

RSPO – 2nd Annual Surveillance Assessment (ASA2)

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

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Section 1 Scope of the Annual Surveillance Assessment

1. Company Details			
RSPO Membership Number	1-0095-11-000-00	Date	Member since: 28 February 2011
Company Name	TDM Plantation Sdn Bhd		
Address	Certification Unit: Kemaman Palm Oil Mill, KM 121, Jerangau – Jabor Highway, 24101 Kemaman, Terengganu, Malaysia.		
Subsidiary of (if applicable)	N/A		
Contact Name	Mr. Mohd. Asri Bin Sulong (Head Office) Mr. Shahbudin Bin Usop (Mill Manager)		
Website	www.tdmberhad.com.my	E-mail	asri.sulong@tdmberhad.com.my
Telephone	609 – 8226566 (Mill)	Facsimile	609 - 8226704 (Mill)

2. RSPO Certification Information			
Certificate Number	SPO 587626	Certificate Issued Date	1/11/2013
		Expiry Date	31/10/2018
Scope of Certification	Palm Oil and Palm Kernel Production from Kemaman Palm Oil Mill and Supply Base (Estates) (Tebak, Pelantoh, Jernih, Air Putih, Gajah Mati and Majlis Agama Islam).		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
CoP/MF/0009-1	Code of Good Manufacturing Practice (CoGMP)	MPOB	18/3/2018

3. Location (s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Kemaman Palm Oil Mill	KM 121, Jerangau – Jabor Highway, 24101 Kemaman, Terengganu, Malaysia.	103.248	4.403
Tebak Estate	KM 121, Jerangau – Jabor Highway, 24101 Kemaman, Terengganu, Malaysia.	103.226	4.430
Pelantoh Estate	KM 121, Jerangau – Jabor Highway, 24101 Kemaman, Terengganu, Malaysia.	103.249	4.405
Jernih Estate	Jerangau – Jabor Highway, 24101 Kemaman, Terengganu, Malaysia.	103.211	4.440
Air Putih Estate	Jerangau – Jabor Highway, 24101 Kemaman, Terengganu, Malaysia.	103 133	4.141
Gajah Mati Estate	Jerangau – Jabor Highway, 24101 Kemaman, Terengganu, Malaysia.	103.206	4.695
Majlis Agama Islam Estate	Jerangau – Jabor Highway, 24101 Kemaman, Terengganu, Malaysia.	103.206	4.627

4. Description of Supply Base						
Estate	Mature (ha)	Immature (ha)	Total Planted (ha)	Infrastructure & Other (ha)	Total Hectarage	% of Planted
Tebak	3,015.75	118.53	3,134.28	321.78	3,456.06	91%
Pelantoh	3,228.00	0	3,228.00	64.16	3,292.16	98%
Jernih	2,998.60	0	2,998.60	227.81	3,226.41	93%
Air Putih	3,508.61	599.62	4,108.23	181.66	4,289.89	96%
Gajah Mati	1,712.83	1,884.83	3,597.66	115.87	3,713.53	97%
Majlis Agama Islam	637.36	155.04	792.40	114.95	907.35	87%
Total	15,101.15	2,758.02	17,859.17	1,026.23	18,885.40	95%

5. Plantings & Cycle								
Estate	Age (Years) & Ha.					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (ASA1) Nov' 14 – Oct' 15	Actual (ASA1) Nov' 14 – Oct' 15	Forecast (ASA2) Nov' 15 – Oct' 16
Tebak	118.53	0	1,911.74	1,104.01	0	61,500	47,543	59,024
Pelantoh	0	0	0	3,228.00	0	68,940	52,805	62,138
Jernih	0	636.70	2,361.90	0	0	53,450	43,245	55,758
Air Putih	599.62	0	3,319.85	188.76	0	52,600	30,472	45,472
Gajah Mati	1,884.83	0	891.68	821.15	0	49,980	28,706	34,657
Majlis Agama Islam	155.04	0	637.36	0	0	10,500	7,480	4,480
Total						296,970	210,251	261,529

6. Certified Tonnage									
Mill	Estimated (ASA1) Nov' 14 – Oct' 15			Actual (ASA1) Nov' 14 – Oct' 15			Forecast (ASA2) Nov' 15 – Oct' 16		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Kemaman Palm Oil Mill	296,970	60,878	16,333	210,251	42,990	11,143	261,529	53,744	14,384
<i>*FFB from Adjacent Certified Estate</i>	0	0	0	31,776	6,496	1,684	0	0	0
<i>Grand Total</i>	296,970	60,878	16,333	242,027	49,486	12,827	261,529	53,744	14,384

* RSPO Certificate Number SPO 595564 Expiry Date: 26/12/2018

Section 2 Assessment Process**Certification Body:**

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: RSPO-ACC-19)
B-08-01 (East), Level 8, Block B, PJ8,
No. 23, Jalan Barat, Seksyen 8,
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Singapore, Jakarta, Bangkok and Australia which involve in RSPO Certification Program.

Assessment Methodology, Programme, Site Visits

The on-site assessment was conducted from 7 - 9 September 2015. The audit programme is included as Appendix C. The approach to the audit was to treat the mill and its supply bases as a RSPO Certification Unit. Mill was audited together with the sample estates (Tebak and Pelantoh). 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, review of documentation and monitoring data. RSPO P&C MYNI-2014 was used as checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment.

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 D.

The nonconformities that were assigned during the first annual surveillance audit (ASA1) which was closed during the last assessment were followed up to ensure it is remaining closed. Previous nonconformities are remains closed. The assessment findings are detailed in Section 3.3.

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

This report was internally reviewed by Mr. Senniah Appalasamy (RSPO Scheme Manager) prior to certification decision by BSI.

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Assessment Program: The following table would be used to identify the locations to be audited each year in the next 5 year cycle.

1. Assessment Program					
Name (Mill / Supply Base)	Initial certification	ASA 1	ASA 2	ASA 3	ASA 4
Kemaman Palm Oil Mill	√	√	√	√	√
Tebak Estate			√		
Pelantoh Estate			√		
Jernih Estate	√			√	
Air Putih Estate		√			√
Gajah Mati Estate	√			√	
Majlis Agama Islam Estate		√			√

Tentative Date of Next Visit: 5th September 2016

Total No. of Mandays: 13.5 Man-days

BSI Assessment Team:

Muhammad Haris B. Abdullah – Lead Assessor

He holds Master in Business Administration from the University Utara Malaysia and Bachelor of Business Administration (Hons) Majored in Human Resource Development from the Open University Malaysia. He has more than 3 years working experience in oil palm plantation and conducting social impact assessments of agriculture, agriculture best practices, and environmental impact assessment and workers welfare. He completed the RSPO Lead Auditor Training in April 2013 and passed the course. He is also passed the ISO 14001, ISO 9001, OHSAS 18001 Lead Auditor Training Courses and qualified as EICC auditor. He has completed International Sustainable and Carbon Certification (ISCC) Lead Auditor Training Courses. Recently he has attended the RSPO P&C Social and Labour Standards and the Mechanics of Social Auditing Workshop on 17 – 19 September in Bangkok, Thailand. He had assisted with conducting audits of oil palm plantation for more than 7 companies against the RSPO P&C in Indonesia and in Malaysia 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, Tamil and Bahasa Indonesia.

Hafriazhar Mohd Mohktar – Team member

Hafriazhar Mohd. Mokhtar is a Chemical Engineer by qualification. He has more than five years of direct work experience in the upstream processes of palm oil within the plantation industry. He is a qualified Lead Auditor for CDM, ISO 14001, ISO 50001 and ISO 9001 and has accumulated more than 500 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia and Thailand. He has been trained in the RSPO P&C and SCCS standards and recently completed his RSPO P&C Lead Assessor training and has been involved in RSPO audits within Malaysia, Papua New Guinea and Solomon Islands. During assessment, he covered the mill and estate best practices, legal issues, social issues, workers consultation, stakeholder consultation, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.

Mohamed Hidhir Bin Zainal Abidin – Team member

He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 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.

Accompanying Persons: Not Applicable

Section 3 Summary of Assessment Findings

3.1 Details of audit results are provided in the following Appendix:

- ☒ RSPO P&C NYNI 2014 Checklist – **Appendix A:** Summary report of the Assessment.
- ☒ RSPO Supply Chain Certification Checklist – **Appendix E:** CPO Mill Supply Chain Assessment Report.

3.2 Progress against Time Bound Plan

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

Recently TDM informed BSI that it has taken over the management control of the plantation in Indonesia, PT Rafi Kamajaya Abadi which was previously controlled by PT Rafi through joint venture with Indonesia partner. The company has carried out restructuring and all the plantations are under TDM Berhad and managed through TDM Berhad. There is no palm oil mill (certification unit) at PT Rafi. However, the company decided to build a palm oil mill, and preparing a time bound plan to certify the unit once the mill is ready. The plantation in Indonesia was undergone HCV and SIA assessment through RSPO approved assessors from Bogor Agriculture University for the on-going planting. The planting was started in 2008 by the previous management. Since it is TDM Berhad's responsibility after taking over the management control, the company is in the process of preparing the on-going NPP documentation. Until this is completed and approved by RSPO, PT Rafi will be excluded from the certification.

TDM Plantation Sdn Bhd consistently has kept BSI informed of any emerging issues and claims made against it. At the time of preparation of this Report, BSI is not aware of any new issues involving:

- a. Any unresolved significant land disputes;
- b. Any replacement of primary forest or loss of HCVs;
- c. Any labour disputes that are not being resolved through an agreed process;
- d. Any evidence of noncompliance with any law at any of the landholdings.

BSI considers TDM Plantation Sdn Bhd conform to the RSPO requirements for Partial Certification.

3.3 Details of findings

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

During the second annual surveillance assessment there were 3 Major nonconformities and a Minor nonconformity raised. Kemaman Palm Oil Mill and Supply Base Estates have submitted Corrective Action Plan for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1235579M2	Requirements 6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations	Major
	Evidence of Nonconformity All operating units: Interview with compliance executive and document verification found policy to respect human rights was not available.	
	Statement of Nonconformity Policy to respect human rights was not available.	
	Status As this is a new indicator under RSPO P&C MYNI-2014, previously there was no policy to respect human rights has been implemented. TDM Head Office has prepared a policy respect human rights dated 20 September 2015 signed by the CEO of TDM Plantation Sdn. Bhd. The policy has been briefed to all level of	

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	workforce during morning muster and displayed at all the operating unit office notice boards. The Major nonconformity was closed on 8/10/2015.	
Non-Conformity		
NCR #	Description	Category (Major/Minor)
1235579M3	Requirements 4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.	Major
	Evidence of Nonconformity Tebak Estate: No medical examination programme established for 2 group of trunk injector that exposed to class 1A chemical, monochrotophos. Pelantoh Estate: No medical examination programme established for 1 group of trunk injector that exposed to class 1A chemical, monochrotophos.	
	Statement of Nonconformity Annual medical surveillance for trunk injector gang was not effectively demonstrated.	
	Status Both estate managements have immediately sent all the workers involved in Class IA chemicals for medical check-up (Pelantoh estate: 6 workers; Tebak estate: 8 workers). Medical check-up was done on 10/9/2015 at clinic "Klinik Bestari" by OHD doctor (Reg. No.: HQ/08/DOC/00/352). Certificate of fitness was issued on 15/9/2015 to all the 14 workers. The medical results and certificate of fitness copies were verified. The Major nonconformity was closed on 13/10/2015.	

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1235579N1	Requirements 1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.	Minor
	Evidence of Nonconformity All operating units: Interview with compliance executive and document verification found policy committing to a code of ethical conduct and integrity in all operations and transactions was not available.	
	Statement of Nonconformity Policy committing to a code of ethical conduct and integrity in all operations and transactions was not available.	

Positive Findings	
PF #	Description
1	All operating units have maintained good relationship with the local community and other stakeholders. Positive feedback was given to the audit team during interview.
2	The palm oil mill has maximized the use of renewable energy by consuming shell and fiber produced internally.

3	The palm oil mill is certified under other standards such as MPOB CoGMP.
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Issues raised by Stakeholders

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Kemaman Palm Oil Mill Certification Unit's environmental and social performance, legal and any known dispute issues.

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

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 D.

IS #	Description
1	<p>Issues Padang Kubu JKKK representative: Requested for more regular grass cutting at workers housing.</p> <p>Management Responses Grass cutting contract has been awarded to a local contractor for 2 rounds per month. On top of that, check roll gardener has been appointed to clean the workers housing surrounding.</p> <p>Audit Team Findings Line site inspection and payment records were verified. No further issue.</p>
2	<p>Issues Seri Bandi School teacher: Request estate management's assistance to arrange transport for students who will be sitting for exams during flood season similar to previous years.</p> <p>Management Responses Company already have boats to transport students during flood. Will assist where possible.</p> <p>Audit Team Findings 2 units of boats were sighted during the audit. No further issue.</p>
3	<p>Issues Nurse (Klinik Desa Tebak): Requested to stay in the estate housing if possible.</p> <p>Management Responses Priority will be given to the estate workers. Estate management will consider to provide housing to the government clinic nurse if there is any vacant unit in the future.</p> <p>Audit Team Findings No further issue.</p>
4	<p>Issues Ladang Jernih & Ladang Tebak JKKK representative: Requested estate management to repair the Kindergarten building which in poor condition.</p> <p>Management Responses Kindergarten building is a government property. Any repair or maintenance of the building only can be done by government agencies. Estate management does not have the permission from government authority to carry out repair on the government owned kindergarten. However, estate management will assist wherever possible such as waste collection and grass cutting.</p>

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	<p>Audit Team Findings No further issue.</p>
5	<p>Issues Ladang Tebak workers representative: Requested for ambulance to send workers to clinic or hospital during emergency. He also suggested that ceiling fan should not be used in nursery due to risk of entangled with children swings.</p> <p>Management Responses Even though there is no ambulance, estate has allocated one unit of van for emergency transport. As for the ceiling fan in nursery, the management will get further advice from the related government authority to identify the appropriate type of fan to be installed.</p> <p>Audit Team Findings No further issue.</p>
6	<p>Issues Contractors & Suppliers: Contractors and Suppliers confirmed that payment is prompt as per agreed contract.</p> <p>Management Responses Payment is made as per the agreed terms.</p> <p>Audit Team Findings No other issues.</p>
7	<p>Issues Union state secretary: TDM management had promised to build new housing for workers in 2015, but no progress seen until now (September) 2015.</p> <p>Management Responses Construction site for new housing ready but project postponed/re-budgeted for next year due to company's current financial issue. Workers will be briefed on the delay and company's plan regarding the workers housing projects.</p> <p>Audit Team Findings Revised budget for workers housing was sighted. Progress of the new workers housing project will be verified during next surveillance visit.</p>

3.3.1 Status of Nonconformities Previously Identified and Observations

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1097194N1	<p>Requirements: Indicator 4.1.2: Records of monitoring and the actions taken are maintained and kept for a minimum of 12 months.</p>	Minor
	<p>Evidence of Nonconformity: 1. The KPOM and supply base site was audited by external certification body on December 2012. Since the last external audit there were no RSPO internal monitoring audit conducted for more than 20 months despite there is a compliance department. 2. Estates are monitored through internal and external Planting Adviser (PA) but there is no internal or external monitoring of the mills.</p>	
	<p>Statement of Nonconformity: All operating Units: It was informed that the company has formed new department of Compliance. However, no RSPO internal audit conducted by the Compliance Department.</p>	
	<p>Action:</p>	

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	<p>CAP submitted during ASA1:</p> <ol style="list-style-type: none"> 1. Compliance Department need to be reorganized since it is very important for RSPO and other certification continuity. 2. The Compliance team will also work closely with the estate and mill to ensure proper documentation and implementation done by all units. 3. Short Term Plan: To engage external Visiting Engineer. 4. Long Term Plan: To appoint authorized internal person as person in charge to monitor both mills. 	
	<p>Status: Internal & Compliance department audit was conducted on 3/8/15 at Kemaman Palm Oil Mill, 17/6/15 (Ladang Jernih), 14-15/8/15 (Ladang Tebak). Cross inter-operating unit audit was demonstrated. External monitoring (visiting engineer audit) was done on 27-28/5/15 by Sime Darby Seeds & Agricultural Services Sdn Bhd. Corrective action found to be effective. The minor nonconformity was closed on 8/9/2015.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1097194N2	<p>Requirements: Indicator 6.1.3: A timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary.</p> <p>Evidence of Nonconformity: Air Putih Estate and Maidam Estate: During documents review it was noted that there is no timetable with responsibilities for mitigation and monitoring of social issues is reviewed and updated as necessary.</p> <p>Statement of Nonconformity: No timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary for social issues.</p> <p>Action: CAP submitted during ASA1: Operating unit prepare action taken report on the findings raised in the SIA.</p> <p>Status: The management of both MAIDAM and Air Putih estates have prepared timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary for social issues on 19/1/2015. The plan includes action taken by the management and current status of the issues. New negative issues highlighted during the recent stakeholder meeting will be included in the plan during next revision which will be in January 2016. The minor nonconformity was closed on 8/9/2015.</p>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1097194N3	<p>Requirements: Indicator 6.5.2: Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit.</p>	Minor

	<p>Evidence of Nonconformity:</p> <p>Pelantoh Estate:</p> <ol style="list-style-type: none"> 1. Direct contracts of employment detailing term and conditions of employment for the 5 trainee Hospital Assistant recruited by Pelantoh Estate dated 28/10/2013, 5/11/2013 and 29/4/2014 indicated that the term and condition follows the MAPA/NUPW agreement. However, under the MAPA/NUPW agreement there is no category of Trainee Hospital Assistant. 2. The appointment letter required the trainees to sit for the grade 3 or grade 2 Hospital Assistant examination which falls under the staff category and MAPA/AMESU agreement. 3. The probation period of 3 months has over but no confirmation letter was given to the trainees. 	
	<p>Statement of Nonconformity:</p> <p>Pelantoh Estate: Discrepancies found in the direct contracts of employment detailing payments and conditions of employment for the 5 trainee HA recruited by Pelantoh Estate.</p>	
	<p>Action:</p> <p>CAP submitted during ASA1:</p> <ol style="list-style-type: none"> 1. To change the contracts of employment for the 5 trainee HA from MAPA/NUPW agreement to MAPA/AMESU agreement. 2. To allocate all the trainees at all estate clinics as HA's assistant. 	
	<p>Status:</p> <p>TDM head office have re-assigned the trainee assistant HA's to assistants HA's and their employment contracts to MAPA/AMESU agreement. Contract dated 21 May 2015 was sighted during the visit. Interview with 2 trainees HA's confirmed that they have been briefed on the new contract by the estate management and understand the term and contract.</p> <p>The minor nonconformity was closed on 8/9/2015.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1097194N4	<p>Requirements:</p> <p>Indicator 6.5.3: Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders).</p>	Minor
	<p>Evidence of Nonconformity:</p> <ol style="list-style-type: none"> 1. During the visit to the workers housing site it was found that the workers housing improvement and upgrading was not progressing as per plan. Limited improvement noted in the operating units visited (KPOM mill and Air Putih Estate) since the last audit. No progress at Pelantoh and Maidam Estate. 2. There is delay in approving budget for new housing. i.e. Air Putih housing site was budgeted in April 2014 but until September 2014, there were no any progress noted. 3. At the Maidam estate, the foreign workers are staying at a very substandard living condition with broken toilets and bathrooms, small rooms, dirty kitchen environment and overflowing sewage tank etc. There is no approval letter from Labour department for hostel. The sewage tank overflowing and going into the nearby drain. This was also been highlighted by PA in his visit report No.2 dated 3/3/2014 page number 7, section 5.3. No action was noted on the improvement. It was noted that the "Surau" and field office are located next to the Chemical Store. The workers housing is also very close to the chemical 	

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	and fertilizer store.	
	<p>Statement of Nonconformity: All operating units: Improvement plan for the workers housing towards complying with Workers’ Minimum Standard of Housing and Amenities Act 1990 was not implemented since last initial audit in December 2012.</p>	
	<p>Action: CAP submitted during ASA1: 1. Pelantoh Estate to propose new housing development projects in the 2015 budget. They are also planning to build new hostel/“rumah kongsi” for their foreign workers. 2. KPOM to propose new road resurfacing project for the road leading to the staff and executive housing. 3. MAIDAM Estate to propose new workers accommodation with proper and approved plan from Labour Department in the 2015 budget.</p>	
	<p>Status: TDM head office had prepared 7 years housing construction and maintenance plan for the whole Kemaman complex in January 2015. However, the budget was revised on 30 June 2015 due to current financial situation. The management has decided to proceed with the MAIDAM and Pelung estates housing project for year 2015 first. Tender committee had finalized the contractor on 7/9/2015. The project is pending for the final approval from the TDM CEO and expected to commence by end of October. As temporary measure, ongoing defect repairs at the worker housing is being carried out. Visit to the MAIDAM estate workers housing on 8/9/2015 found that the highlighted issues during ASA1 such as overflowing sewage tank, broken toilets and bathrooms, dirty kitchen were repaired. The chemical store has been demolished. As for mill and Pelantoh estate, 37 workers have moved to the new housing developed by the state government under “Rumah mampu milik” project for the TDM workers and nearby villagers since December 2015. Progress of the new workers housing project will be verified during next surveillance visit. The minor nonconformity was closed on 8/9/2015.</p>	

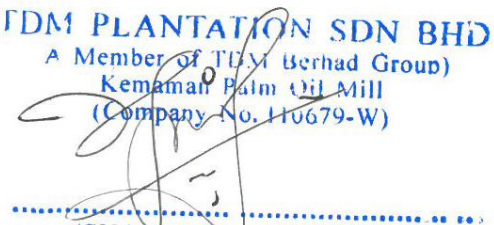

Observation	
OBS #	Description
Nil	Nil

3.3.2 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
A819714/1M	Major	6/12/2012	Closed on 30/5/2013
A819714/1N	Minor	6/12/2012	Closed on 8/9/2014
A819714/2N	Minor	6/12/2012	Closed on 8/9/2014
1097194M1	Major	11/9/2014	Closed on 16/10/2014
1097194M2	Major	11/9/2014	Closed on 16/10/2014
1097194M3	Major	11/9/2014	Closed on 16/10/2014
1097194N1	Minor	11/9/2014	Closed on 8/9/2015
1097194N2	Minor	11/9/2014	Closed on 8/9/2015
1097194N3	Minor	11/9/2014	Closed on 8/9/2015
1097194N4	Minor	11/9/2014	Closed on 8/9/2015
1235579M1	Major	9/9/2015	Closed on 8/10/2015

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1235579M2	Major	9/9/2015	Closed on 8/10/2015
1235579M3	Major	9/9/2015	Closed on 13/10/2015
1235579N1	Minor	9/9/2015	"Open"

Assessment Conclusion and Recommendation:	
Based on the findings during the this assessment of Kemaman Palm Oil Mill Certification Unit and supply base complies with the RSPO P&C Malaysian National Interpretation (MY-NI 2014) and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of Kemaman Palm Oil Mill Certification Unit is approved and continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Mr. Shahbudin Bin Usop	Name: Muhammad Haris Bin Abdullah
Company name: TDM Plantation Sdn Bhd Kemaman Certification Unit	Company name: BSI Services Malaysia Sdn. Bhd.
Title: Mill Manager	Title: Lead Auditor
Signature:  (SHAHBUDIN BIN USOP) Pengerusi RSPO SOU ZON SELATAN	Signature:  Date : 13/10/2015

Appendix A: Summary of Findings

Criterion / Indicator		Assessment Findings	Compliance
Principle 1: Commitment to Transparency			
Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Requests for information from the Regulatory Department such as DOSH during compliance visit were attended and no noncompliance or complaints were noted.	Complied
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	All operating units maintain records of information request and response. Request for information are attended promptly and confirmed by stakeholders interviewed.	Complied
Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			
1.2.1	Publicly available documents shall include, but are not necessary limited to: <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). - Major compliance –	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. 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: <ul style="list-style-type: none"> • Good Agricultural Practices • Social Enhancement • Sustainability Management Programmes • Complaint and Grievances procedure. • Environmental Conservation 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: <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 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.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.			
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. -Minor compliance	Policy committing to a code of ethical conduct and integrity in all operations and transactions was not available. Minor nonconformity was raised.	Minor nonconformity
Principle 2: Compliance with applicable laws and regulations			
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>KPOM has obtained and renewed license and permits as required by the law. Amongst the licenses or permit viewed were:</p> <p>DOE Licence/ Jadual Pematuhan : JPKKS 004055 (validity period 1/7/2015 - 30/6/2016) for 60 MT/hr and method of POME discharge is water course.</p> <p>Mill and UPV inspection – 8/6/15</p> <p>General installation and inspection (TGP272/1-272/7 & 272)</p> <p>Boiler PMD 12383, STR – PMT 70055, PMT 107555</p> <p>Steam Separator : PMT 140438</p> <p>Back Pressure Receiver : PMT 107391</p> <p>Other PMT was found satisfactorily.</p> <p>Steam engineer: JKJ 19 - #091/20069 (1st grade steam engineer)</p> <p>Engine Driver : JKJ18- #T/109/11, 1st grade engine driver</p> <p>Internal Combustion Engine (ICE) driver : JKJ18: # TG/14/EIP/02/13 & # J295/2007, 2nd grade ICE driver</p> <p>Visiting electrical engineer: PE-T-1-B-0002-2014 under Noba Engineers Sdn Bhd, latest visit dated 17/8/2015.</p> <p>Electricity generation report to Energy Commission, latest report for August 2015 dated 6/9/15 was verified.</p> <p>Electrical charginman: PJ-T-1-B-1521-2001 (A0), PJ-T-4-H-0068-1999 (A4), PJ-T-1-B-0783-2005 (A0). Renewal still in progress. Ref: ST/TKB/134458H/KMMN/0005 dated 20/8/15.</p> <p>CePPOME : CePPOME07/2014 valid until 1/3/16.</p> <p>AESP : NW-NCT-AE-R-0608-N valid until 14/2/17</p> <p>AESP : NW-NCT-AE-R-0609-N valid until 14/2/17</p> <p>AESP : NW-NCT-AE-R-0603-N valid until 14/2/17</p> <p>AESP : NW-NCT-AE-R-0604-N valid until 14/2/17</p> <p>AGT: attended refresher training on 29/4/15, refer to code course 02-03/01/AGTES-R/2015/8.</p> <p>MPOB license : 5000419044000 valid until 31/3/16, capacity 384,000 MT</p> <p>EC license: 00125666 for 2400 kW, valid until 21/11/16.</p> <p>DOE license "Jadual Pematuhan": 004055 valid until 30/6/16, disposal method (waterways), BOD limit (100 mg/l)</p> <p>Diesel license, ref: KPDNKK/KMN/25 02/08 SK D, permit# 02/2008, capacity 42,000 liter.</p> <p><u>Tebak Estate</u></p> <p>MPOB Code of Good Agriculture Practice for Oil Palm Estate and Smallholdings valid until 18/3/18.</p> <p>MPOB license: 501373102000 valid until 31/3/16</p> <p>Diesel permit: KPDNKK/KMN/25 0012/16 SK D, permit# 18/2006, capacity 22,000 liter valid until 15/12/15.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	List of applicable legal and other requirements was made available during the assessment. Documented procedure has been established and implemented, TDM/KPOM/01 dated 1/5/11, Legal and other requirement procedure. Complied
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance -	A mechanism to ensure compliance to legal and other requirement has been documented in TDM/KPOM/01 dated 1/5/11. TDM Compliance Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Complied
2.1.4	A system for tracking any changes in the law shall be implemented. - Minor compliance -	A system for tracking changes as per documented procedure has been implemented at all respective operating units. Group Legal Department, Plantation Coordinator and Plantation Advisor will notify new requirements if there are any changes of law as to date. Complied
Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.		
2.2.1	Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -	The Estates and Mill are on government lease land and they hold copies of Land Titles. The oil palm operations are consistent with the land title for agricultural purposes Tebak Estate Land title, lease hold type, category of land use. 3 land titles was verified. Mukim Tebak, grant# Q.T(R), Kemaman 11, lot # 28, hectarage : 8,500 ha Mukim Tebak, grant# Q.T(R), Kemaman 12, lot # 29, hectarage : 8,500 ha Mukim Tebak, grant# HS(D)1779, Kemaman 11, lot # 28, hectarage : 3,681 ha Pelantoh estate Holds 8 land titles (5 free hold and 3 sublease). Complied
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	During the field visit at 95A at Tebak Estate it was noted that legal boundaries are clearly demarcated and visibly maintained at the area adjacent to "Rasau Kerteh" forest reserve. Pelantoh Estate Visited field 93D2, legal boundary clearly demarcated and visible (boundary pole #119) adjacent with Ladang Ketengah Jaya. Complied
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	TDM did not acquire land from landowners, but owned it or leased it directly from the government. There were no issues of land disputes noted during the stakeholder interview and documents check. Complied

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Criterion / Indicator	Assessment Findings	Compliance
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	Complied
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	Complied
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	Complied
Criterion 2.3: Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.		
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).. - Major compliance -	Complied

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Criterion / Indicator	Assessment Findings	Compliance
2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. - Minor compliance -	Complied
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	Complied
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	Complied
Principle 3: Commitment to long-term economic and financial viability		
Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.		
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	Complied

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Criterion / Indicator	Assessment Findings	Compliance
3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -	Tebak Estate 5 years replanting programme: 2015 : nil 2016 : PM91A3 – 112.60 ha 2017 : PM90A1 – 101.88 ha PM90A2 – 109.17 ha 2018 : PM90A3 – 125.78 ha PM90A4 – 111.12 ha 2019 : PM92A1 – 57.47 ha PM92A2 – 81.44 ha PM93A1 – 111.66 ha Pelantoh estate: Replanting programme is planned until FY 2021. The replanting for Pelantoh has been planned in 2018 for 558.76ha and 1,442.89ha for 2019.	Complied
Principle 4: Use of appropriate best practices by growers and millers		
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.		
4.1.1 Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -	Company’s Agriculture Policy covers land preparation, planting material, upkeep, harvesting, transport etc. SOP for mill dated 1st May 2011 edition TDM/KPOM/01 Revision – 01/2011. Revised SOP dated 28/7/2012 covers all operations for the estate. There are 40 SOPs covering all aspects of oil palm management. A separate work instruction is available at the mill to cover all the work stations at the mill. Work Instructions in Bahasa Malaysia have been derived from SOPs and are posted at work stations at the mill and at certain locations at the estates, such as the Muster Notice Boards.	Complied
4.1.2 A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -	Internal & Compliance department audit – 3/8/15 (Kemaman Palm Oil Mill), 17/6/15 (Ladang Pelantoh), 14-15/8/15 (Ladang Tebak). Cross inter-operating unit audit was demonstrated. There were only observation raised and 2 nd audit report yet to be issued. Visiting engineer audit – Sime Darby Seeds & Agricultural Services Sdn Bhd dated 27-28/5/15. PA visit – 24/3/14 by Hj Abdul Aziz Abu Bakar. Performance Qualitative Rating, PQR: Mature (90.56%), immature (65.69%)	Complied
4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	PA visited on 23/3/2015 (Report No.: PA Report No.4) Agronomist visit: 1- 4 September 2015 (Pending for the report).	Complied
4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	Kemaman mill maintains a daily record of all FFB received. The records show the origin, weight, transporters details and etc of the FFB received.	Complied
Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		

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Criterion / Indicator	Assessment Findings	Compliance
4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	Kemaman Mill and estates operates in accordance with the TDM management systems and standard operating procedures. The practices consistently monitored by mill and plantation advisors and recommendations for improvements are given to maintain the sustainable practices.	Complied
4.2.2 Records of fertiliser inputs shall be maintained. - Minor compliance -	Fertilizers are applied as per agronomist recommendation. Record shows application date, filed number, dosage applied per palm, type of fertilizer and number of applicators. Agronomist report dated 2/10/14: Ref: AC/BO/10.84/10.84.10/827(14) - 2015 fertilizer recommendation Compound fertilizer (CPD44) (12:6:22:3) : 2,320.59 mt (12%N, 6% P ₂ O ₅ , 22% K ₂ O & 3 % MgO) Kieserite : 189.61 mt (26% MgO) MOP (Muriate of Potash) : 507.87 mt (60% K ₂ O) HGFB (High Grade Fertilizer Borate) : 15.97 mt (46/48% B ₂ O ₃).	Complied
4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	Similar to the last assessment, external Agronomist from Sime Darby Seeds and Agriculture Services Sdn Bhd visited estate on 28 August 2014 to carry out physical observation prior to the fertilizer recommendation for 2015. The foliar sampling exercise was conducted on July 2014. The visual analysis and the leaf analysis result which shows the nutrient level was used as guidance for the fertilizer recommendation. Soil sampling was carried out in April 2013 and is scheduled to be repeated every 5 years. <u>Tebak Estate</u> Foliar sampling was last carried out on July 2014 for Div A, Div B and Div C. Refer to agronomist report dated 2/10/14, ref : AC/BO/10.84/10.84.10/827(14) Noted results on nutrient deficiency for Ash, N, P, K Mg, Ca & B as basis for fertilizer recommendation.	Complied
4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	All palm by-products including fronds, EFB, and expeller are recycled. EFB is applied at the rate of 40mt/ha on selected area close to the mill.	Complied
Criterion 4.3: Practices minimise and control erosion and degradation of soils.		
4.3.1 Maps of any fragile soils shall be available. - Major compliance -	Soil series map available for both estates visited. No other soil categorised as problematic or fragile soil. Majority soil categorised as both "Rengam and Jerangau" with mix of clay.	Complied
4.3.2 A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Recently replanted area is established with cover crops and vegetation is well established. Field inspection showed groundcover with soft grass and soft weeds. There is no significant erosion risk was noted during the field visit. "Cross bunds" have been constructed at the hilly roads to divert the flowing rain water to reduce the soil erosion. There are no peat soils or soil categorised as problematic or fragile soil at both estates.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	Estates has implemented annual road maintenance programme. Example of programme checked at Tebak and Pelantoh estates shows the map indicating road repairs and maintenance for the whole estate roads includes grading, compacting and stone application to strengthen the road surface.	Complied
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There were no peat soils at both visited estates.	Complied
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	There were no peat soils at both visited estates.	Complied
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	There are no soils categorized as problematic or fragile soil at all estates.	Complied
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.			

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Criterion / Indicator	Assessment Findings	Compliance																								
<p>4.4.1</p> <p>An implemented water management plan shall be in place. - Minor compliance -</p>	<p>Mill: For water monitoring, TDM Plantation Sdn. Bhd. (KPOM) has established a Standard Operation Procedure (SOP) for Taking Water Samples from Streams/Rivers (TDM/KPOM/01 Rev. KPOM-01/2011 dated 1/5/2011). An action plan to reduce fresh water usage also has been established for financial year 2015/16 with identified issue for few area:</p> <table border="1" data-bbox="652 591 1289 1267"> <tr> <td>Rainwater collection</td> <td>Large container are to be placed at strategic locations to collect rainwater</td> </tr> <tr> <td></td> <td>The rainwater shall be used to wash heavy machineries and watering plants</td> </tr> <tr> <td>Frequent SATU pipeline burst</td> <td>Change the pipeline to a new piping</td> </tr> <tr> <td>No flow meter for water usage in mill/process</td> <td>Install ultrasonic flowmeter</td> </tr> <tr> <td>No flow meter for water usage to Tebak Estate and Pelantoh Estate</td> <td>Install bulk meter</td> </tr> <tr> <td>Front end frequently dirty and oily need much water for cleaning purposes</td> <td>Upgrade front end less washing frequency at ramp, marshalling yard and capstan area</td> </tr> <tr> <td>Separators using too much water</td> <td>Install additional decanter to avoid usage of separators which is a water guzzler</td> </tr> </table> <p>Contingency Plan During Water Shortage:</p> <table border="1" data-bbox="652 1323 1289 1621"> <tr> <td>Water shortage / dry</td> <td>To purchase water supply from SATU</td> </tr> <tr> <td></td> <td>To obtain water supply from nearby estate</td> </tr> <tr> <td></td> <td>To train staff/workers to take conserve water</td> </tr> <tr> <td>Severe water pollution/contamination</td> <td>To purchase water supply from SATU</td> </tr> <tr> <td></td> <td>To perform treatment of polluted water</td> </tr> </table> <p>Tebak Estate: Tebak Estate has established the hydrology and water sampling map for its water management plan for mature palms. Rainfall for 2014 was 5212.25mm while todate for 2015 was 1753.40mm.</p> <p>Pelantoh Estate: Pelantoh Estate water management plan: contingency plan during water shortage.</p> <ul style="list-style-type: none"> • Water shortage/dry spell incidents – action purchase water from JBA/SATU • Severe water pollution – purchase water from JBA & perform treatment of polluted water 	Rainwater collection	Large container are to be placed at strategic locations to collect rainwater		The rainwater shall be used to wash heavy machineries and watering plants	Frequent SATU pipeline burst	Change the pipeline to a new piping	No flow meter for water usage in mill/process	Install ultrasonic flowmeter	No flow meter for water usage to Tebak Estate and Pelantoh Estate	Install bulk meter	Front end frequently dirty and oily need much water for cleaning purposes	Upgrade front end less washing frequency at ramp, marshalling yard and capstan area	Separators using too much water	Install additional decanter to avoid usage of separators which is a water guzzler	Water shortage / dry	To purchase water supply from SATU		To obtain water supply from nearby estate		To train staff/workers to take conserve water	Severe water pollution/contamination	To purchase water supply from SATU		To perform treatment of polluted water	<p>Complied</p>
Rainwater collection	Large container are to be placed at strategic locations to collect rainwater																									
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Criterion / Indicator	Assessment Findings	Compliance												
<p>4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -</p>	<p>Tebak Estate Documented as a Slope Protection & River Buffer Zone Policy (Signed by CEO TDM Plantation, Version 2, dated 1/10/2014) established as following:</p> <table border="1" data-bbox="651 506 1286 689"> <thead> <tr> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>< 5 meters</td> <td>5 meters</td> </tr> <tr> <td>5 to 10 meters</td> <td>10 meters</td> </tr> <tr> <td>10 to 20 meters</td> <td>20 meters</td> </tr> <tr> <td>20 to 40 meters</td> <td>40 meters</td> </tr> <tr> <td>> 40 meters</td> <td>50 meters</td> </tr> </tbody> </table> <p>Tebak Estate implemented river water monitoring, for the middle stream of Sungai Tebak. Sampled analysis report done by ERALab Sdn. Bhd. river water quality monitoring and analysis, lab report no. 15/05/W662 dated 12/5/2015 sighted available. Analysis was done against Class IIA/IIB National Water Quality Standards for Malaysia (NWQSM). Parameters analysed were pH, BOD, COD, TSS, AN and P. Report shown result was in compliance against the standard tested.</p> <p>Additional analysis conducted by Tebak Estate was the Organochlorine Pesticide Analysis Test for the same river water samples. Parameters tested including Aldrin, Dieldrin, Endosulfan-α, Endosulfan-β, Endosulfan-sulfate, Heptachlor, Heptachlor Epoxide, Lindane and Paraquat. Result shown all these parameters were not detected in the sample.</p> <p>Pelantoh Estate For Pelantoh estate, discharged water samples were taken from downstream points of Sungai Tebak. Sampled analysis report done by ERALab Sdn. Bhd. river water quality monitoring and analysis, lab report no. 15/05/W664 dated 12/5/2015 sighted available. Analysis was done against Class IIA/IIB National Water Quality Standards for Malaysia (NWQSM). Parameters analysed were pH, BOD, COD, TSS, AN and P. Report shown result was in compliance against the standard tested.</p> <p>Additional analysis also conducted by Pelantoh Estate which is Organochlorine Pesticide Analysis Test for the same river water samples. Parameters tested including Aldrin, Dieldrin, Endosulfan-α, Endosulfan-β, Endosulfan-sulfate, Heptachlor, Heptachlor Epoxide, Lindane and Paraquat. Result shown all these parameters were not detected in the sample.</p>	River width	Buffer zone	< 5 meters	5 meters	5 to 10 meters	10 meters	10 to 20 meters	20 meters	20 to 40 meters	40 meters	> 40 meters	50 meters	<p>Complied</p>
River width	Buffer zone													
< 5 meters	5 meters													
5 to 10 meters	10 meters													
10 to 20 meters	20 meters													
20 to 40 meters	40 meters													
> 40 meters	50 meters													

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Criterion / Indicator	Assessment Findings	Compliance
4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -	KPOM implemented river water monitoring, for the upstream and downstream of Sungai Tebak. Sampled analysis report done by ERALab Sdn. Bhd. for water sample certificate of analysis, lab report no. 15/08/W017 dated 5/8/2015 sighted available. Analysis was done against Standard B Acceptable Conditions For Discharge of Industrial or Mixed Effluent of Standards A and B. Parameters analysed were pH, BOD, TSS, AN, O&G and TN. Report shown result was in compliance against the standard tested. Effluent monitoring records: Monthly Effluent Sample Report ref. KPOM/EFFLUEN/009/2015 dated 25/8/2015, Analysis cert. # 2601/2015 by Makmal Analisa Bukit Goh, Felda Palm Industries Sdn. Bhd., Kuantan; parameter monitored:- pH, Total Alkalinity, VFA, BOD, COD, TS, SS, VSS, TN, AN, O&G. Other sampled records of BOD Analysis for the month of July, June, May and April 2015 shown that the mill effluents were in compliance with license regulations.	Complied
4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	KPOM monitored its water consumption on monthly basis for the source of water supply for its mill process usage. Total water consumed for the period from Jan to December 2014 was 1.67m ³ /mt FFB processed. Current water usage todate for the period from Jan to Aug 2015 was 2.02m ³ /mt FFB processed.	Complied
Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.		
4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	IPM Plan includes the planting of beneficial plants and control of damage by rodents. Beneficial plants such as Turnera subulata and Casia are grown in the estates. Records of planting of new areas and maintenance of existing areas of beneficial plants and location maps are available. Records of rat baiting and barn owl census are available. Pelantoh Estate PA visit comments : encouraging occupancy rate Barn owl box occupancy rate, July 2015: Zone A (58.33%), Zone B (39.29%), Zone C (48.72%). Average : 46.85%	Complied
4.5.2 Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	Training records for staff on IPM implementation were available and verified to be satisfactory during on-site assessment.	Complied
Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment		
4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	Justification of pesticides applied is available in the TDM agriculture policy. Refer to agriculture policy no 05.02-05.03 weed control for immature & mature oil palm. For pest and disease control, refer to 09-01 – 09-08. The use of pesticide is specific to the target pest, weed and disease. Justification takes consideration to minimize effect on non-target species.	Complied

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4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Complied
4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	Complied
4.6.4	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -</p> <p><u>Tebak Estate</u> Chemical register dated 5/9/2015. Class 1A was used (monocrothophos) – trunk injection , Permit – TG/MONO(GL)/15/027 for 80 liter dated 14/5/15.</p> <p><u>Pelantoh Estate</u> Chemical register dated 30/6/2015 Class 1A was used (monocrotophos) – trunk injection Permit – TG/MONO(GL)15/037 for 24 liter dated 14/6/15. Trade name : Krotofos 60.</p> <p>Noted the use of class IB chemical, paraquat as to control Voluntary Oil Palm Seedling (VOPS) in the field. Justification of using the said chemical is to control VOPS especially at the flood pane area.</p>	Complied
4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -	Complied
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	Complied
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	Complied

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Criterion / Indicator	Assessment Findings	Compliance
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	No aerial spraying at Kemaman Certification unit. Complied
4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -	No associated smallholders. Employees handling pesticide given knowledge and skill required by the R&D Department and OSH Department to cover safe handling practices and standard operating procedures. Complied
4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers. Workers interview reveal that they are aware of the zero burning policy including domestic waste are not allowed to be burned. Management disposes waste material as per regulation for schedule waste and domestic waste. Complied
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -	Annual medical surveillance for truck injector gang was not effectively demonstrated. <u>Tebak Estate:</u> No medical examination programme established for 2 group of trunk injector that exposed to class 1A chemical, monochrotophos. <u>Pelantoh Estate:</u> No medical examination programme established for 1 group of trunk injector that exposed to class 1A chemical, monochrotophos. Major nonconformity was raised. Major nonconformity
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	No female pesticide operators. However, interview with female workers confirmed knowledge of the policy of transfer to alternative duties if they wished to continue working when pregnancy was confirmed or breast-feeding. Complied

Criterion 4.7:
An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.1</p> <p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p>	<p>OHS plan for 2015 has been established. The plan comprises of OSH legal compliance, emergency response plan (ERP), OSH management system, risk management and safety committee activities. Sample of OSH management system activities as follows :</p> <p>i) LEV inspection and testing</p> <p>Internal assessment by tech (weekly basis), latest report 2/9/15</p> <p>Annual inspection, 3rd party (IHT II) JKPP HIE 127/171-3/2(76), found in-compliance with ACGIH requirements.</p> <p>ii) Medical Surveillance</p> <p>4 lab operators were sent for medical surveillance on 28/1/15 (n-hexane), refer to medical surveillance report by registered OHD, HQ/13/DOC/00/338 under Klinik Nabilah. 1 lab operator exceeded the Biological Exposure Indices (BEI) of N-hexane. (BEI= 5mg/g vs 7.57 mg/g)</p> <p>Re-test was conducted on 29/6/15.</p> <p>Medical Removal Protection (MRP) was initiated on 26/3/15 and was reassigned job to processing shift A. Refer to P/LABOUR/034/2015.</p> <p>iii) Audiometric Testing</p> <p>Annual audiometric testing was conducted on 25/2/15 by OHD, HQ/08/DOC/00/7 under Klinik Syed Badaruddin Sdn Bhd. Total workers tested 146.</p> <p>HI – 23, STS – 11</p> <p>Repeat audiometry was done on 27/7/15 and 10/8/15. No Noise –Induced Hearing Loss (NIHL) cases reported from the retest.</p>	<p>Complied</p>
<p>4.7.2</p> <p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p>TDM plantation had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. Refer to revisited CHRA report for KPOM, (JKPP HIE 127/171-2(259) dated 17/5/2015.</p> <p>At the estates, among the HIRARC carried out covered activities like chemical mixing and spraying, chemical storage, harvesting and FFB collection and vehicle maintenance. For mill operations, all key activities identified and risk assessed with respect to FFB grading and sorting, FFB sterilization, kernel and oil extraction, oil clarification, maintenance activities at the workshop, working in confined space, working at height and hot work activities. Noted changes of HIRARC at KPOM for the new construction of new loading ramp dated 1/1/15 and fatal accident case involving road accident at Tebak Estate.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p>	<p>Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE. Suitable PPE has been provided to the workers based on the information in the MSDS/CSDS and CHRA assessor's recommendation.</p> <p>List of Personal Protective Equipment (PPE) Provided – identifies the type of PPE for the respective activities.</p> <ul style="list-style-type: none"> i) Sterilizer and boiler/power operator – Safety Helmet, Semi leather Hand Glove, Cotton Gloves, Safety Shoes, Safety Vest and Ear Muff ii) Lab operator – Respirator (double cartridge) Nitrile Glove (chemical resistant), safety boots, Ear plug (NRR = 24 dB) iii) Field workers (sprayer, manurer & harvester) – N95 respirator, anti-mist goggles, wellington boots, apron and sickle cover. 	<p>Complied</p>
<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p>Assistant manager at each of the operating units are appointed as Health Committee Secretary. OSH Committees meeting conducted quarterly and meeting minutes includes issues raised and action taken form workplace inspection report etc. The last meeting was conducted on the 15/6/15 at Kemaman Palm Oil Mill. 14 members has attended the meeting with discussion on the accident review, safety improvement plan, issues from workers has been discussed and action to be taken. There was no major issue.</p> <p><u>Kemaman Palm Oil Mill</u> SHC organization chart for 2015</p> <ul style="list-style-type: none"> i) Chairman – Shahbudin Bin Usop (Mill Manager) ii) Secretary – Mohd Izwan Haffez Bin Che Azmi (Assistant Manager) <p>(#1: 17/3/15)</p> <p><u>Tebak Estate</u> SHC org chart 2015 Chairman – Mohd Radzwan Azid (Estate Manager) Secretary – Zailani Mat Zulkepli (Assistant Manager) #3: 1/9/15, #2: 9/6/15, #1: 18/3/15.</p> <p><u>Pelantoh Estate</u> SHC org chart 2015 Chairman – Zahari Lambak (Estate Manager) Secretary – Azizah Daud (Assistant Mana) - #2: 17/6/15 #1: 30/3/15.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance												
4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. - Minor compliance -	Accident and emergency procedures have been communicated to employees, contractors and visitors. Fire evacuation drill was last conducted on 2/9/15 to test the state of readiness during emergency situation. Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites. Records on all accidents kept and summary sent to Head Office. Quarterly review on accident cases carried out during OSH quarterly meeting. All operating units keeping all the JKKP 6 & 8 forms and available for viewing.	Complied												
4.7.6 All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -	Medical care is provided to all the employees. Local workers are covered under SOCSO scheme while foreign workers are covered under foreign workers compensation scheme. Sample for KPOM: period cover (27/8/15 – 26/8/16) RHB Insurance Berhad, policy number MW004430. Pelantoh: RHB Insurance Berhad Policy No. FW154540, Expiry 1/8/2016.	Complied												
4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	<p>Records on Lost Time Accident (LTA) metrics was maintained and based on JKKP 6, 7 & 8. Sample of accident statistic as shown below :</p> <table border="1" data-bbox="687 1128 1262 1328"> <thead> <tr> <th>Year</th> <th>Kemaman Mill</th> <th>Tebak Estate</th> <th>Pelantoh Estate</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>0</td> <td>0 (0 LTI)</td> <td>3 (0 LTI)</td> </tr> <tr> <td>2015</td> <td>0</td> <td>1 (fatal case)</td> <td>2 (5 LTA)</td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days</p> <p>Audiometric – DOSH notification via JKKP 7 (19)</p> <p>13 – sensorineural hearing loss 4 – conductive hearing loss 3 – mixed sensorineural hearing loss N-hexane exposure (1)</p> <p>Tebak Estate</p> <p>Fatal road accident (commuting to work) occurred on 2/8/15 involving TKI.</p>	Year	Kemaman Mill	Tebak Estate	Pelantoh Estate	2014	0	0 (0 LTI)	3 (0 LTI)	2015	0	1 (fatal case)	2 (5 LTA)	Complied
Year	Kemaman Mill	Tebak Estate	Pelantoh Estate											
2014	0	0 (0 LTI)	3 (0 LTI)											
2015	0	1 (fatal case)	2 (5 LTA)											
<p>Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.</p>														
4.8.1	<p>A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -</p>	<p>Kemaman Certification unit has established an annual training programme that covers all aspects of the RSPO Principles and Criteria. The plan was available for viewing at all visited operating unit.</p> <p>Complied</p>												

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Criterion / Indicator	Assessment Findings	Compliance
4.8.2 Records of training for each employee shall be maintained. - Minor compliance -	Records of training for employees available and maintained. Records verified on a sampling basis at the Mill and estates visited covers all aspect of training and RSP0 P&C. Samples of training record for 2015 as follows : <u>Kemamam POM</u> <ul style="list-style-type: none"> • Chemical safety training (13/5/15) • Hearing Conservation training (26/5/15) • First Aid Training (24/6/15) • Shovel and Tractor Training (28-29/7/15) Akedemi Binaan Malaysia (East Cost) • Awareness on Environmental Aspect and Impact (25/8/15) • Supply Chain training: 1/9/2015 attended by 9 people. <u>Tebak Estate</u> <ul style="list-style-type: none"> • Trunk Injection Training (23/3/15) • Manuring (bio-organic) Training (9/6/15) • Tractor Driver Training (17/7/15) • Sprayer training (11/2/15) • IPM traning (census training for bagworm and nettle caterpillar) (11/3/15) • Harvesting Training (15/1/15) <u>Pelantoh Estate</u> <ul style="list-style-type: none"> • RSP0 training (18/8/15) • Shovel and Tractor Training (28-29/7/15) Akedemi Binaan Malaysia (East Cost) • Bagworm and nettle caterpillar training (11/3/15) 	Complied
Principle 5: Environmental responsibility and conservation of natural resources and biodiversity		
Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		

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Criterion / Indicator	Assessment Findings	Compliance
<p>5.1.1</p> <p>An environmental impact assessment (EIA) shall be documented. - Major compliance -</p>	<p>Mill: KPOM has a documented Environmental Aspect and Impact Identification (EAI) which was updated on 1/1/2015. The EAI developed based on its established Standard Operating Procedure on Environmental Aspects/Impacts Evaluation TDM/KPOM/01, Rev. KPOM-01/2011, dated 1/5/2011. Aspect identified and impact evaluated for the mill operations was tabulated on the KPOM Aspect and Impact Evaluation Form divided into mill operation stations. KPOM has covered all its operation in identifying the environmental aspect and evaluating the environmental impact. Latest update of the EAI has included the workshop activities and current construction of Continuous Sterilizer and its structure activities.</p> <p>Estate: Tebak Estate and Pelantoh Estate has documented EIA based on procedure of Environmental Aspects/Impacts Evaluation Version 1 dated 12/1/2015– Environment Aspect and Impact Identification for various activities- security work, compound, dispensary, field, harvesting and collection, main entrance, pest and disease control, petrol and diesel, power station, replanting, road, schedule waste store, workshop was tabulated in File No.: LPT/5.2/EAI.</p>	<p>Complied</p>
<p>5.1.2</p> <p>Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -</p>	<p>Mill: Environmental Aspect Identification (EAI) and Environmental Evaluation (EIE) reviewed and updated on 1/1/2015. Mill has included the aspect of bio-compost plant which was completed its construction in March 2015 and expected to be in operation before the end of 2015.</p> <p>Tebak Estate: Environment Aspect and Impact Identification review done on 12/1/2015.</p> <p>Pelantoh Estate: Environment Aspect and Impact Identification review meeting on 12/1/2015.</p> <p>It was observed that the reviewing and updating on the registers were done annually if there's no any new activity within respective sites.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>5.1.3</p> <p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance -</p>	<p>Mill: Monitoring plan was established based on DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling.</p> <p>Among the mill environmental monitoring records available are sighted as following:</p> <ul style="list-style-type: none"> • Effluent monitoring records: Monthly Effluent Sample Report ref. KPOM/EFFLUEN/009/2015 dated 25/8/2015, Analysis cert. # 2601/2015 by Makmal Analisa Bukit Goh, Felda Palm Industries Sdn. Bhd., Kuantan; parameter monitored:- pH, Total Alkalinity, VFA, BOD, COD, TS, SS, VSS, TN, AN, O&G. Other sampled records of BOD Analysis for the month of July, June, May and April 2015 shown that the mill effluents were in compliance with license regulations. • Boiler stack sampling records: Measurement of Dust Particulate Concentration on 20/5/2015 by Environmental Science (M) Sdn. Bhd. (Report ref. # L-GB-TC1505CTP-0318; dated 27/5/2015) for Stack Flue Gas Boiler no. 1. Result shown the stack emissions are within limit at 0.2162 g/Nm³. • Online scheduled waste inventory & consignment – updated as of 1/09/2015 where the quantity and storage period were within allowable limit. Latest Scheduled Waste disposal was done on 18/8/2015, consignment # 2015082015ZI3ND6 (SW 409), # 2015082015K3084T (SW 110) & # 2015082015BTZ7IY (SW 410) by Kualiti Alam. 	<p>Complied</p>
<p>Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>		
<p>5.2.1</p> <p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p>As reported during last assessment, the HCV assessment was conducted in November 2011 by an independent consultant from SRA Consultancy with working experience in conducting HCV and Social Impact Assessment. HCV Toolkit for Malaysia by WWF – Malaysia was used. There were appropriate consultation processes as per the HCV Toolkit-Malaysia which covers the three main components of identification, management and monitoring. There were no HCV area within the mill and plantation.</p>	<p>Complied</p>
<p>5.2.2</p> <p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p>Regular patrols within the operating unit estates were carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas. Mechanism for reporting the sightings of various types of wildlife, were found to have been in place. Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented. Signage's that prohibit hunting, fishing and water polluting activities were verified on-site at the both visited estates found to have been satisfactorily maintained.</p>	<p>Complied</p>

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5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance -</p>	Complied
5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. <p>- Minor compliance -</p>	Complied
5.2.5	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance -</p>	Complied
<p>Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	Complied
5.3.2	<p>All chemicals and their containers shall be disposed of responsibly.</p> <p>- Major compliance -</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>5.3.3</p> <p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -</p>	<p>Environmental Improvement Plan/ Pollution Prevention Plan (KPOM) dated 1/8/2015 has been established by KPOM that has been highlighting all the mitigating measures to address the potential significant environmental issue. Scheduled waste is managed well with designated storage area at the mill and each of the estates not to less than 180 days in accordance with the requirements of the Environmental Quality Act 1974 (Scheduled Wastes), Regulations, 2005. Disposal was through licensed collector.</p> <p>Mill:</p> <ul style="list-style-type: none"> • Due to current construction activities, the mill was temporarily unable to store scheduled where all scheduled wastes were stored & disposed through Pelantoh Estate <p>Tebak & Pelantoh estates:</p> <p>Pollution prevention plan – 2015/2016</p> <ul style="list-style-type: none"> • Prevention of spraying pollutants through triple rinsing and recycle programs • Reduce, reuse and recycle program • Installation of environmental awareness signboard within estate complex • Water pollution (river) – establishment and monitoring of riparian and buffer zones • Air – prohibition of open burning activity • Land – solid waste management <p>Tebak Estate:</p> <ul style="list-style-type: none"> • Latest Clinical Waste (SW 404) disposal was done on 6/9/2015 through Klinik Desa Padang Kubu, Kemaman • Scheduled waste was disposed by Hiap Huat Chemical Sdn. Bhd (SW 409, Consignment # HC005236 dated 17/8/2015 and SW 305 & SW 306, Consignment # HC005237) • Other type of scheduled waste (SW 410) was disposed through Pelantoh Estate <p>Pelantoh Estate:</p> <p>Latest Scheduled Waste disposal was done on 18/8/2015 by Kualiti Alam Sdn. Bhd. (SW305-Consignment # 20150818088QHG5L, SW410-Consignment # 2015081808WJ8390, SW409-Consignment # 2015081808XP0V1Q, SW103-Consignment # 2015081808QWU00S). Disposal/storage was done at Kemudahan Penstoran Luar Tapak, Kualiti Alam, Bukit Pelandok, Negeri Sembilan (Facility code: 50013 901/033)</p>	<p>Complied</p>
<p>Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		

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Criterion / Indicator	Assessment Findings	Compliance
5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -	Mill: Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. Based on record of monitoring of renewable energy usage for financial year period of Jan to Dec 2014 and Jan to Aug 2015, the following were derived: Average shell usage: 0.06mt/mt FFB processed Average fibre usage: 0.14mt/mt FFB processed Total: 0.20 mt/mt FFB processed Average monthly fossil fuel (diesel): 0.86liter/mt FFB processed. Pelantoh Estate: Average monthly fossil fuel (diesel): 2.5liter/mt FFB produced.	Complied
Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.		
5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	Based on the action plan to prevent open burning which includes planting cover crops, installing zero burning notice boards, briefing and etc. Furthermore, the Group policy of "Zero open burning" is enforced since July 2008. The operating units were all adhered to the policy of "Zero open burning" for any replanting, if any, in the estates. Field inspections made in Tebak and Pelantoh estates field showed no evidence of open burning.	Complied
5.5.2 Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	The operating units have adhered to the zero burning policy for replanting at the estates. During the audit, there were no replanting activities carried out in the Tebak and Pelantoh estates. There was no evidence of any burning of domestic waste at the housing line sites and at the domestic landfills of the estates during on site field assessment.	Complied
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	Based on the assessment of all polluting activities as of the Environment Aspect and Impact assessment, identified source was boiler chimney. Current monitoring was through online boiler smoke density and alarm and six-monthly boiler stack monitoring of dust particulate. Sampled Boiler stack sampling records: Measurement of Dust Particulate Concentration on 20/5/2015 by Environmental Science (M) Sdn. Bhd. (Report ref. # L-GB-TC1505CTP-0318; dated 27/5/2015) for Stack Flue Gas Boiler no. 1. Result shown the stack emissions are within limit at 0.2162 g/Nm ³ .	Complied

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Criterion / Indicator		Assessment Findings	Compliance
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH ₄) emission through POME treatment. The company have plans to construct methane capture facilities in POME treatment pond. Project arrangement handled by HQ and the project expected to complete the construction before 2019. Other less significant GHG emissions identified including CO _x , SO _x and NO _x from various sources including fossil fuel, chemical and fertilizer consumptions.	Complied
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	Tools and systems used to monitor significant pollutants includes the DOE CEMS monitoring system for air emissions, water quality at discharge points as per DOE regulations and Scheduled Waste disposal as per the DOE requirements. POME is treated using aerobic and anaerobic ponds. Effluent waste-water samples were taken as per DOE requirement and quarterly reports sent to DOE. Reporting to RSPO ERWG will be at the end of year.	Complied
Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.			
Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	As reported during last assessment, external consultant (SRA Consultancy) has conducted the baseline social impact assessment in November 2011 for Kemaman operating units. The assessment has been done with the participation of internal and external stakeholders. The attendance records are available.	Complied
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	Meeting attendance and interview with stakeholders found they were invited for the meeting and the issues highlighted by them have been included in the management plan. Latest stakeholder meeting was done on 27/5/2015 attended by 97 people together for the whole Kemaman complex.	Complied
6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	Social management plan has been included in the SIA assessment to mitigate the negative impacts with time frame and person in charge. There were no negative impacts raised by any external stakeholders. Internal stakeholders raised mainly issues on housing repair and other facilities.	Complied
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	Annual SIA improvement plans reviewed in June 2015. The assessment was through meeting with the effected parties and stakeholders.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No smallholder schemes at Kemaman Certification Unit.	Complied
Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			
6.2.1	Consultation and communication procedures shall be documented. - Major compliance -	Consultation and communication procedure is similar to the procedure reported during the previous assessments.	Complied
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	The mill and estates have appointed the managers as the management official for any social issues. Appointment letters dated 2/9/14 sighted during the audit.	Complied
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	The mill and estates have an updated list of stakeholders. It includes internal and external stakeholders such as government departments, contractor, suppliers and workers representatives.	Complied
Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.			
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	A documented dispute resolution procedure is available in Mill and Estate Quality Management System Manual which is effective, timely, appropriate and open to any affected parties. The complaint and grievances is open to effected parties including internal and external stakeholders.	Complied
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	SOP to resolve social disputes "Handling Social Issues" SOP dated 01 December 2012 has been established. Stakeholder meetings are held regularly to identify and give opportunity to stakeholders to complaint or raise disputes. Issues are discussed and consensual agreements reached during stakeholder meetings. Follow-up actions had timelines, responsibilities, and details of actions were included in the social action plan and monitored by managers for satisfactory conclusion. Minutes of meetings are maintained and reviewed.	Complied
Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	SOP to identify legal and customary rights as well as people entitled to compensation has been established- titled "Handling Land Disputes" SOP dated 01 Nov 2012. There have been no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance -	SOP is as per in 6.4.1 above. Complied
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders to date. Complied
Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.		
6.5.1	Documentation of pay and conditions shall be available. - Major compliance -	Workers contract and payment follow the MAPA/NUPW Agreement. Payslip and contract of mill workers and plantation workers are as per the contract signed by them and follow the NUPW and MAPA agreement. All the workers earn more than RM 900. Inspection on (Employees No.: PT1000577 and PT1400916) for the month of August 2015 shows that pay is RM 1200.00 which is more than the minimum wage of RM 900.00 set by the government. Complied
6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -	The contract agreement clearly stated that is in accordance with the MAPA / NUPW provisions. Interviews of staff and workers confirmed that they understood the terms and conditions of their contract of employment and received benefits accordingly. Complied

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Criterion / Indicator	Assessment Findings	Compliance
6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance –	Kemaman Mill and estates provide adequate water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). There is on-going upgrading of housing. Water is supplied to workers housing through piping. The water tanks are provided for storage purpose. TDM head office had prepared 7 years housing construction plan for the whole Kemaman complex in January 2015. However, the budget was revised on 30 June 2015 due to current financial situation. The management has decided to proceed with the MAIDAM and Pelung estates housing project for year 2015 first. Tender committee had finalized the contractor on 7/9/2015. The project is pending for the final approval from the TDM CEO and expected to commence by end of October. As temporary measure, ongoing defect repairs at the worker housing is being carried out. Visit to the MAIDAM estate workers housing on 8/9/2015 found that the highlighted issues during ASA1 such as overflowing sewage tank, broken toilets and bathrooms, dirty kitchen were repaired. As for mill and Pelantoh estate, Workers have moved to the new housing developed by the state government for the TDM workers and nearby villagers since December 2015.	Complied
6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. - Minor compliance –	Accesses to food for the workers are considered adequately and sufficiently. There are sundry shops and restaurants within the vicinity and access to the nearby township is available.	Complied
Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.		
6.6.1 A published statement in local languages recognising freedom of association shall be available. - Major compliance -	Workers have freedom to join the workers union. Policy on Freedom of Association dated January 2014.	Complied
6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Kemaman mill and estate workers union meeting held with NUPW when required. Last meeting was held on 29 July 2015. It was highlighted by the union representative that most of issues resolved through ad-hoc discussions. It was confirmed by the union secretary that there is no any serious unresolved labour issue.	Complied
Criterion 6.7: Children are not employed or exploited.		
6.7.1 There shall be documentary evidence that minimum age requirements are met. - Major compliance -	Kemaman operating units are complied with the minimum age requirement. No employees below the age of 18.	Complied
Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		

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Criterion / Indicator	Assessment Findings	Compliance
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	Complied
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Complied
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Complied
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.		
6.9.1	Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	Complied
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	Major nonconformity
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	Complied
Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.		
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	Complied

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Criterion / Indicator	Assessment Findings	Compliance
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	Complied
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Complied
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Complied
Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.		
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance -	Complied
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance -	Complied
Criterion 6.12: No forms of forced or trafficked labour are used.		
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance -	Complied
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Complied
Criterion 6.13: Growers and millers respect human rights.		
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	Policy to respect human rights was not available. Major nonconformity was raised. Major nonconformity

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Criterion / Indicator	Assessment Findings	Compliance
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	Not applicable for Peninsular Malaysia. Complied
<p>Principle 7: Responsible development of new plantings Kemaman Palm Oil Mill Certification unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this assessment. The immature areas are replanted area.</p>		
<p>Principle 8: Commitment to continual improvement in key areas of activity</p>		
<p>Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p>		
8.1.1	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Optimising the yield of the supply base. <p>- Major compliance -</p>	<p>CIP initiated by Kemaman POM as follows:</p> <ul style="list-style-type: none"> i) EFB management – New bio-composting plant and still under trail phase. ii) Front end upgrading – Continuous Sterilizer iii) Improved water draining system – repair and construct new drain. iv)Construction of new loading ramp platform <p>As for estate, Pesticide use is limited to use only when there is outbreak and justified with census prior to application. IPM is continuously implemented as part of efforts to reduce pesticide usage. Recycling awareness is progressively implemented and evidence of recycling was noted during the assessment. Yield is optimized.</p>

Appendix B: TDM Plantation Sdn Bhd – Kemaman Certification Unit RSPO Certificate Details

TDM Plantation Sdn. Bhd.
Kemaman Palm Oil Mill,
KM 121, Jerangau – Jabor Highway,
24101 Kemaman, Terengganu,
Malaysia.

RSPO Membership number: 1-0095-11-000-00

BSI RSPO Certificate N^o: SPO 587626
Date of Initial Certificate Issued: 1/11/2013
Date of Expiry: 31/10/2018

Applicable Standards: RSPO P&C MY-NI 2014; RSPO Certification System June 2007 (revised March 2011);
RSPO Supply Chain Certification Standard and System 21 November 2014 Module D - CPO Mills: Identity Preserved

Kemaman Palm Oil Mill and Supply Base					
Location Address	Kemaman Palm Oil Mill, KM 121, Jerangau – Jabor Highway, 24101 Kemaman, Terengganu, Malaysia.				
GPS Location	E 103.248 ; N 4.403				
CPO Tonnage Total	53,744 mt				
PK Tonnage Total	14,384 mt				
CPO Claimed for Certification	53,744 mt				
PK Claimed for Certification	14,384 mt				
Own estates FFB Tonnage	261,529 mt				
Scheme Smallholder FFB Tonnage	-				
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Tebak	3,015.75	118.53	321.78	3,456.06	59,024
Pelantoh	3,228.00	0	64.16	3,292.16	62,138
Jernih	2,998.60	0	227.81	3,226.41	55,758
Air Putih	3,508.61	599.62	181.66	4,289.89	45,472
Gajah Mati	1,712.83	1,884.83	115.87	3,713.53	34,657
Majlis Agama Islam	637.36	155.04	114.95	907.35	4,480
TOTAL	15,101.15	2,758.02	1,026.23	18,885.40	261,529

Appendix C: Assessment Plan

PRELIMINARY AGENDA					
Date	Time	Subjects	Haris	Hidhir	Hafri
Sunday 6/9/2015	PM	Audit Team travelling to the site.	√	√	√
Monday 7/9/2015	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 (including stakeholder’s consultation). 	√	√	√
	09.00 – 12.30	Kemaman Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	-
	09.00 – 12.30	Meeting with stakeholders (Government, village rep, smallholders, Workers Leader, contractor etc.)	-	-	√
	12.30 – 13.30	Lunch	√	√	√
	13.30 – 16.30	Kemaman Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, SCCS, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√	√
Tuesday 8/9/2015	08.30 – 12.30	Tebak Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
	12.30 – 13.30	Lunch	√	√	√
	13.30 – 16.30	Tebak Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30 - 17.00	Interim Closing Briefing	√	√	√
Wednesday 9/9/2015	8.30 – 12.30	Pelantoh Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
	12.30 – 13.30	Lunch	√	√	√

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PRELIMINARY AGENDA					
Date	Time	Subjects	Haris	Hidhir	Hafri
	13.30 – 16.00	Pelantoh Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.00 – 17.00	Verify any outstanding issues & Preparation for closing meeting	√	√	√
	17.00 – 18.00	Closing Meeting	√	√	√
Thursday 10/9/2015	AM	Audit Team travelling back to KL.	√	√	√

Appendix D: Stakeholders Contacted

<p>Internal Stakeholders</p> <p>Managers and Assistants Male Mill Staff/Workers Female Mill Staff/Workers Foreign Workers Male and Female Estate workers Hospital Assistants Female Assistant at Clinic Union Representatives Gender Committee Secretary</p>	<p>External Stakeholders</p> <p>Head/Representatives of the Villages Mosque Committee NUPW State Secretary AMESU Representative</p>
<p>Contractors & Suppliers</p> <p>Transport Contractor General Supplier</p>	<p>Government Departments</p> <p>Health Department School Police Department</p>

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

Requirements	Compliance
D.1. Definition	
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>The Kemaman mill only receives certified FFB. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.</p>
D.2 Explanation	
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil products (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>
D.3 Documented procedures	
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ul style="list-style-type: none"> a) Complete and up to date procedures covering the implementation of all the elements in these requirements; b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard. 	<p>Latest written documented procedures (No. TDM/KPOM/01Rev.01/2015) Dated 01/09/15) for the chain of custody is with Identity Preserved (IP) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB. This developed based on the RSPO SCCS 21 November 2014. The previous SOP was for SG. The mill manager has the responsibility to ensure implementation assisted by the on-site compliance executive. The IP model is used because only certified FFB from own supply base and adjacent certified estates are received and processed at Kemaman Palm Oil Mill.</p> <p>The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p>
<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>Kemaman Palm Oil mill has documented procedures (as per above in D 3.1) for the incoming FFB, processing and outgoing palm products (CPO and PK). The procedure covers receiving and processing certified and non-certified FFBs.</p>
D.4 Purchasing and goods in	
<p>D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p>	<p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified by internal and external audit. Kemaman mill have system to verify at the weighbridge.</p>

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D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The facilities aware of this procedure and stated in the.
D.5 Record keeping	
D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. Computerized system in place. No PKO and Palm kernel meal at Kemaman Palm Oil mill. Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the FFB received. Records of certified FFB received verified during annual surveillance. Records verified by internal and external audit.
D.6 Processing	
D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.	During this assessment it was confirmed that only certified source of FFB from own plantation is processed. This ensures that there is no possibility of mixing during processing.
D.6.2 The objective is for 100 % segregated material to be reached.	Processing and storage records can trace back to only certified segregated material and finish product (CPO and PK) through traceability records such as weighbridge records. This ensures that 100% segregated materials are reached.

Actual Tonnage Certified Palm Production - 01 Nov' 2014 – 31 Oct' 2015 (ASA1)

Mill	Capacity	CPO	PK
Kemaman Palm Oil Mill	60 mt/hr	49,486mt	12,827mt

Actual Tonnage Sales of Certified Palm Products - 01 Nov' 2014 – 31 Oct' 2015 (ASA1)

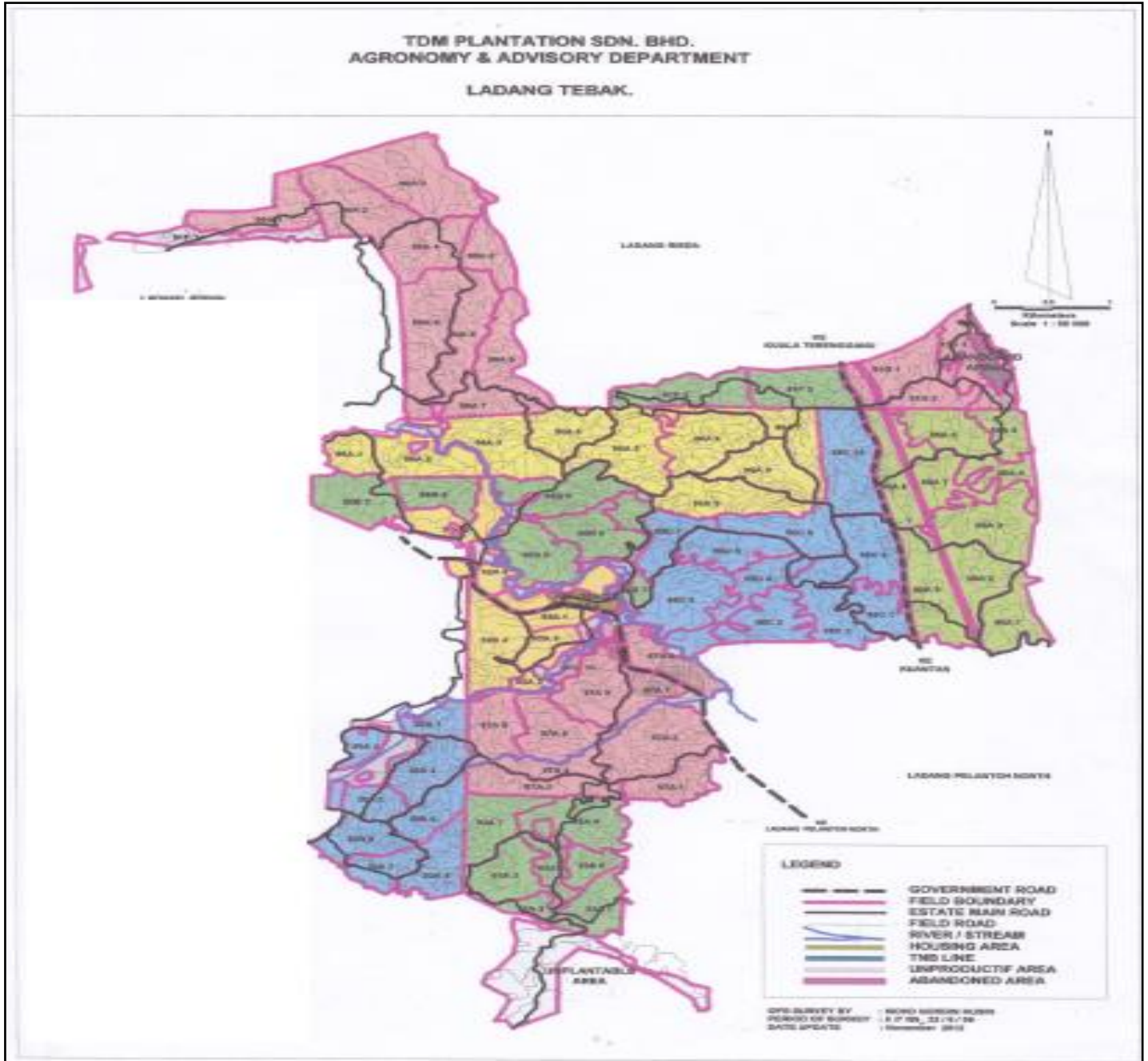
Mill	Certified CPO Sales	Certified PK Sales	Remarks
Kemaman Palm Oil Mill	8,861 Mt	0	Transaction recorded in Etrace system

Actual Tonnage Certified FFB Received Monthly - 01 Nov' 2014 – 31 Oct' 2015 (ASA1)

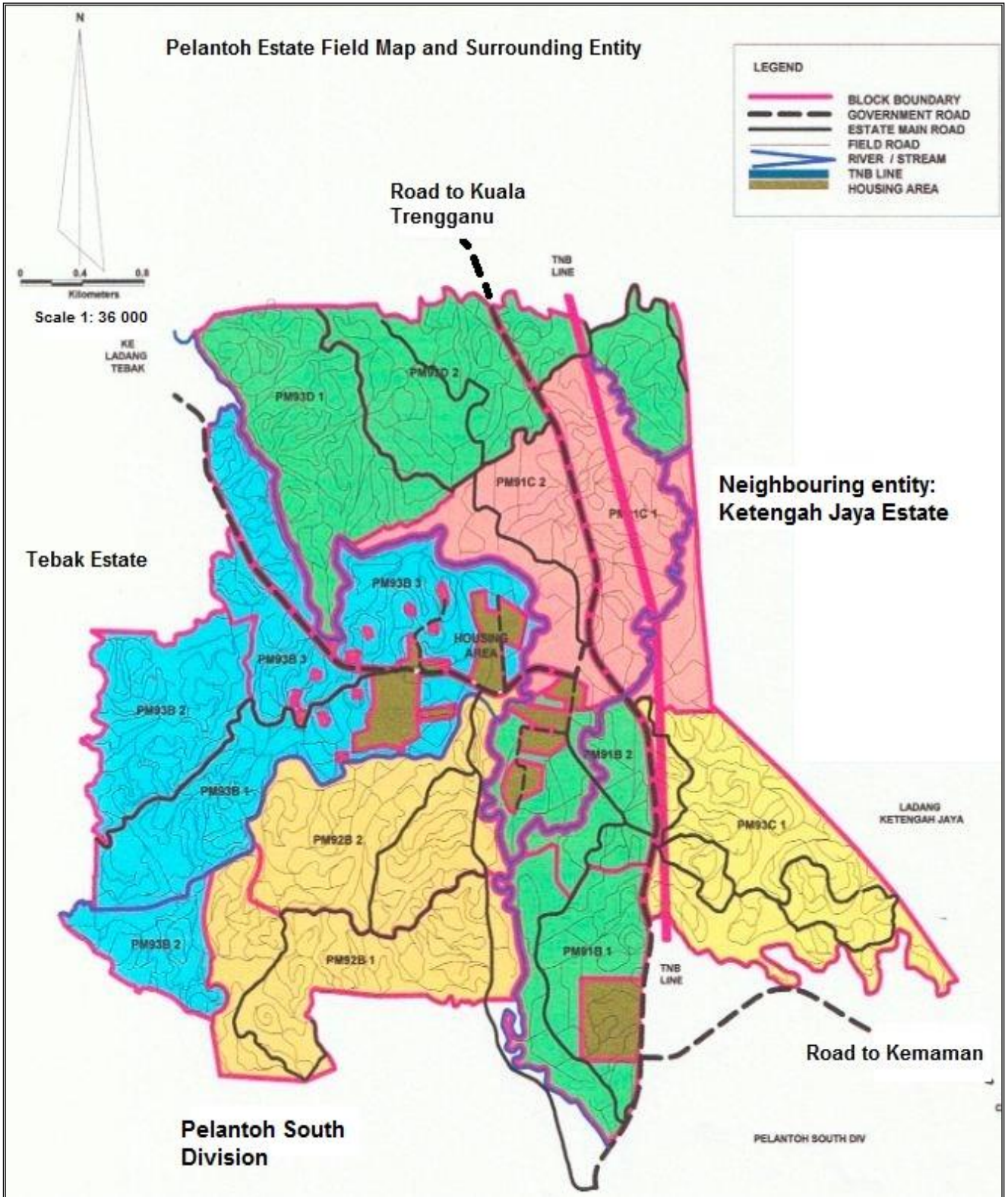
Month	Tebak	Pelantoh	Jernih	Air Putih	Gajah Mati	Majlis Agama Islam	*Pinang Emas	*Jerangau	*Tayor	*Pelung	*Fikri	*Bari/Jaya	Grand Total
Nov-14	5,657	6,207	4,564	3,768	3,640	919	3,937	586	0	0	0	0	29,278
Dec-14	3,484	3,232	2,565	2,533	1,809	512	1,287	0	0	0	0	0	15,422
Jan-15	3,073	4,370	2,029	1,810	1,804	451	2,028	0	0	0	0	0	15,565
Feb-15	2,841	3,331	1,776	1,697	1,465	406	688	0	0	0	0	0	12,204
Mar-15	3,372	3,865	1,658	1,941	1,729	464	321	0	0	0	0	0	13,350
Apr-15	3,860	4,040	2,575	2,162	2,170	508	1,710	263	1,100	561	1,433	1,957	22,339
May15	3,853	4,502	3,269	2,710	2,507	675	3,730	329	132	0	205	467	22,379
Jun-15	2,671	2,605	2,955	1,883	1,570	444	1,671	661	324	0	0	265	15,049
Jul-15	3,596	3,610	4,090	2,381	2,347	538	2,859	375	0	0	0	23	19,819
Aug-15	4,536	4,544	5,164	3,187	2,635	811	3,867	915	28	0	0	55	25,742
Sep-15	5,000	6,100	6,500	3,400	3,330	1,000	0	0	0	0	0	0	25,330
Oct-15	5,600	6,400	6,100	3,000	3,700	750	0	0	0	0	0	0	25,550
TOTAL	47,543	52,806	43,245	30,472	28,706	7,478	22,098	3,129	1,584	561	1,638	2,767	242,027

* RSPO Certificate Number SPO 595564 Expiry Date: 26/12/2018

Appendix F: Tebak Estate Field Map



Appendix G: Pelantoh Estate Field Map



Appendix H: List of Abbreviations Used

ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CIP	Continual Improvement Plan
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EMS	Environmental Management System
ERP	Emergency Response Plan
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
MPOA	Malaysian Palm Oil Association
MSPO	Malaysian Sustainable Palm Oil
MY-NI	Malaysian National Interpretation
NGO	Non Governmental Organisation
OSH	Occupational Safety & Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
PPE	Personal Protective Equipment
RED	Renewable Energy Directive
RSPO P&C	Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SDS	Safety Data Sheet
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure