> a. Report dated 14 June 2017-BOD: 59mg/L b. Report dated 24 May 2017- BOD: 66mg/L 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>c. Report dated 19 April 2017- BOD: 29mg/L BOD limit for final discharge <100mg/L were met as well as all parameters that were within allowable limit.</p>	
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>For Kemaman POM, the Standard Operating Procedure & Operation Manual updated on November 2012. (TDM/KPOM/01 dated 1 May 2011) as a guidance document to operate the mill. There are total 25 SOP has been documented.</p> <p>For estate, the SOP which revised on May 2017 has 2 section:</p> <p>a. Section A- Total 19 SOP which cover all the operations such as boundary, muster, nursery, soil conservation and etc.</p> <p>b. Section B- Total 9 SOP which cover mainly on workshop, clinic, childcare centre, generator set, foreign workers, land dispute and waste.</p> <p>Work Instructions in Bahasa Malaysia have been derived from SOPs and are posted at work stations at the mill and at certain locations at the estates, such as the Muster Notice Boards.</p> <p>External Mill Advisor inspect and report on the operations on annual basis. There were other audits by compliance & productivity team to ensure compliance against company policy and procedure with regards to operation, finance as well as safety, health and welfare requirements.</p> <p>Mill Advisor's latest visit was on 19-20 April 2017 by Sime Darby Seeds</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		& Agricultural Services Sdn Bhd for the period of FY2016. Report includes monitoring of all activities in the mill covering: <ul style="list-style-type: none"> a. Manpower deployment b. Production Performance c. Quality of Input FFB d. Quality of Palm Products and etc 	
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	Sustainability department inspect and report on the operations on annual basis. The on-site managers develop the action plans from the MA visit report and internal audit report for improvement of the operations. Review of reports, action plans and site inspections confirmed consistent records of implementation of SOPs. This to ensure that performance is on track and best practices being consistently implemented.	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Kemaman POM had an annual budget for the financial year 2017. The palm oil mill budget includes the projected FFB processed, CPO and PK production which projected for five years from 2017 until 2021. It also incorporated item such as general charges, mill maintenance, process shift labour, general services, processing cost and fixed assets.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	Kemaman palm oil mill process FFB from company owned estates only. No FFB purchased from out-growers or smallholders.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>- Major compliance -</p>	<p>Pricing for the service has been documented in the contracts for the transportation:</p> <ul style="list-style-type: none"> i. Contract for CPO transporter: Koperasi Ladang Kemaman Trg Berhad; CLF Jaya Enterprise; Nik Transport Enterprise; signed on 03 Jan 2016 ii. Palm Kernel transporter: Koperasi Ladang Kemaman Trg Berhad; Hamidah Binti Senik; signed on 03 Jan 2016 <p>For the sales of CPO, following contracts were verified:</p> <ul style="list-style-type: none"> a. TDM/SGCPO-0817/P8548 b. WPCPO986732 c. PGO/01P1707/0015L d. All the terms and conditions were specified in the contract and contractors have acknowledged on each page of the contract. 	
<p>4.6.3.2 All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>Sample contract and payment record verification together with interviews of suppliers and contractor found the payments has been made as per contract. Based on the terms in the contract clause 3a, the payment terms will be made within 14 days after the invoice made. Following invoice and payments verified:</p> <ul style="list-style-type: none"> a) No Contract: P/C05/125/2017 dated 23 Jul 2017; Invoice no: F00153 dated 18 Jul 2017 b) No contract: P/C05/071/2017 dated 4 Jul 2017; Invoice no: 0218 dated 12 Jul 2017 c) No contract: P/C05/109/2017 dated 24 Jul 2017; Invoice no: 4026 dated 22 June 2016 <p>Seen the purchase summary and invoice confirmed that the payment was made promptly and according to the signed</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		contract agreement. Interviewed with the contractor confirmed that the payment was made accordingly.	
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Kemaman POM yet to engage their contractors for understanding the MSPO requirements. Thus, a major NC was issued. Refer to NC ID, 1512739-201708-M1.	Major nonconformance
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Kemaman POM has prepared a standard contract for all the contractors. The signed copy of the contract available at the mill. Verified sample of contract with both party agreement for; i. Contract for CPO transporter: Koperasi Ladang Kemaman Trg Berhad; CLF Jaya Enterprise; Nik Transport Enterprise; signed on 15 Jan 2016 Palm Kernel transporter: Koperasi Ladang Kemaman Trg Berhad; Hamidah Binti Senik; signed on 15 Jan 2017	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	Kemaman POM has no objection to allow BSI auditors to verify the assessment through physical inspection if required.	Complied

3.3 Details of Nonconformities and Opportunity for improvement

There were 7 major and 2 minor non-conformity raised during this stage 2 audit.

Ref. no	1512739-201708-M1
Area/Process	TDM Plantation Sdn Bhd Kemaman Certification Unit
Clause	Part 3: 4.6.4.1
Scope	MSPO 678572
Category	Major
Statement of non conformance:	All estates yet to engage their contractors for understanding the MSPO requirements.
Clause requirements	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.
Objective evidence	No evidence that the estates have engage their contractors for understanding the MSPO requirements.
Cause	Air Putih/Jernih/Tebak Estate: Lack of awareness regarding the MSPO requirement for contractors. For current practise, we already conducted a stakeholder meeting which only involved internal stakeholder and not focusing on contractors.
Correction / containment & Corrective action	To conduct a stakeholder/contractor meeting and properly recorded with pictures and list of attendance. For the current and new contractors, before start work we will conduct and call for briefing / safety programme which cover MSPO requirement.
Assesment conclusion	Implemented evidence found to be effective, thus the major NC was closed on 13/11/17. Continuous implementation will be further verified in the next audit.

Ref. no	1512739-201708-M2
Area/Process	TDM Plantation Sdn Bhd Kemaman Certification Unit
Clause	Part 3: 4.1.2 Criterion 2
Scope	MSPO 678572
Category	Major
Statement of non conformance:	Internal audit process for MSPO was not comprehensively documented and implemented.

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Clause requirements	4.1.2.1 Indicator 1: Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.4.1.2.2 Indicator 2: The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.4.1.2.3 Indicator 3: Reports shall be made available to the management for their review.
Objective evidence	i) As to date there was no internal audit conducted to ensure compliance with MSPO requirements. ii) There was no internal audit procedure for documented for MSPO. iii) There was no MSPO internal audit report generated to the management for review.
Cause	Air Putih/Jernih/Tebak Estate: Based on our record, we have already conducted internal audit. However, the audit only focusing on sustainability regarding to the safety and environment issues which are for RSPO requirements and not specific internal audit for MSPO
Correction / containment & Corrective action	HQ will prepare a SOP for MSPO Internal Audit and Management Review which is already done and ready for implementation. Following that, an annual audit plan/schedule as per SOP will be provided and followed by management review.
Assesment conclusion	Implemented evidence found to be effective, thus the major NC was closed on 13/11/17. Continuous implementation will be further verified in the next audit.

Ref. no	1512739-201708-M3
Area/Process	TDM Plantation Sdn Bhd Kemaman Certification Unit
Clause	Part 3: 4.1.3.1
Scope	MSPO 678572
Category	Major
Statement of non conformance:	Management review was not effectively implemented for MSPO
Clause requirements	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
Objective evidence	There was no management review meeting carried out as to date to review effective implementation of MSPO.
Cause	Air Putih/Jernih/Tebak Estate: Regarding this matter, we have conduct the monthly management meeting which conduct by HQ. However, no specific discussion regarding to MSPO matter/ issue.
Correction /	Starting September 2017, management team will conduct management meeting

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containment & Corrective action	and any issue/related document to MSPO requirement will be discussed.
Assesment conclusion	Implemented evidence found to be effective, thus the major NC was closed on 13/11/17. Continuous implementation will be further verified in the next audit.

Ref. no	1512739-201708-M4
Area/Process	TDM Plantation Sdn Bhd Kemaman Certification Unit
Clause	Part 4: 4.6.4.1
Scope	MSPO 678572
Category	Major
Statement of non conformance:	All estates yet to engage their contractors for understanding the MSPO requirements
Clause requirements	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.
Objective evidence	No evidence that the estates have engage their contractors for understanding the MSPO requirements
Cause	Kemaman POM: Lack of awareness regarding the MSPO requirement for contractors. For current practise, we already conduct a stakeholder meeting which only involve internal stakeholder and not focusing for contractor.
Correction / containment & Corrective action	To conduct a stakeholder/ contractors meeting and properly recorded with pictures and list of attendance. For the current and new contractors, before start work we will conduct and call for briefing / safety programme which cover MSPO requirement.
Assesment conclusion	Implemented evidence found to be effective, thus the major NC was closed on 13/11/17. Continuous implementation will be further verified in the next audit.

Ref. no	1512739-201708-M5
Area/Process	TDM Plantation Sdn Bhd Kemaman Certification Unit
Clause	Part 4: 4.1.2 Criterion 2
Scope	MSPO 678572
Category	Major
Statement of non conformance:	Internal audit process for MSPO was not comprehensively documented and implemented.

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Clause requirements	4.1.2.1 Indicator 1: Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.4.1.2.2 Indicator 2: The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.4.1.2.3 Indicator 3: Reports shall be made available to the management for their review.
Objective evidence	i) As to date there was no internal audit conducted to ensure compliance with MSPO requirements. ii) There was no internal audit procedure for documented for MSPO. iii) There was no MSPO internal audit report generated to the management for review
Cause	Kemaman POM: Based on our record, we have already conducted internal audit. However, the audit only focusing on sustainability regarding to the safety and environment issues which are for RSPO requirements and not specific internal audit for MSPO
Correction / containment & Corrective action	HQ will prepare a SOP for MSPO Internal Audit and Management Review which is already done and ready for implementation. Following that, an annual audit plan/schedule as per SOP will be provided and followed by management review
Assesment conclusion	Implemented evidence found to be effective, thus the major NC was closed on 13/11/17. Continuous implementation will be further verified in the next audit.

Ref. no	1512739-201708-M6
Area/Process	TDM Plantation Sdn Bhd Kemaman Certification Unit
Clause	Part 4: 4.1.3.1
Scope	MSPO 678572
Category	Major
Statement of non conformance:	Management review was not effectively implemented for MSPO
Clause requirements	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
Objective evidence	There was no management review meeting carried out as to date to review effective implementation of MSPO.
Cause	Regarding this matter, we have always conducted management meeting which is arranged by HQ. However, no specific discussion regarding to MSPO matters/issues.
Correction / containment & Corrective action	Starting September 2017, management meeting will slot in management review meeting and discuss any issues related document to MSPO requirement including

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	internal audit reports and corrective action reports including the meeting minutes
Assesment conclusion	Implemented evidence found to be effective, thus the major NC was closed on 13/11/17. Continuous implementation will be further verified in the next audit

Ref. no	1512739-201708-M7
Area/Process	TDM Plantation Sdn Bhd Kemaman Certification Unit
Clause	Part 4: 4.5.1.1
Scope	MSPO 678572
Category	Major
Statement of non conformance:	Environmental management plan was not effectively implemented.
Clause requirements	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
Objective evidence	Observed during site visit at Kemaman POM, discharge point no.1 was found silted. Cleaning water was mixed with oil/sludge and overflow to the nearby drain
Cause	Based on observation during site visit at Kemaman POM, discharge point no.1 was found silted. Cleaning water was mixed with oil/sludge and overflow to the nearby drain. Prior site visit, the appointed contractor had performed disposal of scrap iron from the old steriliser building. While executing the work, old loose fruits from cages leaked and slipped to nearby drain
Correction / containment & Corrective action	For immediate action, the drainage and location area (sampling point no.1) has been cleaned. Environmental Improvement Plan/ Pollution Prevention Plan will be reviewed and updated regarding this matter. Weekly monitoring report by person in charge will be performed and documented
Assesment conclusion	Implemented evidence found to be effective, thus the major NC was closed on 13/11/17. Continuous implementation will be further verified in the next audit

Ref. no	1512739-201708-N1
Area/Process	TDM Plantation Sdn Bhd Kemaman Certification Unit
Clause	Part 3: 4.4.5.4
Scope	MSPO 678572
Category	Minor
Statement of non conformance:	The management did not ensure the employees of contractors are paid based on legal on industry minimum standards

Clause requirements	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.
Objective evidence	There is no evidence that the management has ensure the employees of contractors are paid based on legal on industry minimum standards
Cause	There is no evidence that the management has ensure the employees of contractors are paid based on legal on industry minimum standards.
Correction / containment & Corrective action	Air Putih/Jernih/Tebak Estate: During the briefing and before start work, the management already inform to contractor to comply regarding to the employees of contractor's paid based on legal on industry minimum standards. However, no audit to make sure their comply or not with the legal industry minimum standards. For the immediate action, the management will give instruction order to the contractor to comply regarding this matter. Also, random audit will be carried out before end this year 2017 and the sampling of payslip from contractor employee will be made annually
Assesment conclusion	Corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next assessment.

Ref. no	1512739-201708-N2
Area/Process	TDM Plantation Sdn Bhd Kemaman Certification Unit
Clause	Part 4: 4.4.5.4
Scope	MSPO 678572
Category	Minor
Statement of non conformance:	The management did not ensure the employees of contractors are paid based on legal on industry minimum standards
Clause requirements	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
Objective evidence	There is no evidence that the management has ensure the employees of contractors are paid based on legal on industry minimum standards.
Cause	Kemaman POM During the briefing and before start work, the management already inform to contractor to comply regarding to the employees of contractor's paid based on legal on industry minimum standards. However, no audit to make sure their comply or not with the legal industry minimum standards.

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Correction / containment & Corrective action	For the immediate action, the management will give instruction order to the contractor to comply regarding this matter. Also, random audit will be carried out before end this year 2017 and the sampling of payslip from contractor employee will be made annually
Assesment conclusion	Corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next assessment.

Noteworthy Positive Comments	
1	Good positive feedback received from internal and external stakeholders.
2	Initiative towards continual improvement demonstrated through long term business plan in CAPEX and OPEX
3	
4	
5	

3.4 Status of Nonconformities Previously Identified and OFI

-Not Applicable-

3.5 Issues Raised by Stakeholders

IS #	Description
1	Issues: Contractors – He informed that the payments were made promptly without any delay. Contract agreement were signed prior commencement of work.
	Management Responses: The management will ensure the payment was made according to the terms.
	Audit Team Findings: No further issue.
2	Issues: Headmaster from SK. Padang Kubu – The management has provided assistance such as provided transportation to send students for competition outside the compound and etc. Good relationship with the management.
	Management Responses: The management will continue to support and provide assistance when deem necessary.
	Audit Team Findings: No other issue.
3	Issues: NUPW Representatives – They informed that some Mill Operators have been transferred from mill to Bio Organic Fertilizer factory and therefore the operator’s allowance was not entitled to them anymore.
	Management Responses: The management has informed that the mill has upgraded to continuous sterilization that caused excessive of workers. Therefore, the relevant station’s workers have been transferred to Bio-Organic Fertilizer factory which has not been commissioned yet. The workers are working as general workers in the BOF plant. The management have consulted MAPA/NUPW prior the cancellation of allowance. According to MAPA/NUPW, they are not entitled with the allowance due to the job nature.
	Audit Team Findings: Verified the MAPA/ NUPW agreement confirmed that the workers are not entitled with allowance until the factory has commission the operation.
4	Issues: Head of Village, Kg. Padang Kubu – He informed that no encroachment of land from the management. Good relationship was maintained with the management.
	Management Responses: The management will continue to ensure no encroachment of land into local communities’ land.
	Audit Team Findings: No other issue.
	Issues:



5	Workers' Representative (Bangladeshi and Indonesian) – They have been treated equally without any discrimination. Their salary was according to Minimum Wage Order 2016. Free housing was provided to them with subsidized of water and electricity.
	Management Responses: The management will continue to treat all the workers equally and comply with the regulations.
	Audit Team Findings: No further issue.
6	Issues: Department of Environment (DOE), Kemaman – No compliance issue against environmental regulation by Kemaman POM.
	Management Responses: The management will continue to comply with the regulations.
	Audit Team Findings: No further issue.
7	Issues: Department of Occupational Safety and Health (DOSH) Kemaman – No compliance issue against Factory Machinery Act 1967 and OSHA 1994 by Kemaman POM.
	Management Responses: The management will continue to comply with the regulations.
	Audit Team Findings: No further issue.
8	Issues: Forestry Department, Kemaman – No reported case on encroachment for Kemaman Complex Estates.
	Management Responses: The management will continue to monitor all estates activities and excess in and out from the estate by outsiders.
	Audit Team Findings: No further issue.
9	Issues: Wildlife Department, Kemaman – There are reported case of elephant intursion at Kemaman Complex Estates.
	Management Responses: There were reported case of sighting and intrusion at Air Putih and Tebak Estate. Case was reported directly to Wildlife Department on August and February this year. TDM Plantation has involved in the national programme on "Plan Pengurusan Gajah Kebangsaan" in July 2017. Mangement will continue to support the programme and continuously communicate with the department if there is any future intrusion case.
	Audit Team Findings: No further issue.
10	Issues: Labour Department, Kemaman – No reported case of labour issue.
	Management Responses: The management will continue to comply with the labour and welfare related laws and regulations
	Audit Team Findings: No further issue.

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3.6 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1512739-201708-M1	Major	17/8/17	Closed on 13/11/17
1512739-201708-M2	Major	17/8/17	Closed on 13/11/17
1512739-201708-M3	Major	17/8/17	Closed on 13/11/17
1512739-201708-M4	Major	17/8/17	Closed on 13/11/17
1512739-201708-M5	Major	17/8/17	Closed on 13/11/17
1512739-201708-M6	Major	17/8/17	Closed on 13/11/17
1512739-201708-M7	Major	17/8/17	Closed on 13/11/17
1512739-201708-N1	Minor	17/8/17	Corrective action plan is accepted. Effectiveness of action taken will be done in the next audit. Status: Open
1512739-201708-N2	Minor	17/8/17	Corrective action plan is accepted. Effectiveness of action taken will be done in the next audit. Status: Open

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Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Kemaman Palm Oil Mill and Estates Certification Unit complies with the MS 2530-3:2013 or MS 2530-4:2013. It is recommended that the certification of Kemaman Palm Oil Mill Palm Oil Mill and Estates Certification Unit is approved.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: MOHD IZWAN HAFIZ BIN CHE AZMI	Name: Mohamed Hidhir Zainal Abidin
Company name: TDM Plantation Sdn Bhd Kemaman Palm Oil Mill	Company name: BSI Services Malaysia Sdn Bhd
Title: SAFETY & HEALTH OFFICER	Title: Lead Auditor
Signature:  Date: 11/12/2017	Signature:  Date: 11 th December 2017

Appendix A: Assessment Plan

Date	Time	Subjects	Hidhir	Hoo Boon Han
Sunday 13/8/2017	AM	Audit team travelling to Cherating. Check in at Suria Beach Resort ,Cherating.	√	-
Monday 14/8/2017	AM/PM	External stakeholder meeting (government agencies at Kemaman and Kuala Terengganu) DOE, DOSH, Forestry and Wildlife Department, Labor Department etc.	√	-
Tuesday 15/8/2017 Kemaman Palm Oil Mill	07.30	Travel to Kemaman POM	√	√
	08.30-09.00	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan 		
	09.00-12.30	Kemaman Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√
	10.00-12.30	Stakeholder interviews (combined with estate's Stakeholders)	-	√
	12.30-13.30	Lunch	√	√
	13.30-16.30	Continue with unfinished elements Document Review (part 4), P1: Management commitment and responsibility, P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition P5: Environment, natural resources, biodiversity and ecosystem services P4: Social responsibility, health safety and employment condition, P6 : Best practices	√	√
	16.30-17.00	Interim Closing briefing.	√	√
Wednesday 16/8/2017 Tebak and Jernih Estate	09.00-12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc. Document review P1 – P6 (part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement	√	√
	12.30-13.30	Lunch	√	√
	13.30-16.30	P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	√	√
	16.30-17.00	Interim Closing briefing.	√	√
Thursday 17/8/2017 Air Putih Estate	09.00-10.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc. Document review P1 – P6 (part 3), P1: Management commitment and responsibility, P2: Transparency, P3:	√	√

Date	Time	Subjects	Hidhir	Hoo Boon Han
		Compliance to legal requirement		
	12.30-13.30	Lunch	√	√
	13.30-16.00	P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	√	√
	16.00-17.00	Audit team discusson and closing meeting	√	√
	17.00	End of audit	√	√
Friday 18/8/2017	AM	Audit team traveling back to KL	√	√

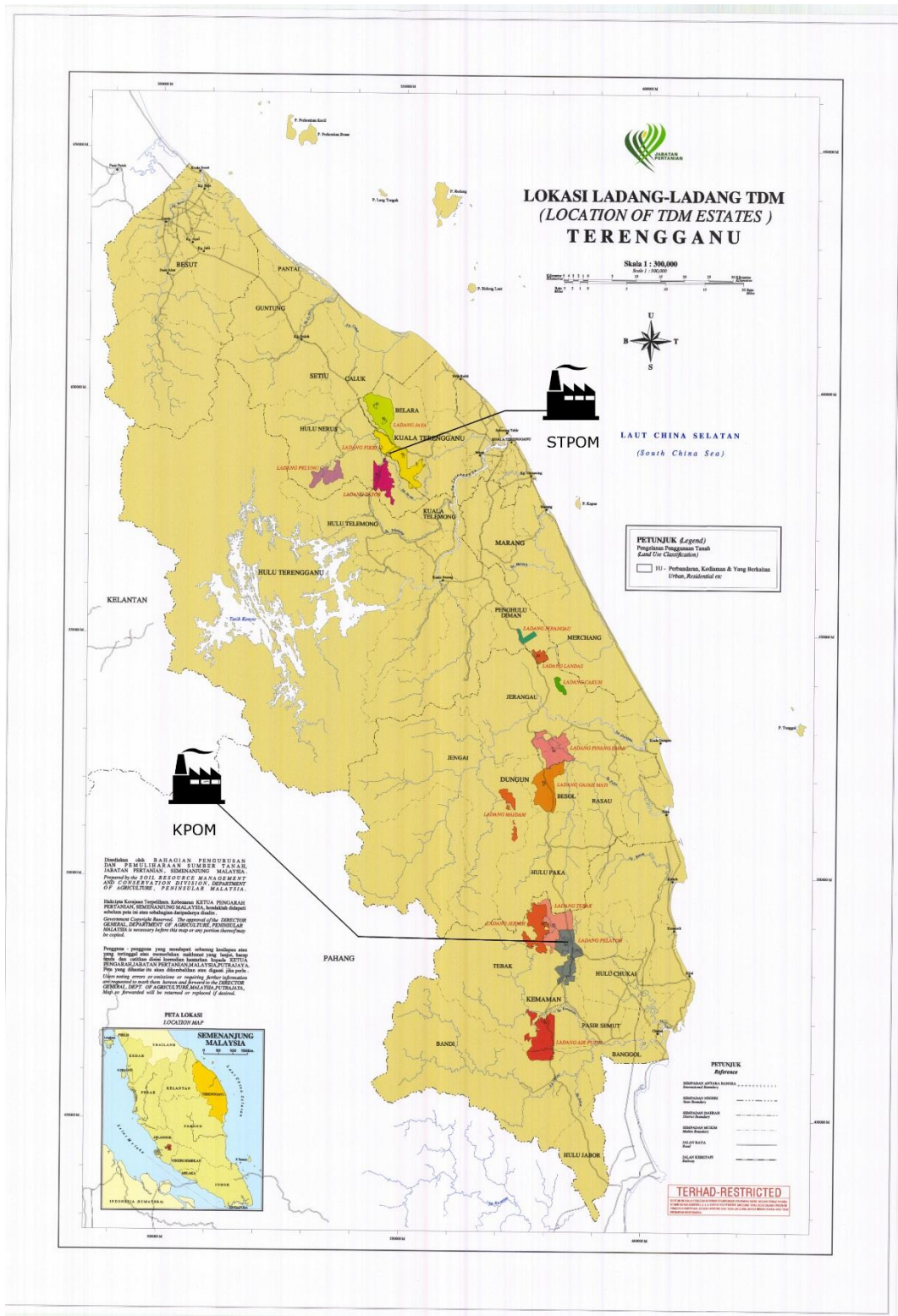
Appendix B: List of Stakeholders Contacted

Internal Stakeholders	External Stakeholders
Kemaman POM Management team and Staff	Department of Safety and Health, Kemaman
On site compliance executives	Department of Environment, Kemaman
Mill Manager and Assistants	Wildlife Department, Kemaman
Estate Managers and Assistants	Labour Department, Kemaman
Facility Administrators	General Contractor
Gender Committee Representatives	FFB Supplier
Male and Female workers	FFB Transport contractor
Workers Representatives	Local vilagers
Foreign Workers Representatives	School Teacher/Headmaster

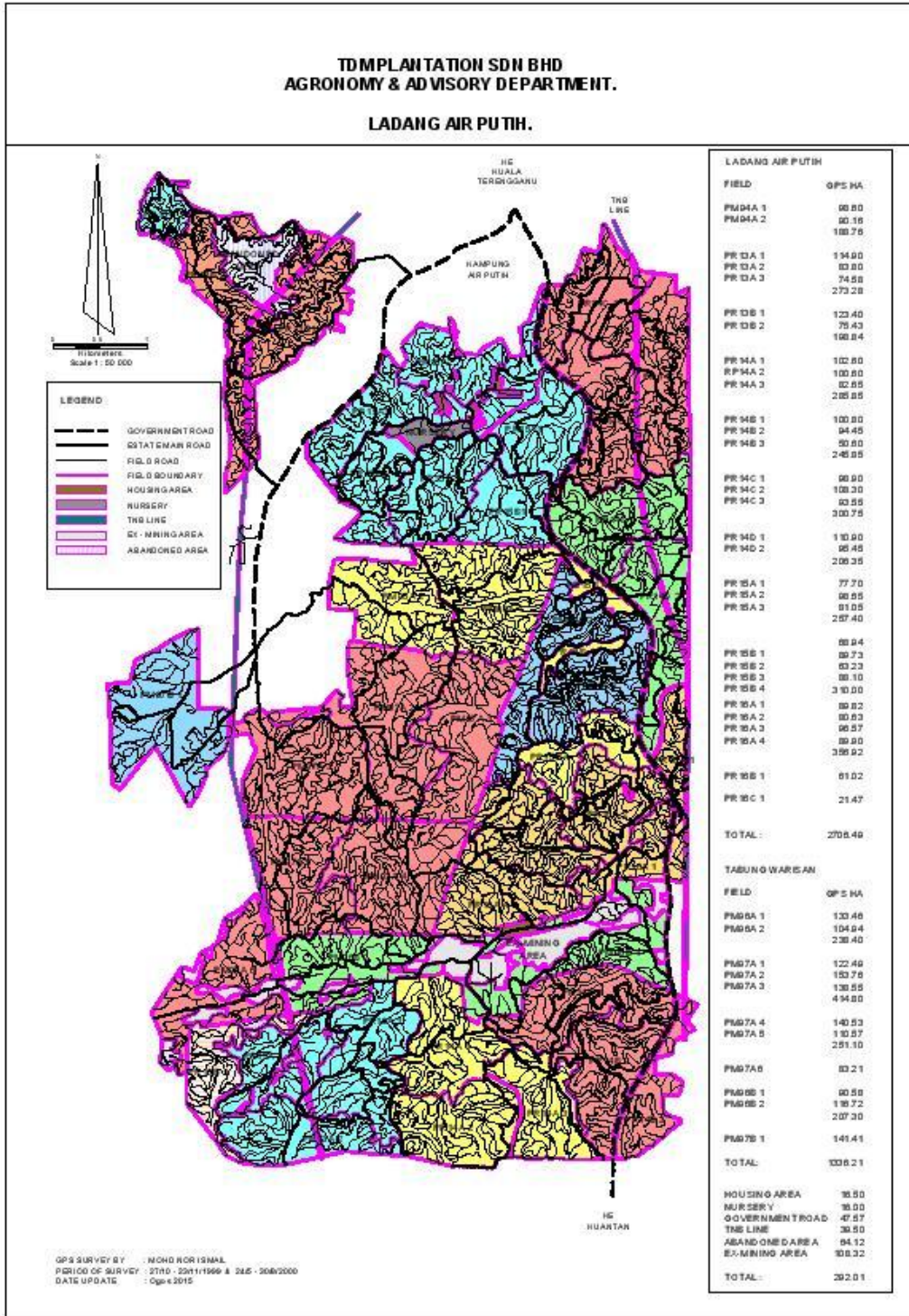
Appendix C: Smallholder Member Details

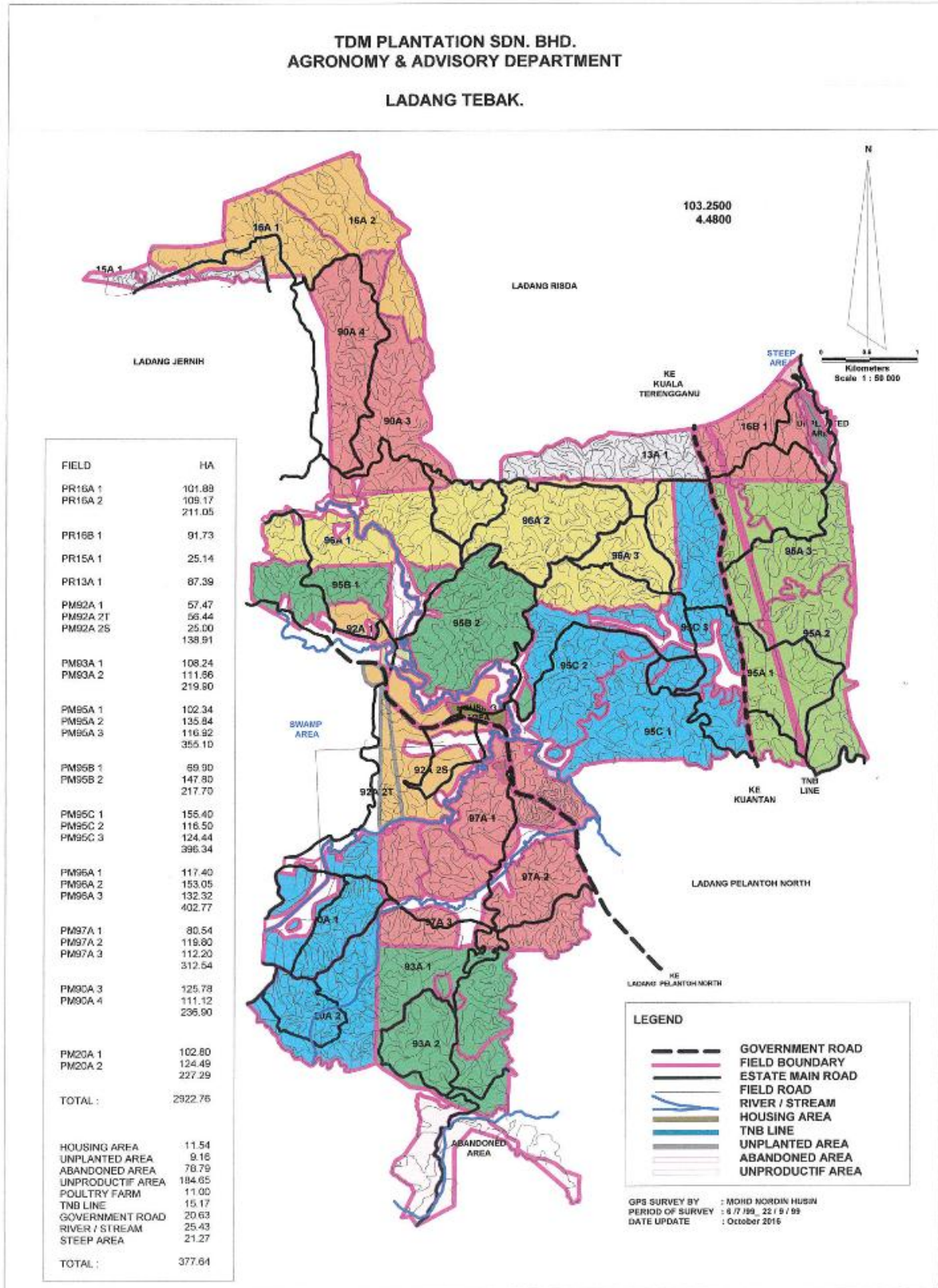
No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1	Not applicable			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
TOTAL				

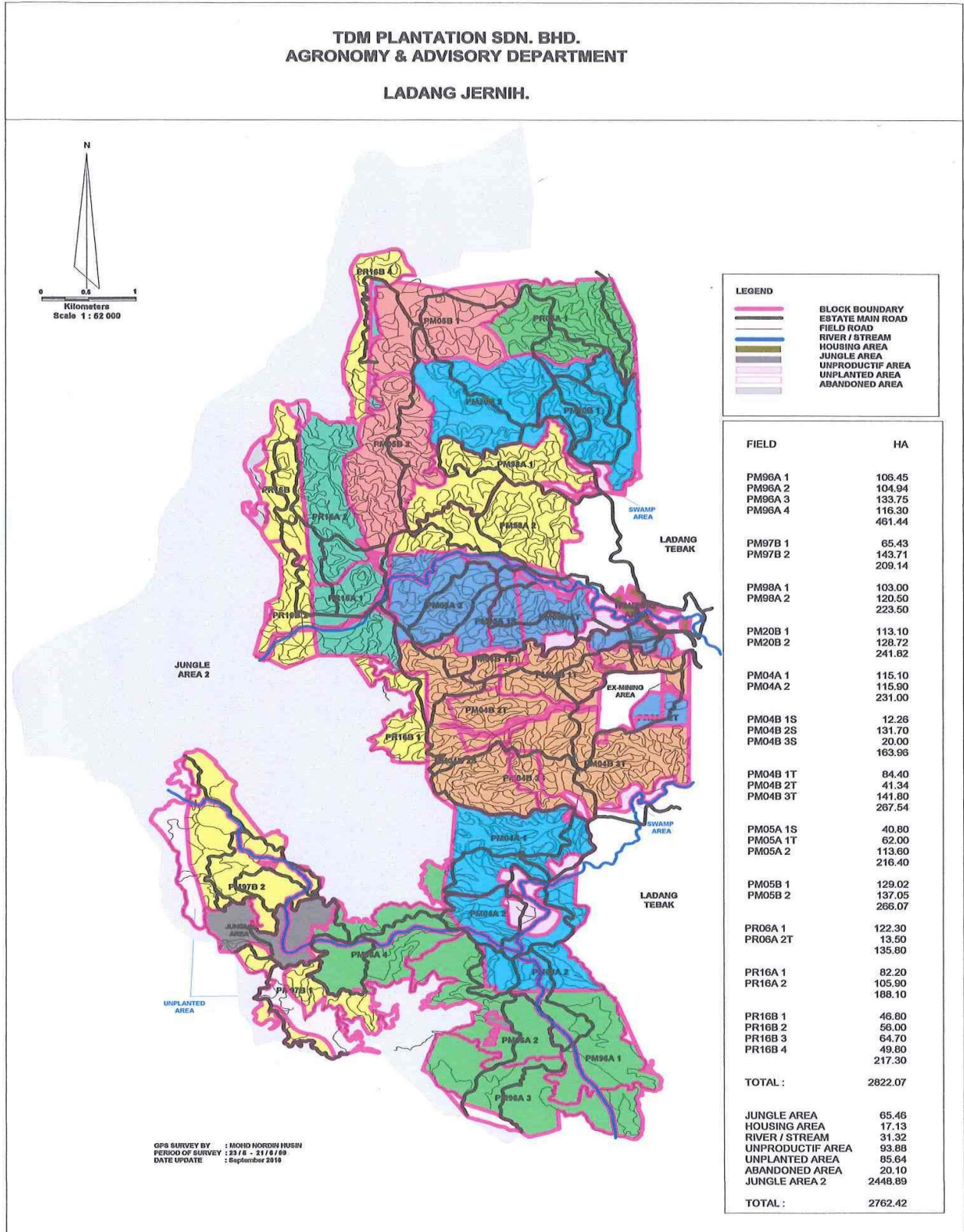
Appendix D: Location and Field Map



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Appendix E: List of Abbreviations Used

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