



SIRIM QAS INTERNATIONAL SDN. BHD.
Building 4, SIRIM Complex, No. 1, Persiaran Dato' Menteri,
Section 2, 40700 Shah Alam, Selangor, Malaysia.

File Ref. : ES10171015

**RSPO PUBLIC SUMMARY REPORT
SURVEILLANCE AUDIT**

CLIENT : Tian Siang Oil Mill Sdn Bhd

PARENT COMPANY : Tian Siang Holdings Sdn Bhd

RSPO MEMBERSHIP No.: 1-0097-11-000-00

LOCATION OF THE CERTIFICATION UNIT (MILL AND THE SUPPLY BASE):

Certification Unit	Mill and Supply Base	GPS Location		Location
		Latitude	Longitude	
Tian Siang Palm Oil	Tian Siang Oil Mill	117.884633	5.401308	5 Miles off 40 th milestone, Lahad Datu – Sandakan Road, 91118 Lahad Datu, Sabah
	Tian Siang Plantation Sdn Bhd	117.984554	5.348880	
	Kumpulan AGM (Holdings) Sdn Bhd	117.998967	5.344833	
	Karseng Plantations Sdn Bhd	117.858983	5.406733	
	Karseng Constructions Sdn Bhd	117.867605	5.424645	
	Ladang Kohkoh Sdn Bhd	117.869400	5.425267	
	Promasia S/B	117.859833	5.386733	
	Unival Enterprise S/B	117.870294	5.385365	
	Ken Fu Development (Sabah) S/B	117.815383	5.369500	
	Manjung Plantation S/B	117.823567	5.377483	
	Alwae Land S/B	117.831717	5.366550	
	Vivaprompt S/B	117.847833	5.381200	
	Mosconcord S/B	117.844650	5.364683	

MAP : See Attachment 1

AUDIT DATE : 5 – 9 September 2016

DURATION : 16 auditor days

TYPE OF AUDIT : ☒ Annual Surveillance Audit 2 ☐ Recertification Audit

STANDARD : RSPO PRINCIPLE & CRITERIA MYNI 2014, AND RSPO SUPPLY CHAIN CERTIFICATION STANDARD 2014

SCOPE OF CERTIFICATION: Production of Crude Palm Oil and Palm Kernel Using Identity Preserved Model and Mass Balance Model

VALIDITY OF RSPO CERTIFICATE : 18 September 2014 to 17 September 2019

The following attachments form part of this report:

Non-conformity Report(s) ☒ List of additional site(s) ☐

Report by Audit Team Leader

Name : Mahzan Bin Munap

Signature :

Date : 14 December 2016

Acknowledgement by Client's Representative

Name : Steven Tan Choon Teck

Signature :

Date : 15 Dec 2016

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SUMMARY OF AUDITS

Stage 2 audit / Recertification audit				
On-site audit date :		No. of auditor days :		
Audit team :				
No. of major NCR :		Indicator:	Closing date :	
No. of minor NCR :		Indicator :		
Indicate the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers	Suppliers
	Contract workers	NGOs	Govt. agency	Independent growers
	Indigenous people	Contractor	Others (Please specify)	
Supply base sampled :				

Annual Surveillance Audit 1				
On-site audit date :		No. of auditor days :		
Audit team :				
No. of major NCR :	-	Indicator:	Closing date :	
No. of minor NCR :		Indicator :		
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers	Suppliers
	Contract workers	NGOs	Govt. agency	Independent growers
	Indigenous people	Contractor	Others (Please specify)	
Supply base sampled :				
Changes since the last audit :				

Annual Surveillance Audit 2				
On-site audit date :	5 th – 9 th September 2016	No. of auditor days :	16	
Audit team :	Mahzan Bin Munap, Khairul Najwan Ahmad Jahari, Selvasingam T Kandiah, Mohd Zulfakar Bin Kamaruzaman			
No. of major NCR :	5	Indicator: 2.1.1, 4.3.1, 4.7.2, 6.3.1, 6.5.1	Closing date 8.11.2016	
No. of minor NCR :	5	Indicator: 4.1.2, 4.2.3, 4.3.2, 4.7.5, 6.5.3		
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers	Suppliers
	√		√	√
	Contract workers	NGOs	Govt. agency	Independent growers
		√		√
	Indigenous people	Contractor	Others (Please specify)	
		√		
Supply base sampled :	Karseng Plantations Sdn Bhd., Monsconcord Sdn. Bhd. and Tian Siang Plantation Sdn Bhd.			
Changes since the last audit :	-			

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Annual Surveillance Audit 3				
On-site audit date :		No. of auditor days :		
Audit team :				
No. of major NCR :			Closing date :	
No. of minor NCR :				
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers	Suppliers
	Contract workers	NGOs	Govt. agency	Independent growers
	Indigenous people	Contractor	Others (Please specify)	
Supply base sampled :				
Changes since the last audit :				

Annual Surveillance Audit 4				
On-site audit date :		No. of auditor days :		
Audit team :				
No. of major NCR :		Indicator:	Closing date :	
No. of minor NCR :		Indicator :		
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers	Suppliers
	Contract workers	NGOs	Govt. agency	Independent growers
	Indigenous people	Contractors	Others (Please specify)	
Supply base sampled :				
Changes since the last audit :				

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SUMMARY OF INFORMATION

TYPE OF AUDIT	STAGE 2 / RA	ASA 1	ASA 2	ASA 3	ASA 4
Projection Period			Sept 2016 – Aug 2017		
Certified Area (Ha)			6,078.72		
Production Area(Ha)			4,297.36		
HCV Area (Ha)			3.00		
Certified FFB Processed (MT)			96,600.00		
Production of Certified CPO (MT)			20,300.00		
Production of Certified PK (MT)			5,000.00		
REMARKS			-		

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1.0 AUDIT PROCESS

1.1 Certification Body

SIRIM QAS International Sdn. Bhd. is the leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally and nationally recognised standards. Attestation of this fact is the accreditation of the various certification and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards Malaysia (STANDARDS MALAYSIA), the United Kingdom Accreditation Services (UKAS), the International Automotive Task Force (IATF), and the Executive Board of the United Nations Framework Convention on Climate Change (UNFCCC). SIRIM QAS International is a partner of IQNet, a network currently comprising of leading certification bodies in Europe, North and South America, East Asia and Australia.

SIRIM QAS International has vast experience in conducting audits related to RSPO certification. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001. SIRIM QAS International has also conducted many audits for sustainable production of palm oil products against the requirements of the RSPO P&C. SIRIM QAS International was approved by the RSPO as a RSPO certification body on 21 March 2008 and accredited by ASI on 27 September 2014.

1.2 Qualification of audit team

Member of the Audit Team	Role/area of RSPO requirements	Qualifications
Mahzan B Munap	Lead Assessor / Occupational Health and Safety, Environment & related legal issues	<ul style="list-style-type: none"> • Possessed B.S (Petroleum Engineering) and M.B.A. Had more than 38 years of working experience spanning the Engineering Technical ladder as well as Operation and Management ladder. Experience in plant design, construction and commissioning; factory manufacturing operations and management and through these assignments had indirect responsibility for Safety, Health, Environmental and Quality. He is Lead Auditor for OHSAS 18001 and RSPO P&C and Auditor for MSPO.
Khairul Najwan Ahmad Jahari	Assessor on criteria related to HCV, habitats & ecology and social	<ul style="list-style-type: none"> • Possessed B.Sc. Forestry from Universiti Putra Malaysia with more than 16 years of working experience in the Forest Management, forest inventories, forest harvesting, Remote Sensing & GIS. He has been trained as a RSPO P&C Lead Auditor.
Mohd Zulfakar Kamaruzaman	Auditor Supply Chain	<ul style="list-style-type: none"> • Holds a B.Sc. Forestry from University Putra Malaysia. He had more than 4 years of working experience in the oil palm operation. He has been trained as a RSPO Lead Auditor.
Selvasingam T Kandiah	Auditor / Good Agricultural Practices and Occupational, Health and Safety	<ul style="list-style-type: none"> • Holds a B. Sc. (Hons) Agriculture. Had work as a planter with Kumpulan Guthrie Berhad for more than 10 years) including one year in Liberia and 2 years in Estate Department in Guthrie headquarters.

1.3 Audit methodology

The audit covered the Tian Siang palm oil mill and 3 of its supply base. The sampling of the number of the supply base was using the formula of $0.8\sqrt{y}$. The 3 supply base covered during the audit are Karseng Plantation Sdn. Bhd, Monsconcord Sdn Bhd., Tian Siang Plantation Sdn Bhd. The audit included an on-site audit to the estates, mill, villagers, suppliers and NGO to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees, contractors and other relevant stakeholders were also conducted during the audit.

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1.4 Stakeholder Consultation

SIRIM QAS International had initiated the stakeholder consultation by announcing the invitation in the the SIRIM QAS International's websites. There was no comment received for this Certification Unit.

1.5 Audit plan : Refer to Attachment 2

1.6 Date of next audit : The next surveillance audit will be conducted within 12 months but not sooner than 9 months from this audit.

2.0 SCOPE OF CERTIFICATION AUDIT

2.1 Description of the certification unit

Tian Siang Oil Mill Sdn Bhd (TSOM) Certification Unit is a subsidiary of Tian Sian Holdings Sdn Bhd (TSH). Located at 5th miles off 40th milestone, Lahad Datu – Sandakan Road, Lahad Datu, Sabah, Malaysia the certification unit was certified by SGS since 18 September 2014.

The oil mill has a processing capacity of 60mt/hr FFB. About 40% of the FFB comes from its TSH estates and the balance 60% from neighboring non-certified smallholders/growers. The CU has been certified for both IP and MB model.

2.2 Description of the Supply Base (including the planting profile)

The FFB is sourced from twelve of TSH company's owned estates as well as from the surrounding non-certified oil palm smallholders/growers. Each of the TSH supply base is registered as an individual entity as presented in Table 1 below.

Details of the FFB actual and projected contribution from each source to the mill are shown in the following tables.

Table 1: Actual FFB production by the supply base for the last reporting period
(September 2015 - to August 2016)

Estates	FFB Production	
	Tonnes	Percentage (%)
Karseng Plantation Sdn Bhd	12682.52	6.31
Karseng Construction Sdn Bhd	8582.74	4.27
Ladang Kohkoh Sdn Bhd	17827.14	8.87
Kumpulan AGM(Holdings) Sdn Bhd	8376.76	4.17
Tian Siang Plantation Sdn Bhd	9914.22	4.93
Promasia Sdn Bhd	2313.53	1.15
Kenfu Development(Sabah) Sdn Bhd	5090.43	2.53
Alwae Land Sdn Bhd	3814.43	1.90
Manjung Plantation Sdn Bhd	3351.57	1.67
Vivaprompt Sdn Bhd	4179.36	2.08
Mosconcord Sdn Bhd	4106.67	2.04
Unival Enterprise Sdn Bhd	6450.92	3.21
Total (CU own supply based))	86,690.29	43.13
Non-certified smallholders / growers	114,302.34	56.87
Grand Total	200,992.63	100.00

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Table 2: Projected FFB production by supply base for the next reporting period
(September 2016 - to August 2017)

CU own estates	FFB Production Estimation 2016	
	Tonnes	Percentage (%)
Karseng Plantation Sdn Bhd	17,400	9.01
Karseng Construction Sdn Bhd	7,600	3.93
Ladang Kohkoh Sdn Bhd	17,700	9.16
Kumpulan AGM(Holdings) S/B	9,500	4.92
Tian Siang Plantation Sdn Bhd	12,000	6.21
Promasia Sdn Bhd	2,400	1.24
Kenfu Development(Sabah) S/B	5,600	2.90
Alwae Land S/B	4,400	2.28
Manjung Plantation Sdn Bhd	3,900	2.02
Vivaprompt Sdn Bhd	4,300	2.23
Mosconcord Sdn Bhd	4,800	2.48
Unival Enterprise Sdn Bhd	7,000	3.62
Total	96,600	50.00
Other Supply Bases	0	0.00
Third parties (non-certified)	96,600	50.00
Grand Total	193,200	100.00

Table 3: Actual FFB received and CPO & PK dispatch by the Mill for the last reporting period
(September 2015 - to August 2016)

	Total (MT)
FFB Received : Certified	86,690.29
FFB Received : Non-certified	114,302.34
FFB Processed :Certified	86,690.29
FFB Processed :Non-Certified	114,302.34
CPO delivered as IP	13,765.69
CPO delivered as SG (2015)	4,050.31
CPO delivered as non-RSPO certified	23,131.54
PK delivered as IP	1,145.23
PK delivered as MB	1,583.46
PK delivered as non-RSPO certified	5,463.93

Table 4: Projected FFB received and CPO & PK dispatch by the Mill of the next reporting period
(September 2016 - to August 2017)

	Total (MT)
FFB Received : Certified	96,600
FFB Received : Non-certified	96,600
FFB Processed :Certified	96,600
FFB Processed :Non-Certified	96,600
CPO delivered as IP	19,900
CPO delivered as MB	400
CPO delivered as non-RSPO certified	20,300
PK delivered as IP	4,800
PK delivered as MB	200
PK delivered as non-RSPO certified	5,000

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Table 5 Planted and certified area of the CU

Estate	Planted (ha)	Certified (ha)
Karseng Plantation Sdn Bhd	1534.98	1660.77
Karseng Construction Sdn Bhd	1318.87	1418.24
Ladang Kohkoh Sdn Bhd	721.96	807.00
Kumpulan AGM(Holdings) Sdn Bhd	365.03	394.56
Tian Siang Plantation Sdn Bhd	380.00	403.40
Promasia Sdn Bhd	97.12	101.10
Kenfu Development(Sabah) Sdn Bhd	265.88	274.50
Alwae Land Sdn Bhd	191.42	198.90
Manjung Plantation Sdn Bhd	153.38	159.10
Vivaprompt Sdn Bhd	187.77	199.80
Mosconcord Sdn Bhd	187.77	200.00
Unival Enterprise Sdn Bhd	253.33	261.35
Total	5657.51	6078.72

Table 6 Planting profile for TSOM CU

Estate	Year of establishment	Mature (Ha)	Immature (Ha)	Planted area	% of planted area mature	% of planted area immature
Karseng Plantation Sdn Bhd	1989	981.77	553.21	1534.98	17.35	9.78
Karseng Construction Sdn Bhd	1994	511.93	806.94	1318.87	9.05	14.26
Ladang Kohkoh Sdn Bhd	1992	721.96	-	721.96	12.76	-
Kumpulan AGM (Holdings) Sdn Bhd	1986	365.03	-	365.03	6.45	-
Tian Siang Plantation Sdn Bhd	1986	380.00	-	380.00	6.72	-
Promasia Sdn Bhd	1996	97.12	-	97.12	1.72	-
Kenfu Development (Sabah) Sdn Bhd	1998	265.88	-	265.88	4.70	-
Alwae Land Sdn Bhd	1999	191.42	-	191.42	3.38	-
Manjung Plantation Sdn Bhd	1999	153.38	-	153.38	2.71	-
Vivaprompt Sdn Bhd	2000	187.77	-	187.77	3.32	-
Mosconcord Sdn Bhd	2000	187.77	-	187.77	3.32	-
Unival Enterprise Sdn Bhd	1998	253.33	-	253.33	4.48	-
Total		4297.36	1360.15	5657.51	75.96	24.04

2.3 Organizational Information/Contact Person(s)

2.3.1 Contact Person

The details of the contact person is as shown below:

Name	:	Steven Tan Choon Teck
Position	:	Group Executive Director
Address	:	Tian Siang Holdings Sdn Bhd Tian Sing Square Jalan Kampung Sitiawan 32000 Sitiawan, Perqk Darul Ridzuan Malaysia
Phone no.	:	05-6917761
Email	:	Steven-tan@tiansiang.com

2.3.2 Other Certification

The CU is not certified to other certification.

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3.0 AUDIT FINDINGS

3.1 Changes to certified products in accordance to the production of the previous year

There was no changes to the certified products since last assessment.

3.2 Time bound plans including changes and reasons for the changes see below

	Yes	No	<u>If yes, state reasons/justifications</u>
- acquisitions/disposals	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
- emergence/re-emergence of land disputes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
- labour conflicts	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

3.3 Overall comment in terms of acceptance or non-acceptance on the changes in the time-bound plan (including details of non-adherence or the conditions justifying a time-bound plan have changed)

The time-bound plan remains the same. TSOM had established a time bound plan, albeit, a phased implementation of the RSPO Supply Chain for their independent oil mill as tabulated below.

No.	CU	Location	Date of certification	Valid until	Certificate No./Remarks
1.	Tian Siang Oil Mill Sdn Bhd	Kinabatangan, Sabah,	18.9.2014	17.9.2019	RSPO 0029
2.	Tian Siang Oil Mill (Air Kuning) Sdn Bhd	Air Kuning, Perak	1.4.2015	31.3.2020	RSPO SC 0055
3.	Tian Siang Oil Mill (Pahang) Sdn Bhd	Raub, Pahang	-	-	Plan for certification 2016 - 2017
4.	Pujaan Makmur Sdn Bhd	Triang, Pahang	-	-	Plan for certification 2018 - 2019
5.	Tian Siang Oil Mill (Perak) Sdn Bhd	Perak	-	-	Plan for certification 2020 - 2021

3.4 All associated smallholders (including scheme smallholders) where their fruit supply is included , by the mill, are audited within 3 years from when their fruit was first included in the mill certification.

☐ Yes ☒ No

If no, please state reasons -

3.5 Any new acquisition which has replaced primary forests or HCV areas

☐ Yes ☒ No

3.6 Other changes (e.g. organizational structure, new contact person, addresses, etc.) No changes

3.7 Status of previous non-conformities *

Closed

☒

Not closed

☐

* If not closed, minor non conformity will be upgraded to major non conformity

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3.8. Complaint received from stakeholder (if any)

There were some stakeholders interviewed during the conduct of this audit. These include workers, contractors and suppliers. In general, all the interviewed stakeholders had given positive feedback on the CU.

4.0 DETAILS OF NON-CONFORMITY REPORT

4.1 For P&C (Details checklist refer to Attachment 3) :

Total no. of minor NCR(s) (details refer to Attachment 4)	List : 5	MM02, MM04, STK01, STK03 & KN03
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Total no. of major NCR(s) (details refer to Attachment 4)	List : 5	MM01, MM03, STK02, KN01 & KN02
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4.2 For SC (Details checklist refer to Attachment 5) :

Total no. of minor NCR(s)	List : 0
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Total no. of major NCR(s)	List : 0
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5.0 AUDIT CONCLUSION

The audit team concludes that the organisation has established and maintained its management system in line with the RSPO P&C requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements.

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6.0 RECOMMENDATION



No NCR recorded. Recommended to continue certification.



Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit.

Note: Minor NCRs raised in the audit which are not addressed in the subsequent audit shall be upgraded to major NCRs.



Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided and accepted by the audit team. The NCR(s) have been satisfactorily closed out.



Recommended to continue certification.



Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s)..... have not been satisfactorily closed out within 60 days of the audit. Recommended for suspension of the certificate.

Note: Major NCRs which are not addressed within a further 60 days shall result in the certificate being withdrawn.

10. **IT IS CONFIRMED THAT ALL CORRECTIVE ACTIONS TAKEN ON MAJOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED, ACCEPTED AND VERIFIED AND ALL CORRECTIVE ACTIONS PLANS PROVIDED ON MINOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED AND ACCEPTED. RECOMMENDED FOR CONTINUATION OF RSPO P & C CERTIFICATION.**

Audit Team Leader :

Mahzan Munap

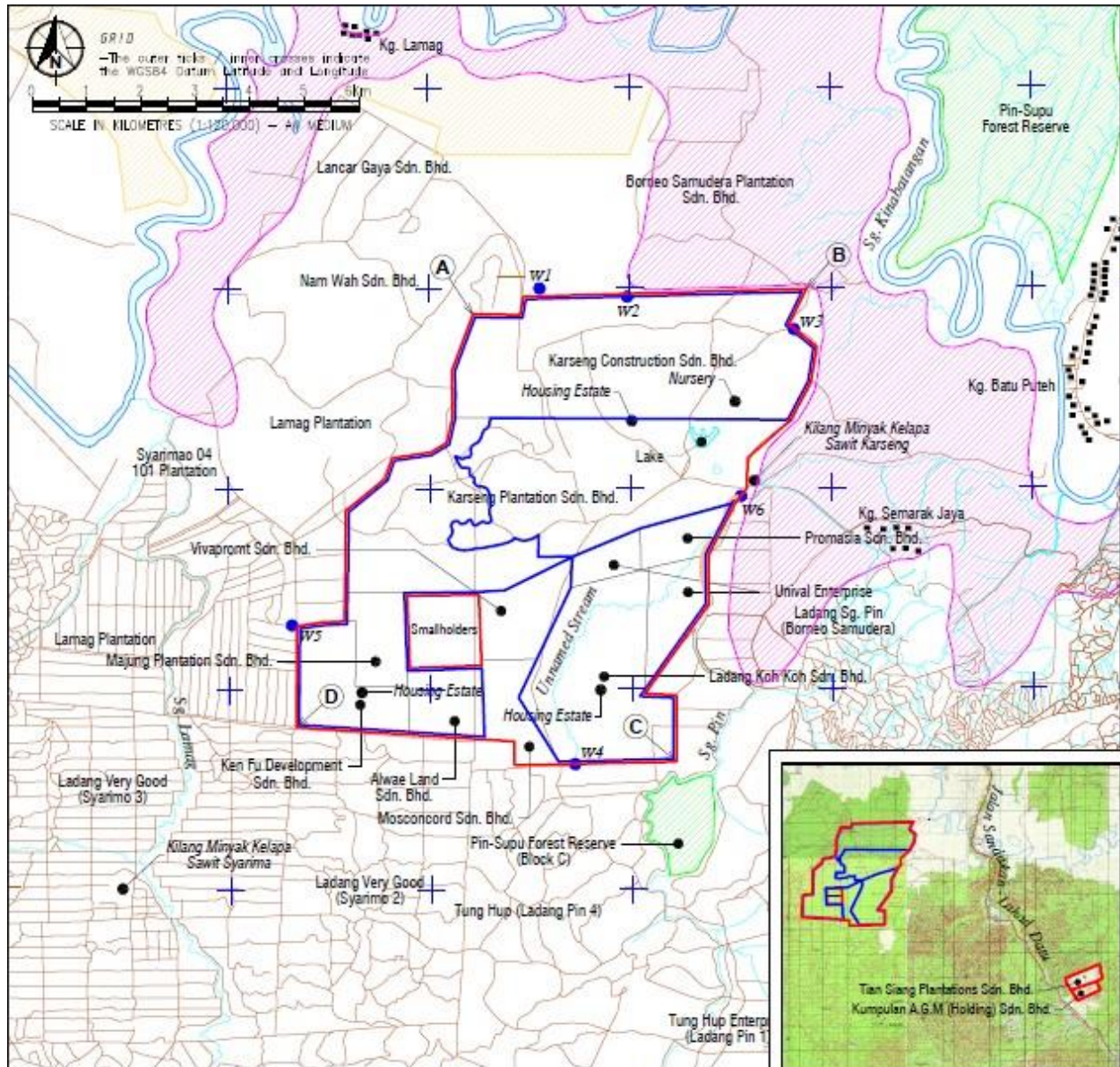
8/11/2016

(Name)

(Signature)

(Date)

Location map of Tian Siang CU



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RSPO SURVEILLANCE AUDIT PLAN

Day 0: 4 September (Sunday)					
8.30 – 4.00 pm	• Travelling day				
Day 1: 5 September 2016 (Monday)					
Time	Activities / areas to be visited				
8.00 – 9.00 am	<u>Opening meeting at Tian Siang Palm Oil Mill</u> Lead Auditor to introduce audit team member, brief on audit objectives, scope, methodology, criteria and programmes Organization Representative to brief on the following : 1) RSPO implementation at the CU (i.e. mill & supply base) including changes 2) Time bound plan for Tian Siang Holding Bhd. 3) Significant changes on organization activities, machinery, supply bases capacity etc.				Top mgmt & Committee Member
	Mahzan	Selvasingam	Najwan	Zulfakar	
9:30 – 12:00 pm	<u>Karseng Plantation</u> Coverage of assessment: P1, P2, P3, P4, P5, P7, P8 • Documentation review • Laws and regulations • Occupational safety & health practice – witness activities at site • Interview with workers, safety committee and contractors • Environmental management – witness activities at site • Waste & chemical management • Chemical store/fertilizer • Facilities at workplace • Training and skill development programmes • Continuous improvement • Review of actions taken on nonconformities identified during the previous audit.	<u>Liew Ping Plantation</u> Coverage of assessment: P1, P2, P3, P4, P5, P7, P8 • Documentation review • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc.) • EFB mulching, POME application • Nursery (if any) • Plantation on hilly/swampy area • IPM implementation, training, skill development and safe use of agro-chemicals. • New planting • Interview with workers, and contractors • Chemical store/fertilizer • Continuous improvement	<u>Monsconcord</u> Coverage of assessment: P1, P2, C5.2, P6, P7, P8 • Documentation review • Laws and regulations • Land title user rights • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Inspection of forested area, HCV, riparian buffer, plantation boundary, adjacent and neighbouring land use • Interview workers (foreign worker), union, gender committee, local communities, contractors, suppliers, sundry shop, etc. • Consultation with related government agencies (if required) • Continuous improvement • Review of actions taken on nonconformities identified during the previous audit.	<u>Tian Siang Oil Mill</u> RSPO Supply Chain implementation including the model used • Documentation review • General Chain of Custody System Requirements for the supply chain • Supply chain model used: Identity Preserved and Mass Balance • Training • Complaint • Management Review Meeting • Documented procedures • Purchasing and goods in • Sales and goods out • Processing • Records keeping • Registration • Review of actions taken on nonconformities identified during the previous audit	Guide(s) for each assessor
12.00 – 1.00 pm	Break				
1.00 – 5.00 pm	Continue assessment				

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Day 2: 6 September 2016 (Tuesday)				
	Mahzan	Selvasingam	Najwan	
8.00 – 1.00 pm	<p><u>Tian Siang Oil Mill and Compost Plant</u></p> <p>Coverage of assessment: P1, P2, P3, P4, P5, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Occupational safety & health practice – witness activities at site • Interview with workers, safety committee and contractors • Environmental management – witness activities at site • Facilities at workplace • Waste & chemical management • Training and skill development programmes • Continuous improvement 	<p><u>Karseng Plantation</u></p> <p>Coverage of assessment: P1, P2, P3, P4, P5, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc.) • EFB mulching, POME application • Nursery (if any) • Plantation on hilly/swampy area • IPM implementation, training, skill development and safe use of agro-chemicals. • New planting • Interview with workers, and contractors • Chemical store/fertilizer • Continuous improvement 	<p><u>Tian Siang Plantation</u></p> <p>Coverage of assessment: P1, P2, P3, P6, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Land title user rights • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Commitment to long-term economic and financial viability • Inspection of forested area, HCV, riparian buffer, plantation boundary, adjacent and neighbouring land use • Interview workers (foreign worker), union, gender committee, local communities, contractors, suppliers, sundry shop, etc. • Consultation with related government agencies (if required) • Continuous improvement 	Guide(s) for each assessor
12.00 – 1.00 pm	Break			
1.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

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Day 3: 7 September 2016 (Wednesday)				
	Mahzan	Selvasingam	Najwan	
9.00 – 1.00 pm	<p><u>Liew Ping</u></p> <p>Coverage of assessment: P1, P2, P3, P4, P5, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Occupational safety & health practice – witness activities at site • Interview with workers, safety committee and contractors • Environmental management – witness activities at site • Facilities at workplace • Waste & chemical management • Training and skill development programmes • Continuous improvement 	<p><u>Tian Siang Plantation</u></p> <p>Coverage of assessment: P1, P2, P3, P4, P5, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc.) • EFB mulching, POME application • Nursery (if any) • Plantation on hilly/swampy area • IPM implementation, training, skill development and safe use of agro-chemicals. • New planting • Interview with workers, and contractors • Chemical store/fertilizer • Continuous improvement 	<p><u>Karseng Plantation</u></p> <p>Coverage of assessment: P1, P2, P3, P6, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Land title user rights • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Commitment to long-term economic and financial viability • Inspection of forested area, HCV, riparian buffer, plantation boundary, adjacent and neighbouring land use • Interview workers (foreign worker), union, gender committee, local communities, contractors, suppliers, sundry shop, etc. • Consultation with related government agencies (if required) • Continuous improvement 	Guide(s) for each assessor
12.00 – 1.00 pm	Break			
1.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

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Day 4: 8 September 2016 (Thursday)

	Mahzan	Selvasingam	Najwan	
8.00 – 12.00 pm	<u>Tian Siang Plantation</u> Coverage of assessment: P1, P2, P3, P4, P5, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Occupational safety & health practice – witness activities at site • Interview with workers, safety committee and contractors • Environmental management – witness activities at site • Facilities at workplace • Waste & chemical management • Training and skill development programmes • Continuous improvement 	<u>Monsconcord</u> Coverage of assessment: P1, P2, P3, P4, P5, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc.) • EFB mulching, POME application • Nursery (if any) • Plantation on hilly/swampy area • IPM implementation, training, skill development and safe use of agro-chemicals. • New planting • Interview with workers, and contractors • Chemical store/fertilizer • Continuous improvement 	<u>Liew Ping Plantation</u> Coverage of assessment: P1, P2, P3, P6, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Land title user rights • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Commitment to long-term economic and financial viability • Inspection of forested area, HCV, riparian buffer, plantation boundary, adjacent and neighbouring land use • Interview workers (foreign worker), union, gender committee, local communities, contractors, suppliers, sundry shop, etc. • Consultation with related government agencies (if required) • Continuous improvement 	Guide(s) for each assessor
12.00–1.00 pm	Break			
1.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

Day 5: 9 September 2016 (Friday)

	Mahzan	Selvasingam	Najwan	
8.00 – 11.30am	<u>Monsconcord</u> Coverage of assessment: P1, P2, P3, P4, P5, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Occupational safety & health practice – witness activities at site • Interview with workers, safety committee and contractors • Environmental management – witness activities at 	<u>Tian Siang Oil Mill and Compost Plant</u> Coverage of assessment: P4, P5, P7, P8 <ul style="list-style-type: none"> • Review records • Good Agricultural Practice- witness activities at site - EFB mulching, POME application • Interview with workers, and contractors • Continuous improvement • Continue assessment / data gathering for unfinished elements from sites visited. 	<u>Tian Siang Oil Mill and Compost Plant</u> Coverage of assessment: P1, P2, P6, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Land title user rights • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Interview workers (foreign worker), union, gender committee, local communities, contractors, suppliers, sundry shop, etc. 	Guide(s) for each assessor

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	<ul style="list-style-type: none"> site Facilities at workplace Waste & chemical management Training and skill development programmes Continuous improvement Continue assessment / data gathering for unfinished elements from sites visited. 		<ul style="list-style-type: none"> Continuous improvement Continue assessment / data gathering for unfinished elements from sites visited. 	
11.30–1.00pm	Break /Friday Prayer			
1.00 – 2.30 pm	Continue with unfinished elements - Guide(s) for each assessor			
2.30 – 4.00 pm	Auditors discussion and report writing			
4.00 – 5.00 pm	Closing meeting			Top management & Committee member

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Attachment 3

RSPO P&C AUDIT CHECKLIST AND FINDINGS

Principle 1: COMMITMENT TO TRANSPARENCY

Clause	Indicators		Comply Yes/No	Findings
C 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 upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Major Compliance	Yes	Tian Siang CU had continued to implement the procedure for responding to any communication as outlined in their Estate and Palm Oil Mill documents procedure. The records of communication were identified and maintained in different files depending on the stakeholder. List of stakeholders at estate and mill level and records of communication was available. The list was updated up to year 2016. Among the records inspected were correspondences with the authorities, local communities and employees. Minutes of meeting " <i>Mesyuarat Stakeholder (RSPO)</i> " May 2016 was verified. There were no requests for information from related stakeholders.
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	Yes	Stakeholders meetings, as a group, were held at the Mill and records kept therein. Communication with workers was by the use of <i>Borang Aduan</i> and <i>Buku Aduan</i> . The <i>Borang Aduan</i> had date of communication received, date of response and date of completion and remarks columns. At the point of this audit, there has been no request for such information by the public.
C 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	Land titles/user rights (Criterion 2.2);	Yes	The right to use the land at Tian Siang CU can be demonstrated and had not been disputed by any party. The auditor had verified that there were clear land ownership documents.
		Occupational health and safety plans (Criterion 4.7);	Yes	Occupational Safety & Health Policy had been established in July, 2012 and endorsed by the Tian Siang Group Executive Director. The OSH Policy sets the framework for the CU to establish OSH plan, that is, to achieve CU's ultimate goals and objectives of providing a safe and healthy work environment, comply to OSH and Environmental legal requirements, afford workers with basic needs and care for their welfare. Kindly refer to criterion 4.7 for details.
		Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)	Yes	Tian Siang CU continued to monitor their significant environmental and social impacts based on the significant aspect identified for all operation. The environmental and social impact were evaluated and documented at all operating units.
		HCV documentation summary (Criteria 5.2 and 7.3);	Yes	HCV documentation summary was sighted available at Tian Siang CU.
		Pollution prevention and reduction plans (Criterion 5.6);	Yes	Environmental Improvement Plan / Pollution Prevention and Mitigation Plan for 2016 had been established by both the estates and mill.
		Details of complaints and grievances (Criterion 6.3);	Yes	Tian Siang CU continued to implement the procedure for responding to any communication as outlined in their procedure Complaint & Grievances Resolution Procedure. The details of complaints and grievances were recorded in " <i>Buku Aduan</i> ", verified during the audit.
		Negotiation procedures (Criterion 6.4);	Yes	Negotiation procedures and flowchart were made available during the audit. There was no claim against the CU by any party.
		Continual improvement plans (Criterion 8.1);	Yes	Improvements approved in the capital budget 2016 had been sighted initiated in key areas of operations at both the mill and estates; specific targets being on environmental, safety, health and welfare of the workers as well as social contribution to the community. Details of the CU continual improvement plans has been reported in the indicator 8.1.
		Public summary of certification assessment report;	Yes	Public summary by the previous CB is available.
		Human Rights Policy (Criterion 6.13).	Yes	Human Rights Policy dated January 2014 was made available at Tian Siang CU, and displayed at estates and mill office notice board.

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C 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	Yes	Tian Siang CU had documented policy on Code of Ethical Conduct, dated May 2015, and can be seen at each office of POM and Estates. The policy had been communicated to staff and foreign workers.
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Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Clause	Indicators		Comply Yes/No	Findings
C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.	2.1.1	Evidence of compliance with relevant legal requirements shall be available. Major Compliance	No	Tian Siang CU continued to strive comply with the applicable local, national and ratified international laws and regulations that it subscribes. The list of applicable legal and other requirement was made available during the assessment. The following legal requirements were reviewed: a) Factories and Machinery Act 1967 (Notification, Certificate of Fitness and Inspection Regulation 1970, Steam Boiler & Unfired Pressure Vessel Regulation 1970, Safety Health and Welfare 1970, Noise Exposure Regulation 1989, Person In Charge Regulation 1970), etc. b) Occupational Safety and Health Act 1994 (CLASS 2013, NADOOPOD Regulation 2004, Safety Health Committee Regulation 1996, USECHH Regulation 2004), etc. c) Environment Quality Act 1974 (Prescribed Premise (CPO) Regulations 1977, Clean Air Regulations 2014, Scheduled Waste Regulations 2005, etc. d) Pesticides Act 1974 (Labelling Regulations 1984) e) Electricity Supply Act 1990 and Electricity Supply Regulations 1994 f) Fire Services (Fire Service Act 1984 & Fire Certificate Regulation 2001) g) Housing and Amenities (Worker's Minimum Standard of Housing and Amenities Act 1990) h) Labour, EPF and SOCSO (Employment Act 1955, Employee Provident Fund Act 1991, Employees Social Security Act 1969 Relevant licences, permits and competent sighted and found to be valid at the point of audit. Except for Foreign Workers Passports and Work Permits, and Scheduled Waste Competent Person the Major NCR MM01/2016 was raised as legal non-compliance.
	2.1.2	A documented system, which includes written information on legal requirements shall be maintained. Minor Compliance	Yes	The CU had established a documented system for identifying and updating changes to the legal requirements that are applicable to them. The output of this system is a Register of Legal and Other Requirements.
	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	Yes	Each estate and mill has its own Register of Legal and Other Requirements and was being evaluated individually annually for compliance. There was evidence of compliance to legal requirements and that it had been evaluated on an annual basis The Legal registers were evaluated for compliance with the assistance of the Sustainability Manager and the respective site person in-charge and approved by their respective managers.
	2.1.4	A system for tracking any changes in the law shall be implemented. Minor Compliance	Yes	The tracking for changes in the law is documented in the internal established procedure involved a five-step process, namely: 1. Notification of changes (from various sources of information) 2. Monitoring of changes in the law 3. Clarification and review of impact changes 4. Updating the Register of Legal and Other Requirements 5. Notification to the Operating Units and/or Person-In-Charge.

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<p>C 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</p>	2.2.1	Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised NCR and the actual legal use of the land shall be available. Major Compliance	Yes	The right to use the land at Tian Siang CU can be demonstrated and not disputed by any party. The auditor has sighted that there were clear land ownership documents. Land titles were available in documents. The original copies of the documents, however, were kept in Plantation Central Office.
	2.2.2	There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance	Yes	The perimeter boundaries of the estates were visibly maintained by erecting white painted pegs along the boundary, especially the ones that are adjacent to other plantations. During the site review, the boundary pegs adjacent with another plantation company were available and maintained at Tian Siang Plantations.
	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 FPIC. Minor Compliance	Yes	The Social Action Plan reviewed in January 2016 and Stakeholder meeting carried out in May 2016 had confirmed that there was no land claim at Tian Siang CU. Therefore, no land was encumbered by customary rights or dispute from any stakeholder.
	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	Yes	There were no land conflicts sighted during the audit, as explained in indicator 2.2.3 above.
	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. Minor Compliance	Yes	There were no land conflicts sighted during the audit, as explained in indicator 2.2.3 above.
	2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance	Yes	Auditor had verified through Stakeholders Meeting and interview with management, staff and workers that there was no evidence of instigated violence in maintaining peace and order in Tian Siang CU current and planned operations. Furthermore, Tian Siang CU had employed watchmen in order to safeguard their workers, staff, children's life, their belongings and company's property.
<p>C 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>	2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). Major Compliance	Yes	This requirement is not applicable for Tian Siang CU since there has been no land is encumbered by customary rights or dispute from any stakeholder. There were no land conflicts sighted during the audit, as explained in indicator 2.2.3 above.

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	2.3.2	<p>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:</p> <p>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;</p> <p>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;</p> <p>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</p>	Yes	This requirement is not applicable for Tian Siang CU since there has been no land is encumbered by customary rights or dispute from any stakeholder.
	2.3.3	<p>All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance</p>	Yes	This requirement is not applicable for Tian Siang CU since there has been no land encumbered by customary rights or dispute from any stakeholder.
	2.3.4	<p>Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance</p>	Yes	This requirement is not applicable for Tian Siang CU since there has been no land encumbered by customary rights or dispute from any stakeholder.

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Principle 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY

Clause	Indicators		Comply Yes/No	Findings
C 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	Yes	The estates of the CU continued to persevere making commitment to long-term economic and financial viability. The annual budgets for 2016 and projection up to 2019 were sighted. The budget provisions cover activities for field and facilities upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance etc. At the estates, the budget included projections on yield/ha, and total cost of production per m ton & per ha while for the Mill it was to comply with law and improvement project.
	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), with yearly review, shall be available. Minor Compliance	Yes	The replanting programme for the next five years had been prepared as sighted in the Replanting Schedule and Crop Projection program for 8 years, 2016 to 2023. This programme was reviewed once a year and incorporated in their annual financial budget. All 3 Estates visited had no replanting scheduled during the above mentioned period.

Principle 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS

Clause	Indicators		Comply Yes/No	Findings
C 4.1 Operating procedures are appropriately documented, consistently implemented and monitored	4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	Yes	The CU had adopted and used in their daily operation the documented procedures established by Tian Siang Holdings Sdn Bhd. The estates operations were guided by Agricultural Manual and Standard Operating Procedure, Safe Operating Procedure Manual and Purchasing Procedure. Generally, the documents include operation activities, good practices and safety aspects in the estates, i.e. covering from seedlings in nursery to planting of young palms, plantation upkeep to harvesting and despatch of FFB.
	4.1.2	A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	No	<p>The mechanism of ensuring consistent implementation was by:</p> <ul style="list-style-type: none"> i. Periodic reporting from operating units ii. On site visits, inspections and discussions with relevant personnel iii. Assessments and audits like Internal Audits, PA visits and by RSPO Audits iv. Consultation with RSPO team & management. <p>Tian Siang Mill Manager has overall responsibility for the implementation of mill procedures listed above in Indicator 4.1.1. Likewise, at the estate, the respective Estate Manager has the entire responsibility for the implementation of plantation procedures.</p> <p>Besides the above Standard Operation Procedures, for safety Tian Siang has 32 and 10 dedicated procedures developed called Safe Operation Procedures at the mill and Compost plant respectively. These specific procedures established were meant to ensure safe work practice.</p> <p>Interviews with selected employees at the mill and composting plant showed that they generally understood the requirement stated in the SOPs and the safety requirements or precaution needed of the job being undertaken, including, considerations for safety and health. Appropriate PPE were seen worn by the employees. With respect to implementation of procedures at the estates, except for the Minor NCR MM02/2016, [(1) Harvesters were sighted wearing singlets and without goggles, and (2) No First Aid box at one of the field)], generally it was observed there were consistent implementation of procedures among estates visited.</p>

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	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	Yes	Records of monitoring and actions taken by Tian Siang Oil Mill Sdn Bhd CU were maintained and kept as per legal requirements. The retention time varied - some for 30 years and others 7 years, 5 years, 3 years or a minimum of 12 months.
	4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance	Yes	Tian Siang POM purchased FFB direct from smallholder owner and not through 3 rd party source or collector i.e. mainly from surrounding private oil palm plantation and smallholders. The third party could send their FFB to Tian Siang POM or any other palm oil mill. The audit team had verified the third-party FFB purchase records.
C 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	4.2.1	There shall be evidence that good agriculture practices, as contained in SOPs, are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance	Yes	All 3 estates practiced the maintenance of long-term soil fertility by annual application of fertilisers based on periodic foliar, biomass retention (pruned fronds left to decompose in the fields) and some EFB and compost application. Fertiliser application, which was of paramount importance for maintenance of soil fertility, was carried out based on the recommendation made by the Plantation Advisor. Annual fertiliser recommendations were made based on annual foliar sampling.
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	Yes	Fertiliser application program was monitored using records like program sheets, bin cards, field cost book, Fertiliser Application monitoring forms, etc. Records of programs and applications of fertilisers were made available to auditors. Records sighted showed that actual applied in 2015 was in line with program.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	No	Annual foliar sampling for the nutrients had been carried out in all 3 estates and the results formed the basis for the fertiliser recommendations to maintain and to improve soil fertility. The last foliar sampling done was carried out in June & July 2016, the results of which would be the basis for the formulation of the fertiliser recommendation for 2017. Analysis for soil organic carbon was not carried out every 6 years as per International Sustainable Carbon Certification body. As such the Minor NCR STK01/2016 was issued.
	4.2.4	A nutrient recycling strategy shall be in place, and may include use of EFB, POME, and palm residues. Minor Compliance	Yes	All 3 Estates visited estates had a nutrient recycling strategy in place, primarily palm fronds and EFB and compost application. Palm fronds were stacked in the fields and let to decompose. EFB mulching and compost application had been carried at the estates.
C 4.3 Practices minimise and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available. Major Compliance	No	The soil map made available for Karseng Plantation & Mosconcord Sdn Bhd was extracted from the EIA report was not clear and it was not possible to identify fragile/marginal soils. Furthermore, there was no soil maps available for Tian Siang Plantation. Hence, Major NCR STK02/2016 was issued.
	4.3.2	A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance	No	The management strategy for plantings on slopes was spelt out in Agriculture Manual & Standard Operating Procedure for Oil Palm. Among the practices which were to be carried out were establishment of riparian reserve at natural waterways, establishment of cover crop, construction of terrace and construction of bunds at 20 m intervals along the terrace. It was observed that areas undulating and hilly had been terraced. Slopes especially along some road side had well established <i>Mucuna bracteata</i> . In Tian Siang Plantation water conservation pits were sighted in terraces. However, there was no slope maps to help in its proper implementation. The Minor NCR STK03/2016 was issued.
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	Yes	During the field visit, it was noted road conditions were fairly well maintained and accessibility were made possible by regular maintenance guided by its road maintenance programmes which consist of road resurfacing & grading. The financial support for these programs were sighted in the annual budget. It was observed during the visit that main roads in all 3 estates were well paved with gravel and stones.
	4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management prog. shall be in place. Major Compliance	Yes	1% of Karseng Plantation & 99% of Mosconcord is of Kilas series which was considered as peat and alluvium soils. The subsidence of these areas was minimised mainly through drainage management. The estates had monitored subsidence rate of the area with effect from December 2013. The estates also managed water levels in the drains by having water level markers and bunds.
	4.3.5	Drainability assessments where necessary will be conducted prior to	Yes	Due to small size of the peat area in Karseng Plantation, drainability assessment was not done for the 2013 replant. All fields in Mosconcord were planted in 2000.

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		replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance		
	4.3.6	A management strategy shall be in place for other fragile and problem soils. Minor Compliance	Yes	As mentioned in Indicator 4.3.1, there were no proper soils maps available. Additionally, during field visit no other fragile soils were observed and hence management strategy was not applicable.
C 4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1	An implemented water management plan shall be in place. Minor Compliance	Yes	A common Water Management Plan for the whole of Tian Siang Holdings Sdn Bhd was made available to the audit team. The document was prepared and reviewed on yearly basis. Rainwater harvesting was implemented in workers and staff quarters, workshop, chemical and fertiliser stores, etc. Rainfall records based on rain gauge reading were available on site.
	4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones shall be demonstrated. Major Compliance	Yes	At the estates audited it was confirmed by site visit and the Sustainability Manager that there was no riparian zone in these property.
	4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations. Minor Compliance	Yes	The auditor verified that the mill treat their effluent meeting the Environmental Protection Department (EPD), Sabah Jadual Pematuhan under EQ (Prescribed Premises) (Crude Palm Oil) Regulations 1977. The mill is also permitted by EPD to dispose its effluent for land irrigation. About 30% of raw POME were used by the Composting plant. The balance was treated through a series of effluent treatment pond (ETP), then to the Tertiary Treatment Plant (TTP) prior to being discharge for land irrigation. Effluent discharge sampling analysis was done on monthly basis, verified to below the stated levels spelt out in the license.
	4.4.4	Mill water use per tonne of FFB shall be monitored. Minor Compliance	Yes	The water usage at the mill was separated between Processing and Domestic usage. Average water consumption in 2015 was 1.56 m ³ /FFB processed.
C 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	Yes	The CU had a common documented integrated pest management (IPM) systems in place. The procedure referred is in the Agriculture Manual – Pest and Disease Management. The IPM program among others included pest management of rats, bagworms, nettle caterpillars, Rhinoceros beetles and ganoderma. The IPM technique for, bagworm control included the planting of nectariferous beneficial plants such as <i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> , <i>Turnera sublata</i> and <i>Euphorbia heterophylla</i> . As barn owl establishment in Sabah had been poor there were none in this CU. All estates carried out monthly observation and detection of leaf eating pests and rat damage. These detection and observations were carried by staffs.
	4.5.2	Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	Yes	Training on IPM implementation was being carried out. The latest training was carried by the Manager Mosconcord in July 2015 and by the respective Assistant managers of Karseng & Tian Siang Plantations in May 2016. Attendance records showed that the training was attended by staff and workers.
C 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	Yes	Justification of all pesticides used had been demonstrated. The use of selective products that are specific to the target pest, weed or disease had been demonstrated.
	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	Yes	All 3 Estates continued to record areas where pesticides had been used. Pesticides were used only when justified and as programmed and areas used were recorded in store issue chits, bin cards, program sheets, QAMS, field cost books and progress reports. Records of pesticides used by area, quantity used, hectares applied and Ai/Ha were made available to auditors. The LD50 was available in the MSDS.

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	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 industry's Best Practice. Major Compliance	Yes	The Estate continued to manage pests, other than weeds at below threshold levels as per the IPM plan. The estate in order to minimise pesticide usage did not carry out calendar baiting of rats. Rat baiting was by calendar baiting at 2 campaigns per year. Baiting was only continued after rat bait acceptance census on 200 palms was carried thus reducing/minimising use of baits. Furthermore, in order to minimise the use of weedicide only spraying of circle and paths had been carried. Spraying is only carried as per program. Weeds in the inter rows were mainly slashed with minimum spraying. No chemicals were used for VOP control. The VOPs were manually removed. EFB was applied in single layers and not dumped in large amounts to prevent breeding of Rhinoceros Beetles in order to minimise pesticide use.
	4.6.4	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 industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance	Yes	All 3 estates had only used Pesticides that were officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). There was no evidence of pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, had been used. Other than for Amine and Furadan 3G which are class II all pesticides used were from class III & class IV.
	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	Yes	Records showed that pesticides were handled, used and applied by trained persons and as per the MSDS/CSDS of the pesticide. The staff and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involved and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to the workers through the MSDS/CSDS training. It was also noted that MSDS/CSDS were available at all sites during the audit.
	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). Pesticides shall be stored in accordance to the OSH Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance	Yes	Chemical stores were at all times locked and keys held only by the store keeper and attendant. At the chemical stores, the safety and communication documentation included a chemical register which indicated the purpose of chemical usage (intended target), MSDS/CSDS, hazards signage, trade and generic names. The store was well ventilated and had exhaust fan to arrest the chemical fumes. Pesticides were stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. All the chemicals were segregated – liquids on one side and the powders on the other. Those larger and heavier liquid products in 20-liter containers were placed beneath the bottom rack and in secondary containment tray to capture leaks of container, if any. There were no class 1 pesticides found in the store. Empty pesticide containers were triple rinsed, pierced and stored for disposal following the established SOP and in compliance with legal requirements.

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	4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	Yes	Pesticide applications were guided by Chapter 6 – Upkeep and Maintenance of Oil Palm and Chapter 8 – Plant protection and in Agricultural Manual.
	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	Yes	Aerial spraying was not practiced by all 3 estates and there was no evidence to show that any had been carried out.
	4.6.9	Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. Minor Compliance	Yes	The staff and workers particularly the storekeepers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involved and how the chemicals should be used in a safe manner. Records of training for each employee were maintained at the office for reference and verification, and were verified during the audit.
	4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated. Minor Compliance	Yes	The CU waste management and disposal plan had included identifying and monitoring sources of waste and pollution. In accordance to established procedures, the auditor verified that workers understood to dispose scheduled wastes as per EQA 1974 (Scheduled Wastes) Regulations; EFB sent either to Compost plant or estate for mulching, recycle waste (plastic, paper, aluminum and glass) segregated and disposed to Recycle Waste Dealers and domestic wastes from Workers' housing were disposed at estate managed landfill. Disposal of waste materials related to pesticide containers were being carried out as per established procedures. Triple rinsing activities was continually implemented for empty pesticide container. The rinsed containers were pierced and stored prior to disposal.
	4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	Yes	At the estates audited, all pesticides handling operators have been identified and their records of annual medical surveillance and documented action to treat related health conditions were available. They were subjected to Cholinesterase test to detect presence of organo-phosphate poisoning in their blood. Based on the appointed clinic OSH report, the results of monitoring showed that the pesticide handling operators were certified fit to work.
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance	Yes	No work with pesticides was offered to pregnant or breast-feeding women as per Tian Siang Holdings, Safe Operating Procedure on spraying.
C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented. The occupational health and safety plan shall cover the following:	4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance	Yes	Tian Siang CU had adopted its OSH Policy, plan and programme. They were sighted prominently displayed in Bahasa Malaysia and English on notice boards at mill and estate offices as well as being communicated to all levels of the organization through briefings. The policy was endorsed by Tian Siang Group Executive Director in July, 2012. In addition to the OSH Policy the CU adopted a specific procedural document for safety known as Safe Operation Procedure. They were individually established for mill, compost plant and estates. To ensure understanding of the procedures involved training were given and tool box briefings were conducted periodically. The objective is a safe working environment and therefore Supervisors and Mandores keep reminding them of the need to always be on the look- out for hazards and the avoidance of risks. Random interviews with employees showed that they generally understood the basic requirements of the policy and the Safe Operation Procedure. Each of the OSH plan had their accompanying programs, Person In-Charge and were monitored accordingly by management. They were also discussed during the Quarterly OSH Committee meeting. Minutes of meeting sighted at mill and estates visited. Overall, the OSH plans and programs were satisfactory and deemed adequate to meet Tian Siang OSH Management Policy, that is, obliging to the well-being of employees, providing safe and healthy working environment and preventing its employees and external parties in its operations from injury and ill health.

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	4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance	No	<p>Based on the risk assessment done, the CU 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 records were verified during the assessment. At the estates, the HIRARC carried out covered activities like chemical mixing and spraying, harvesting, pruning, manuring and transporting FFB. As for the mill, the identified activities were FFB sterilization, kernel extraction and oil extraction and clarification and others. Corresponding Standard Operation Procedure and Safe Operation Procedure for these activities were documented, available and used for training them in their trade skill. It was verified that chemicals being applied were in accordance with the product safety precautions. SDS were available at point of use, example at the mill: water treatment plant, boiler chemical dosing area; at the estate: chemical store and chemical mixing area.</p> <p>At estates, the HIRARC Register was reviewed between Jan 2016 and April 2015. The Register was approved by the General Manager, Plantation. At the mill it was last updated in February 2016 following a minor accident that happened in Jan 2016. Although the HIRARC Register had been reviewed and updated by both estates and the mill, a Major NCR MM03/2016 was issued as coverage of activities were inadequately addressed.</p>
	4.7.3	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. Major Compliance	Yes	<p>Workers, particularly Pesticides Sprayers, Harvesters, Manure Applicators, Workshop personnel and all those at the mill have been provided with the necessary training in safe working practices.</p> <p>Appropriate PPE were given to employees of Tian Siang CU and the estate workers were seen to be wearing them including face masks, goggles, nitrile gloves, apron and hard hat, to cover all potentially hazardous operations such as pesticide application and FFB harvesting.</p> <p>At the mill the employees were provided and they were seen donned hard hat, safety shoes, gloves, ear plugs, safety glass, goggles and apron. The PPE issuance record was sighted maintained. The frequency for PPE replacement was found reasonable.</p>
	4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. Major Compliance	Yes	<p>Tian Siang CU had established OSH Committee and continued to use the same Committee to facilitate their OSH implementation plan. Roles and responsibility of each member, including worker's representative, were defined and the committee meetings were held on a quarterly basis. Meeting minutes were available on file and detailed the discussions that include accident cases, workplace inspections, relevant training required for workers, health monitoring results and areas for improvement.</p> <p>The Karseng Plantation OSH Committee organization chart for 2016 dated in Jan was provided to the auditor for verification. The Committee comprised of Chairman, (Estate Manager), Deputy Chairman (Assistant Manager), Secretary and four (4) each from Employer Representatives and Employee Representatives. Minutes of Committee meeting sighted showed the agenda for the meeting appropriately addressed matters relating to safety and health at the place of work. Attendance of meeting met the quorum requirement.</p>
	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.	No	<p>The CU continued to maintain the existing Accident and Emergency procedures that included steps required to response for a range of potential emergencies. Site Plan and Emergency Callout list of Contacts was reviewed annually and updated. At Karseng Plantation the Estate Clinic catering for the whole CU was made available and staffed by trained personnel. It is able to handle minor emergency and has an 'Emergency Room' equipped with basic facilities (i.e. stretcher, First Aid kit, emergency eye wash and shower station, non-prescriptive medicine).</p> <p>Interview with various workers in the field as well as staff at the estate offices showed that they understood the process involved, that is, immediately notify their Mandore or Supervisor (where applicable) who will assist them with first aid treatment. If nature of accident was serious and cannot be handled by the Mandore/Supervisor the injured person will be send to the estate clinic. The Estate Hospital Assistant will decide if the victim warrants to be send to Sandakan Hospital. Interviews with Mandores (also First Aiders) found that they were aware of their duties and responsibility. First Aid boxes were generally provided and</p>

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		Minor Compliance		maintained at several locations in the mill and estate offices, workshop and to every field mandore. Each mandore is to bring the First Aid box when on duty in the field. However, during field audit a Minor NCR MM04/2016 has been issued for failing to produce the provided First Aid kit. On the other hand, those with the kit were found to have incomplete inventory of contents, analgesic tablets and Panadol present in the box and record of treatment not made available.
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	Yes	The CU continued to provide medical care to the mill and estates workers including their dependents with an estate clinic established within the premises. The CU also continued to provide group insurance for all workers as required under the Workmen Compensation Act 1992. Sighting of records and cross check with workers showed that they were covered with valid insurance policy. Local workers are covered by SOCSO and foreign workers are covered by Workmen Compensation as per the Compensation Act 1952.
	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	Yes	Form JKPP 8 for 2015 was submitted to DOSH timely, thus, adhering to legal requirements before the mandatory cut-off date of 31 st January 2016. Accident statistics were being maintained in a satisfactory manner and injury record were recorded using Lost Time Accident (LTA) metrics. At the POM, the last accident occurrence, categorized as minor, was on 8.1.2016 and DOSH was notified on 11.1.2016 and Form JKPP 6 was submitted. Investigation to the accident had been carried out and a complete report produced on 28.1.2016. At estates visited, Monsconcord and Karseng Plantation, no accident case was reported.
C 4.8 All staff, workers, smallholders and contract workers are appropriately trained.	4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance	Yes	Formal training programs for 2016 that covered aspects of the RSPO Principles and Criteria, with regular assessments of training needs were presented to auditors. The training records were being kept by mill and estates. Training needs identification matrix had been established with target dates for the training identified.
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	Yes	Training for employees were conducted from time to time based on needs through various method such as on the job training, briefings, meetings, etc. Records of training for each employee were maintained at the office for reference and verification, and were verified during the audit. Some of the latest were Chemical Mixing, Manuring, Harvesting and Spraying.

Principle 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY

Clause	Indicators		Comply Yes/No	Findings
C 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,	5.1.1	An environmental impact assessment (EIA) shall be documented. Major Compliance	Yes	The CU had documented its environmental impact assessment to be in compliance with EQA 1974. Among them were: <ul style="list-style-type: none"> Social & Environmental Impact Assessment including HCV, dated on 27/02/2013 conducted by Wild Asia (M). Each of the major risk areas were assessed through a combination of field visits, interviews with key personals. EIA register found in page 70 of 108. Although during this audit the replanting estate was not part of the sampling estate, nonetheless noteworthy that the EIA was done for the whole CU and valid to 2021. Environmental aspects/impacts register associated with their activities at estates and mill. Environmental aspect and impact (EAI) assessment covered all upstream activities such as from oil palm replanting, to FFB reception at POM and their downstream processes.

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implemented, and monitored, to demonstrate continual improvement.	5.1.2	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 action plan. The action plan shall identify the responsible person/persons. Minor Compliance	Yes	Environmental improvement plans to mitigate the negative impacts had been developed and implemented. At the CU all significant environmental impacts had been identified with mitigation measures to reduce its impacts. The table immediately below showed extract of examples practiced at the mill and the next as practised at estates:			
				Waste	Preventive measures	Mitigation measures	PIC
				Empty Fruit Bunch	Transport to plantation as a mulch to enhance moisture retention and as organic source in the soil.	1. Send EFB to compost plant for processing 2. Good combustible material and use as a fuel for boiler.	Asst. Manager
				Boiler smoke	Follow SOP for boiler operation.	Comply to EQA 1974 requirement.	Boilerman
				All type of scheduled waste	Reuse, reduce, recycle	Continuous education on recycling program.	Competent Person
				POME sludge	Operation of Desludging plant to restore the operation efficiency of ETP	Apply in the field as organic fertilizer	Asst. Manager
				Waste	Preventive measures	Mitigation measures	PIC
				Excessive usage of pesticides	Apply at recommended dosage as and when necessary. Plant beneficial plant to enhance biological pest control	Continuous training on proper spraying technique.	Asst. Manager / Supervisor
				Liquid agrochemical, petrol, diesel, lubricants	Keep items In designated area as per recommendation, containment tray, oil trap, bunding (110% of the single largest container).	Institute Emergency Response and recovery procedure, i.e. spill kit and trained ERT. ERT to immediately response to contain spillage.	Supervisor, ERT members
				Domestic waste	Scheduled garbage collection and disposal at dump-site	Good housekeeping practice and no dumping allowed in any waterways.	Supervisor
	5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative env. impacts. Minor Compliance	Yes	The CU management had monitored and reviewed the implementation and effectiveness of the established program on a periodic basis. Monitoring plans were incorporated in the "Identification of All Pollution Source (Prevention and Mitigation/Improvement Plan 2016" register. Effectiveness of mitigation measures were by the mill and estate management and latest was reviewed and updated in March 2016 and April 2016 respectively. Effectiveness of mitigation measures were also reviewed during company's RSPO internal audit and there was no environmental issue reported in the audit report issued by the Sustainability Manager.			
C 5.2 The status of rare, threatened or endangered species	5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider	Yes	The report of "Social and Environmental Impact Assessment including HCV" was available and prepared by the Wild Asia (M). The report completed in February 2013 had covered all the High Conservation Value (HCV) area within and adjacent to the Tian Siang CU. The HCV assessment had identified the rare, threatened and endangered species (RTEs) for all estates in Tian Siang CU, including the management and			

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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.		landscape-level considerations (such as wildlife corridors). Major Compliance		action plan. In general, Tian Siang CU had identified four protected external HCV, which is considered as a wildlife corridor and border with Forest Reserves and Lower Kinabatangan Wildlife Sanctuary which was bordering with Tian Siang CU.
	5.2.2	Where 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 an action plan. Major Compliance	Yes	Tian Siang CU had identified potential RTE species, listed as Endangered in the IUCN List, which is Elephant and Orang Utan along the forest boundaries with one of the Forest Reserves. An appropriate action plan had been made to protect these RTE species. However, the last seen Elephant and Orang Utan was in October 2013.
	5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. Minor Compliance	Yes	Appropriate disciplinary measures on capturing, harming, collecting or killing the RTE species as required by the indicator had been highlighted in the policy " <i>Dasar Alam Sekitar dan Kepelbagaian Biologi</i> " dated June 2015 which clearly state not to clear existing forest reserve or protected area. Additionally, the policy had been posted on notice board at Mosconcord Estate, Tian Siang Plantation, Karseng Plantation and Tian Siang Oil Mill.
	5.2.4	Where an action plan has been created there shall be ongoing monitoring: <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 action plan. Minor Compliance	Yes	Tian Siang CU had committed to discourage any illegal or inappropriate hunting, fishing or collecting activities. Evidence was seen during the site review that signages to prohibit hunting were erected at guard and forest border. Furthermore, security guard was placed at every entrance to estates and mill to control the illegal activities. Weekly monitoring for external HCV area had been conducted by Karseng Plantation.
	5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. Minor Compliance	Yes	The CU identified that there was no HCV to be set-asides with existing rights of local communities and this attribute was confirmed so during consultation with selected stakeholders; village chief and the Conservation Manager of Forever Sabah. Thus, a negotiated agreement was not an issue.
C 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.	5.3.1	All waste products and sources of pollution shall be identified and documented. Major Compliance	Yes	At the TSPOM and Karseng Plantation workshop the auditor verified that waste products and sources of pollution had been identified and documented as found in the waste management plan. It has listed the waste product, sources of pollution, mitigation measures, target, and person responsible.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	Yes	Empty agrochemical containers were triple rinsed, punched with holes and disposed as normal waste by waste collector. Records of empty pesticide containers and its disposal were maintained by Karseng Plantation Sdn. Bhd. For scheduled wastes the final storage was at Karseng Plantation Sdn. Bhd. The wastes were segregated, labelled, stored under shade within bunded walls and inventorized. They were disposed through a DOE registered schedule waste disposal contractor as per DOE requirements.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. Minor Compliance	Yes	Waste management and disposal plan to avoid or reduce pollution had been documented and implemented as discussed in Indicator 5.1.3 above. Procedures and guideline were used to guide the waste disposal activities and to reduce pollution during routine operation. Mill wastes had been disposed as follows; about 30% of EFBs were sent for mulching in the field, the balance sent to compost plant for processing into

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				compost while crop residue/biomass i.e. fiber and shell were used as fuel in the boiler. On the monitoring of water and effluent discharge, monthly and quarterly report for final discharge were submitted to DOE timely, as required by the written approval. Effluent quality monitoring was also done on a monthly basis, with samples taken at final discharge point and sent for analysis. Results of laboratory showed that the discharges were within permissible limits. Disposal of scheduled wastes and domestic wastes were as described in criterion 5.3.2 above.
C 5.4 Eff. of fossil fuel use and the use of renewable energy is optimised.	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	Yes	A plan for improving the efficiency of the use of fossil fuels and to optimize renewable energy had been incorporated into the TS POM Environmental Aspect and Impact and Objectives and Program report for 2016. The usage of diesel, fiber and Palm Kernel shell were monitored monthly at the mill. No renewable energy use at the visited estates.
C 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. Major Compliance	Yes	The CU had a policy of zero burning in the Agriculture Manual & Standard Operating Procedure. It was evident that there had been no burning carried out in all the replants visited in Karseng Plantation
	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. Minor Compliance	Yes	The CU had a policy of zero burning in the Agriculture Manual & Standard Operating Procedure. It was evident that there had been no burning carried out in all the replants visited in Karseng Plantation.
C 5.6 Preamble Growers and millers commit to reporting on operational greenhouse gas emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognised that it is not always feasible or practical to reduce or minimise these emissions. Growers and millers commit to an implementation period until the end of Dec 2016 for promoting best practices in reporting to the RSPO, and	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).	Yes	An assessment of identified polluting activities was being conducted and monitored. These include gaseous emissions, particulate / soot emissions, effluent discharge and the scheduled wastes and domestic wastes. Pollution Identification Environmental improvement action plan was used to identify the waste products and sources of pollution and being reviewed accordingly. The most significant environmental receptors for mill operations were: <ul style="list-style-type: none"> Air emission from boiler stack (smoke and particulate), vehicle & generator (smoke and gases), anaerobic processes (ETP, EFB dumping – biogas emission). The stack dust emission monitoring report as conducted by a competent consultant and the results were below permissible emission limit. Wastewater discharges from cleaning water/run-off/process station waters & boiler quenching water and blowdown. Land pollution include scheduled waste, domestic waste and industrial/process waste. For estates, the most significant receptors to soil were pesticides (spillage) and at Karseng Plantation it included domestic waste at own operated landfill. On the other hand, their emission to air were from the use of farm tractors and diesel generator (smoke & gases).
	5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	Yes	The significant pollutants and greenhouse gas (GHG) emissions had been identified and documented as contained the Pollution Prevention Plan 2016, and plans to reduce or minimise were being implemented. Among those plans to be implemented at the mill are: (1) to install superheater tube at both boilers; the objective being to increase the efficiency of the mill turbines and reduce mill fuel consumption, and (2) prudent boiler maintenance management, that is, to service them timely and avoid the use of diesel generator that rely on fossil fuel and (3) the compost plant. At the estate level minimize the use of chemical fertilizer by complementing the application of POME and EFB mulching although their use is considered carbon neutral.
	5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and		GHG emission calculation and monitoring is available at CU level, using the GHG Protocol. Below showed the emission value from the Tian Siang CU.

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thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO. Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored		emissions from estate and mill operations, using appropriate tools. Minor Compliance		Final emissions value per product			
				tCO ₂ e/t product		tCO ₂ e/t product	
				CPO	4.18	PKO	0.00
				PK	4.18	PKE	0.00
				Overall emissions summary			
				Own Crop	Outgrower		
				Total field emissions (tCO ₂ e)	105,514.12	101,894.48	
				Total mill emissions (tCO ₂ e)	36,457.47	-	

Principle 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES BY GROWERS AND MILLERS

Clause	Indicators		Comply Yes/No	Findings
C 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	Yes	The Social Environmental Impact Assessment including a High Conservation Value Assessment report for Tian Siang CU's estates and mill were prepared by the Wild Asia (M) in Feb 2013 covering the all twelve estates, and one Palm Oil Mill. The report presented the estates' and mill's background information, labour policies, grievance procedures (internal, external land owner issues), sexual harassment policies, facilities and amenities offered by the estates, and the social impact assessment procedures and results. List of stakeholders was updated in January 2016, all neighboring estates were included in the lists.
	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	Yes	The latest stakeholder meeting was conducted in May 2016. List of Participation during the Stakeholder Consultation' of the SIA report presents in detail the comments made by the various stakeholders on social impacts as well as the proposed mitigation plans by the estates and mill. Each of the issues raised by the participant was addressed in the action plan.
	6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. Major Compliance	Yes	A timetable with responsibilities for mitigation of negative impacts and promotion of the positive impacts and also monitoring were reviewed and updated as necessary. Identifying specific person in charge (PIC) responsible for taking actions on each of the mitigation measures with specific time intervals. The monitoring records have been verified at Mosconcord Estate, Tian Siang Plantation, Karseng Plantation and Tian Siang Oil Mill.
	6.1.4	The plans shall be reviewed as a minimum once every 2y and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence incl. participation of affected parties. Minor Compliance	Yes	The social action plan for Tian Siang CU have been reviewed on Jan 2016. The stakeholders meeting has been conducted with participation of affected parties such as smallholders, suppliers and contractors, neighboring plantations and MPOB. The issues raised during Joint Consultative Committee (JCC) and Gender Meetings also had been included in the action plan
	6.1.5	Particular attention shall be paid to the impacts of smallholders schemes. Minor Compliance	Yes	There was no smallholders scheme at Tian Siang CU.

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C 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	Yes	A documented Consultation and Grievance Communication Procedures dated March 2013 had been made available during the audit. The estates and mill do maintain files on records of communication and consultation with external and internal parties, for examples, with government agencies, suppliers and their own workers.
	6.2.2	A management official responsible for these issues shall be nominated. Minor Compliance	Yes	The nominated person to handle social issues are the Assistant General Manager for plantation the Mill Manager for Palm Oil Mill.
	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	Yes	The lists of stakeholders were prepared by Tian Siang CU on January 2016. The lists included government agencies, suppliers, contractors, schools, bus operators and neighboring estates.
C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected 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 whistle-blowers, where requested. Major Compliance	No	The estates and mill have developed the procedures for reporting complaints and grievances. However, the established Complaints & Grievances Resolution Procedure and Consultation & Grievances Communication Procedure dated March 2013 did not ensure the anonymity of complainant and whistleblowers, when requested. Thus, Major NCR KN01/2016 was raised.
	6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	Yes	Complaints on housing and other services are usually entered into record books. The records include the name of the person who complained, his address, date, and type of service required. Visits to the line sites at Mosconcord Estate, Tian Siang Plantation, Karseng Plantation and Tian Siang Oil Mill confirmed that actions were taken on the complaints made by the workers.
C 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	Yes	Tian Siang CU had developed procedures to deal with land disputes, as stated in "Land Dispute Procedure" distributed on July 2014. For the time being, there was no dispute on customary rights, boundaries or squatters. As such, the use of the procedures has yet to be verified
	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	Yes	In terms of compensation, the procedures prescribed the determination of lawful owners, distribution of the compensation, time frame for compensation and calculation for various compensations. Currently, there had been no compensation made as there was no disputing parties..

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	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	Yes	According to the estates' or mill's management and record, there was no any dispute on land or squatters.
C 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	No	Interviews with workers at Mosconcord Estate, Tian Siang Plantation and Karseng Plantation showed that they lack of understanding the information shown in the pay slips. Furthermore, it was found the payment of workers' wages was below the Minimum Wage Order 2012 and Minimum Wage Order 2016. The pay condition did not meet at least legal or industry minimum standards for employees. Thus Major NCR KN02/2016 was raised.
	6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment shall be available in the languages understood by the workers or explained carefully to them by a management official. Major Compliance	Yes	Every staff or worker had signing a contract of employment upon joining the estates or mill. As required by the Sabah Labour Ordinance, pay and work conditions are spelled out in this contract which is signed by the workers or staffs. Among others, the contracts spell out the period of employment, wage rate, work benefits, overtime, annual leave and public holidays. Details on monthly salary and deductions for every worker and staff are shown in their pay slips which are issued to the workers during pay day. Interviews at Mosconcord Estate, Tian Siang Plantation, Karseng Plantation and Tian Siang Oil Mill revealed that the workers quite understand the terms of their employment.
	6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, 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). Minor Compliance	No	Tian Siang CU continues provide free housing, water supply, free medical services and subsidized electricity. The conditions of the houses at Tian Siang CU of estates are fairly accepted. Site visit to linesite at Mosconcord Estate, Tian Siang Plantation, Karseng Plantation and Tian Siang Oil Mill found the compounds are well kept. Nonetheless, there have been regular requests for repairs as shown by the " <i>borang aduan</i> " for repairs, as verified by auditor during site visited at foreign workers linesites. Nevertheless, site visit to workers line-site at Mosconcord S/B, Tian Siang Plantation Sdn Bhd and Karseng Plantation Sdn Bhd found the treated water (from WTP) is connected to rain water harvesting tank and were used for consumptions. Supply of potable piped water which filtered and treated was mixed with untreated rain-harvesting water. No evidence to show that the tank water is fit for human consumption. And the upkeep of workers' housing was not effectively carried out as required. It was observed that grasses have overgrown at Tian Siang Plantation, and the waste water was clogging in monsoon drain at Monsconcord S/B. This resulted in NCR KN03/2016.
	6.5.4	Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food. Minor Compliance	Yes	The workers at Mosconcord Estate, Tian Siang Plantation, Karseng Plantation and Tian Siang Oil Mill were shops at Lahad Datu. However, the prices at grocery shop in estate compound had been monitored to improved worker's access to affordable and sufficient food as stated in the social action plan. There were no any complaint or negative feedback from the workers regarding the food and groceries prices in Tian Siang CU.
C 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	6.6.1	A published statement in local languages recognising freedom of association shall be available. Major Compliance	Yes	Tian Siang CU have published statements on freedom of association. Such statements are available in local languages as required by the standards. "Social Policy" dated June 2015 in <i>Bahasa Melayu</i> was verified at Tian Siang CU during the audit.
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	Yes	The workers in the estates and mill were not unionized. Furthermore, there was no formal organization formed among the workers to discuss related work or social matters. Nonetheless, a Joint Consultative Committee (JCC) was formed to serve as a platform for the discussion of such issues. This JCC comprises the estate management, field supervisors, <i>mandores</i> , drivers and clerk. The minutes of the meeting reveal that the scope of issues discussed in the meeting is fairly wide covering work safety and housing matters. The meeting was attended by employer, local workers and foreign workers as verified through the meeting minute. Among the issues discussed were stray dogs, security, basic amenities, sexual harassment etc.

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parallel means of independent and free association and bargaining for all such personnel.				
C 6.7 Children are not employed or exploited.	6.7.1	There shall be documentary evidence that min. age requirements are met. Major Compliance	Yes	Tian Siang CU Social Policy does not allow children below 18 years old to work in the estates or mill. Site visit and records verification confirmed that no workers below age was found at Mosconcord Estate, Tian Siang Plantation, Karseng Plantation and Tian Siang Oil Mill.
C 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	Yes	Tian Siang CU had published statements to the effect that the company does not practice discrimination in the recruitment of workers or staffs or in paying or promoting them. Such statements were written in the CU's "Social Policy" dated June 2015 and publicly available in Bahasa and English.
	6.8.2	Evidence provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	Yes	There were no evidences of discrimination based on race, gender or national origin or any other factors. As shown in the employment letter, there were no differences in the terms of employment between foreign and local workers or between male and female workers. Interviews at Mosconcord Estate, Tian Siang Plantation, Karseng Plantation and Tian Siang Oil Mill found these workers live in the same housing complex and enjoy similar benefits. Interviews also revealed that there is no discrimination on any bases in the estates or mill.
	6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance	Yes	Tian Siang CU had advertised vacant position with specific requirement which based on skills, capabilities and working experiences. Tian Siang CU has followed equal employment opportunities which is incorporated within the Social Policy.
C 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.	6.9.1	A 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	Yes	Tian Siang CU had published policy guidelines on sexual harassment entitled " <i>Gender Policy</i> " which should guide the practices in the estates and POM. The guidelines emphasize that sexual harassment is a threat to basic human rights and offenders will be punished accordingly, including termination from work. Each of the estates in Tian Siang CU had formed a Gender Committee which will be responsible for organizing relevant activities and programmes. The committees have met at quarterly basis to organize some activities for the members, for examples, briefings on the subject of sexual harassment. The policy had been communicated with women and men workers during the committee meeting, and during morning musters. During interview with field workers at Mosconcord Estate, Tian Siang Plantation, Karseng Plantation and Tian Siang Oil Mill, they were aware of the policy and the procedure.
	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	Yes	The Social Policy and Gender Policy was placed on notice board at Mosconcord Estate, Tian Siang Plantation, Karseng Plantation and Tian Siang Oil Mill
	6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested established, implemented, and communicated to all levels of the workforce. Minor Compliance	Yes	The guidelines prescribe, among others, the procedures for reporting sexual harassment assigning the responsibilities for action as well as the timelines involved. The guidelines showed the flow chart reporting sexual harassment cases. However, there was no report on sexual harassment in the estates or mill. It was confirmed during the consultations with the Gender Committee. Sexual Harassment Procedure dated June 2014 had been verified and the guideline has stated clearly that the complainants should not reveal to third party.
C 6.10 Growers and millers deal fairly and transparently	6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance	Yes	It was evident that the mill displayed current and past FFB prices at their weighing bridge.

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with smallholders and other local businesses.	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. Major Compliance	Yes	The pricing mechanism of FFB was followed MPOB as verified by auditor from MPOB titled 'Monthly prices of palm oil products traded in July 2016 (RM/tonne)'. The FFB Pricing formula (revised 1 July 2016) had also verified during the audit.
	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	Yes	Interviews with suppliers and contractors revealed that the estates/mill treat them very well. The contracts had been signed, and they usually received their payments in the form of cheques the following month after the job was done.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	Yes	Payments were made through cheque which are issued the month following the completion of the works. All the interviewees mentioned that, payment has been made very promptly and on time.
C 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	Yes	Contributions to local development that are based on the results of consultation with local communities had been demonstrated during religious celebrations, donation for school programme, and security support and road maintenance of access roads to local village.
	6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and resources have been allocated to improve smallholder productivity. Minor Compliance	Yes	There were no scheme smallholders at Tian Siang CU.
C 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	Yes	Based on interview with local and foreign workers, men and women it was verified that there were no forms of forced or trafficked labour are used at the visited area. All the passport held by themselves at Mosconcord Estate, Tian Siang Plantation, Karseng Plantation and Tian Siang Oil Mill.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	Yes	As verified through employment contract, passport, work permit and interview with foreign and local workers, there was no contract substitution has occurred at the visited area.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	Yes	A special labour policy can be seen in Social Policy and posted at notice board at at Mosconcord Estate, Tian Siang Plantation, Karseng Plantation and Tian Siang Oil Mill.
C 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. Major Compliance	Yes	"Human Rights Policy" was made available at Tian Siang CU. The policy had been communicated to staffs and workers during morning muster. Auditor has verified through interview with workers at Mosconcord Estate, Tian Siang Plantation, Karseng Plantation and Tian Siang Oil Mill.
	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. Minor Compliance	Yes	Tian Siang CU had provided bus services to transport foreign workers' children to attending private school at the neighboring village without any fee.

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Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

The CU has no plan for any new planting and no new development of area was observed during the visit. Thus Principle 7 is not applicable.

Principle 8: COMMITMENT TO CONTINUOUS IMPROVEMENT IN KEY AREAS OF ACTIVITY

Clause	Indicators		Comply Yes/No	Findings
C 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.	8.1.1	The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria. As a minimum, these shall include, but are not necessarily be limited to: Major Compliance		
	a)	Reduction in use of pesticides(Criterion 4.6);	Yes	<ol style="list-style-type: none"> 1. The Estate continued to manage pests, disease and weeds using appropriate IPM techniques. In order to minimize use of Insecticides the estate had planted beneficial plants mainly <i>Tunera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i>. 2. The estates were committed to reduce using chemicals and now have implemented and will continue to only spray Circles and paths and while some noxious weeds were mainly slashed. Spraying was carried only as when required. Soft weeds and <i>Nephrolepis bisserata</i> were maintained and encouraged in the inter rows. 3. EFB was applied in single layers and was not dumped in large amounts to prevent breeding of Rhinoceros Beetles. 4. VOPs were manually removed.
	b)	Environmental impacts (Criteria 4.3, 5.1 and 5.2);	Yes	<p>The following items were among those being monitored and reviewed for continual improvement in the pollution prevention and mitigation plan:</p> <ol style="list-style-type: none"> i) BOD final discharge ii) P&D control via limiting usage of chemicals and planting of beneficial plants. iii) Air Quality Assurance via enforcement of No Open Burning policy. iv) Water Quality Assurance by way of periodic sampling and monitoring of water quality at strategic sampling points and the prohibition of pesticides spraying at riparian zone (20 meters from river bank). v) Construction of water conservation pits vi) The subsidence of peat areas was minimised mainly through drainage management, among them by installing water level markers and bunds. Plans were in place to construct Piezometers in these vii) for boiler operation, the plan to reduce dark smoke emission is via proper usage of burning fuel i.e. shell & fibre, and viii) mill wastes had been disposed as follows; EFBs were sent for mulching in the field as well a compost plant for processing into compost, while crop residue/biomass i.e. fiber and shell were used as fuel in the boiler.

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	c)	Waste reduction (Criterion 5.3);	Yes	<p>Procedures and guideline were used to guide the waste disposal activities and to reduce pollution on the routine operation. Mill wastes had been disposed as follows;</p> <ul style="list-style-type: none"> - about 30% EFBs were sent for mulching in the field, the balance 70% were sent to compost plant for process as compost for field application, while crop residue/biomass i.e. fiber and shell were used as fuel in the boiler. - Water and effluent discharge were monitored, and reported monthly and quarterly to DOE in a timely manner, as required by the written approval. <p>For domestic wastes, the CU continued to practice 3R program. On the scheduled waste management, a procedure "Handling of Schedule Waste" has been established. The wastes were disposed through DOE's licensed contractors. The storage, management and disposal of the following scheduled waste were reviewed, noted to be satisfactory.</p>
	d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	Yes	<p>The significant GHG emissions had been identified and documented as contained the Pollution Prevention Plan 2016, and plans to reduce or minimise were being implemented.</p> <p>Among those plans to be implemented at the mill are: (1) to install super heater tube at both boilers; the objective being to increase the efficiency of the mill turbines and reduce mill fuel consumption, and (2) prudent boiler maintenance management, that is, to service them timely and avoid the use of diesel generator that rely on fossil fuel and (3) the compost plant. At the estate level minimize the use of chemical fertilizer by complementing the application of POME and EFB mulching although their use is considered carbon neutral.</p>
	e)	Social impacts (Criterion 6.1);	Yes	<p>A mechanism to highlight the performance in social aspects in social action plan had been established. The activities listed in the Plans and the monitoring of the actions taken demonstrated the continuous improvement achieved in matters related to the social aspects. Among the planned developments were new 4 labour quarters at Karseng Plantation, free bus, maintenance of road condition and construction of new crèche at Tian Siang Plantations.</p>
	f)	Encourage optimising the yield of the supply base	Yes	<p>All 3 estates visited were committed to implement best agricultural practices, inclusive of</p> <ul style="list-style-type: none"> • timely and proper fertilizer, EFB & compost application; • maintain/conserved water by water management, • improve on accessibility to maximise crop evacuation • reduce surface run off water to prevent leaching of fertilisers

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Attachment 4

Details of Non-conformities and Corrective Actions Taken for RSPO P&C MYNI 2014

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action Taken by the CU and Verification by Auditors
2.1.1	NCR MM01/2016 Major	<p>The CU had not complied with the relevant legal requirements. The following Acts were breached:</p> <ol style="list-style-type: none"> 1. Immigration Act 1959/63 (ACT 155) & Regulations and Orders & Passport Act 1966 (ACT 150) 2. Environmental Quality Act 1974, Section 49A (1) (b), Environmental Quality (Prescribed Conveyance) (Scheduled Wastes) Order 2005, <p>Objective Evidence:</p> <ol style="list-style-type: none"> 1. Percentage of illegal workers at following plantation: Karseng 53.2%, Tian Siang 52% and Monsconcord 50%. 2. Found no Competent Person In-Charge to manage the scheduled wastes generated at mill and plantations. 	<p>Corrective Action</p> <ol style="list-style-type: none"> 1.1 Establishing Foreign Worker Recruitment Procedure as guideline on manpower management. 1.2 Effective Oct'16, all female illegal workers will be terminated from service. 1.3 For Male illegal worker, the management will liaise with passport agency for legalization process. Target to legalize 15 workers per batch per week until current balance quota of 82 quota fully utilized by November 2016. 2.1 The Mill Manager to attend the course on Nov 2016 and he will be the competent PIC of Schedule Waste for oil mill and plantations. <p>Verification by auditor – Sighted the following supporting documents as evidence that correction or corrective action had been taken and found acceptable.</p> <ol style="list-style-type: none"> 1.1 Foreign Worker Recruitment Procedure 1.2 Memorandum from General Manager -Plantation to all Estate Manager un-authorizing to recruit / hiring illegal female workers unless written approval had been obtained from him. 1.3 Memorandum from Deputy General Manager – Plantation to Group Executive Director dated Sept 2016 informing him of the legalization of foreign male workers process, timeline to legalize and the associated cost involved. Also seen the letter dated Oct 2016 from the appointed agent informing Tian Siang the success of legalizing 8 Indonesian male workers and awaiting results of work permit application for 27 others. 2.1 The application form to a Training provider to enroll for the Course - Certified Environmental Professional in Scheduled Waste management (CePSWM) dated Oct 2016.
4.3.1	NCR STK02/2016 Major	<p>The standard requirement was not complied with.</p> <p>Objective Evidence:</p> <p>At time of audit, Maps of any fragile soils were not available on all 3 estates visited.</p>	<p>Corrective Action</p> <p>The current map which were provided by the appointed consultant is well-accepted and verified by Environment Protection Department of Sabah in approving Tian Siang Holdings Sdn Bhd EIA for replanting, Hence the management do think that current maps are sufficient and do think that it is not necessary to have multiple map for repeatedly info.</p> <p>Verification by auditor – Sighted the copy of fragile soil map as provided.</p>

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4.7.2	NCR MM03/2016 Major	<p>The standard requirements were not comprehensively assessed to include high risk activity.</p> <p>Objective Evidence: The following activity have yet to be assessed and incorporated into the HIRARC table.</p> <ul style="list-style-type: none"> (ii) Safety net was not used to cover FFB during transportation to mill and some bunches were seen fallen onto roads that create additional hazards to road users. (iii) Sickle hung onto palm tree fronds while workers were resting. (iii) Maintenance of air lock related equipment. 	<p>Corrective Action</p> <ol style="list-style-type: none"> 1. Updating HIRARC form and SOP for Transportation of FFB for own company's vehicles. For outsider FFB suppliers, management will write a memo to informed them on the new guidelines as follows: <ul style="list-style-type: none"> a. Lorry load must be not exceeding maximum 2 layers of FFB above trailer's wall edge. b. If load exceeding 2 layers, then usage of safety net is compulsory. 2. Updating SOP for Harvesting to cover issue of workers took rest. 3. Updating HIRARC and SOP for air lock equipment at oil mill. <p>Verification by auditor – Updating HIRARC form and SOP for Transportation of FFB for own company's vehicles and the Memo to inform outsider FFB Suppliers had yet to be sighted. HIRARC and SOP form for Harvesting and Air Lock Maintenance had been revised in Sept 2016 and found acceptable or corrective action had been taken and they are acceptable.</p>
6.3.1	NCR KN01/2016 Major	<p>The system for dealing with complaints and grievances did not ensure anonymity of complainant and whistleblowers, where requested.</p> <p>Objective Evidence:</p> <p>The established Complaints & Grievances Resolution Procedure and Consultation & Grievances Communication Procedure dated Mar 2013 did not ensure the anonymity of complainant and whistleblowers, where requested.</p>	<p>Corrective Action</p> <ol style="list-style-type: none"> 1. The relevant procedures were immediately reviewed and updated in Sept 2016 to include the anonymity protection to the complainant and whistleblowers to the extent possible by the management. <p>Verification by auditor – Sighted the two said procedures and found acceptable.</p>
6.5.1	NCR KN02/2016 Major	<p>The pay condition did not meet at least legal or industry minimum standards for employees</p> <p>Objective Evidence: The payment of workers' wages were below the Minimum Wage Order 2012 and Minimum Wage Order 2016.</p>	<p>Corrective Action</p> <ol style="list-style-type: none"> 1. Management immediately introduces the standard forms to be filled up on daily basis by estate management to justify the worker daily productivity. This forms acts as a tool by the management to notify the effected workers in determining the daily earning he/she will be earn for that particular day. 2. Electronic Banking Payment of salary directly to the worker's bank account will shorten the duration to Payroll Process. <p>Verification by auditor – Correction or corrective actions taken were acceptable. To verify implementation during next surveillance audit.</p>
4.1.2	NCR MM02/2016 Minor	<p>There was no mechanism in place to check consistent implementation of the procedures established.</p> <p>Objective Evidence: At the visited field, the following breaches were sighted:</p> <ol style="list-style-type: none"> 1. Harvesters were found wearing singlet and without goggles. 2. A first aid box was not available at field with one of the harvesting gang and at the field loading ramp. 	<p>Corrective Action</p> <ol style="list-style-type: none"> 1.0 SOP for Harvesting to update mainly on harvester safe dressing code and procedure of goggles usage on harvesting operation. 1.1 Conducting refreshment training on SOP for Harvesting to all Field Conductor and Harvesters. 2.0 First Aid Kit refreshment training to all Field Conductor and First Aider on their duty and responsibility in regards to First Aid Kit handling issue. <p>Verification by auditor – Sighted the following supporting documents as evidence that correction or corrective action had been taken. They are</p>

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			<p>acceptable.</p> <p>1.0 The SOP for harvesting and pruning reviewed 01/ September 2016 incorporating the requirements for long sleeve shirt and use of PPE (safety helmet, goggles and shoes).</p> <p>1.1 All personnel involved including Harvesters, Field Conductors and Mandores were retrained at all the 3 estates.</p> <p>2.0 Refresher training to all Field Conductor and First Aider given Sept 2016.</p>
4.2.3	NCR STK01/2016 Minor	<p>This requirement was not complied with</p> <p>Objective Evidence: At time of audit, there was no evidence to show that period soil sampling had been carried on all 3 estates visited</p>	<p>Corrective action plan To allocated expenses for soil sampling in 2017 budget and to conduct these programmed in 3 years intervals. Verification by auditor – Corrective action plan acceptable. To be verified during next audit.</p>
4.3.2	NCR STK03/2016 Minor	<p>The strategy in place is not clear.</p> <p>Objective Evidence: At time of audit, Maps of slopes classification were not available on all 3 estates visited.</p>	<p>Corrective action plan To identify the operating units that required slope maps for reference in stages. Verification by auditor – Corrective action plan acceptable. To be verified during next audit.</p>
4.7.5	NCR MM04/2016 Minor	<p>The standard requirement was not complied and the contents of the first aid kit were not according to Guidelines on First-aid Facilities in the Workplace, 2004</p> <p>Objective Evidence:</p> <ol style="list-style-type: none"> 1. First aid kit was not available at field. 2. Inventory of the first aid kit was incomplete and on top of it Analgesic tablets and Panadol were found in the kit. 3. First aid treatment records were not available in some first aid kits examined. 	<p>Corrective action Training on First Aid Kit by Medical Assistant to all level of management to be conducted. Verification by auditor – Training provided. Sighted adequate supporting documents as evidence that correction or corrective action had been taken.</p>
6.5.3	NCR KN03/2016 Minor	<p>These were noted during the onsite visit: Supply of potable piped water which filtered and treated was mixed with untreated rain-harvesting water and the workers' housing sanitation service/condition was not effectively carried out.</p> <p>Objective Evidence:</p> <ol style="list-style-type: none"> 1. It was found that the treated water (from WTP) is connected to rain water harvesting tank and were used for consumptions. Supply of potable piped water which filtered and treated was mixed with untreated rain-harvesting water. No evidence to show that the tank water is fit for human consumption. 2. The upkeep of workers' housing was not effectively carried out as required. It was observed that grasses have overgrown at Tian Siang Plantation, and the waste water was clogging in monsoon drain at Monsconcord S/B. 	<p>Corrective action</p> <ol style="list-style-type: none"> 1. Plumbing work was carried out so that water source was kept segregated. Completion date: Immediately 2. Grass-cutting working interval keep shorten in open shade area to control over-grown grasses. <p>Verification by auditor – Corrective action plan acceptable. To be verified during next audit.</p>

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Attachment 5

RSPO Supply Chain at the palm oil mill – Identity Preserved – Module D

Item No	Requirement NOV 2014	Findings Standard Nov 2014										
D.1	Definition 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.	a) The FFB received for Tian Siang POM for IP model is from their own supply base (Tian Siang Holding Estates). The actual FFB received were as follows: Actual FFB received from September 2015 to August 2016 <table><tr><td></td><td>FFB (Mt)</td></tr><tr><td>RSPO Certified FFB</td><td>86,690.29</td></tr><tr><td>TOTAL</td><td>86,690.29</td></tr></table>		FFB (Mt)	RSPO Certified FFB	86,690.29	TOTAL	86,690.29				
	FFB (Mt)											
RSPO Certified FFB	86,690.29											
TOTAL	86,690.29											
D.1.1	To verify : a) the volume of certified and uncertified FFB entering the mill b) the volume sales of RSPO certified The claim only the volume of oil palm products produced from processing of the certified FFB as MB	b) During the same period total volume of CSPO and CSPK sales were: Actual Volume despatch RSPO products from September 2015 to August 2016 <table><tr><td></td><td>(Mt)</td></tr><tr><td>RSPO Certified CPO</td><td>17,816.00</td></tr><tr><td>RSPO Certified PK</td><td>1,145.23</td></tr></table>		(Mt)	RSPO Certified CPO	17,816.00	RSPO Certified PK	1,145.23				
	(Mt)											
RSPO Certified CPO	17,816.00											
RSPO Certified PK	1,145.23											
D 2 D.2.1	Explanation Estimate total tonnage of CPO and PK potentially produce in a year	Based on “Final budget Financial Year 2016” and Mill Operation Budget, approximation total tonnage potential to be produced for year 2016 and projection for 2017 are: <table><tr><td></td><td>(MT)</td></tr><tr><td>CPO Production projection for certification for 2016</td><td>17,430</td></tr><tr><td>PK Production projection for certification for 2016</td><td>4,200</td></tr><tr><td>CPO Production projection for certification for 2017 (IP)</td><td>19,900</td></tr><tr><td>PK Production projection for certification for 2017</td><td>4,800</td></tr></table>		(MT)	CPO Production projection for certification for 2016	17,430	PK Production projection for certification for 2016	4,200	CPO Production projection for certification for 2017 (IP)	19,900	PK Production projection for certification for 2017	4,800
	(MT)											
CPO Production projection for certification for 2016	17,430											
PK Production projection for certification for 2016	4,200											
CPO Production projection for certification for 2017 (IP)	19,900											
PK Production projection for certification for 2017	4,800											
D. 2 D 2.2	Explanation 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).	Tian Siang Oil Mill Sdn Bhd has registered itself to RSPO e-Trace. The member ID is RSPO_PO10000002070. Sample of registration was sighted:										
D 3 D 3.1	Documented procedures The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements; b) The role of the person having overall responsibility for and authority over the implementation of these requirements and	a) A procedure of Operation for Module D – Identity Preserved (CPO Mill) revised dated Aug 2015 described the procedures on the following activities related to its supply chain certification standard required by the RSPO. The Procedure was sighted and found all elements were covered which included <ul style="list-style-type: none">• FFB Suppliers• Weighbridge (Receiving FFB)• FFB Loading Ramps (FFB Reception)• Process monitoring (Sterilizing, Threshing, Pressing, Oil room,										

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	compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.	<ul style="list-style-type: none"> • CPO Storage (raw material and finished product) • Nut & Kernel Plant • Gauging & Measuring • Dispatching CSPO & CSPK <p>b) The Mill Manager is the person who have overall responsibility and authority over the implementation of the standard requirements and compliance.</p>
D 3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	Receiving of certified and non-certified FFB procedure were stated in section Weighbridge 2.1 and FFB Loading Ramps (FFB Reception) 3.2 of Operation for Module D – Identity Preserved (CPO Mill) procedure dated Aug 2015.
D.4 D.4.1	Purchasing and goods in The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	All certified FFB came from own supply base/estates namely Kumpulan AGM (Holding) Sdn bhd, Tian Siang Plantation, Karseng Plantation, Ladang Koh Koh, Karseng Construction, Promasia, Ken Fu Development (sabah), Alwae Land, Manjung Plantation, Vivapromt, Mosconcord and Unival Enterprise. All delivery documents of certified FFB were verified to ensure the certified status of the FFB. Volumes of certified FFBs received by the mill had been properly recorded and monitored. Tian Siang Oil Mill had received 86,690.29 MT of RSPO FFB from own estates for their processing activities for the year September 2015 until August 2016.
D 4.2	The site shall inform the CB immediately if there is a projected overprod.	There was no overproduction observed.
D.5 D.5.1	Record keeping 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.	For year 2016, Tian Siang Oil Mill monitored their incoming FFB and outgoing of certified CPO product on three monthly basis namely Monthly Production Report/Figure (RSPO). This records contain information about certified FFB received, process, CPO & PK production and todate balance stock.
D 6 D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.	<p>Sighted during the visit and explanation by the Mill Manager, the process flow were as follows:</p> <ol style="list-style-type: none"> 1. Transportation of certified FFB will be given a green card by the weighbridge officer. 2. Certified and Non-certified FFB were segregated by unloading the FFB at designated Bays/Loading Ramps. The dividers and indicators of Certified FFB were placed to show the designated area. 3. For processing of Certified and Non-certified FFB, different ramp will receive Certified and Non-certified FFB and fill up the fruit cage. No crop mixing between Certified and Non-certified FFB was allowed during the filling and processing. The indicators also tagged to identify designated bays for Certified and Non-certified FFB at the feeding platforms. 4. After the sterilizing, threshing and pressing process, the certified CPO will be stored in the designated storage tank, while the nut silo will be emptied before change over or end of process. 5. The residual/balance of products in the system during stopping/change over control under 5% of total process quantity by ensuring the oil layer in the clarifier tank lower than 6" (equal to 5%) before start to process next batch of FFB. 6. Terms and conditions as a control point in every process such as the system in every station shall be emptied and stopped before restart again in order to avoid contamination.
D.6.2	The objective is for 100 % segregated material to be reached.	Tian Siang Oil Mill has been doing effort in order to achieve the 100% segregation as per new requirement in Module D, separate clarifiers will be used in segregating the certified and non-certified oil. It avoids any residue or the 5% inevitable contamination as the buffer in previous practices. Vertical clarifier tank no 1 will be used to process certified base product and verifier tank no 2 will used to process non-certified base product, following by the separate storage tank and PK silo.

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RSPO Supply Chain at the palm oil mill – Mass Balance Model – Module E

Item No	Requirement NOV 2014	Findings Standard Nov 2014										
E.1 E.1.1	Defination To verify : a) the volume of certified and uncertified FFB entering the mill b) the volume sales of RSPO certified The claim only the volume of oil palm products produced from processing of the certified FFB as MB	a) the FFB received for Tian Siang POM for MB model it's from their Outsider crop, the actual FFB received are: Actual FFB received from September 2015 to August 2016 <table><tr><td></td><td>FFB (Mt)</td></tr><tr><td>RSPO Certified FFB</td><td>-</td></tr><tr><td>RSPO non Certified FFB</td><td>106,492.70</td></tr><tr><td>TOTAL</td><td>106,492.70</td></tr></table> b) During the same period they did not sale their MB product as RSPO Certified due to management put on hold for their product and the management decide to trade as local trade.		FFB (Mt)	RSPO Certified FFB	-	RSPO non Certified FFB	106,492.70	TOTAL	106,492.70		
	FFB (Mt)											
RSPO Certified FFB	-											
RSPO non Certified FFB	106,492.70											
TOTAL	106,492.70											
E 2 E..2.1	Explanation Estimate total tonnage of CPO and PK potentially produce in a year	Based on “Final budget Financial Year 2016” and Mill Operation Budget, approximation total tonnage potential to be produced for year 2016 and projection for 2017 are: <table><tr><td></td><td>(MT)</td></tr><tr><td>CPO Production projection for certification for 2016</td><td>26,975</td></tr><tr><td>PK Production projection for certification for 2016</td><td>6,500</td></tr><tr><td>CPO Production projection for certification for 2017 (MB)</td><td>400</td></tr><tr><td>PK Production projection for certification for 2017 (MB)</td><td>200</td></tr></table>		(MT)	CPO Production projection for certification for 2016	26,975	PK Production projection for certification for 2016	6,500	CPO Production projection for certification for 2017 (MB)	400	PK Production projection for certification for 2017 (MB)	200
	(MT)											
CPO Production projection for certification for 2016	26,975											
PK Production projection for certification for 2016	6,500											
CPO Production projection for certification for 2017 (MB)	400											
PK Production projection for certification for 2017 (MB)	200											
E. 2 E 2.2	Explanation 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.	Tian Siang Oil Mill Sdn Bhd has registered RSPO e-Trace. The member ID is RSPO_PO10000002070.										
E 3 E 3.1	Documented procedures The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements b) The name 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 facilities procedures for the implementation of this standard.	a) A procedure of Operation for Module E – Mass Balance (CPO Mill) describing the procedures on the following activities related on its supply chain certification standard required by the RSPO. The Procedure was sighted and found all elements were covered which included <ul style="list-style-type: none">FFB SuppliersWeighbridge (Receiving FFB)FFB Loading Ramps (FFB Reception)Process monitoringGauging & MeasuringDispatching CSPO & CSPKComputation of Productions b) The Mill Manager is the person who have overall responsibility and authority over the implementation of the standard requirements and compliance.										
E 3.2	The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	Receiving of certified and non-certified FFB procedure is stated in section Weighbridge 2.1 and FFB Loading Ramps (FFB Reception) 3.2 of Operation for Operation for Module E – Mass Balance (CPO Mill).										

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E.4 E.4.1	Purchasing and goods in The site shall verify and document the volumes of certified and non-certified FFBs received.	Tian Siang Oil mill had continued to receive certified FFBs from the CU's own supply bases as well as non-certified FFBs from outsiders. The Weighbridge Clerk checked and verified the consignment notes issued by the supplying estates for the in-coming RSPO and non-RSPO FFBs. Tian Siang Oil Mill still kept copies of the FFB Delivery Chit or FFB Delivery Notes issued by the supplying estates. Tian Siang Oil Mill had also continued to keep records on (1) Daily FFB Intake Report (2) Monthly Production Report/Figure and (3) Quarterly Mass Balancing Record on RSPO and non-RSPO FFB Received, CPO and Kernel Production and Stock Balances. The Monthly Crop Report provides a detailed monthly account on the receipt of FFBs, production
E 4.2	The site shall inform the CB immediately if there is a projected overproduction.	They was no projected overproduction due to no trade has been made under the MB model.
E.5 E.5.1	Record keeping a) 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. b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The site can only deliver Mass Balance sales from a positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short (i.e. product can be sold before it is in stock)	a) For year 2016, Tian Siang Oil Mill monitored their incoming of FFB and outgoing of certified CPO product on three monthly basis namely Monthly Production Report/Figure. This records contain information about certified FFB received, process, CPO & PK production and todote balance stock. b) For the period September 2015 to August 2016, no trade has been made under RSPO-certified (MB) CPO and RSPO-certified (MB) PK as all CPO and PK were traded as either IP or non-certified. c) As in b)
E 5.2	In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	NA - No outsource activity.

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Attachment 6

Status of Non-conformities Previously Identified

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action	Verification by Assessor
1.3.1	Minor 01	Written policy committing to a code of ethical conduct and integrity in all operations and transactions did not communicated to all levels of the workforce and operations.	There is a written policy committing to a code of ethical conduct and integrity signed by General Manager (Plantation) dated May 2015. The policy included values such as integrity, commitment, loyalty, proactive, prudence, effectiveness, innovativeness and efficiency.	Evidences (e.g. training material and attendant list of participants) for code of ethical and integrity policy training conducted by Karseng estate to their workers were submitted as corrective action. Closed.
4.1.2	Minor 02	The mechanism to check consistent implementation of procedures was not in place.	In the TSOM, no mechanism to check consistent implementation of procedures was sighted. Similarly at, Ladang Koh Koh (LKK), Unival and Promasia and Kar Seng Construction Sdn Bhd (KSC), the mechanism for checking the consistent implementation of procedures is incomplete as only records that was available was 'Usage of PPE/ Borang Pemeriksaan Penggunaan PPE for harvesters and other operations.	All estate has monitoring their implementation efficiency of plantation operation. E.g. QAMS for Harvesting operation and P&D Census for pest outbreaks. Closed by SGS but reissue in ASA2 2016 as there was a repeat of similar occurrence.
4.3.4	Major 03	Incomplete monitoring implementation of subsidence in peat soils, water and ground cover management programme	Most of the main drains are all clogged up with water weeds and sedges resulting in the management unable to implement their water and ground cover management programme in the peat area. It was also reported that the excavator operator is on leave.	The procedures and program include the elements of drainage system maintenance, water conservation, water table level monitoring & maintenance. Besides, peat subsidence pole that had been install according to company SOP on Peat Soil Management were undergoing major upgrade inclusive of : a). Pole is marked with red paint on ground surface level, and recorded Peat Subsidence Measurement Record. Pole installation and marking done in May 2015. b). The pole were fenced up by barbwire to control outside disturbance at 6 (ft) x 6 (ft) c). Pole location were marked out at map with GPS coordinate for ease of identification/maintenance. 2. Drain maintenance program for year 2015 submitted and evidence with pictogram to show on drainage maintenance and desilting were in progress. Closed.

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4.3.6	Minor 04	No management strategy in place for other fragile and problem soils (e.g. podzols and acid sulphate soils.	No management strategy has yet to be developed to manage the peat area.	Refer to 4.3.4 Closed.
4.4.1	Minor 05	An implemented water management plan shall be in place	LKK, Unival Promasia and KSC do not have a copy of the TSHSB water management plan	Water management plan for Tian Siang Group estates submitted and company given commitment to ensure all the estates are keeping their individual RSPO related documents; include the water management plan for future reference. Closed.
4.6.10	Minor 06	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).	However it was noted that in KSC, triple rinse (for the 20 lits) was not done properly prior to storage for disposal.	Rinsing of all stored container conducted on 1 July 2015 in accordance to company's Triple Rinse Procedure. Evidence of triple rinsing activities conducted by estate was submitted to audit team for verification purposes. Closed.
4.7.2	Major 07	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.	Minutes of OHS meeting dated on 02/04/2015 effectively discussed of an accident [minor] occurred in mill on Mar 2015. However the OHS committee fails to update the HIRARC accordingly as to prevent future occurrence of such incidents. Review of the HIRARC evidenced the high risk area such as engine room [high noise level] was not identified effectively.	HIRARC for Engine room, Kernel plant and press station completed and reviewed in June 2015. Closed by SGS but reissue in ASA2 2016 as there was a repeat of hazards not adequately identified.
4.7.4	Major 08	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.	There is no Safety Officer available. The speed of mobilization of Emergency Respond Team and their effectiveness in dealing with any incident not completely developed into a plan. This is in line with appreciation of each OHS committee's role, duties and responsibilities on fire drills performance. There seen insufficient evidence that, a close liaison with Jabatan Bomba maintained on on-going basis to ensure that plans and contingencies are in line with Fire Service Act 1998.	The Sustainability Manager and a competent person on Safety and Health were officially appointed to take charge of OSH programme and implementation in Tian Siang Holdings (Sabah) with immediate effect. Fire Drill training was conducted internally at oil mill in July 2015 with participation of all ERT members. Training records submitted. Closed.

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4.8.1	Major 09	<p>A formal training programme was not 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.</p>	<p>During site and field visit, it was found there was inconsistency documented evidence demonstrated whether an assigned operative trained personal in First Aid is available in the mill and estate to provide first aid treatment during emergency situation. An observation noted on record "First Aid Kit Record & Replacement" that needs regular updates as quantity appears in the record not tally with physical quantity in the first aid box.</p> <p>In 2015 TSOM has already conducted the following training</p> <table><tr><td>Date</td><td>Training</td><td>Participants</td></tr><tr><td>Monthly</td><td>Safety briefing</td><td>Workers</td></tr><tr><td>5/1/15</td><td>Fire extinguisher</td><td>Workers</td></tr><tr><td>7/3/15</td><td>FFB Grading</td><td>Field Conductor</td></tr><tr><td>3/5/15</td><td>Oil Room</td><td>Oil room workers</td></tr></table> <p>Interview with the Weighbridge clerk showed that she was aware of RSPO sustainable and non-RSPO crop and samples showed that she stamped correctly.</p> <p>Although TSOM has a training programme, it was not followed as some of the following have not been conducted.</p> <p>At LKK office, the training Programme for 2015 was sighted but they have only conducted only one training on Motorcycle safety on 6/4/2015.</p> <p>According to the records most of the training at LKK, Unival and Promasia were conducted one year ago in 2014.</p>	Date	Training	Participants	Monthly	Safety briefing	Workers	5/1/15	Fire extinguisher	Workers	7/3/15	FFB Grading	Field Conductor	3/5/15	Oil Room	Oil room workers	<p><u>TSOM:</u></p> <ol style="list-style-type: none">1.Scheduled Waste on 02.07.20152.Sexual Harassment on 02.07.20153.Steriliser Station on 01.07.20154. Press Station on 01.07.20155. PPE Usage on 01.07.2015 <p><u>LKK:</u></p> <ol style="list-style-type: none">1. Agri Manual and SOP on 28.06.20152.Spraying SOP / PPE on 28.06.20153.Briefing on SGS RSPO audit on 29.06.20154.Pest & Disease /IPM on 30.06.20155.Safe Harvesting Procedure on 29.06.20156.In-Field QAMS on 01.07.20157. Rat Baiting and Beneficial Plant on 30.06.2015 <p>Training record submitted.</p> <p>Closed.</p>
Date	Training	Participants																	
Monthly	Safety briefing	Workers																	
5/1/15	Fire extinguisher	Workers																	
7/3/15	FFB Grading	Field Conductor																	
3/5/15	Oil Room	Oil room workers																	
6.1.3	Major 10	<p>Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed</p>	<p>Positive and negative impacts had not been identified from the latest stakeholder meeting. Only stakeholder meeting minutes available but not the mitigation plan.</p>	<p>Social Impact Assessment (SIA) from latest meeting on 14.02.2015 has been documented as mitigation plan.</p>															

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		in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.	Positive/negative impacts, timetabled, responsibilities for implementation and etc. was not documented.	Closed.
6.5.3	Minor 11	Growers and millers provide inadequate housing, water supplies, medical, educational and welfare amenities to national standards or above, 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).	Creche at Ladang Koh Koh estate is over occupying by children from 2 estates. Estimated there are more than 40 children in the crèche. Interview with workers from Ladang Koh Koh estate, there is no surau available at the Ladang Koh Koh estate linesite area. Surau only available in Karseng Plantation which far from the Ladang Koh Koh estate linesite. Playground lacking.	Creche in Kenfu Estate progressively constructed immediately to ease congestion issue in Ladang KohKoh. i. The management immediately taking action to solve hygiene issues by installing window netting to prevent mosquitoes/fly's entrance. Photos been sent by Tian Siang Group Sustainability Manager as documented evidences. ii. Standard football field and volleyball court were available in estate housing complex and freely used by all residents. The management do believe that the recreation provided is mostly sufficient and could compensate the non-existent of playground. Closed.
6.6.1	Major 12	A published statement in local languages recognising freedom of association shall be available.	Policies on local languages were not available.	Total 4 company policies had been translated into local languages which easily understand by the communities. Closed.