



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

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):
(In the case of multisite certification, list additional sites in attachments) :

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 Sdn Bhd	117.859833	5.386733	
	Unival Enterprise Sdn Bhd	117.870294	5.385365	
	Ken Fu Development (Sabah) Sdn Bhd	117.815383	5.369500	
	Manjung Plantation Sdn Bhd	117.823567	5.377483	
	Alwae Land Sdn Bhd	117.831717	5.366550	
	Vivaprompt Sdn Bhd	117.847833	5.381200	
	Mosconcord Sdn Bhd	117.844650	5.364683	

MAP : See Attachment 1

AUDIT DATE : 25 – 28 June 2018

DURATION : 16 auditor days

TYPE OF AUDIT : ☒ Annual Surveillance Audit No. 4 ☐ Recertification Audit

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

SCOPE OF CERTIFICATION: Production of Sustainable Crude Palm Oil and Palm Kernel Using the Identity Preserved and Mass Balance Supply Chain 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 : Mohd Zulfakar Kamaruzaman

Signature :

Date : 7 January 2019

Acknowledgement by Client's Representative

Name : Steven Tan Choon Teck

Signature :

Date : 10/1/2019

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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 :				
Report approved by :			Approval date :	

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 :				
Report approved by :			Approval date :	

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 :	-			
Report approved by :	-		Approval date : -	

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Annual Surveillance Audit 3			
On-site audit date	: 25 – 28 July 2017	No. of auditor days	: 16
Audit team	Mohd Razman Salim, Mohd Zulfakar Kamaruzaman, Mohd Ab Raouf Asis & Rozaimie Ab Rahman		
No. of major NCR	: 5	Indicator: 4.2.3, 4.3.2, 4.6.11, 4.7.3, 4.7.5	Closing date : 20/10/2017
No. of minor NCR	: 7	Indicator : 2.1.2, 2.1.3, 2.2.2, 4.1.2, 4.6.10, 5.6.3, 6.5.3	
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers
	√		√
	Contract workers	NGOs	Govt. agency
	√		
	Indigenous people	Contractor	Others (Please specify)
		√	
Supply base sampled	Kumpulan AGM (Holdings) Sdn Bhd, Karseng Constructions Sdn Bhd & Promasia Sdn Bhd		
Changes since the last audit	NA		
Report approved by	: Aminah Ang	Approval date	: 7/11/2017

Annual Surveillance Audit 4			
On-site audit date	: 25-28 June 2018	No. of auditor days	: 16
Audit team	Mohd Zulfakar Kamaruzaman, Rahayu Zulkifli, Mohd Ab Raouf Asis & Amir Bahari		
No. of major NCR	: 31	Indicator: 2.1.1, 4.1.1, 4.3.4, 4.6.5, 4.7.2, 4.7.3 (recurrence Issue), 4.7.5 (recurrence Issue), 4.8.1, 5.1.1, 5.2.1, 5.2.2, 6.1.1, 6.1.2, 6.1.3, 6.2.1, 6.3.1, 6.3.2, 6.5.1, 6.5.2, 6.8.1, 6.7.1, 6.6.1, 6.8.2, 6.9.1, 6.9.2, 6.12.1, 6.12.3, 6.13.1. Supply Chain Clause 5.3, 5.12, 5.13	Closing date : 20/12/2018
No. of minor NCR	: 12	Indicator : 5.2.3, 5.2.4 ,6.1.4, 6.2.2, 6.2.3, 6.6.2, 6.5.3, 6.8.3, 6.9.3, 6.10.1, 6.11.1, 6.13.2	
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers / Local communities
	√		√
	Contract workers	NGOs	Govt. agency
			Independent growers
	Indigenous people	Contractors	Others (Please specify)
	N/A	√	
Supply base sampled	Alwae Land Sdn Bhd Estate, Unival Enterprise Sdn Bhd Estate, Vivaprompt Sdn Bhd Estate		
Changes since the last audit	NA		
Justification of audit planning	Total allocation of auditor days for Tian Siang CU were: Mill = 4 days (3 days for safety and health, environment, mill best practices, GHG verification and Social at Mill) + (1 day for supply chain certification systems) Estate = 12 days each for verification of safety and health, environment, good agriculture best practices, Social, HCV, TBP, Partial Certification and GHG verification plus the verification of Land History and Land Title.		
Report approved by	: Radziah Mohd Daud	Approval date	: 7/01/2019

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SUMMARY OF INFORMATION

TABLE 1

	STAGE 2 / RA	ASA 1	ASA 2	ASA 3	ASA 4
Projection Period			Sept 2016 – Aug 2017	July 2017 – June 2018	July 2018 – June 2019
Certified FFB Processed (MT)			96,600.00	95,500.00	95,000.00
Production of Certified CPO (MT)			20,300.00	19,577.50	19,950.00
Production of Certified PK (MT)			5,000.00	4,775.00	4,750.00
Certified Areas (Ha)			6,078.72	6,078.72	6,078.72
Planted Areas (Ha)			5,657.51	5,657.51	5,657.51
Production Areas (Ha)			4,297.36	4,556.36	4,559.19
HCV Areas			3.00	3.00	3.00
REMARKS			-	-	-

TABLE 2

	PO	PK
Last years certified volume (MT)	19,577.50	4,775.00
Last years actual certified sold (MT)	18,550.49	4,681.60
Last years actual sold under other schemes (MT)	0.00	0.00
Last years sold conventional (MT)	0.00	0.00
New year certified volume (MT)	19,950.00	4,750.00

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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) and the International Automotive Task Force (IATF). 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
Mohd Zulfakar Kamaruzaman	Audit team leader / Supply Chain, HCV, Milling practices and related legal	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.
Mohd Ab Raouf Asis	Auditor / GAP and Partial Certification	Holds a B.Sc. (Hons) Management Technology Majoring Production and Operation from UTHM in 2007. He had more than 7 years of working experience in the oil palm operation.
Rahayu Zulkifli	Auditor / Social	Holds a Degree in LLB (Hon), she was a practicing lawyer before joining WWF-Malaysia and RSPO as a Dispute Settlement Facility Manager. She is now working as a freelance RSPO auditor.
Amir Bahari	Auditor / Environment and occupational health and safety	Holds a B. Sc. (Hons) in Agriculture, he had work with Sime Darby Plantation for more than 15 years of experience in estate operation and five years in palm oil mill. He has been qualified as an RSPO auditor for the past 3 years.

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 $0.8\sqrt{y}$. In this audit, the 3-supply base covered were Alwae Land Sdn Bhd Estate, Unival Enterprise Sdn Bhd Estate & Vivaprompt Sdn Bhd Estate. The audit included an on-site audit to the estates, mill and contractors to verify the implementation of the requirement of the certification.

1.4 Stakeholder Consultation

Interviews with the employees, contractors and other relevant stakeholders were conducted during the audit. In general, there were no negative comments given by these stakeholders.

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 8 months from this audit.

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2.0 SCOPE OF CERTIFICATION AUDIT

2.1 Description of the certification unit

Tian Siang Oil Mill Sdn Bhd (TSOM) Certification Unit is belonged to 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 to RSPO P&C since 18 September 2014. The CU comprised of TSOM and twelve of its supply base.

TSOM has a processing capacity of 60mt/hr FFB. About 40% of the FFB comes from its TSH estates and the balance 60% from 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. 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 July 2017 – June 2018)

Estates	FFB Production	
	Tonnes	Percentage (%)
Karseng Plantation Sdn Bhd	24888.52	12.75
Karseng Construction Sdn Bhd	6879.77	3.52
Ladang Kohkoh Sdn Bhd	15579.35	7.98
Kumpulan AGM(Holdings) Sdn Bhd	10777.76	5.52
Tian Siang Plantation Sdn Bhd	11101.2	5.69
Promasia Sdn Bhd	2107.82	1.08
Kenfu Development(Sabah) Sdn Bhd	2949.51	1.51
Alwae Land Sdn Bhd	2178.69	1.12
Manjung Plantation Sdn Bhd	2685.29	1.38
Vivaprompt Sdn Bhd	2900.23	1.49
Mosconcord Sdn Bhd	2890.44	1.48
Unival Enterprise Sdn Bhd	6791.36	3.48
Third parties		
Agriasia Plantation	2069.2	1.06
Briacres Development	16038.14	8.22
Borneo Samudera	7497.54	3.84
Desentra Corporation	6735.55	3.45
Fun Land Liesure	1845.52	0.95
Kwantas Land Development	4846.5	2.48
Lancar Gaya	2165.42	1.11
Ladang Kinabatangan	2205.54	1.13
Liew Ping Plantation	6850.12	3.51
Nam Wah Plantation	28052.5	14.37
Pasir Citra	4524.56	2.32
Pemborong Lamag	3937.67	2.02
Punyamas	6432.17	3.29
Sabachoice	1884.63	0.97
Smallholder	8408.86	4.31
Total	195,223.86	100.00

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Table 2: Projected FFB production by supply base for the next reporting period (July 2018 to June 2019)

CU own estates	FFB Contribution	
	Tonnes	Percentage (%)
Karseng Plantation Sdn Bhd	25161.03	11.92
Karseng Construction Sdn Bhd	7152.28	3.39
Ladang Kohkoh Sdn Bhd	15851.86	7.51
Kumpulan AGM (Holdings) Sdn Bhd	11050.27	5.24
Tian Siang Plantation Sdn Bhd	11373.71	5.39
Promasia Sdn Bhd	2380.33	1.13
Kenfu Development(Sabah) Sdn Bhd	3222.02	1.53
Alwae Land Sdn Bhd	2451.20	1.16
Manjung Plantation Sdn Bhd	2957.80	1.40
Vivaprompt Sdn Bhd	3172.74	1.50
Mosconcord Sdn Bhd	3162.95	1.50
Unival Enterprise Sdn Bhd	7063.87	3.35
Total	95,000	45.02
Other Supply Bases		
Third parties (non-certified)	116,000	54.98
Grand Total	211,000	100.00

Table 3: Actual FFB received and CPO & PK dispatch by Tian Siang POM for period from July 2017 – June 2018

RSPO SC Model : IP & MB	Total (MT)
FFB Received	195,223.86
FFB Processed	195,223.86
Certified FFB Processed	90,390.04
Non-certified FFB Processed	104,833.82
Crude Palm Oil (CPO)	
Overall CPO Production	39,721.40
Certified CPO Production	18,634.69
Certified CPO delivered as RSPO certified	18,550.49
Certified CPO delivered as non-RSPO	0.00
Certified CPO delivered under other sustainable schemes	0.00
Palm Kernel (PK)	
Overall PK Production	9,830.82
Certified PK Production	4,741.69
Certified PK delivered as RSPO	4,681.60
Certified PK delivered as non-RSPO	0.00
Certified PK delivered under other sustainable schemes	0.00

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Table 4: Projected FFB received and CPO & PK dispatch by the Tian Siang POM of the next reporting period July 2018 to June 2019

RSPO SC Model : IP & MB	Total (MT)
FFB Received	211,000
FFB Processed	211,000
Certified FFB Processed	95,000
Non-certified FFB Processed	116,000
Crude Palm Oil (CPO)	
Overall CPO Production	43,255
Certified CPO Production	19,950
Certified CPO delivered as RSPO certified	19,950
Certified CPO delivered as non-RSPO	0
Certified CPO delivered under other sustainable schemes	0
Palm Kernel (PK)	
Overall PK Production	10,550
Certified PK Production	4,750
Certified PK delivered as RSPO certified	4,750
Certified PK delivered as non-RSPO	0
Certified PK delivered under other sustainable schemes	0

Table 5 Planted and certified area of the Tian Siang 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	5,657.51	6,078.72

Table 6(i) Planting profile for Karseng Plantation Sdn Bhd

Year of planting	Planting cycle (Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1999	1st	Mature	23.87	1.56
2000	1st	Mature	31.57	2.06
2003	1st	Mature	7.28	0.47
2010	2nd	Mature	294.21	19.17
2011	2nd	Mature	311.61	20.30
2012	2nd	Mature	316.06	20.59
2013	2nd	Mature	133.14	8.67
2014	2nd	Mature	122.22	7.96
2015	2nd	Immature	295.02	19.22
Total			1,534.98	100.00

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Table 6 (ii): Planting profile for Karseng Constructions Sdn Bhd

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1995	1st	Mature	299.06	22.68
2013	2nd	Mature	216.51	16.42
2015	2nd	Immature	278.02	21.08
2016	2nd	Immature	212.86	16.14
2017	2nd	Immature	312.42	23.69
Total			1,318.87	100.00

Table 6 (iii): Planting profile for Ladang Kokkoh Sdn Bhd

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1992	1st	Mature	348.84	48.32
1993	1st	Mature	330.22	45.74
1995	1st	Mature	17.81	2.47
1998	1st	Mature	25.09	3.48
Total			721.96	100.00

Table 6 (iv): Planting profile for Kumpulan AGM (Holdings) Sdn Bhd

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
2008	2nd	Mature	112.50	30.82
2009	2nd	Mature	114.93	31.49
2010	2nd	Mature	137.60	37.70
Total			365.03	100.00

Table 6 (v): Planting profile for Tian Siang Plantation Sdn Bhd

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
2003	1st	Mature	118.57	31.20
2004	1st	Mature	124.24	32.70
2005	1st	Mature	137.19	36.10
Total			380.00	100

Table 6 (vi): Planting profile for Promasia Sdn Bhd

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1996	1st	Mature	97.12	100
Total			97.12	100

Table 6 (vii): Planting profile for Kenfu Development (Sabah) Sdn Bhd

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1998	1st	Mature	265.88	100
Total			265.88	100

Table 6 (viii): Planting profile for Alwae Land Sdn Bhd

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1999	1st	Mature	191.42	100
Total			191.42	100

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Table 6 (ix): Planting profile for Manjung Plantation Sdn Bhd

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1998	1st	Mature	153.38	100
Total			153.38	100

Table 6 (x): Planting profile for Vivaprompt Sdn Bhd

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
2000	1st	Mature	187.77	100
Total			187.77	100

Table 6 (xi): Planting profile for Mosconcord Sdn Bhd

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
2000	1st	Mature	187.77	100
Total			187.77	100

Table 6 (xii): Planting profile for Unival Enterprise Sdn Bhd

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1998	1st	Mature	168.75	67
1999	1st	Mature	84.58	33
Total			253.33	100

2.3 Organizational Information/Contact Person(s)

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
Fax no.	:	05-6717399
Email	:	Steven-tan@tiansiang.com

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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 Progress and changes in time bound plan

i. Have all the estates under the parent company been certified? ☒ / Yes ☐ No

If no, comments on the organization's compliance with the RSPO partial certification rules :

ii. Are there any changes to the organization's time bound plan? ☐ Yes ☒ / No

If yes, comment in terms of acceptance or non acceptance on the changes in the time-bound plan?

iii. Are there associated smallholders (including scheme smallholders) in the CU ☐ Yes ☒ / No

If yes, have ALL the associated smallholders (including scheme smallholders) where their fruit supply is included, by the mill, in its certification? ☐ Yes ☐ No

If no, please state reasons

iv. Any new acquisition which has replaced primary forests or HCV areas ☐ Yes ☒ / No

3.3 Other changes (e.g. organizational structure, new contact person, addresses, etc.)

No changes.

3.4 Status of previous non-conformities * ☐ Closed ☒ / Not closed*

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

Two Major non-conformities for last year findings under Indicator 4.7.3 and 4.7.5 were found recurrence during this audit, thus suspension of this CU has been recommended by the Lead Auditor.

3.5. Complaint received from stakeholder (if any)

There were 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.

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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 : 12 5.2.3, 5.2.4, 6.1.4, 6.2.2, 6.2.3, 6.6.2, 6.5.3, 6.8.3,
6.9.3, 6.10.1, 6.11.1, 6.13.2

Total no. of major NCR(s)
(details refer to Attachment 4) List : 28 2.1.1, 4.1.1, 4.3.4, 4.6.5, 4.7.2, 4.7.3 (recurrence
issue), 4.7.5 (recurrence issue), 4.8.1, 5.1.1, 5.2.1,
5.2.2, 6.1.1, 6.1.2, 6.1.3, 6.2.1, 6.3.1, 6.3.2, 6.5.1,
6.5.2, 6.8.1, 6.7.1, 6.6.1, 6.8.2, 6.9.1, 6.9.2, 6.12.1,
6.12.3, 6.13.1

4.2 For SC (Details checklist refer to Attachment 5) :

Total no. of minor NCR(s)
(details refer to Attachment 5) List : NA

Total no. of major NCR(s)
(details refer to Attachment 5) List : 3 Clause 5.3, 5.12, 5.13

5.0 AUDIT CONCLUSION

The audit team concludes that the organization ~~has~~ has not* 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.

7.0 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 : Mohd Zulfakar Kamaruzaman

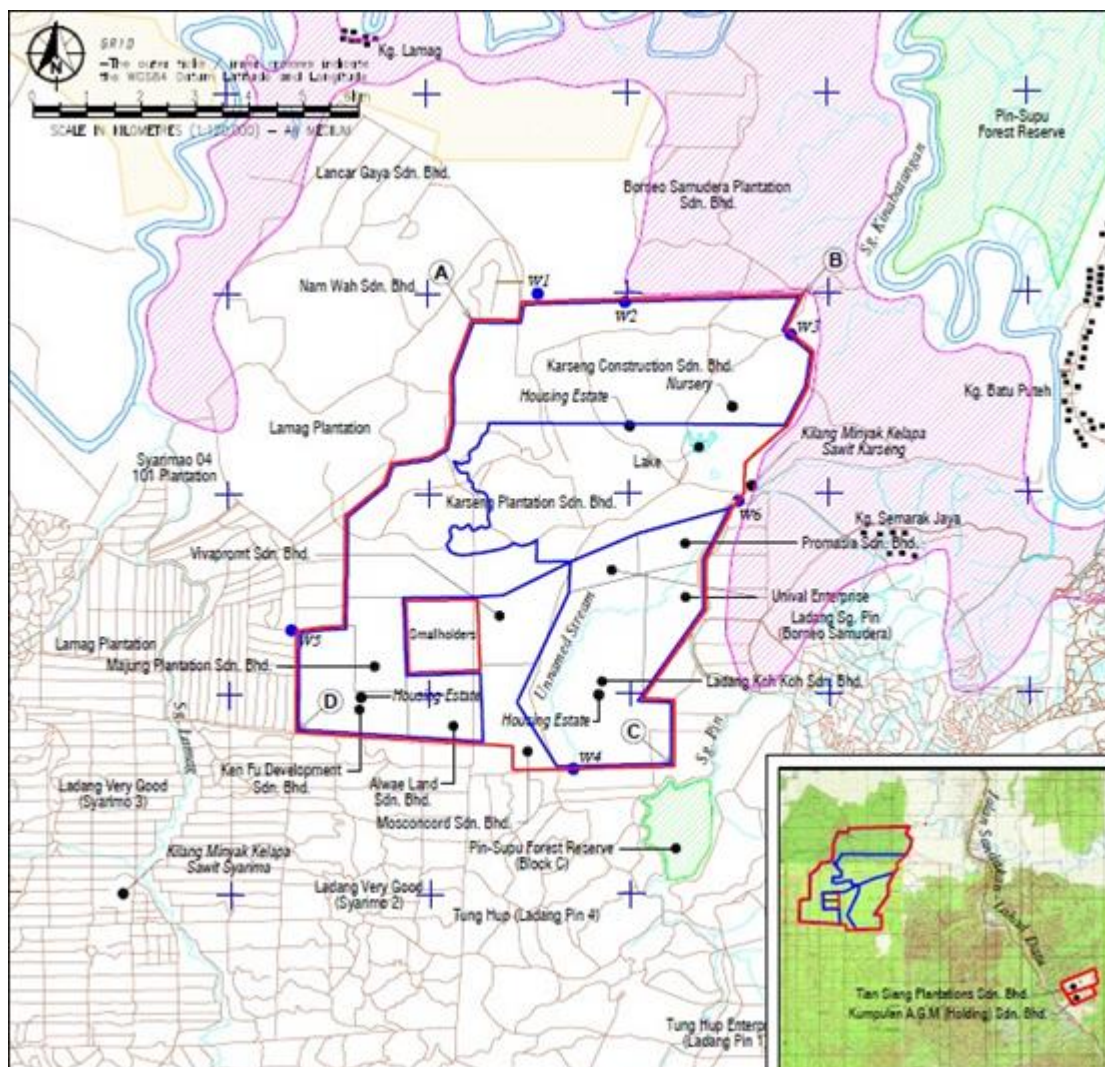
(Name)



(Signature)

20/12/2018

(Date)

Location map of Tian Siang CU

RSPO Surveillance Audit Plan

1. Objectives

The objectives of the audit are as follows:

- (i) To evaluate the Certification Unit conformance against the RSPO Principles & Criteria Malaysian National Interpretation (MYNI) and RSPO Supply Chain requirements.
- (ii) To verify the effective implementation of corrective actions arising from the findings of last assessment.
- (iii) To make appropriate recommendations based on the assessment findings.

2. Date of assessment : 25-28 June 2018

3. Site of assessment : Tian Siang CU

- Tian Siang Palm Oil Mill
- Alwae Land Sdn Bhd Estate
- Unival Enterprise Sdn Bhd Estate
- Vivaprompt Sdn Bhd Estate

4. Reference Standard:

- a. RSPO P&C MYNI:2014
- b. RSPO Certifications Systems for P&C, June 2008
- c. RSPO Supply Chain Standard, November 2014 (Revised 14 June 2017)
- d. Company's audit criteria including Company's Manual / Procedures

5. Assessment Team

- a) Lead Auditor : Mohd Zulfakar Kamaruzaman
- b) Auditors : Rahayu Zulkifli
- : Mohd Ab Raouf Asis
- : Amir Bahari

If there is any objection to the proposed audit team, the organization is required to inform the Lead Auditor/RSPO Section Manager.

7. Audit Method

Site audits including observation of practices, interviews with interested parties (all categories of contractors, employees, nearby population, etc.), documentation evaluation and evaluation of records.

8. Audit Findings

Audit findings shall be classified as major and/or minor. Major non conformities shall be addressed within 90 days or else the certificate shall be suspended. If the major non conformities are still not addressed within another 90 days, the certificate shall be terminated.

If there are five or more major non-compliances within one Principle found during the audit, immediate suspension of RSPO certification shall be recommended.

For minor non conformities raised in the surveillance audit, corrective action shall be verified in the next audit. These shall be upgraded to major non conformities if the corrective actions are not satisfactory implemented in the next audit.

9. Confidentiality Requirements

SIRIM QAS International shall not disclose any information concerning the company regarding all matters arising or coming to its attention with the conduct of the programme, which is of confidential in nature other than information, which is in the public domain.

In the event that there be any legal requirements for disclosing any information concerning the organization, SIRIM QAS International shall inform the organization of the information to be disclosed.

10. Working Language : English and Bahasa Malaysia

11. Reporting

- | | | | |
|----|-----------------------------|---|--|
| a) | Language | : | English |
| b) | Format | : | Verbal and written |
| c) | Expected date of issue only | : | 2 weeks after the closure of the Major NC / or if minor NC, 30 days from the last day of this audit. |

12. Facilities Required

- a. Room for discussion
- b. Relevant document and record
- c. Personnel protective equipment if required
- d. Photocopy facilities
- e. A guide for each group

13. Assessment Programme Details : As below

RSPO SURVEILLANCE AUDIT PLAN

Date / Time	Coverage of assessment / Activity / Site	Zulfakar	Rahayu	Raouf	Amir
Day 0: 24 June 2018 (Sunday)					
1130pm – 1415pm	<ul style="list-style-type: none"> MH 2710 : Travelling day : KLIA to Sandakan Airport Sandakan Airport to Tian Siang Certification unit Guest House 	/	/	/	/
Day 1: 25 June 2018 (Monday)					
8.30am – 9.15am	Opening Meeting – Venue: Tian Siang Guest House <ul style="list-style-type: none"> Audit team Leader - Briefing on assessment objectives, scope, methodology, confidentiality clarification, audit criteria and programmes Organization Representative - Briefing RSPO implementation, significant change on organization activity, structure, certified areas, machinery, FFB supply bases , Time bound plan, actions taken to address previous audit findings. 	/	/	/	/
9.15am – 12.30pm	Site observation to Tian Siang POM P1, P2, P4, P5, P6, P8 <ul style="list-style-type: none"> Verification of basic information mill & estate Milling practice Legal compliance , Land titles user rights Occupational safety & health aspects , chemical management Environmental management, waste & chemical management RSPO Supply Chain 2017 <ul style="list-style-type: none"> RSPO Supply chain standard implementation including model requirements 	/			/
	Site observation to Alwae Land Sdn Bhd Estate P1, P2, P3, P4, P6, P7, P8 <ul style="list-style-type: none"> Good Agricultural Practice such as harvesting, spraying, POME application, IPM, New planting Land titles user rights Social aspects - SIA, management plan & implementation, workers' quarters, Stakeholder consultation with affected communities surrounding the CU Interview with gender committee, safety committee, worker representative, contractors, supplier, contractor ,etc 		/	/	
12.30pm – 1.30pm	Lunch Break				
1.30pm – 5.00pm	Continue assessment at respective sites				
5.00 pm	End of day 1 audit				
Date / Time	Coverage of assessment / Activity / Site	Zulfakar	Rahayu	Raouf	Amir
Day 2: 26 June 2018 (Tuesday)					
8.30am – 12.30pm	Site observation at Unival Enterprise Sdn Bhd Estate P1, P2, P3, P4, P6, P7, P8 <ul style="list-style-type: none"> Good Agricultural Practice such as harvesting, spraying, POME application, IPM, New planting Land titles user rights Social aspects - SIA, management plan & implementation, workers' quarters, Stakeholder consultation with affected communities surrounding the CU Interview with gender committee, safety committee, worker representative, contractors, supplier, contractor ,etc 		/	/	

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	Site observation at Alwae Land Sdn Bhd Estate P1, P2, P3, P4, P5, P7, P8 <ul style="list-style-type: none"> Occupational safety & health aspects , chemical management Environmental management, waste & chemical management Interview with workers, contractors etc. Verification Inspection of protected sites with HCV attributes Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone 	/			/
12.30pm – 1.30pm	Lunch Break				
1.30pm – 4.45pm	Continue assessment at respective sites				
4.45pm- 5.00 pm	Team discussion , End of day 2 audit				
Day 3: 27 June 2018 (Wednesday)					
8.30am – 12.30pm	Site observation at Vivaprompt Sdn Bhd Estate P1, P2, P3, P4, P6, P7, P8 <ul style="list-style-type: none"> Good Agricultural Practice such as harvesting, spraying, POME application, IPM, New planting Land titles user rights Social aspects - SIA, management plan & implementation, workers' quarters, Stakeholder consultation with affected communities surrounding the CU Interview with gender committee, safety committee, worker representative, contractors, supplier, contractor ,etc 		/	/	
	Site observation at Unival Enterprise Sdn Bhd Estate P1, P2, P4, P5, P7, P8 <ul style="list-style-type: none"> Verification-of protected sites with HCV attributes Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone Occupational safety & health aspects , chemical management Environmental management, waste & chemical management Interview with workers, contractors etc. 	/			/
12.30pm – 1.30pm	Lunch Break				
1.30pm – 4.45pm	Continue assessment at respective sites				
4.45pm - 5.00 pm	Team discussion & End of day 3 audit				
Day 4: 28 June 2018 (Thursday)					
8.30am – 12.30pm	Site observation to Tian Siang POM P1, P2, P6, P8 <ul style="list-style-type: none"> Confirmation of time bound plan & review of partial certification Social aspects - SIA, management plan & implementation, workers' quarters, Stakeholder consultation with affected communities surrounding the mill Interview with gender committee, safety committee, worker representative, contractors, supplier, etc. 		/	/	
	Site observation to Vivaprompt Sdn Bhd Estate P1, P2, P4, P5, P6, P7, P8 <ul style="list-style-type: none"> Verification of protected sites with HCV attributes Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone Occupational safety & health aspects , chemical management Environmental management, waste & chemical management Interview with workers, contractors etc. 	/			/
12.30pm – 1.30pm	Lunch Break				

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1.30pm – 3.00pm	Continue assessment at respective sites Verification on outstanding issues				
3.00pm – 4.00pm	Audit team discussion, preparation on audit findings and issuance of nonconformity report (if any)				
4.00pm -5.00pm	<ul style="list-style-type: none"> Closing meeting – venue at Tian Siang Guesthouse Presentation of audit findings, positive comment, Question & answer 	/	/	/	/

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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 info to relevant stakeholders on env., social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.	1.1.1	There shall be evidence that growers and millers provide adequate info upon request for info on issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.	Yes	Tian Siang CU 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 with stakeholders such as minutes of meeting <i>titled Mesyuarat Stakeholder (RSPO)</i> which was conducted once a year and attended by all estates and oil mill representatives was verified. However, there were no any requests for information from related stakeholders.
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	Yes	The CU continued to implement communication procedure as described in the established procedure.
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	Yes	The right to use the land at Tian Siang CU was 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	Yes	The Safety Plan has been established with details among others shown below; Establishment of safety committee having quarterly meeting in a year, Investigation into any accident incidences and notification/reporting of accidents, To provide sufficient training in occupational safety and health, Maintain a chemical register hazardous to health, CHRA to be conducted every five years, and to adhere requirement under Classification, Labelling & SDS of hazardous chemicals.
		Plans and impact assessments relating to environmental and social impacts	Yes	The Environmental Impact Assessment has been established and continuously being monitored. The latest performance monitoring was carried out in Feb 2017 a third party consultant. Similarly the CU also monitors the significant social impacts as listed in the Social Environmental Impact Assessment including the HCVs. The Social Action Plan are was reviewed annually. The Social Environmental Impact Assessment for Tian Siang's estates and mill were prepared by the Wild Asia (M) in Feb 2013. The SEIA covered all twelve estates, and the mill. The report included the estates' and mill's background information, labour policies, grievance procedures sexual harassment policies, facilities and amenities offered by the estates, and the social impact assessment procedures and results.
		HCV documentation summary	Yes	HCV documentation summary was verified in the Social and Environmental Impact Assessment including HCV in 2014 was made available at the Tian Siang CU.
		Pollution prevention and	Yes	Tian Siang Holdings Sdn. Bhd has established a document <i>Identification of All Pollution Sources</i>

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		reduction plans		(Prevention and Mitigation / Improvement Plan) to detail the plan in relation to pollution prevention and reduction. The document is reviewed annually to ascertain the performance and achievement. The last amendment was made in 2017 to include activities from the oil palm nursery, replanting, road construction, fertilizer operation, scheduled waste, workshop operation etc.
		Details of complaints and grievances	Yes	Details of complaints, if there are any, can be written in the Buku Aduan, and to be resolved in accordance with the Complaint & Grievances Resolution Procedure. However, as at the date of this surveillance audit, the CU received no complaints nor grievances.
		Negotiation procedures	Yes	Tian Siang CU had developed procedures to deal with land disputes, as stated in "Land Dispute and Compensation Procedure" distributed in July 2014.
		Continual improvement plans	Yes	Continual improvement plans for Tian Siang CU has been reported in the Criterion 8.1. The continuous improvement plans was established and updated accordingly by the Executives from the Sustainability Department.
		Public summary of certification assessment report;	Yes	Public summary report is available at SIRIM QAS website.
		Human Rights Policy	Yes	Human Rights Policy dated Jan 2014 was made available at Tian Siang CU, and displayed at estates and mill office notice board.
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 has a written Policy known as Code of Ethical Conduct Policy dated May 2015, signed by the Group Executive Director. The code highlights the need for employees to uphold among others, integrity, commitment, effectiveness and efficiency. This Policy is displayed at the main notice boards throughout the CU.

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 comply with legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and the Sustainability Unit. The CU had obtained and renewed license and permits as required by the law. However, there were also instances of non-compliance by the CU as observed during the audit required in relevance to the respective legal requirement. Details as provided below and as such an NCR AB-01/2018 was raised. a) (Factories and Machinery (Notification, Certificate Of Fitness and Inspection Regulations,

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				<p>1970) The air compressor used in office complex of Alwae Land Sdn Bhd did not have a valid DOSH certificate of fitness. The machine was purchased in 03/2/14 and processed for validation with DOSH. Till the date of auditing there was no evidence of DOSH certificate being produced by the management.</p> <p>b) (Use And Standards Of Exposure Of Chemicals Hazardous To Health Regulations 2000) There was no CHRA made for Unival Enterprise as such in non-compliance to the USECHHR 2000. The document was not available.</p> <p>And, there was evidence that Vivaprompt Sdn Bhd, Unival Enterprise Sdn Bhd and Alwae Land Sdn Bhd ('Estates') do not comply with the following relevant legal requirements:</p> <ul style="list-style-type: none"> - Section 55E Immigration Act 1959 (Act 155) - Sections 108(1) and 104 (C)(2) Sabah Labour Ordinance (Sabah Cap 67) - Minimum Wages Order 2016. <p>These were also noted:</p> <ol style="list-style-type: none"> 1. The following Estates permit undocumented migrant workers to enter or remain at their premises in contravention with Section 55E Immigration Act: <ol style="list-style-type: none"> a. Vivaprompt Sdn Bhd (6 pax) b. Alwae Land Sdn Bhd (28 pax) c. Unival Enterprise Sdn Bhd (1 pax) 2. At Alwae Land Sdn Bhd, at least 3 harvesters received an average daily wage of RM27.49, RM30.42 and RM23.23, which contravenes the Minimum Wage Order 2016 of at least RM35.38 per day, despite the workers confirming their availability and ability to work. 3. Staff and workers at the Estate receive their salaries after the 9th and 20th of the following month, respectively. This contravenes Section 108(1) of the Sabah Labour Ordinance which states that wages/should be paid not later than the 7th day after the expiration of the wage period. In this case, the expiration of the wage period is the last day of each month. 4. At least 3 workers at Alwae Land Sdn Bhd who work on rest-day are not paid in accordance with Section 104 (C)(2) of the Sabah Labour Ordinance, but are in fact paid according to the normal rate. 5. At least 6 workers at Vivapoint Sdn Bhd who work in excess of normal working hours are not paid a rate in accordance with Section 104 (6) of the Sabah Labour Ordinance. <p>Therefore, Major NCR RZ-01/2018 was raised.</p>
	2.1.2	A documented system, which includes written information on legal requirements shall be maintained. Minor Compliance	YES	<p>Tian Siang CU have identified and documented their legal register with written information on legal requirements applicable to their operations. The record titled Register Of Legal And Other Applicable Requirement issued by the Sustainability Unit also responsible to track changes in the law. Further to any changes the information will be disseminated to all of its plantations and mills in the Group.</p>

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	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	YES	Each estate and mill possessed their own Register of Legal and Other Requirements. a) The document is evaluated annually to ensure compliance. A <i>tick</i> is made at the list to provide evidence of compliance. b) The Sustainability Manager provides guidance/assistance to the person-in-charge prior to the document adaptation. c) Thereafter the document will receive approval from the respective Managers endorsed by the General Manager (Plantations).
	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 and monitored by Sustainability Manager.
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	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 land) and the actual legal use of the land shall be available. Major Compliance	Yes	The right to use the land at Tian Siang CU was demonstrated and not disputed by any party. The copies of legal ownership of the land for estates Alwae Land, Unival Enterprise, Vivaprompt were verified and the land ownership documents clearly indicated the land titles. The land was bought from Sabah Government between 1995 - 1998. It was confirmed during the sale of land there is no history of customary land tenure, recognized NCR land it was confirmed with Sabah Lands and Survey. All estates were confirmed to be operating on land with correct legal status.
	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	There was marking between Alwae Land and Ladang Gurun, marked with green paint. And also between Unival Enterprise with Ladang Kohkoh. The same was also verified with other Plantation such as Sawit Kinabalu, and JC Chang.
	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	As reported in 2.2.1 of this checklist, it has been verified that the land is now legitimately owned by Tian Siang CU since 1995 - 1998. The audit team had confirmed that there were no land issues related to previous owners. The audit team has also interviewed relevant stakeholders such as the local communities, the village chief, Conservation Manager of Forever Sabah and smallholders living in nearby village. From the interviews, it can be concluded that there was no evidence of any land dispute at Tian Siang CU.

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	2.2.4	There shall be an absence of significant land conflict, unless req. for acceptable conflict resolution processes are implemented and accepted by the parties involved. Major Compliance	Yes	As reported in 2.2.1 of this checklist, it has been verified that the land is now legitimately owned by Tian Siang CU since 1995 - 1998. Hence, there is no land conflict anticipated and no need for acceptable conflict resolution processes. The audit team has also interviewed relevant stakeholders such as the local communities, village chief, Conservation Manager of Forever Sabah and smallholders living in nearby village. From the interviews, it can be concluded that there was no evidence of any land conflict at Tian Siang CU.
	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	As reported in 2.2.1, it has been verified that there is no conflict or dispute over the land. It has been further confirmed through interviews with relevant stakeholders such as the local communities, village chief, Conservation Manager of Forever Sabah and smallholders living in nearby village.
	2.2.6	To avoid escalation of conflict, no evidence that oil palm op have instigated violence in maintaining peace & order in their current & planned op. Major Compliance	Yes	As reported in 2.2.1 of this checklist, it has been verified that the land is now legitimately owned by Tian Siang CU since 1995 - 1998. Hence, there was no land conflict anticipated nor the need to avoid escalation of conflict is required. The audit team has also interviewed relevant stakeholders such as the local communities, village chief, Conservation Manager of Forever Sabah and smallholders living in nearby village. From the interviews, it was confirmed that there is no evidence that the oil palm operations have instigated violence in maintaining peace and order in their current and planned operations.
C 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their FPIC.	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. Major Compliance	Yes	As reported in 2.2.1 of this checklist, Tian Siang CU has been developed since 1995 - 1998. All the related documentation regarding the land acquisition was kept in Tian Siang HQ Office, Setiawan, Perak and was verified by the auditor. There were no issues regarding land with villagers, local community and neighboring estate. Hence, there was no map showing the legal, customary, or user right of other users since 1995 - 1998.
	2.3.2	Copies of negotiated agreements detailing the process of FPIC shall be available and shall incl.: 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	Yes	There was no land dispute issue observed. As reported in 2.2.1 of this checklist, Tian Siang CU has been developed since 1995 - 1998. All the related documentation regarding the land acquisition was kept in Lam Soon HQ Office and was verified by the auditor. The documentation sighted during the audit showed that there were no issues regarding the land with neighboring estate since 1995 - 1998. The audit team had also confirmed this through interviews of relevant stakeholders such as the local communities, village chief, Conservation Manager of Forever Sabah and smallholders living in nearby village. Based on the audit findings, copies of negotiated agreements on FPIC and other evidences required by these indicators a) to c) were not applicable.

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		groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. Minor Compliance		
	2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance	Yes	As mentioned in 2.3.2 a) to c) of this checklist, this requirement in this indicator does not apply to Tian Siang CU.
	2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance	Yes	As mentioned in 2.3.2 a) to c) of this checklist, this requirement in this indicator does not apply to Tian Siang CU.

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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	All the visited estates maintained to have minimum 3 years business plans. The budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance, etc. Attention was given to crop projection, cost of production, cost per ton and per hectare indicators to monitor the performance of each operating unit. The cost of production was reviewed and compared against expenditure each year with projections in place for future years.
	3.1.2	An annual replanting programme projected for a minimum of five years 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.

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	NO	Standard operating procedure were available and reviewed during audit. However, during audit the auditor found the following: <ol style="list-style-type: none"> Standard operating procedures appropriately documented (Agriculture Manual & Standard Operating Procedures for Oil Palm (2013) but not consistently implemented and monitored. Alwae Land Sdn Bhd, Block 3 Field 1998 harvesting interval was 28 days with traces of uncollected LF and VOPS. Black bunches was also noticed being harvest. Unival Enterprise Sdn Bhd Block 1 Field 1998 with traces of VOPS and delayed in pruning. Standard Operating Procedures for water sampling was not documented. Monitoring and action was ineffective at Tian Siang Palm Oil Mill resulted water sampling that have been taken on 15/12/2017, 6/1/2018 and 27/5/2018 showing E-coli and total choliform for three (3) reading appearance that was supposed none. Therefore, Major NCR was raised in NCR MAR-01/2018.
	4.1.2	A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	YES	The respective Estate Manager has the entire responsibility for the implementation of plantation and common procedures as mentioned above. Implementation of these procedures included: Briefing on the SOPs and related documents, Workers were frequently reminded about it during the morning muster, Safe keeping in the administration office for reference, Relevant SOPs, sometimes an abridged version, were displayed at various workstations.

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	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	Yes	Relevant records on implementation and monitoring of Standard Operating Procedure (Agriculture Manual & Standard Operating Procedure for Oil Palm 2013) and other SOP at the CU were clearly verified. Among the records sighted were: Program sheets, Field cost books, Agronomic reports, Audits by Sustainability Officers, Harvesting Interval records, Rat baiting records, Fertiliser application records, Monthly Progressive Reports, scheduled wastes records, PPE Checklist etc. The records maintained by relevant designated personnel and being maintained for more than a year and some much longer.
	4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance	Yes	Tian Siang POM buys direct from smallholder owner and not through 3 rd party source or collector i.e. mainly from surrounding private oil palm plantation and smallholders. There was no official agreement between both parties. The third party could send their FFB to Tian Siang POM or any other palm oil mill. Those who sent to the CU were properly recorded.
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 Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance	Yes	All the 3 estates practiced the maintenance of long-term soil fertility by annual application of fertilizers based on periodic foliar, biomass retention (pruned fronds left to decompose in the fields). Fertiliser application, which was of paramount importance for maintenance of soil fertility, was carried out based on the recommendation made by the General Manager's office. Annual fertilizer recommendations were made based on annual foliar sampling.
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	Yes	Fertilizer application program was monitored using records like program sheets, bin cards, field cost book, fertilizer application monitoring forms, etc. Records of programs and applications of fertilizers were made available to auditors. Records sighted showed that actual applied in 2018 was in line about 80 % completed against work program. Other than that, delivery record from supplier was also sighted.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	Yes	Annual foliar sampling was carried out in March 2018 for the nutrients N, P, K, Mg, Ca & B for all 3 estates and the results formed the basis for the fertiliser recommendations to maintain and to improve soil fertility. Soil sampling report was also dated in March 2018 indicated the recommendation and summarizing the changes in nutrient status.
	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 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 minimize and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available. Major Compliance	Yes	The soil maps for Alwae Land Sdn Bhd, Vivaprompt and Unival Enterprise which were extracted from the EIA report were available for review. From the map, it was noted that there were no fragile soils in the visited estates.
	4.3.2	A management strategy shall be in place for plantings on slopes	YES	Management strategy guided by the SOP for plantings on slopes between 9 & 25° and were specified by company's SOP.

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		between 9 & 25° unless specified otherwise by the company's SOP. Minor Compliance		
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	Yes	Road maintenance program reported for Unival Enterprise S/B nil but Alwae Land and Vivaprompt 523 and 448 chains respectively in 2018.
	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	NO	Subsidence of peat soils monitored not in accordance with the Standard Operating Procedure. The management have demonstrated monitoring subsidence of peat soils but however not accordingly to the Tian Siang SOP. Therefore, Major NCR was raised in NCR MAR-02/2018.
	4.3.5	Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance	Yes	There are no replanting on peat for all estates as at time visited. The program showing that the replanting will only commenced in 2020.
	4.3.6	A management strategy shall be in place for other fragile and problem soils. Minor Compliance	Yes	No fragile and problem soils at Alwae Land, Unival Enterprise Sdn Bhd and Vivaprompt.
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 Water Management Plan was reviewed during the audit. The document was prepared on yearly basis. The plan included Identification of water sources, Monitoring water consumption/requirement, Workers' awareness and education programme, Rain water harvesting and Preventive control for pollution.
	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 Alwae Land there is a 3m wide stream that flows to stream that channel into Sg. Pin. The estate has maintained riparian buffer zone with 5 m and marked with red paint. No spraying marking found in the riparian buffer zone. At Unival Enterprise Sdn Bhd and Vivaprompt, there was no water courses and wetlands in the estate as verified during site audit.
	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	Effluent parameters performance are being monitored monthly and submitted to DOE on a quarterly basis. The parameters as sighted from the results are within the allowable limits.
	4.4.4	Mill water use per tonne of	Yes	The mill processing water are obtained from the water catchment source of river water Sg Pin

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		Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance		adjacent to the mill complex. The water usage monitoring is made on a monthly basis in 2017 and May 2018 to date. There were variations of performance. Probable factors are linked to rainy days, significant boiler water rinsing/discharging for maintenance.
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate IPM techniques.	4.5.1	Implementation of IPM plans shall be monitored. Major Compliance	Yes	The CU had a comprehensive documented IPM systems in place. The IPM program among others included pest management of rats, bagworms, nettle caterpillars, Rhinoceros beetles and ganoderma infestation. The IPM technique for bagworm control included the planting of beneficial plants such as <i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> , <i>Turnera subulata</i> and <i>Euphorbia heterophylla</i> . As barn owl (<i>tyto alba</i> species) establishment historically in Sabah had been poor, so there were none in this CU. All other programs were monitored accordingly.
	4.5.2	Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	Yes	Training for IPM implementation was held in Apr 2018 and the training was conducted by estate management and their party as a trainer. The training was held to inculcate IPM methodology that was based on Agriculture Manual.
C 4.6 Pesticides are used in ways that do not endanger health or the environment	4.6.1	Justification of all pesticides used 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	Chemical register were made available and justification of all pesticides used 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	Tian Siang CU continued to record areas where pesticides had been used. All estates visited had records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total quantity, number of applications and Ai/Ha. Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register, field-cost books and in progress reports. The LD50 was available in the MSDS.
	4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with IPM plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance	Yes	Tian Siang CU continued to manage pests, other than weeds at below threshold levels as per the IPM plan. In order to minimise pesticide usage, the estate 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 and acceptance rate more than 20%, thus it 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	Yes	All estates only used pesticides that are officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations 2000. From the review of the chemical register, it was noted that all pesticides used are of class II, III & IV. There was no evidence of pesticides that are categorised as World Health Organisation

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		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 as part of a plan, and shall only be used in exc. circumstances. Pesticides selected for use are those officially reg. under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in acc. with USECHH Reg. (2000). Minor Compliance		Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions had been used. From records and interviews with workers, staff and estate assistants, found that they were trained, all precautions taken such as wearing the PPE and all legal requirements are met.
	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. Major Compliance	NO	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. During the field visit and store rounds records showed that pesticides were handled, used and applied by trained persons and as per the MSDS/CSDS of the pesticide. However, during the site visit at Unival Enterprise Sdn Bhd the following non-compliance was observed. Details as follows. <ul style="list-style-type: none"> a) The set of lady workers involved in the fertilizer application in Block 5 Field 1998 did not bath / clean (to remove the potential chemical contact) in the workers washing facilities prior to heading home. Only the apron was removed and left in the designated room b) Non – related items was stored and shared in the space of the washing/bathing facilities creating a potential non-conductive environment to the intent purpose. Hence, a Major NCR AB-05/2018 is issued.
	4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers properly disposed of and not used for other purposes. Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Reg. and Orders, Pesticides Act 1974 (Act 149) and Reg. Major Compliance	Yes	The chemical stores in all estates were observed to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149) and Regulations. Record of purchase, storage and use had been maintained. All of the stores are ventilated, with exhaust fans and secured. Only authorized personnel are allowed to handle the chemicals. All the chemicals were stored and segregated accordingly. Empty pesticides containers were triple rinsed, holes punched in them and stored separately in the schedule waste store awaiting proper disposal.
	4.6.7	Application of pesticides shall be	Yes	Pesticides were handled only by trained personnel.

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		by proven methods that minimise risk and impacts. Minor Compliance		At the estates, the sprayers were trained by the Assistant Manager and staff in charge on spraying methods and the use of PPE. The latest training for fertilizer applicators and sprayers were conducted in Jan to Feb 2018.
	4.6.8	Pesticides shall be applied aurally 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	No aerial application found in all estates visited. Tian Siang not practiced aerial application.
	4.6.9	Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demo or made available. Minor Compliance	Yes	The staff and workers such as the storekeepers, sprayers, workers applying fertilizer and rat bait were continuously trained. The training were regularly conducted by the estate management to enhance knowledge and skills of employees. The training included the safety aspects and usage of PPE. Records of training were maintained for verification.
	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 Waste Management Plan for 2018 was established, implemented and being reviewed. Sources of wastes identified were; fertilizer and chemical containers, domestic waste / industrial waste and Scheduled waste items i.e. spent lubricants, spent hydraulic oil, used batteries, used filters, contaminated rags, empty lubricant, grease and hydraulic oil containers. Tian Siang CU adopted the guidelines provided by the Agriculture Department on the empty chemicals containers management.
	4.6.11	Specific annual medical surveillance for pesticide operators & doc action to treat related health conditions, shall be demo. Major Compliance	YES	In all Estate based on recommendation by CHRA, annual medical surveillance was conducted. The results were satisfactory and all workers fit to handle the chemicals.
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women Major Compliance	Yes	The estates had policy "handling high toxic pesticide" which stated that no work with pesticides shall be undertaken by pregnant or breast-feeding women. At both estates, identification of pregnancy was done by the HA based on interview with their women workers on the last menstrual period dates. This interview was done during the monthly medical check-up. Pregnancy test was carried on doubtful cases. There was no evidence that the work with pesticides was undertaken by pregnant or breast-feeding women.
C 4.7 An occupational health and safety plan is documented, effectively	4.7.1	An OSH policy shall be in place. An OSH plan activities shall be doc. & implemented, and its effectiveness monitored. Major Compliance	Yes	The Group Occupational Safety & Health Management Policy had been established and implemented. The policy was signed by the Group Executive Director of Tian Siang Holdings Sdn Bhd. In March 2017 and displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy is implemented through the OSH activities by the respective Operating Units Managers and monitored by the Sustainability Unit.

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<p>communicated and implemented.</p> <p>The occupational health and safety plan shall cover the following:</p>	4.7.2	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>Major Compliance</p>	No	<p>Both the mill and estates had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. HIRARC for the mill and estates was formalised in 2012. HIRARC is subject for a review in event of the following; Change in work process, Revision/changes in legislative requirement and Occurrence of accidents (focus on cases with LTI > 4 days). It has been noted that there were absence of HIRARC for the following significant activities hence a Major NCR AB-02/ 2018 is issued.</p> <ul style="list-style-type: none"> a) The HIRARC activities for FFB grading (latest review 31/5/19) at the ramp available in Tian Siang Palm Oil Mill has not included heat stroke as the potential hazard as the activities are carried out under the open space with gradual sun exposure. b) Activities related to beneficial plant slashing, store office cleaning and handling of empty lubricant containers was not available in the HIRARC of Viva Prompt Sdn Bhd. c) Unival Enterprise has not included HIRARC of grass cutting at line site d) A work performed by a Contractor in fabricating the footbridges is not listed in the Estate HIRARC.
	4.7.3	<p>All workers involved in the operation shall be adequately trained in safe working practices. Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>Major Compliance</p>	No	<p>Site visit to the office complex to observe the store management and the chemical mixing area evidenced that workers on duty were fully equipped with mask, rubber gloves, rubber boots & apron. Along the journey inside the field drivers and harvesters were noted to be in safety helmets and their sickle, harvesting knife covered with the approved type. There were 2 instances of PPE non-adherence committed by the workers. As such an NCR AB-04/2018 is raised.</p> <ul style="list-style-type: none"> a) During the workers dialogue in the field Block 3 Filed 1998, a harvester was not equipped with goggle for the protection of eye while performing work (Major recurrence NCR RR 04 2017) b) A driver assigned for the spraying gang at Unival Enterprise Sdn Bhd was observed not wearing a proper shoe required for driving purposes as observed in block 8. <p>Trainings were provided during musters and also in session held in the estate muster area/hall. Bulk of the mill training is organized during the daily briefing prior to work commencement of each shift. Mainly the issues discussed / briefed were related to mill process operations and safety compliance. These training records are maintained in a separate book and were sighted during the audit. Training sessions are also combined as the individual units are small and in a larger scale training are more practical.</p>
	4.7.4	<p>The responsible person/s shall be identified. There shall be records of regular meetings between responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>Major Compliance</p>	Yes	<p>Both the respective Managers of Estate and Mill were appointed as the Chairman of the ESH committee. Safety meeting for the estates was combined as the team is small for such a discussion. The appointment letters were evident. The Manager subsequently assigned duties of ESH coordinator to the Assistants for the down line implementation of ESH practices in the estates. Similar appointment was made for the Mill Manager. Both estates and the mill management conduct regular two-way communication with their employees through the quarterly ESH meeting.</p>

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	4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance	No	Tian Siang Palm Oil Mill has established the procedures in relation to accident and emergencies. The ERT comprised of trained First Aiders, mill/field staffs, mandores, Admin personnel, workshop operator and Security personnel. Interviews with mill/estate staffs and mandores revealed they had understood and were aware of the emergency procedures requirements. It was observed on site that all operating units had been provided with first aid boxes which were checked/replenished on a monthly basis by the Medical Assistant. In the estates, first aid box was provided to mandore and brought along to the fields during operations hours. Records of replenishment were verified by the auditor. Therein the first aid boxes contain the list of the required items, items and issued. Noted that there was an instance of a Major recurrence of NCR MZK-02/2017, observed during the site visit to the creche hence, Major NCR AB 03 2018 is raised. The details were during the assessment there was no first aid box available at the crèche located in Unival Enterprise Sdn Bhd. The management was unable to provide the availability of the item. Telephone numbers and names of the members of the ERT were communicated to all employees and displayed at notice boards.
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	Yes	The Mill and Estates provide medical care and insurance coverage for all the workers. Random records checked confirmed the following; Local Workers – covered by SOCSO and foreign workers were provided with group insurance Berjaya Sompo Bhd as required under the Workmen Compensation Act 1992. In addition the estates and mill provide medical care to all workers using own Medical Assistant services. Cases requiring additional/serious treatment are referred to Hospital Kinabatangan 15 km away.
	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	Yes	Records of all accidents are kept and filed. The methodology of occupational injuries is recorded using LTA. This is summarized officially in the JKPP 8. Records are kept for a minimum 10 years in the office. Summary for the year is described in the JKPP 8 a mandatory requirement for submission to DOSH by Jan of the subsequent year. Cases if any are reviewed during safety meetings.
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	No	Formal training program for 2018 that covered aspects of the RSPO Principles and Criteria, and others estates/mill essential operations is available for all the audited sites. This is made on a Group basis under a document titled <i>Tian Siang Holdings Sdn Bhd Staff/Workers Training Program 2018</i> and distributed to all units for implementations. From the audited training records the program for the earlier month of 2018 has been conducted. However, the training program was done but not effective. The understandings of relevant workers were not satisfied. Interview was held between auditor, sprayer and harvester at Alwae Land, Unival and Vivaprompt, found that the workers didn't know about the content of the training i.e. work procedures and safety aspect. Therefore, Major NCR was raised in NCR MAR-03/2018.
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	Yes	Tian Siang CU continued to train its executives, staff and workers. Records of training were kept in the training file. The records included information on the title of the training, name and signature of the attendees, name of the trainer, time and venue. A personal training record card has been established for level of supervisors and staff. This document was sighted and verified.

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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, implemented and monitored, to demonstrate continual improvement.	5.1.1	An environmental impact assessment (EIA) shall be documented. Major Compliance	No	The Environment Impact Aspect assessment was conducted by an external consultant in Feb 2017 to cover all activities in Tian Siang Group. The chief purpose of for this assessment were to evaluate and analyse impact on soil erosion and water quality deterioration, and biomass disposal. Other environment impact assessed were agrochemical applications, land and water contamination from hazardous material and farm vehicles and human settlement disturbance and abandonment. However, noted that there were activities in the estate not listed and identified in environmental impact assessment i.e. Activity of handling empty containers sighted at lubricant store of Vivaprompt. This has been raised as NCR Major MAR-04/2018.
	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 identify the responsible person/s. Minor Compliance	Yes	The Environmental Improvement Plans to mitigate the negative impacts was implemented, recorded and monitored. All significant environmental impacts had been identified with mitigation measures to reduce its impacts. The action plan as established titled " <i>Pollution Preventive/Mitigation Plan</i> " which had been reviewed annually Jan each year. Thereafter there were plan extracted from EAI recommendation titled ' <i>Management Action Plan For Environment Impact Assessment</i> ' which is updated on January 2018. The management had monitored the progress of the action plan by appointed person In charge for each action plan and also date to achieve the target in the plan. These were the evidence which showed that the plans been monitored and executed where necessary.
	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 min. every 2 yrs to reflect the results of monitoring & where there are op. changes that may have positive & negative env. impacts. Minor Compliance	Yes	An environmental improvement plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts. Pollution prevention plan and waste management plan was reviewed on yearly basis and was verified at all visited operating units. Sighted the environmental management plan renewed for 2018.
C 5.2 The status of rare, threatened/endangered species other HCV habitats, if any, that	5.2.1	Information shall be collated in a HCV assessment that includes both the planted area itself and relevant wider landscape-level considerations. Major Compliance	No	The report of "Social and Environmental Impact Assessment including HCV" was available and prepared by the Wild Asia (M). The report completed in Feb 2013 had covered all the HCV area within and adjacent to the Tian Siang CU. In general, Tian Siang CU had identified four protected external HCV, about 3.0 ha. For Alwae Land, Unival Enterprise and Vivaprompt there is no HCV identified in this Estate.

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exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.				<p>However, it was found that the HCV Assessment:</p> <ol style="list-style-type: none"> 1. does not clearly indicate population status and habitat requirements of RTE species that could be significantly affected by the grower or miller. 2. recommendations in the assessment are vague without any clear guidance on how to carry out management of HCV or RTE Species. 3. stated is a preliminary assessment as stated in the report and no full assessment has been conduct. Thus Major NCR MZK-01/2018 was raised against this standard
	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	No	Tian Siang CU had identified potential RTE species, listed as Endangered in the IUCN List, which were the Elephant and Orang Utan along the forest boundaries with Pin Supu Forest Reserve. However, the last seen elephant and Orang Utan was in Oct 2013. Estuarine Crocodile also has been sighted trough the eastern Section of Ladang Koh Koh Estate (Unival Enterprise) and migrant birds has also been verified throughout this area. HCV action Plan for Alwae Land, Unival Enterprise and Vivaprompt has been updated in Jan 2018, However it was found that, the HCV action plan did not describe appropriate measure to be taken by the management of RTE species or HCV due to the HCV Assessment only provided preliminary assessment and the Action Plan was the same since 2013. Therefore Major NCR MZK-02/ 2018 was raised against this standard.
	5.2.3	There shall be a prog. 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	No	Appropriate disciplinary measures for those 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. The policy clearly stated not to clear existing forest reserve or protected area. Additionally, the policy had been displayed on notice board at Alwae Land, Vivaprompt, Unival Enterprise and POM. Training also has been conduct on April 2018. However, it was noted that the training only covered the Buffer Zone. Interview with workers at Alwae Land Sdn Bhd, Vivaprompt Sdn Bhd and Unival Enterprise Sdn Bhd revealed that, they do not understand about the status of these HCV and RTE Species. Therefore a Minor NCR MZK-03/2018 was raised against this standard
	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 	No	Tian Siang CU is 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 house and forest border. Furthermore, the security guard was placed at every entrance to estates and mill to control the illegal activities. Weekly monitoring for external HCV area was conducted on last in June 2018. The monitoring activities was recorded in the Wildlife Book Records However, no proper HCV monitoring was done due to inadequate HCV assessment and HCV action plan Therefore a Minor NCR MZK-04/2018 was raised against this standard.
	5.2.5	Where HCV set-asides with	Yes	The CU identified that there was no HCV to be set-asides with existing rights of local communities

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		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		and this attribute was confirmed so during consultation the nearby village, the village chief, Conservation Manager of Forever Sabah (KOPEL) and nearby smallholders living. 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	All waste and pollution are identified and documented in the <i>Identification Of All Pollution Sources (Prevention And Mitigation/Improvement Plan) 2018</i> . This is compiled on the CU level incorporating both activities from estates and the mill.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	Yes	Tian Siang CU adopted the guidelines provided by the Agriculture Department on the empty chemicals containers management.
	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 described 5.3.1 above.
C 5.4 Efficiency 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	Tian Siang CU units including both mill and estates had established a Plan <i>Management Plan on Efficiency Use of Fossil oil and Optimize Renewable Energy</i> to ensure that the use of fossil fuel are kept at minimum and monitored effectively. This includes the recording of diesel consumption currently maintained by individual estates used for the gen-sets and the estates vehicles.
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 ' <i>Guidelines for the Implementation of the ASEAN Policy on Zero Burning</i> ' 2003. Major Compliance	Yes	No land preparation observed during audit. As seen in the replanting program, all estates visited currently doesn't have any replanting in 2018.
	5.5.2	Where fire has been used for preparing land for replanting, shall be evidence prior approval of the controlled burning as specified in ' <i>Guidelines for the Implementation of the ASEAN Policy on Zero Burning</i> ' 2003. Minor Compliance	Yes	Not applicable as no replanting in current audit visited.

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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 recognized 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 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, incl. GHG, are developed, implemented and monitored.	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent.	Yes	Tian Siang POM possessed the identification of environmental impact assessment management action plans.in a Plan titled <i>Pollution Preventive/Mitigation Plan</i> . Therein this document had included all activities in the mill including the gaseous emissions from process, effluent, gen-set, and transportation. In addition the management monitored the use of fossil fuel and its renewable energy compiled on a monthly basis.																																																					
	5.6.2	Significant pollutants and GHG emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	Yes	Tian Siang Palm Oil Mill continued to maintain its documented plans to mitigate environmental pollution arising from its activities. The environmental aspects for GHG have been identified and action plan and continuous improvement plan titled as GHG Reduction Plan for 2018 has been established.																																																					
	5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. Minor Compliance	Yes	<p>The monitoring system was made using the GHG calculation (Option 1) and submitted to RSPO in June 2018. Summary of Net GHG emission:</p> <table><tr><td>Emission sources</td><td>tCO2e/tonProduct</td><td>Extraction</td><td>%</td></tr><tr><td>CPO</td><td>6.78</td><td>OER</td><td>20.16</td></tr><tr><td>Fuel PK</td><td>6.78</td><td>KER</td><td>4.97</td></tr></table> <table><tr><td>Production</td><td>t/yr</td></tr><tr><td>FFB processed</td><td>95,500.00</td></tr><tr><td>CPO produced</td><td>19,577.50</td></tr></table> <table><tr><td>Land use</td><td>Ha</td></tr><tr><td>OP planted area</td><td>5,616.93</td></tr><tr><td>OP planted on peat</td><td>865.406</td></tr><tr><td>Conservation (forested)</td><td>60</td></tr><tr><td>Conservation (non-forested)</td><td>0</td></tr><tr><td>Total</td><td>5676.93</td></tr></table> <p>Mill emissions:</p> <table><tr><td>Emission sources</td><td>tCO2e</td><td>tCO2e/tFFB</td></tr><tr><td>POME</td><td>2552.52</td><td>0.01</td></tr><tr><td>Fuel consumption</td><td>799.78</td><td>0</td></tr><tr><td>Grid electricity utilisation</td><td>0</td><td>0</td></tr><tr><td>Export of excess electricity to housing</td><td>-137.58</td><td>0</td></tr><tr><td>Sale of PKS</td><td>-8845.34</td><td>-0.05</td></tr><tr><td>Sale of EFB</td><td>-616.22</td><td>0</td></tr><tr><td>Total</td><td>-6246.84</td><td>-0.03</td></tr></table>	Emission sources	tCO2e/tonProduct	Extraction	%	CPO	6.78	OER	20.16	Fuel PK	6.78	KER	4.97	Production	t/yr	FFB processed	95,500.00	CPO produced	19,577.50	Land use	Ha	OP planted area	5,616.93	OP planted on peat	865.406	Conservation (forested)	60	Conservation (non-forested)	0	Total	5676.93	Emission sources	tCO2e	tCO2e/tFFB	POME	2552.52	0.01	Fuel consumption	799.78	0	Grid electricity utilisation	0	0	Export of excess electricity to housing	-137.58	0	Sale of PKS	-8845.34	-0.05	Sale of EFB	-616.22	0	Total	-6246.84
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				Estate emissions:						
				Description	Own			3 rd Party		
					tCO2e	tCO2e/ha	tCO2e/tFFB	tCO2e	tCO2e/ha	tCO2e/tFFB
				Land conversion	101147.66	18.01	1.12	0	0	0
				CO2 emission from fertiliser	430.6	0.08	0.00	0	0	0
				N2O emission	30184	5.37	0.34	0	0	0
				Fuel consumption	772.86	0.14	0.01	0	0	0
				Peat Oxidation	47251.39	8.41	0.52	0	0	0
				Crop sequestration	-49224.92	-8.76	-0.55	0	0	0
				Sequestration in conservation area	-550.2	-0.1	-0.01	0	0	0
				Total	130011.39	23.15	1.44	200927.2	0	0
				Palm oil mill effluent (POME) treatment:						
				Divert to compost			0%			
				Divert to anaerobic digestion			100%			
				POME diverted to anaerobic digestion:						
				Diverted to anaerobic pond			18%			
				Divert to methane capture (flaring)			0%			
				Divert to methane capture (electricity generation)			82%			

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, incl. replanting, are identified in a	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance	No	The Social Environmental Impact Assessment (SEIA) including a High Conservation Value Assessment report dated in Feb 2013 was prepared for Tian Siang's Estates and Mill by a consultant. The SEIA covered all twelve estates and one mill. However, it was found that the report was inadequately prepared in that it did not consider the following factors: Access and use rights, Economic livelihoods (e.g. paid employment) and working conditions, Subsistence activities, Cultural and religious values, Health and education facilities. There was also no evidence of any record of meetings being documented. Therefore, a Major NCR RZ-02/2018 was raised.

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<p>participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	No	There was no evidence that the SEIA was done with the participation of the affected parties as no records of meetings were available. Therefore, a Major NCR RZ-03/2018 was raised.
	6.1.3	Plans for avoidance or mitigation of negative impacts & promotion of the positive ones, and monitoring of impacts identified, developed in consultation with the affected parties, doc. and timetabled, incl. responsibilities for impl. Major Compliance	No	The Action Plans meant to mitigate negative impacts and promote positive ones were developed in 2015, 2017 and 2018 and reviewed. However, no minutes of meetings and attendance sheets were sighted during the audit. There is therefore no evidence that the Action Plans were developed in consultation with affected parties. Therefore, a Major NCR RZ-04/2018 was raised.
	6.1.4	The plans shall be reviewed as a min once every 2 yrs & updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There evidence that the review incl. the participation of affected parties. Minor Compliance	No	The Action Plans developed to mitigate negative impacts and promote positive ones. Although these documents were timetabled and identified the persons in charge for taking actions, interviews carried out at the respective estates revealed that knowledge of the implementation and status of the Action Plans was between low and negligible. They were only told to print the document and insert them in the file. There was also no evidence that the Action Plan was developed in consultation with the affected parties. Issues raised in several JCC meetings pertaining to appointment of imam, payment of imam allowance and construction of food bridges in the estates were not captured in the Action Plans dated July 2017 and Jan 2018. Therefore, a Minor NCR RZ-05/2018 was raised.
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes. Minor Compliance	Yes	There was no smallholders scheme at Tian Siang CU and therefore this indicator is not applicable.
<p>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</p>	6.2.1	Consultation and communication proc. shall be documented. Major Compliance	No	A documented Consultation and Grievance Communication Procedures dated March 2013 was made available at all visited estates and mill during the audit. However, there is no evidence that this procedure was designed in collaboration with local communities and other affected or interested parties. Therefore, a Major NCR RZ-06/2018 was raised.
	6.2.2	A management official responsible for these issues shall be nominated. Minor Compliance	No	The management official responsible at Tian Siang Palm Oil Mill was the Mill Manager. However, there was no evidence that management officials have been nominated at Alwae Land Sdn Bhd, Unival Enterprise Sdn Bhd and Vivaprompt Sdn Bhd. Therefore, a Minor NCR RZ-07/2018 was raised.
	6.2.3	A list of stakeholders, records of all comm, incl confirmation of receipt & that efforts are made to ensure understanding by affected parties, records of actions taken in response to input from stakeholders, shall be maintained. Minor Compliance	No	The stakeholder lists were available at all the Estates and Mill, and were last updated in Jan 2018 and May 2018 respectively. They contain the list of suppliers, consultants, contractors, FFB suppliers, transporters, oil refineries, NGOs and government agencies. However, the stakeholder list for the Estates did not include: Two neighbouring plantations and the owners of at least 2 cows and 4 buffalos seen loitering near Alwae Land Sdn and Unival Sdn Bhd. Therefore, a Minor NCR RZ-08/2018 was raised.

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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 whistleblowers, where requested. Major Compliance	No	The estates and mill have developed procedures for reporting complaints and grievances. This was reviewed in Sept 2016 to include the anonymity protection to the complainant and whistleblowers to the extent possible by the management. However, workers interviewed were not aware of their rights to request for anonymity protection. Additionally, issues raised have not been effectively resolved, namely, construction of foot bridges, appointment of an imam and allowances to be paid to imam, remain unresolved since 2016 despite being brought up in JCC meetings. Therefore, a Major NCR RZ-09/2018 was raised.
	6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	No	Complaints regarding house repairs are not being documented, and only given verbally. Disputes between harvesters and management team are not documented. There is no documentation of the process by which a dispute was resolved and outcome available. Dispute raised by 6 harvesters at Vivaprompt over work carried out in excess of their normal hours of work (8 hours) was not documented, not resolved and no outcome was available. Therefore, a Major NCR RZ-10/2018 was raised.
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 and Compensation Procedure" distributed on July 2014.
	6.4.2	A procedure for calculating and distributing fair compensation established and impl, monitored and evaluated in a participatory way, and actions taken as a result of this evaluation. This proc. shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants, long-established comm & differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance	Yes	Tian Siang CU had developed procedures to deal with land disputes, as stated in "Land Dispute and Compensation Procedure" distributed on July 2014. 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. As of the date of this audit, there is are no disputing parties and no claim for compensation made.
	6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be doc, with evidence of the participation of affected parties, and made publicly available. Major Compliance	Yes	According to information provided by the estates' or mill's management, confirmation by local communities and records available, there is no dispute related to customary rights, boundaries or squatters. As such, the use of the procedures is yet to be verified.

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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	For the Mill and Estates being audited, documentation of pay is available in the form of monthly pay slips which were given to the workers at the end of every month. For the field workers such as harvesters, the pay slips contain information such as amount received for work done, e.g. the amount received for harvesting and circle weeding for the month. However, the pay slips did not state the conditions of pay, basis of calculation, and how the figures were derived at. Therefore, a Major NCR RZ-11/2018 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	No	<p>Contracts and conditions of employment are contained in employment contracts signed between respective estate management and workers. The contracts are prepared in Bahasa Malaysia, a language all workers are familiar with. As required by the Sabah Labour Ordinance, pay and work conditions were spelled out in this contract. Among others, the contracts defined 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 were reflected in their pay slips which were issued to the workers during pay day. For the local workers, there was evidence that the payment of statutory contributions such as EPF, SOCSO and Employment Insurance Scheme are being made in accordance with the relevant legal provisions. However, the following non-compliances were found:</p> <ol style="list-style-type: none"> 1. Based on the following workers' pay slips, RM75 were deduction from their salaries, but there is no evidence that some workers had agreed to the same. 2. Consent from workers and permission from the Labour Office to deduct a monthly sum of RM75 is available for all estates, except for Unival Enterprise Sdn Bhd which does not have the consent from the Labour Office. 3. 12 workers sampled at Alwae Land Sdn Bhd do not have any contracts of employment. 4. 8 sampled contracts of employment at Unival Enterprise Sdn Bhd were not signed by estate management. 5. 27 sampled contracts at Unival Enterprise Sdn Bhd have expired and not renewed even when these workers are still working at the respective estates. 6. Continuous monthly salary deductions of RM75 from migrant workers (stated as "passport") as observed at all Estates were not clearly explained by the estate management to the affected workers. The workers do not know when the payments would ceased, and whether it was really deducted to pay for passport costs. For example, two migrant workers (harvesters) interviewed at Vivarompt Sdn Bhd who have worked for 5 years, and one migrant worker who has worked for 4 years informed that the RM75 monthly deductions have been continuously deducted since they day they commenced work at their respective estates. Hence, a Major NCR RZ-12/2018 was raised.
	6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in	No	Field visits to the linesites revealed that generally, the Estates and Mills provide adequate housing to their employees. Among the facilities provided include a mosque, takraw/volleyball/badminton field, creche, a grocery shop and a clinic. The houses are provided rent-free, including free treated water and electricity. Sampled of treated water is taken for regular sampling. Samples are taken and sent to third party lab. Line-site inspections are carried out regularly. Based on records of line-

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		accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible. Minor Compliance		<p>site inspections sighted at Unival Enterprise Sdn Bhd, inspection is being carried out on a weekly basis in acc. with the Workers' Minimum Standard of Housing and Amenities Act 1990. Minor Workers interviewed confirmed that the houses are comfortable except for foul smell that was observed at linesite of Unival Enterprise Sdn Bhd. The houses are generally well-maintained except as indicated below:</p> <ol style="list-style-type: none"> 1. VMO visits to the estate clinic at Karseng are not carried out fortnightly as required under Section 19(1)(3) Workers' Minimum Standards of Housing and Amenities Act 1990. Unauthorized extension of worker's housing at Unival Enterprise Sdn Bhd which contravenes Section 6(1) of the Workers Housing & Amenities Act 1990. 2. Drainage at Unival Enterprise Sdn Bhd linesite does not continuously flow into the monsoon drain at the back of the linesite, but terminates before, and flows into grasses at the back of the linesite. This contravenes Section 23 (1) (b) of the Workers Housing & Amenities Act 1990. Therefore, a Minor NCR RZ-13/2018 was raised.
	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 are free to purchase their daily needs and provisions from either the grocery shop at Karseng Estate, or a grocery shop from the nearby hamlet at Sapuda. If purchases are made in bulk, the shop would deliver the items to the linesites. As for the estate shop at Karseng Estate, every three months, list of prices for goods sold are sent to Karseng Estate office for information. Although the price of items is slightly higher compared to the shop in Sapuda, no complaints are received from the workers regarding the price and quality of food sold. Workers are also allowed to purchase items on credit at both the estate shop as well as the grocery shop in Sapuda. It was evident that Tian Siang CU has demonstrated efforts to monitor and provide workers access to adequate, sufficient and affordable food.
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 parallel means of independent and free association and bargaining for all such personnel.	6.6.1	A published statement in local languages recognising freedom of association shall be available. Major Compliance	No	Tian Siang CU published statements on freedom of association. Such statements are available in local languages as required by the "Social Policy" dated January 2014. However, workers' rights to bargain collectively with their employer is not mentioned in the said Social Policy, nor observed anywhere else within the Tian Siang Oil Mill, Alwae Land Sdn Bhd, Unival Enterprise Sdn Bhd and Vivapromt Sdn Bhd. Therefore, a Major NCR RZ-14/2018 was raised.
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	No	The workers in the estates and mill are not unionized. However, there is a Joint Consultative Committee (JCC) which comprise local and migrant workers' representatives and management. Meetings minutes between workers' representatives and management in the form of Joint meetings were available and sighted. However, issues raised at the JCC meetings have not been effectively acted upon. They have failed to resolve the following two issues: appointment of imam, payment of imam allowance and construction of food bridges. Therefore, a Minor NCR RZ-15/2018 was raised.

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C 6.7 Children are not employed or exploited.	6.7.1	There shall be documentary evidence that minimum age requirements are met. Major Compliance	No	Tian Siang CU Social Policy does not allow children below 18 years old to work in the Estates or Mill. However, no minimum age requirements is stated in any policy or employment contract was observed at the Tian Siang Certification Unit. During visit to the Mill, one of the workers of ST Steam Engineering Sdn Bhd, a company contracted by the Tian Siang Mill in March 2018 to provide Labour, Tools and Materials to replace 24 Lengths Furnace Tubes for Boiler No. 1 at the Mill employs an individual who admits and confirmed that he was 17-year old of age. As the job does not involve light work, this contravenes Section 72 of the Sabah Labour Ordinance. Therefore, a Major NCR RZ-16/2018 was raised.
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	No	Tian Siang publishes statement 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. However, there is no publicly available and documented policy that identifies relevant/affected groups within Unival Enterprise Sdn Bhd, Alwae Land Sdn Bhd, Vivaprompt Sdn Bhd and Tian Siang Palm Oil Mill. These relevant groups comprise the following: <ul style="list-style-type: none"> - At least 18 undocumented migrant workers in the process of passport renewal, hired at Alwae Land Sdn Bhd; - At least 1 migrant worker hired at Alwae Land Sdn Bhd who is in the process of passport renewal; - At least 6 undocumented migrant workers hired at Vivaprompt Sdn Bhd; - At least 11 migrant workers who are in the process of passport renewal hired at Unival Enterprise Sdn Bhd; - At least two permanent residents of Sabah holding red national registration card who are employed at the Tian Siang Mill. Therefore, a Major NCR RZ-17/2018 was raised.
	6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	No	No evidence was provided that migrant workers have not been discriminated against. The following details was obtained during field interviews with the relevant workers: At least two undocumented migrant workers hired at Unival Enterprise SB and Alwae Land SB respectively, are not paid overtime at the rate stipulated under the Sabah Labour Ordinance for working hours exceeding their normal working hours, unlike those available and paid to Malaysian employees. This information from the workers is confirmed by the workers, and the estate staff. The difference in the calculation and amount of wages paid between undocumented migrant workers and local employees is a form of discrimination. Tian Siang CU has failed to provide evidence that migrant workers have not been discriminated against. Therefore, a Major NCR RZ-18/2018 was raised.
	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	No	The recruitment selection and hiring of undocumented migrant workers from Indonesia at Alwae Land SB, Unival Enterprise SB, and Vivaprompt SB are done via word of mouth, brought into the country by their relatives, with no formal assessment via management interviews of their skills, capabilities, and medical fitness. There is no evidence that the hiring of migrant workers are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Tian Siang CU has failed to demonstrate that recruitment selection, capabilities, qualities and medical fitness necessary for the respective jobs. Therefore, a Minor NCR RZ-19/2018 was raised.

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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	No	Tian Siang CU had published policy guidelines on sexual harassment. The guidelines emphasize that sexual harassment is a threat to basic human rights and offenders will be punished accordingly, including termination from work. A Gender Committee has been established with the responsibility of organizing relevant activities and programmes for the members including briefings on the subject of sexual harassment. However, there has been no effective communication of the Gender .NCR RZ-20/2018 was raised.
	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	No	Tian Siang CU had published a policy to protect the productive rights entitled "Social Policy" and "Gender Policy" which should guide the practices in the estates and POM. However, there has been no effective communication to all levels of workforce of the Gender Policy dated 1 July 2012. Therefore, a Major NCR RZ21/2018 was raised.
	6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. Minor Compliance	No	Tian Siang CU has a Sexual Harassment Procedure. The guideline states clearly that victims' identities would be protected to the extent possible, and would not be retaliated against. The guidelines also contain a flowchart for reporting sexual harassment cases. However, there has been no effective communication to all levels of workforce of this specific grievance mechanism which respects anonymity and protects complainants. almost all of them are not aware of this specific grievance mechanism. Therefore, a Minor NCR RZ-22/2018 was raised.
C 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.	6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance	No	As of the audit date on 28 June 2018, the Mill only displayed the current prices paid for FFB. Past prices paid for FFB was not available. Therefore, a Minor NCR RZ-23/2018 was raised.
	6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance	Yes	Based on interviews with two FFB suppliers from nearby areas such Kg. Gomantong, and Kg. Batu Putih, there is evidence that Tian Siang POM has briefed the pricing mechanism to the FFB suppliers. The smallholders were free to send their FFB to other palm oil mill. A hardcopy of pricing mechanism was given to all smallholders as a reference each time FFB is delivered to the Mill.
	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	Contractors, fertilizer and chemical supplier and fertilizer and chemical supplier informs that there is no contract as each order is made on an ad hoc basis. Prices are accepted based on the lowest bidder. Once price is agreed, a purchase order is sent and items delivered. The contractors are of the view that contractual relationship entered into with the Estates and Mill are fair, legal and transparent.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	Yes	Based on interviews with two FFB suppliers from nearby areas , there is evidence that payments for FFB supplied are made in a timely manner, i.e. before 14th day for the subsequent month direct to smallholders' bank account (EFT transfer).

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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	No	Based on the latest stakeholder meeting conducted on 2 November 2017, interview with two FFB suppliers who are from within the neighbouring areas and confirmed during an interview with estate staff, there is no evidence of any contributions made to local development following consultation with the local communities. Therefore, a Minor NCR RZ-24/2018 was raised.
	6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. Minor Compliance	Yes	There is no scheme smallholders, and therefore this indicator is not applicable.
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	No	During interview with 2 mandores at Alwae SB and Unival Enterprise SB, they confirmed that requests were received from estate management to bring in undocumented migrant workers from Indonesia into the estates to work. There is an element of trafficked labour especially when it involves exploitation as these workers have no contracts of employment, no pay slips, work more than 8 hours, with no extra pay. Therefore, a Major NCR RZ25/2018 was raised.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	Yes	As verified through employment contracts, and interviews with 1 driver and 13 harvesters, it was verified that no contract substitution has occurred at the Mill and estates.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	No	There is no special labour policy established within Tian Siang CU which stipulates the following: <ul style="list-style-type: none"> • Statement of the non-discriminatory practices; • No contract substitution; • Post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices etc.; • Decent living conditions to be provided. Therefore, a Major NCR RZ-26/2018 was raised.
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	No	Human Rights policy dated in Jan 2014 was made available at Tian Siang CU, and displayed at estates and mill office notice board. However, there has been no effective communication to all levels of workforce of the Human Rights Policy. Therefore, a Major NCR RZ-27/2018 was raised.
	6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should	No	There are more than 10 children between the ages of 7 to 15 within the Tian Siang CU. Tian Siang CU provides free bus services to send the children to a private school, namely Sekolah Agama Rakyat Ar-Raudah, in Kg Sentosa Jaya. However, this school is approximately 40km away. It also costs their parents RM190 annual fee and RM65 monthly fee for each child. In addition, the children would need to wake up at 4.00AM and be ready by 5.00AM every morning to be sent to

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		engage in a process to secure these children access to education as a moral obligation. Minor Compliance		school. Because of this, many of the foreign workers' children do not have access to education and can be observed loitering about aimlessly at the linesite. Interview conducted with the teacher at the school also confirmed that many of the children drift in and out of school, and payment of fees are often late. Therefore, a Minor NCR RZ28/2018 was raised.
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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. Auditors has verified through checking the www.globalforestwatch.com, GOOGLE Maps, Estate Maps and also through site visit to all three estates. Based on the audit findings, it is confirmed that there were no new planting or new development of areas at Tian Siang CU. 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 pesticide	Yes	Tian Siang CU adopted several continuous improvement in reducing the use of pesticides i.e increasing planting of beneficial plants mainly <i>Tunera subulata</i> , <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> and continuity in monitoring of pest. <i>Neproliphis biserata</i> were maintained and encouraged to be planted in Tian Siang CU. This can be seen in their continuous improvement plan. This was to suppress growth of noxious weeds and thus reduce the use of pesticides for selective weeding. Woodies sprayings were carried out whenever necessary and only twice a year. Blanket spraying was not practiced in order to encourage soft grasses in inter row and frond stacking area. Tian Siang CU continued to manage pests, disease and weeds using appropriate IPM techniques.
	b)	Environmental impacts	Yes	The following were among others items being monitored and reviewed for continual improvement in the pollution prevention /mitigation plan: a) BOD level at effluent final discharge b) P&D control via limiting usage of chemicals and planting of beneficial plants.

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				<ul style="list-style-type: none"> c) Air quality assurance via enforcement of No Open Burning policy. d) 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). e) Construction of water conservation pits f) 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 areas. g) The boiler operation adopted a plan to reduce black smoke emission is via proper usage of burning fuel i.e. shell & fibre, and 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. <p>The Environment Impact Aspect assessment has been conducted by external consultant <i>in Feb 2017</i> to cover all activities in Tian Siang Group. The chief function of this assessment are;</p> <ul style="list-style-type: none"> a) to evaluate and analysis impact on soil erosion, b) water quality deterioration, c) Biomass disposal. <p>Other environment impacts assessed were;</p> <ul style="list-style-type: none"> a) Agrochemical applications, b) land and water contamination from hazardous material and farm vehicles c) Human settlement disturbance and abandonment. <p>Among others the significant environmental impacts are;</p> <ul style="list-style-type: none"> a) the pollution on water and land from chemical activities b) erosion of soil from the plantation activities which related to the management of chemical handling, scheduled wastes and buffer zone maintained activity <p>Among the mitigation and control measure plan taken by the CU were:</p> <ul style="list-style-type: none"> a) application of chemicals should be avoided near the waterways and natural pond. b) Used of chemicals, fertilizers and similar substances are to minimized and limited to only necessary areas and not allowed within the rivers and lakes reserve area. c) Chemicals for P&D only applied when the outbreak has exceeded its threshold level. <p>Wherever viable and economical, biological method of control is be considered.</p>
	c)	Waste reduction (Criterion 5.3);	Yes	<p>The procedures and guidelines were made as a reference to guide the waste disposal activities and to reduce pollution on the routine operation.</p> <ul style="list-style-type: none"> a) The mill wastes disposal are made as follows; <ul style="list-style-type: none"> - approximately 30% EFBs were sent for mulching in the field - The remaining is sent to compost plant for compost production for application as parallel field manure. There are variation of this percentage should the management decides to reduce or increase the compost production. - The crop residue/biomass fibre and shell are used as fuel in the boiler. b) The water and effluent discharge were monitored, and reported monthly and quarterly to

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				<p>DOE in a timely manner, as required in the <i>Jadual Pematuhan</i></p> <p>c) The domestic wastes disposal and management is practiced through the 3R program.</p> <p>d) On the scheduled waste management, a procedure <i>Handling of Schedule Waste</i> is adopted for practice. 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 and meeting compliance.</p> <p>e) Sources of wastes such as fertilizer and chemical containers, spent lubricants, spent hydraulic oil, used batteries, used filters, contaminated rags, empty lubricant, grease and hydraulic oil containers were identified as scheduled wastes.</p> <p>f) For domestic waste disposal is made the land fill area located far away from water sources and line site areas. The management also erected a signage <i>Jaga Kebersihan</i> and part of awareness and education program and also provided rubbish bin at every house at line site.</p>
d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	Yes		<p>The significant pollutants and greenhouse gas (GHG) emissions had been identified and documented as illustrated <i>the Pollution Prevention Plan 2018</i>, and plans to reduce or minimise were being implemented. Among others the plans are;</p> <p>a) The mill – installation of super heater tube at both boilers; the objective being to increase the efficiency of the mill turbines and reduce mill fuel consumption,</p> <p>b) Exercise prudent boiler maintenance management, i.e. to service at a timely schedule and avoid the use of diesel generator that rely on fossil fuel</p> <p>c) The compost plant using the “<i>Methane avoidance</i>” approach i.e. one of its raw material feed is from aerobic pond (<i>note, there was no anaerobic pond at the ETP</i>).</p> <p>In addition the management from both estates and mill had plan to reduce emission by daily inspection and monitoring for their farm tractors/lorries and gen set to prevent any leakage and wear/tear issues problem having significant impact on smoke emission.</p>
e)	Social impacts (Criterion 6.1);	Yes		<p>Among the action plan for continual improvement include legalizing process of undocumented migrant workers. During the audit, a letter from the Immigration Department dated 14 Feb 2018 (Rujukan BPA/12091/GFAFH4132114) giving Alwae Land Sdn Bhd a quota for 20 Indonesia/Philippines workers. Alwae Land has identified 18 workers comprising 14 Indonesian, 4 Philippines for purposes of this legalization process. Application was made on 4 June 2018 through Agensi Pekerjaan Sahabat Sejati S/B, Lahad Datu. As of the date of this audit, the application remains pending.</p>
f)	Encourage optimising the yield of the supply base	Yes		<p>Tian Siang CU is part of a well-established organization. Yield performance has always been the top priority in ensuring long-term economic and financial viability. Various efforts have been carried out to optimise the yield of the plantation. This included minimising crop losses, ensuring the soil fertility by timely and well monitored fertilizer application and biomass recycling. Roads and transportation vehicles well maintained to ensure timely and proper crop. Furthermore, the company has always keep itself updated with possible technological options especially in better planting material.</p>

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Clause	Indicators		Comply Yes/No	Findings
4.5.3 Time-bound plan Note: Where there are isolated lapses in implementation of a time-bound plan, a minor non-compliance shall be raised. Where there is evidence of fundamental failure to proceed with implementation of the plan, a major non-compliance shall be raised;	(a)	As a minimum, all estates and mills shall be certified within 5 years after obtaining RSPO membership. Any new acquisitions shall be certified within a 3-year timeframe. Any deviations from these maximum periods requires approval by the RSPO Secretariat.	NA	Tian Siang CU is 100% certified.
	(b)	Progress towards this plan shall be verified and reported on in subsequent annual surveillance audits by the CB. Where the CB conducting the surveillance audit is different from the CB which first accepted the TBP, the later CB shall accept the appropriateness of the TBP at the moment of first involvement and shall only check continued appropriateness;	NA	
	(c)	Any revision to the time-bound plan or to the circumstances of the company shall cause the time-bound plan to be reviewed by the CB. Changes to the time-bound plan are permitted only where the organization can demonstrate to the CB that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or chamber of commerce (or equivalent);	NA	

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<p>4.5.4 Requirements for uncertified management units:</p>	(a)	No replacement of primary forest or any area required to maintain or enhance HCVs in acc. with P&C criterion 7.3. Any new plantings since 1/1/2010 shall comply with the RSPO NPP. For each new planting dev, compliance with the NPP shall be verified by an RSPO CB;	NA	Tian Siang CU is 100% certified. No uncertified management units.
	(b)	Land conflicts, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with P&C criteria 2.2, 6.4, 7.5 and 7.6;	NA	
	(c)	Labour disputes, are being resolved through a mutually agreed process, in accordance with P&C criterion 6.3;	NA	
	(d)	Legal non-compliance, is being addressed through measures consistent with the requirements of P&C criterion 2.1;	NA	
	(e)	The audit team shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with requirements 4.5.4 (a) – (d) above by the audit team based on self- declarations only by the company, with no other supporting doc, shall not be acceptable. Verification of compliance shall be based on the following approach:	NA	

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		<ul style="list-style-type: none"> A positive assurance statement is made, based upon self-assessment (i.e. internal audit) by organization. This would require evidence of the self-assessment against each requirement; 	NA	
		<ul style="list-style-type: none"> Targeted stakeholder consultation, including consultation with the relevant NGO's will be carried out by the audit team. 	NA	
		<ul style="list-style-type: none"> Desktop study e.g. web check on relevant complaints 	NA	
		<ul style="list-style-type: none"> If necessary, the audit team may decide on further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements. 	NA	
<p>4.6.4</p> <p>The CB shall review whether oil palm operations have been established in areas which were previously owned by users and/or are subject to customary rights of local communities and indigenous peoples. If applicable, the CB shall consult directly with all of these parties to assess whether land transfers and/or land use agreements have been developed with their free, prior and informed consent and check compliance with the specific terms of such agreements.</p>		No additional indicators	YES	<p>As it has been mentioned in 2.2.1 of this checklist, Tian Siang CU owned the land as it was bought from the previous land owner, the Sabah State Government. Based on the interviews and this audit finding, it has been confirmed that there was no such case concerning the rights of local communities and indigenous peoples at Bukit Tian Siang CU.</p>
<p>Note: 1. For requirements 4.5.4 (a)-(d) above, the definition of major and minor NC is stated in the RSPO P&C.</p> <p>For example, if an NC against a major indicator in a non-certified management unit is identified, the current certification assessment cannot proceed to a successful conclusion unless that is actively addressed;</p> <p>2. Failure to address any outstanding NC within uncertified unit(s) regarding 4.5.4 (a)-(d) may lead to certificate suspension(s) to the certified unit(s), in accordance with the provisions of these Certification Systems.</p>				

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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	Major RZ-01/2018	<p>Finding : Vivaprompt Sdn Bhd, Unival Enterprise Sdn Bhd and Alwae Land Sdn Bhd ('Estates') do not comply with relevant legal requirements such as:</p> <ul style="list-style-type: none"> - Immigration Act 1959 (Act 155) and Regulation and Orders - Sabah Labour Ordinance (Sabah Cap 67) - Minimum Wages Order 2016. <p>Objective evidence :</p> <ol style="list-style-type: none"> 1. Based on sampling, the following estates permit undocumented migrant workers to enter or remain at any premises, in in contravention with Section 55E Immigration Act): <ul style="list-style-type: none"> - Vivaprompt Sdn Bhd (6 pax) - Alwae Land Sdn Bhd (28 pax) - Unival Enterprise Sdn Bhd (1 pax) 2. Based on sampling at Alwae Land Sdn Bhd, at least three harvesters received an average of RM27.49 per day, RM30.42, and RM23.23 per day, respectively. This contravenes the Minimum Wages Order 2016. 3. Employees' (staff and workers) salaries are paid after the 9th of every month. This is in contravention of Section 108(1) of the Sabah Labour Ordinance (at the estates only) 4. At least 3 workers at Alwae Land Sdn Bhd who work on rest-day are not paid in accordance with Section 104 (C)(2) of the Sabah Labour Ordinance. 5. At least 6 workers at Vivaprompt Sdn Bhd who work in excess of normal working hours at are not paid a rate in accordance with Section 104 (6) of the Sabah Labour Ordinance. 	<p>1. Vivaprompt Sdn Bhd (6 workers), Alwae Land Sdn Bhd (28 workers) and Unival Enterprise Sdn Bhd (1 worker) name list has been submitted to recruitment agency for legalization process on September 2018. Completion date; 03.09.2018</p> <p>2. Management will review the labour force requirement, and only proven productive harvesters through past record are offered Completion date: 03.09.2018</p> <p>3. Payment of salary for plantation worker were already in accordance to Section 108(1) of the Sabah Labour Ordinance. Completion date: 08.07.2018</p> <p>4 Worker, mandor and staff were reminded that only formal instructed job/task carried out on rest-day and over-time will be paid by estate in accordance to Section 104 (C)(2), Sabah Labour Ordinance.</p> <p>Submitted evidence: Worker A was paid on 4th & 25th May 2018 and Worker B paid on 11th May in accordance with S104 (c)(2) SLO. (If does not exceed half his normal hours of work, one day's wages at the ordinary rate of pay; or (b) which is more than half but does not exceed his normal hours of work, two days' wages at the ordinary rate of pay). Completion date 03.07.2018</p> <p>5. Worker, mandore and staff were reminded that only formal instructed job/task carried out on rest-day and over-time will be paid by estate in accordance to Section 104 (C)(2), Sabah Labour Ordinance Completion date: 14.09.2017</p> <p><u>Verification by auditor:</u> 1. Auditor has received evidence that Tian Siang has sent letter for legalization (Pemutihan) through Agensi Pekerjaan Sahabat Sehati S/B. dated 26/9/2018.</p>

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			<p>On-site verification: Auditor has interviewed all workers at Alwae land, Vivaprompt and Unival Enterprised, and confirmed that All undocumented workers has been sent back to Indonesia for legalization process, but unfortunately auditor found at Alwae Land still employs 6 illegal workers as drivers, harvesters, creche ayah. Vivaprompt still employs 1 illegal worker as driver.</p> <p>Supporting Evidence: Auditor has received letter dated 10/12/18 for 6 workers that get the permission pas lawatan (Kerja Sementara) valid for 1 year. And auditor also received letter dated 29/11/18 from Worker A that he wants to resign as harvester by his consent by immediate effect and returned to Philippines immediately after received the salary.</p> <p>2. Auditor has received evidence on daily Bunches record for Harvester for Month of June 2018. On-site verification: Confirmed by a worker of Alwae Land that he received less than the minimum daily wage in May 2018 because he has not been able to harvest enough due to health issues. He has since stopped harvesting and has been re-assigned to do lighter work as “crane attendant”</p> <p>3. Auditor has verified evidences provided i.e. salaries for June, July & Sept 2018 were approved on 7th July, 4th Aug & 5 Sept respectively. On-site verification: Salaries are being paid latest by 7th of the month as confirmed by all employees interviewed during this verification audit.</p> <p>4. On-site verification: Confirmed by mandore, the workers of Alwae Land that briefing on the new SOP related to working on rest day and overtime has been given and they understood the contents of the SOP.</p> <p>5. On-site verification: Confirmed by mandore of Vivaprompt that the new SOP has been briefed to him and the workers, and they had understood it. Status: Closed</p>
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2.1.1	Major AB-01/2018	<p>Finding :</p> <ul style="list-style-type: none"> a) A unit of air compressor did not possess a valid certificate of fitness from DOSH b) CHRA for Unival Enterprise Sdn Bhd was not available. <p>Objective evidence :</p> <ul style="list-style-type: none"> a) The air compressor used in office complex of Alwae Land Sdn Bhd did not have a valid DOSH certificate of fitness. The machine was purchased in 03/2/14 and processed for validation with DOSH. Till the date of auditing there was no evidence of ODSH certificate being produced by the management b) There was no CHRA made for Unival Enterprise as such in non-compliance to the USECHHR 2000. The document was not available on request 	<p>a) The air compressor in Alwae Land Sdn Bhd usage/operation has been immediately stop/sealed by estate management until Certificate of Fitness obtained from DOSH. Completion date: 01.07.2018.</p> <p>Normal operation will use facility from Karseng Plantation workshop. Appointment with DOSH to do the inspection on 6 Nov 2018 (tentatively).</p> <p>b) Estate requested the assessor to amend CHRA report to include Unival Enterprise Sdn Bhd 's workers Completion date: 12.07.2018</p> <p><u>Verification by auditor:</u></p> <p>a) Auditor has received pictorial evidence of air Compressor has been stop working until Certificate of Fitness obtained from DOSH.</p> <p><u>On-site verification</u></p> <p>Auditor has verified that DOSH officer already inspects the Compressor on 6/11/2018 and Alwae Land already received the certificate on 12/11/18 Compressor no SB PMT 14011</p> <p>b) Auditor has received the evidence that CHRA has been conducted at Unival Enterprise Sdn Bhd on date 10/7/18.</p> <p>Status : Closed.</p>
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4.1.1	MAR-01/2018 Major	<p>Finding:</p> <ol style="list-style-type: none"> 1. Standard operating procedures appropriately documented (Agriculture Manual & Standard Operating Procedures for Oil Palm (2013) but not consistently implemented and monitored. 2. Standard Operating Procedures for water sampling was not documented. Monitoring and action was ineffective. <p>Objective evidence:</p> <ol style="list-style-type: none"> 1. Alwae Land Sdn Bhd, Block 3 Field 1998 harvesting interval was 28 days with traces of uncollected LF and VOPS. Black bunches was also noticed being harvest. Unival Enterprise Sdn Bhd Block 1 Field 1998 with traces of VOPS and delayed in pruning. 2. Water sampling have been taken on 15/12/2017, 6/1/2018 and 27/5/2018. The result showing E-coli and total coliform for three (3) consecutive reading. 	<p>1.To speed up harvesting operation in Alwae Land Sdn Bhd, Block 3/1998, assisting loose fruit gang was deployed to assist harvesters in collecting loose fruit. Registered recruitment agency also requested to supply worker to fulfill harvester shortage. Completion date : 31.08.2018</p> <p>Unival Enterprise Sdn Bhd Block 1/1999- harvesters were instructed to carry out palm pruning simultaneously during harvesting. Maintenance worker were deployed to VOPS maintenance to control and eradicating VOPS problem in targeted area. Completion date: 17.07.2018</p> <p>2. Mill management has established SOP for Water Treatment Plant for operation reference in managing treated water issued. Besides that, sterilized sampling bottles have been used for collecting the treated water sample especially for the parameters of E-coli and Coliform and UV lamps will be changed every 10,000 hours of running. Completion date : 17.07.2018</p> <p><u>Verification by auditor:</u></p> <ol style="list-style-type: none"> 1. Auditor has verified pictorial evidences of Harvesting Interval already reduced, Pruning was already in progress and also Uprooting VOP in progress. The above practices are satisfactory. 2. Auditor has verified evidence of Standard Operating Procedures for water sampling dated 31/10/18, that detailing regarding Water Sampling at water treatment Plant, and also water management Plan and found the evidences satisfactory. <p>Status: Closed</p>
4.3.4	MAR-02/2018 Major	<p>Finding:</p> <p>Subsidence of peat soils monitored not in accordance with the Standard Operating Procedure.</p> <p>Objective evidence:</p> <p>The management have demonstrated monitoring subsidence of peat soils but however not accordingly to the Tian Siang SOP.</p>	<p>Training method for SOP for peat being restructure and conducted where the focus is more on in-field training which required staff to do hands-on training, e.g. measuring ground water level in piezometer, measuring peat subsidence on subsidence pole and measuring water level at main drain and recording of water level data to record book. Completion date: 18.07.2018</p> <p><u>Verification by auditor:</u></p> <p>Auditor has verified pictorial evidence Training on SOP peat conducted on 31/10/18 to all staff and auditor has also received evidence and verified the peat subsidence record.</p> <p>Status: Closed</p>

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4.7.2	Major AB-02/2018	<p>Finding : HIRARC in relation to the following;</p> <ol style="list-style-type: none"> 1. Tian Siang POM - FFB grading did not include heat stress as one of the potential hazard. 2. Viva prompt Sdn Bhd - beneficial plant slashing at roadside not available. <ul style="list-style-type: none"> - store Office cleaning not available - handling of empty lubricant containers not available 3. Unival Enterprise - grass cutting at line site not available. <ul style="list-style-type: none"> - Fabrication of footbridges by Contractor workers . <p>Objective evidence :</p> <ol style="list-style-type: none"> 1. The HIRARC activities for FFB grading (latest review 31/5/17) at the ramp available in Tian Siang Palm Oil Mill has not included heat stroke as the potential hazard as the activities are carried out under the open space with gradual sun exposure. 2. Activities related to beneficial plant slashing, store office cleaning and handling of empty lubricant containers was not available in the HIRARC of Viva Prompt Sdn Bhd. 3. Unival Enterprise has not included grass cutting at line site and also the work performed by a Contractor in fabricating the foot bridges in the HIRARC list 	<p>Tian Siang Oil Mill to update the HIRARC report for FFB grading at ramp area. Completion date: 12.07.2018</p> <p>All estate to update the HIRARC report to include work activity for beneficial plant slashing, office housekeeping , handling of empty lubricant, grass cutting(manual) and fabricating footbridge Completion date: 16.07.2018</p> <p><u>Verification by auditor:</u> Auditor has verified evidence of HIRARC and has updated on 12/7/18 to include:</p> <ol style="list-style-type: none"> a) Mill FFB Grading at ramp b) Beneficial plant slashing c) Office housekeeping d) Handling of empty lubricant containers e) Manual grass cutting f) Fabrication of footbridges. <p>Status: Closed</p>
4.7.3	Major AB 04 2018 (Recurrence)	<p>Finding : PPE non-adherence</p> <ol style="list-style-type: none"> a. Alwae Land Sdn Bhd a harvester was not wearing goggle while working in block 3 field no 1998. (Note: recurrence major) b. A driver for the spraying gang at Unival Enterprise Sdn Bhd was not wearing a proper shoe required for driving purposes. <p>Objective evidence:</p> <ol style="list-style-type: none"> a. During the workers dialogue in the field Block 3 Filed 1998, a harvester was not equipped with goggle for the protection of eye while performing work. b. A driver assigned for the spraying gang at Unival Enterprise Sdn Bhd was observed not wearing a proper shoe required for driving purposes as observed in block 8. 	<ol style="list-style-type: none"> a) To strengthen PPE usage, the plantation management has enforced compulsory PPE usage during morning muster call and on workplace. Workers who turn-up without PPE will be penalized. All information be recorded in "Borang Pemeriksaan Penggunaan PPE".Completion date: 16.07.2018 b) The management will further strengthen driver PPE usage by conducting random spot-check regardless of time and place of work. <p><u>Verification by auditor:</u> a) Auditor has received and verified pictorial evidence of PPE Monitoring records by Estate management dated 1/7/18 and 2/7/18</p> <p><u>On-site verification</u> Auditor has verified that evidence of SOP Harvesting PPE training has been given to harvester on 5/11/18 , monitoring records every one week once last on 27/11/18 and randomly spot check form everyday last on 27/11/18</p>

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			<p>b) Auditor will verify evidence of safety shoes which has been distributed to the Driver on 16/7/18.</p> <p><u>On-site verification</u> Auditor has verified that evidence of SOP Training for Drivers training has been given to driver on 28/10/18 , monitoring of PPE records everyday last on 27/11/18.</p> <p>Status: Closed</p>
4.7.5	Major AB-03/2018 (Recurrence)	<p>Finding ; The First Aid box was not available at the crèche located in Unival Enterprise Sdn Bhd. (Recurrence issue)</p> <p>Objective evidence : During the assessment there was no first aid box sighted/available at the crèche located in Unival Enterprise Sdn Bhd. The management was unable to provide the availability of the item.</p>	<p>Management is to supply First Aid Kit box to Unival Enterprise Sdn Bhd crèche and monthly maintenance will be done by estate clinic staff. Completion date : 18.07.2018</p> <p><u>Verification by auditor:</u> Auditor has verified pictorial evidence of First Aid kits were distributed to Creche and Monitoring records are available by Estate Management.</p> <p><u>On-site verification</u> Auditor has verified that evidence of First Aid kits were available at creche, Monitoring records one month once by HA latest on 27/11/18 and training has been given to creche workers on 5/7/18. Interview with them they understand how to use the First Aid.</p> <p>Status: Closed</p>
4.6.5	Major AB 05 2018	<p>Finding :</p> <ol style="list-style-type: none"> 1) Workers involved in the fertilizer application did not clean /up bath upon completion of work. 2) The workers bathing/washing facilities was stuffed with non-related items. <p>Objective evidence : Unival Enterprise Sdn Bhd</p> <ol style="list-style-type: none"> 1) The lady workers involved in the fertilizer application in Block 5 Field 1998 did not bath / clean (to remove the potential chemical contact) in the workers washing facilities prior to heading home. Only the apron was removed. 2) Non – related items was stored and shared in the space of the 	<p>The management will further strengthen driver PPE usage by conducting random spot-check regardless of time and place of work.</p> <ul style="list-style-type: none"> - Briefing/training to all lady workers that they compulsorily clean themselves before heading home and disciplinary action will be taken for any disobey. <p>Completion date: 16.07.2016</p> <ul style="list-style-type: none"> - Schedule for housekeeping program at washing/bathing facility being developed and conducted on weekly basis. Completion date:16.07.2018 <p><u>Verification by auditor:</u> Auditor has received evidence (pictorial, attendance list) that briefing to workers has been given on 16/7/18. Auditor also received a monitoring form for workers use the washing room. Auditor also received Scheduled</p>

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		washing/bathing facilities creating a potential non-conductive environment to the intent purpose.	housekeeping program at washing/bathing facility. <u>On-site verification</u> Auditor has verified that all sprayer and manure using the new washing/bathing area provided by the Estate Status: Closed
4.8.1	MAR-03/2018 Major	Finding: Training program was done but not effective. The understandings of relevant workers were not satisfied. Objective evidence: Interview was held between auditor, sprayer and harvester at Alwae Land, Unival and Vivaprompt, found that the workers didn't know about the content of the training i.e. work procedures, social, safety and HCV aspect.	Training being immediately conducted by RSPO Manager and for future training programme, where possible a mandore or worker representative will be selected as one of the trainer, so he/she could deliver the training info in their own language. At the end of training season, trainee given the opportunity for asking question for better understanding. Completion date: 23.07.2018 <u>Verification by auditor:</u> Auditor has verified documented evidences on Training Plan and training conducted regarding Social, HCV and Safety on 23/7/18. Status: Closed
5.1.1	MAR-04/2018 Major	Finding: There were activities in the estate not listed and identified in environmental impact assessment. Objective evidence: Activity of handling empty containers sighted at lubricant store of Vivaprompt.	Management to update the document for identifying of all waste product and source of pollution to include handling of empty container at POL store. Completion date: 23.07.2018 Verification by auditor: Auditor has verified documented evidence on 1) handling of empty containers at POL store and 2) documented identification of All Pollution Sources 2018. Status: Closed
5.2.1	Major MZX-01/2018	Finding : HCV Assessment was not adequate Objective evidence : 1. HCV Assesment does not clearly indicate population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller 2. Recommendations in the Assesment are vague without any clear guidance on how to carry out management of HCV or RTE Species	The management through Sustainability Department has requesting form Sabah Wildlife Department (SWD), Kinabatangan, Sabah to conduct a study on wildlife inventory for Tian Siang Holdings Sdn Bhd. The department has agreed to conduct the wildlife inventory for Tian Siang Holdings Sdn Bhd. Correspondence letter as per attached for reference(JHL.KKTN.600-6/4 dated 13.08.2018). The Assessment has been done on 8-9/9/18. Completion date: 30.08.2018 Verification by auditor:

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		3 .HCV Assesment stated is a preliminary assessment as stated in the report and no full assessment has been conduct.	Auditor has received evidence letter dated 13/8/2018 and New HCV report dated 8-9/9/18 collaboration with Sabah Wildlife Department (SWD), Kinabatangan, Sabah and found them to be acceptable. Status: Closed
5.2.2	Major MZX-02/2018	Finding : HCV action plan was inadequate Objective evidence : - HCV action plan does not describe appropriate measure to be taken in management of rare, threatened or endangered (RTE) species or HCV due to HCV Assesment stated is a just preliminary assessment. - Action Plan available is a same Plan since 2013.	Management to update the HVC action plan after completing the rare, threatened or endanger (RTE) species after getting the report from Sabah Wildlife Department. Completion date: 30.08.2018 Verification by auditor: Auditor has received updated HCV action Plan dated November 2018 to include management Plan from New HCV report dated 8-9/9/18 collaboration with Sabah Wildlife Department(SWD), Kinabatangan, Sabah. Auditor has reviewed them and found them to be acceptable. Status: Closed
5.2.3	Minor MZX-03/2018	Objective evidence : Interview with workers at Alwae Land Sdn Bhd, Vivaprompt Sdn Bhd and Unival Enterprise Sdn Bhd reveal that, they do not understand about the status of these HCV and RTE Species. Training for HCV and RTE is just for Buffer zone.	Management to conduct and enhance HCV training program which will include RTE issue in compliance to RSPO P&C - Indicator 5.2.3. Completion date: 18.07.2018 Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.
5.2.4	Minor MZX-04/2018	Finding : Records of monitoring HCV and RTE was inadequate Objective evidence : No proper HCV monitoring was done due to inadequate HCV assessment and HCV action plan.	Management to improve the HCV monitoring program in which will include the RTE monitoring. Completion date: 06.08.2018 Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.
6.1.1	Major RZ-02/2018	Finding: Records of meeting of the Social and Environmental Impact Assessment (SEIA) dated 27 February 2013 was not documented. Objective evidence : The SEIA dated 27 February 2013 contains no records of meeting.	The Management had already contacted the Wild Asia to get the evidence of stakeholder consultation on 29/10/18. Management to conduct meeting to review SIA Action Plan internally and the minutes and attendance list to kept for record purpose.

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			<p>Completion date: 13.09.2018</p> <p><u>Verification by auditor:</u></p> <p>Tian Siang has provided evidence of records meeting with stakeholder conducted by SEIA Consultant Wild Asia dated 22/11/12 together with cover email from consultant. Auditor also received documented evidences of updated meeting with affected parties minutes with attendance on 13 September 2018.</p> <p>Status : Closed</p>
6.1.2	Major RZ-03/2018	<p>Finding: There is no evidence that the assessment was done with the participation of the affected parties.</p> <p>Objective evidence: No record of affected parties' attendance is available for the SEIA dated in Feb 2013.</p>	<p>The Management already contacted the Wild Asia to get the Evidence of Stakeholder consultation on 29/10/18.</p> <p>Management to conduct meeting to review SIA Action Plan internally and the minutes and attendance list to kept for record purpose.</p> <p>Completion date: 13.09.2018</p> <p><u>Verification by auditor:</u></p> <p>Tian Siang has provided evidence of records meeting with stakeholder conducted by SEIA Consultant Wild Asia dated 22/11/12 together with cover email from consultant. Auditor also received documented evidences of updated meeting with affected parties minutes with attendance on 13 September 2018.</p> <p>Status : Closed</p>
6.1.3	Major RZ-04/2018	<p>Finding: Plans for avoidance of mitigation of negative impacts and promotion of positive ones and impacts identified, were not developed in consultation with the affected parties.</p> <p>Objective evidence : There is no evidence that the action plan dated January 2018 was developed in consultation with affected parties.</p>	<p>The management will conduct as meeting/forum to draft out 2018 SEIA action plan to all stakeholders/affected parties to gain additional information.</p> <p>Completion date: 13.09.2018</p> <p><u>Verification by auditor:</u></p> <p>Auditor have received evidence of SIA meetings conducted with affected parties' a on 13 September 2018. Auditor has reviewed and found that the SIA meeting to review action Plan) is accepted.</p> <p>Status : Closed</p>

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6.1.4	Minor RZ-05/2018	<p>Finding: There is no evidence that the review of the action plan included the participation of affected parties.</p> <p>Objective evidence: There is no record of attendance of affected parties during the review of the action plan dated January 2018.</p>	<p>The Management already contacted the Wild Asia to get the evidence of Stakeholder consultation on 29/10/18 and already has obtained the minutes of the stakeholder consultation held on 22/11/12 by Wild Asia together with the email form Wild Asia confirming the evidence submitted.</p> <p>Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.</p>
6.2.1	Major RZ-06/2018	<p>Finding: Consultation and Grievance Communication Procedures was not designed in collaboration with local communities and other affected or interested parties.</p> <p>Objective evidence : There is no evidence that the Grievance Communication Procedures was designed in collaboration with local communities and other affected or interested parties.</p>	<p>Management has conducted meeting with stakeholders on 13 September 2018 (SIA Meeting to Review Action Plan and updated Grievance Communication Procedures) to get additional feedback from them to add in to current procedure. The affected parties had agreed with the procedure.</p> <p>Completion date: 13.09.2018.</p> <p>Verification by auditor: Auditor has received and verified minutes SIA Meeting to Review Action Plan dated 13/9/18 and accepted the evidence.</p> <p>Status: Closed</p>
6.2.2	Minor RZ-07/2018	<p>Finding: No management official responsible was appointed.</p> <p>Objective evidence: There is no evidence management officials responsible were nominated at Alwae Land Sdn Bhd, Unival Enterprise Sdn Bhd and Vivaprompt Sdn Bhd.</p>	<p>The official responsible were already appointed for plantation operation and oil mill operation, however during the audit the estate clerk could not show the appointment letter to the auditor. To display the appointment letter in estate notice board for ease of reference. Completion date: 02.07.2018</p> <p>Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.</p>
6.2.3	Minor RZ-08/2018	<p>Finding: List of stakeholders for Tian Siang Holdings Sdn Bhd is not maintained.</p> <p>Objective evidence : 1. List of stakeholders for Tian Siang Holdings Sdn Bhd does not contain the adjacent estates, namely Nam Wah Plantation and Syarimo IOI 2. Owners of At least 2 cows and 4 buffalos seen loitering near Alwae Land Sdn and Unival Sdn Bhd are not identified.</p>	<p>1.Management will update the stakeholders list. Completion date : 02.07.2018</p> <p>2.Management will asked the buffalo owner to tie their livestock or sell to interested party. Completion date: 02.07.2018</p> <p>Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.</p>

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6.3.1	Major RZ-09/2018	<p>Finding : The "Complaints & Grievances Resolution Procedure RSPO/Est-Mill/P6-6.3.1(1) version 01/2013" and "Consultation & Grievances Communication Procedure - Internal/External RSPO/Est-Mill/P11.2.1(5)/P6-6.2.1(1) dated March 2013" which contains anonymity protection to the complainant and whistleblowers.</p> <p>Objective evidence :</p> <ol style="list-style-type: none"> 1. Workers interviewed (loader & harvesters) were not aware of whistleblower policy, and not aware of their rights to request for anonymity. 2. JCC meetings raised 2 issues which have remained unresolved since 2016. Meetings were held on They are: <ol style="list-style-type: none"> a) Workers' requests for concrete foot bridges were brought up in Joint Consultative Committee Meetings since 2016 and continues unresolved until the last JCC meeting on 12 May 2018. b) Workers' issue on the appointment and payment of allowances to an 'imam' remains unresolved since it was first raised in the JCC meeting in 2016. 	<p>1. Training on this policy to conduct to all workers in related to this policy. Completion date: 03.09.2018</p> <p>2. Foot bridge- The management already given his decision on footbridge on next coming JCC meeting, however the JCC minutes meeting not completely elaborated this issue in details due to recording error, JCC minutes of meeting were distributed to worker's representative so that they could deliver management outcome on JCC agenda that being discussed. This minutes are submitted to SIRIM.</p> <p>Regarding Imam issue, Management already paid the Allowance as per agreeable amount in the meeting since June 2018. Completion date: 02.07.2018</p> <p>Verification by auditor:</p> <ol style="list-style-type: none"> 1. Auditor has received Evidence of Policy training dated 23 July 2018 covering HCV, Complaints, 3R and Social Policy. To verify on site on whether the training had involved ALL workers. <p><u>On-site verification:</u> Confirmed by mandore that training has been carried out for all workers on July 2018 and workers are understand regarding this issue when interviewed.</p> <p>2. a. Verified with mandore of Vivaprompt and Unival that the JCC meeting minutes have been distributed to all workers representative.</p> <p>b. Auditor had also sighted evidence that RM100 allowance was already paid to imam since June 2018.</p> <p><u>On-site verification:</u> The imam, confirmed that imam allowance of RM100 has been paid to him. Auditor also verified payment voucher since June 2018</p> <p>Status: Closed</p>
6.3.2	Major RZ-10/2018	<p>Finding : There is no documentation of the process by which a dispute was resolved and outcome available.</p> <p>Objective evidence : Dispute raised by 6 harvesters at Vivaprompt over</p>	<p>There is company's Complaint and Grievance Procedure, so that worker's request could be attended by the management. In this case, there were no formal complaints records from these 6 harvesters due to lack of</p>

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		work carried out in excess of their normal hours of work (8 hours) was not resolved and no outcome was available.	<p>understanding on how to express their concern.</p> <p>All workers and Field Conductor mainly from Vivaprompt to be trained/brief on Complaints and Grievances Procedure to make them understand the standard procedure on dealing this issue. Completion date: 02.07.2018</p> <p>Verification by auditor: Auditor has verified evidence of policy training dated 23 July 2018 covering HCV, Complaints, 3R and Social Policy and found them to be acceptable.</p> <p>Status : Closed</p>
6.5.1	Major RZ-11/2018	<p>Finding: Workers' conditions of pay are not available.</p> <p>Objective evidence : Workers' payslips at Unival Enterprise Sdn Bhd (Dec 2017, Jan 2018, May 2018) do not provide clear methods of calculating basic wages and allowances received.</p>	<p>Details of work terms and condition of payment to be displayed on estate notice board for worker's reference and a copy of worker's payslip will be kept in estate office. The documents are submitted to SIRIM. Completion date :03.09.2018</p> <p>Verification by auditor: Auditor has received and verified evidence Latest payslip and calculation of wages.</p> <p><u>On-site verification:</u> Details on methods of calculation of wages have been publicly displayed on the office notice board. Interview with workers confirm they understand regarding this.</p> <p>Status : Closed</p>
6.5.2	Major RZ-12/2018	<p>Finding :</p> <ol style="list-style-type: none"> 1. Some migrant workers do not sign contracts of employment. 2. Some migrant workers' contracts were not signed by estate management. 3. Some migrant workers' contracts have expired and not renewed even when they are still working. 4. Salary deductions of RM75 per month not explained carefully by management <p>Objective evidence : 1. 12 workers sampled at Alwae Land Sdn Bhd do not have any</p>	<p>- Management will provide affected worker with valid job contract and the estate manager to verify the job contract. All job contract will be re-verified by General Manager-Plantation</p> <p>- Plantation management will establish documented guideline on passport deduction and briefing to conduct for better understanding of workers. Completion date: 03.09.2018</p> <p>Verification by auditor: 1. Auditor has received evidence new contract for Alwae Land. Auditor to interview with workers to gauge understanding the contents of contract.</p>

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		<p>contracts of employment.</p> <p>2. 8 sampled contracts of employment at Unival Enterprise Sdn Bhd were not signed by estate management.</p> <p>3. 27 sampled contracts at Unival Enterprise Sdn Bhd have expired and not renewed.</p> <p>4. No prior permission was obtained by Unival Enterprise Sdn Bhd from the Labour Office as required under Section 113(4) Sabah Labour Ordinance for the monthly deductions of RM75 from migrant workers' wages.</p> <p>5. Continuous salary deductions from migrant workers of RM75 per month and stated as "Passport" observed at Unival Enterprise Sdn Bhd, Alwae Sdn Bhd and Vivaprompt Sdn Bhd were not clearly explained by the estate management to the migrant workers about when the deductions would cease. For example:</p> <p>-Two documented migrant workers (harvesters) interviewed at Vivaprompt who have worked for 5 years, and one undocumented migrant worker (driver) who has worked for 4 years informed that the RM75 monthly deductions have been continuously deducted since the day they commenced work at their respective estates.</p>	<p>On-site verification:</p> <p>Interviewed workers who confirmed that they have been briefed on the contents of the employment contract and they confirmed their understanding. The rest of the workers named in above paragraph have left the estate.</p> <p>2. Auditor has received evidence of 8 signed contracts of employment at Unival Enterprise Sdn Bhd. Auditor shall also verify on the contents of guideline and effectiveness of the briefing. Interviewed some workers. They confirmed that they have been briefed on the contents of the employment contract and confirmed their understanding. The rest of the workers named in above paragraph have left the estate.</p> <p>3. Auditor has received evidence of Unival Enterprise. Interviewed workers of Unival Enterprise have been briefed on the contents of the employment contract and they confirmed their understanding.</p> <p>4. Auditor has received documented evidence on workers' salary deductions Letter dated in Sept 2018 to Jabatan Tenaga Kerja Untuk Permohonan Simpanan Pasport, Pinjaman dan Stor and the response from JTK shall be verified in the verification audit. And evidence of salary refund.</p> <p>Evidence of salary refund is available, See bundle of evidence file.</p> <p>5. Auditor has received evidence of briefing regarding deduction of RM 75 of harvesters and driver on date 03.09.2018. However auditor will interview the workers to confirm during the verification audit.</p> <p>Interviews held with who confirmed that explanation on salary deduction of RM75 per month has been given and they confirmed their understanding.</p> <p>Status : Closed</p>
6.5.3	Minor RZ-13/2018	<p>Finding: Workers' Minimum Standards of Housing and Amenities Act 1990 are not complied with.</p> <p>Objective evidence :</p> <p>1. VMO visits to the estate clinic at Karseng are not carried out fortnightly as required under Section 19(1)(3) Workers' Minimum Standards of Housing and Amenities Act 1990. The visits were carried out on 10 Jan 2017, 10 May 2017, 18 Oct 2017, 11 April 2018,</p>	<p>1. VMO will conduct estate visit according to Section 19(1)(3) Minimum Standards of Housing and Amenities Act 1990</p> <p>2.All unauthorized extension of worker housing was dismantled by management and notice were given to all workers that any building extension required management approval before proceeding.</p> <p>3.Contractor were hired to upgrade the drainage in Unival Enterprise Sdn Bhd</p> <p>4.Each gotong-royong program were done with supervision by estate Field Conductor/Assistant Manager.</p>

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		<ol style="list-style-type: none"> 2. Unauthorized extension of worker's housing at Unival Enterprise Sdn Bhd which contravenes Section 6(1) of the Workers Housing & Amenities Act 1990. 3. Drainage at Unival Enterprise Sdn Bhd linesite does not continuously flow into the monsoon drain at the back of the linesite, but terminates before, and flows into grasses at the back of the linesite. 4. Foul smell was observed at Unival Enterprise Sdn Bhd linesite. 	<p>Completion date: 03.09.2018</p> <p>Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.</p>
6.6.1	Major RZ-14/2018	<p>Finding: There is no published statement in local languages which recognizes workers' freedom of association and the rights to bargain collectively with their employer</p> <p>Objective evidence : Workers' rights to bargain collectively with their employer is not mentioned in the published Social Policy dated January 2014, or observed anywhere else within the Tian Siang Oil Mill, Alwae Land Sdn Bhd, Unival Enterprise Sdn Bhd and Vivaprompt Sdn Bhd.</p>	<p>Management to amend the Social Policy to include phrase "workers' right to bargain collectively with employee". Completion date: 03.07.2018</p> <p>Verification by auditor: Auditor has verified evidence on new Social policy dated 19 Sept 2018 that included words "workers' right to bargain collectively"</p> <p>Status : Closed</p>
6.6.2	Minor RZ-15/2018	<p>Finding: Minutes of meetings minutes between workers' representatives and management was available, but not effectively acted upon.</p> <p>Objective evidence: Minutes of meeting of JCC dated 12 May 2018, 23 Jan 2018, 19 Sept 2017, 11 April 2017, 15 Feb 2017, 12 Oct 2016 have failed to resolve the following two issues: appointment of imam, payment of imam allowance and construction of foot bridges.</p>	<p>JCC minutes meeting to distribute to worker's representative so that they could delivered management outcome on JCC agenda that being discussed. Completion date: 02.07.2018</p> <p>Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.</p>
6.7.1	Major RZ-16/2018	<p>Finding :</p> <ol style="list-style-type: none"> 1. There is no documentary evidence that minimum age requirements are met. 2. A contractor (ST Steam Engineering Sdn Bhd) engaged by the Mill via Contractor Agreement dated 6 March 2018 employs a 17 year old person. <p>Objective evidence :</p> <ol style="list-style-type: none"> 1. No minimum age requirements stated in any policy or 	<p>Mill Management has developed Contract Agreement form (Form C.A-1) which include all government law and regulation that the contractor need to comply before approval of work could be given by the management.</p> <p>Completion date: 02.08.2018</p> <p>Verification by auditor: Auditor has received and verify evidence Contract Agreement Form C.A-1) which include all government law and regulation. Auditor will verify effective</p>

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		<p>employment contract was observed at the Tian Siang Certification Unit.</p> <p>2. ST Steam Engineering Sdn Bhd who is contracted by the Tian Siang Mill on 5 March 2018 to provide Labour, Tools and Materials to replace 24 Lgths Boiler Tubes for Boiler No. 1 at the Mill employs a 17 year old individual. This contravenes Section 72 of the Sabah Labour Ordinance.</p>	<p>Implementation during verification Audit.</p> <p>On-site verification: The use of the form has been implemented by the Mill management.</p> <p>Status : Closed</p>
6.8.1	Major RZ-17/2018	<p>Finding: There is no publicly available and documented equal opportunities policy including identification of relevant/affected groups within Unival Enterprise Sdn Bhd, Alwae Sdn Bhd, Vivaprompt Sdn Bhd and Tian Siang Palm Oil Mill.</p> <p>Objective evidence: A publicly available equal opportunities policy which the includes the identification of the following groups is not available at Unival Enterprise Sdn Bhd, Alwae Sdn Bhd, Vivaprompt Sdn Bhd and Tian Siang Palm Oil Mill:</p> <ul style="list-style-type: none"> • At least 18 undocumented migrant workers and 1 migrant worker in the process of passport renewal, hired at Alwae Sdn Bhd, • At least 6 undocumented migrant workers hired at Vivaprompt Sdn Bhd • At least 11 migrant workers who are in the process of passport renewal hired at Unival Enterprise Sdn Bhd. • At least 1 migrant worker hired at Alwae Sdn Bhd who is in the process of passport renewal • At least two permanent residents of Sabah holding red national registration card who are employed at the Tian Siang Mill. 	<p>Management will establish equal opportunity policy to fulfill this RSPO indicator. Completion date: 03.09.2018</p> <p>Verification by auditor: Auditor has verified evidence of Equal Opportunity Policy dated 23 September 2018 and it identifies the affected groups within the Tian Siang estates and mill.</p> <p>Status : Closed</p>
6.8.2	Major RZ-18/2018	<p>Finding: No evidence can be provided that migrant workers have not been discriminated against.</p> <p>Objective evidence: At least two undocumented migrant workers hired at Unival Enterprise Sdn Bhd and Alwae Land Sdn Bhd respectively, are not paid overtime at the rate stipulated under the Sabah Labour Ordinance for working hours exceeding their normal working hours, unlike those available and paid to Malaysian employees.</p>	<p>Investigation found that the affected worker from Unival Enterprise Sdn Bhd and Alwae Land Sdn Bhd are working at Creche. Disputed arise due to estate management not yet establish Creche Procedure, working hours and communicate it to creche worker.</p> <p>Management will establish 'Creche Procedure " and conducting briefing to Unival Enterprise Sdn Bhd and Alwae Land Sdn Bhd creche workers for better understanding of the procedure include the term and condition of work for over time claim.</p>

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			<p>Completion date : 03.09.2018</p> <p>Verification by auditor: Auditor has verified evidence of new 'Creche Procedure' developed and the procedure has been communicated to Creche workers on 1/11/18</p> <p>On-site verification: Interviews conducted with creche workers confirmed that briefing on this procedure for overtime has been given and they confirmed their understanding.</p> <p>Status : Closed</p>
6.8.3	Minor RZ-19/2018	<p>Finding: There is no evidence that the hiring of migrant workers at the are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p> <p>Objective evidence: The recruitment selection and hiring of undocumented migrant workers from Indonesia at Alwae Land Sdn Bhd, Unival Enterprise Sdn Bhd, and Vivaprompt Sdn Bhd are done via word of mouth, brought into the country by their relatives, with no formal assessment via management interviews of their skills, capabilities, and medical fitness.</p>	<p>Management will conduct briefing on this issue to estate management, mandore and recruitment agency to comply this requirement. Completion date: 03.08.2018</p> <p>Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.</p>
6.9.1	Major RZ-20/2018	<p>Finding: Gender Policy dated 1 July 2012 is not communicated to all levels of workforce.</p> <p>Objective evidence: There has been no effective communication of the Gender Policy dated 1 July 2012 as was evident from interviews with 1 driver, 12 harvesters, 3 creche workers, and 3 contractors interviewed at Alwae Land Sdn Bhd, Unival Enterprise Sdn Bhd and Vivaprompt Sdn Bhd.</p>	<p>Gender Committee training has already include male representative and contractor worker for better communication of the policy and understanding regarding this issue. Completion date : 20.09.2018</p> <p>Verification by auditor: Auditor has verified briefing training records on Gender Policy and Human Rights dated on 20 Sept 2018 which has included the Male and contractor worker</p> <p>Status : Closed</p>
6.9.2	Major RZ-21/2018	<p>Finding: Gender Policy dated 1 July 2012 is not communicated to all levels of workforce.</p> <p>Objective evidence : There has been no effective communication of the Gender Policy dated 1 July 2012 as was evident from interviews with 1</p>	<p>Gender Committee training and briefing on Reproductive Rights in Gender Policy and Human Right procedure were conduct mainly to include all level of male worker in Alwae, Viva and Unival. Completion date : 20.09.2018</p>

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		driver, 12 harvesters, 3 creche workers, and 3 contractors interviewed at Alwae Land Sdn Bhd, Unival Enterprise Sdn Bhd and Vivaprompt Sdn Bhd.	<p>Verification by auditor: Auditor has verified briefing training records on Gender Policy and Human Rights dated on 20 Sept 2018 which has included the Male and contractor worker</p> <p>Status : Closed</p>
6.9.3	Minor RZ-22/2018	<p>Finding: The Sexual Harassment Procedure – RSPO P6:6.9.2 version 1, dated June 2014 which respects anonymity and protects complainants where requested has not been communicated to all levels of workforce.</p> <p>Objective evidence : There has been no effective communication of the Sexual Harassment Procedure as was evident from interviews with 1 driver, 12 harvesters, 3 creche workers, and 3 contractors interviewed at Alwae Land Sdn Bhd, Unival Enterprise Sdn Bhd and Vivaprompt Sdn Bhd.</p>	<p>Sexual Harassment Procedure-RSPO P6.6.9.2 to explain separately with female and male worker for better discussion and to inform that management will protect identity of complainants.</p> <p>Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.</p>
6.10.1	Minor RZ-23/2018	<p>Finding: Current and past prices paid for Fresh Fruit Bunches (FFB) not publicly available.</p> <p>Objective evidence: Current and past prices paid for Fresh Fruit Bunches (FFB) not publicly available at the Mill weighbridge on 28 June 2018.</p>	<p>Mill management has display the FFB price at weighbridge clerk counter, and the Mill Engineer responsible to do random checking weekly. Completion date: 12.07.2018</p> <p>Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.</p>
6.11.1	Minor RZ-24/2018	<p>Finding: There was no evidence of any contributions to local development.</p> <p>Objective evidence: Based on the latest stakeholder meeting conducted on 2 November 2017, interview with two FFB suppliers (Suppliers is actually from nearby villagers) on 28 June 2018 and Confirm with estate staff on 27 June 2018, there was no evidence of any contributions to local development.</p>	<p>Estate and mill management will include this topic as one of the meeting agenda-company's CSR in each stakeholders meeting. Completion date: 04.11.2018</p> <p>Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.</p>
6.12.1	Major RZ-25/2018	<p>Requirement 6.12.1: There shall be evidence that no forms of forced or trafficked labour are used.</p> <p>Finding: There is evidence that Alwae Land Sdn Bhd, and Vivaprompt Sdn Bhd actively support human trafficking.</p>	<p>Management will conduct briefing on this issue to estate management, mandore and recruitment agency to comply this requirement. Completion date: 06.09.2018 Management also sending all undocumented workers to recruitment agency for legalization process on September 2018. Completion date; 03.09.2018</p>

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		<p>Objective evidence: Interview with 2 mandores at Alwae Sdn Bhd and Unival Enterprise Sdn Bhd, they confirm that requests were received from management to bring undocumented migrant workers into the estates to work in the estates. These workers are exploited because they have no contracts of employment, no pay slips, work more than 8 hours, with no extra pay.</p>	<p>Verification by auditor: Auditor has verified evidence 'Foreign Worker Recruitment Procedure' communicated by Top Management, Manager, Assistant Manager, Staff and Mandore on 6/9/18, Auditor also has received evidence that Tian Siang has sent letter for 'Pemutihan' through Agensi Pekerjaan Sahabat Sehati S/B. dated 26/9/2018</p> <p>On-site verification: Interviews conducted with mandores Ghaffar, Erna Sudin and Jaafar Torian confirmed that briefing on foreign workers recruitment policy has been given and they confirmed their understanding.</p> <p>Status : Closed</p>
6.12.3	Major RZ-26/2018	<p>Finding: There is no special labour policy and procedures established.</p> <p>Objective evidence: There is no special labour policy established which includes the following:</p> <ul style="list-style-type: none"> - Statement of the non-discriminatory practices; - No contract substitution; - Post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices etc.; - Decent living conditions to be provided. 	<p>Management has established " Foreign Worker Recruitment Procedure- RSPO P6.12.3/July 2018 " as guideline to manage recruitment of worker's issue. Conduct briefing on Foreign Worker Recruitment Procedure to all worker and staff for effective compliance to the policy Completion date: 06.09.2018</p> <p>Verification by auditor: Auditor has verified evidence 'updated Foreign Workers Recruitment Procedure that include' No contract substitution' under Clause 4.0 (1). Also auditor has received evidence of training regarding Foreign Workers Recruitment Procedure dated 06.09.2018. The evidences are acceptable.</p> <p>Status : Closed</p>
6.13.1	Major RZ-27/2018	<p>Finding: The policy to respect human rights was not effectively communicated.</p> <p>Objective evidence: Interview with harvesters and mandores revealed that they do not understand the meaning of human rights.</p>	<p>Management will conduct talks/training on human right issue to all workers Completion date: 20.09.2018</p> <p>Verification by auditor: Auditor has verified evidence of Gender Policy and Human Rights briefing on 20 Sept 2018 to all workers and found it to be acceptable.</p>
6.13.2	Minor RZ-28/2018	<p>Finding: There is no Humana school available at the Tian Siang CU.</p> <p>Objective evidence: There are more than 10 children between the ages of 7 to 15 within the Tian Siang CU. They do not have access to education via Humana school.</p>	<p>Management will study on construction of learning centre in plantation in 3 years plan (2019-2021) provided the number of children as sufficient for learning centre to be built in plantation.</p> <p>Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.</p>

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RSPO SUPPLY CHAIN			
Clause 5.3	Major MZX-05/2018	<p>Finding : Non-compliance with requirement where the site shall have written procedures and/or work instructions to ensure the implementation of all elements of the applicable supply chain model specified.</p> <p>Objective evidence : Tian Siang POM : An procedure of Operation for Module D – Identity Preserved (CPO Mill) revised dated 12 Aug 2015 does not cover all the above element.</p>	<p>The internal audit team and internal audit procedures have been established and first internal audit has also been conducted on 07/08/2018, two issues have been found and resolved</p> <p>Verification by auditor: Auditor has received evidences of internal audit has been conducted on 7/8/2018 and a new Updated SCCS procedure dated 7/11/18 and found them to be acceptable.</p> <p>Status : Closed</p>
Clause 5.12	Major MZX-06/2018	<p>Finding: No evidence of documented procedures for collecting and resolving stakeholder complaints.</p> <p>Objective evidence : Tian Siang POM : An procedure of Operation for Module D – Identity Preserved (CPO Mill) revised dated 12 Aug 2015 does not cover procedures for collecting and resolving stakeholder complaints.</p>	<p>The Complaint procedures and forms has been setup and ready for use</p> <p>Verification by auditor: Auditor has received evidence of new updated SCCS Procedure. dated 7/11/18 has addressed Complaints in clause 5.12 of Complaint Procedure and found them to be acceptable</p> <p>Status : Closed</p>
Clause 5.13	Major MZX-07/2018	<p>Finding: Non-compliance with requirement above</p> <p>Objective evidence : Tian Siang POM : No evidence that management review has been done by the Management.</p>	<p>The management review committee has been formed and first review conducted on 9/08/2018 and enclosed the records of review</p> <p>Verification by auditor: Auditor has received evidence that management review has been conducted on 9/8/18 and has included the result of internal audit.</p> <p>Status : Closed</p>

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Attachment 5

RSPO SUPPLY CHAIN : AUDIT CHECKLIST

SECTION A : GENERAL INFORMATION

1. File Reference No.	: ES10170013
2. Name of facility/ site(s) /entity(ies)	: Tian Siang Holdings Sdn Bhd - Tian Siang Oil Mill Sdn Bhd
3. Site Location (single site/multisite/Group)	: Tian Siang Oil Mill Sdn Bhd, 10 KM off 65 KM, Lahad Datu – Sandakan Road, 91118 Lahad Datu, Sabah, Malaysia
4. SC model	: Identity Preserved and Mass Balance
5. Type of entity	: Mill / Crusher / Refinery / Biodiesel plant / Primary Oleochemical / Secondary Oleochemical / End product manufacturer <i>For oleochemicals and its derivatives, please check the conversion factor against the "RSPO Rules for Oleochemicals and its Derivatives" dated 1st December 2016</i>
6. RSPO Member Number	: 1-0097-11-000-00
7. Annual summary records of certified oil palm products purchased and claimed	: Projected for last year for period of July 17 until June 18 (Identity Preserved) CPO Projected: 19,577.50 mt PK Projected: 4,775.00 mt CPO Sell: 18,550.49 mt CPO Claim as Identity Preserved: 18,550.49mt CPO Non-RSPO: 21,138.45 mt PK Sell: 4,681.60 mt PK Claim as Identity Preserved: 4,776.33 mt PK Non-RSPO: 5,075.27 mt

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SECTION B (i): RSPO SUPPLY CHAIN CERTIFICATION SYSTEM (REVISED JUNE 2017)

	Requirements	Remarks
	Audit Process Requirements – FOR STAGE 2 / RECERTIFICATION AUDIT	
5.3.8	The certification audit shall review whether the organizational systems, the management systems and the operational systems, including any documented policies and procedures of the organization seeking or holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard.	NA
	Audit Process Requirements – SURVEILLANCE AUDIT	
5.3.26	<p>The surveillance audit shall review whether the organizational systems, the management systems and the operational systems, including any documented policies and procedures of the organization holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard.</p> <p>In cases where an organization seeking certification outsources activities to independent third parties, a risk assessment shall be done by the CB to determine whether an audit of the sub-contractor is required. If the outsourced contractor holds RSPO Supply Chain certification, then it does not require an additional audit.</p>	<p>The organizational systems, the management systems and the operational systems, including any documented policies and procedures of Tian Siang Palm Oil Mill (hereafter refers as TSPOM) are sufficient and adequate in complying with latest revision of RSPO Supply Chain Certification Standard.</p> <p>TSPOM only being certified with RSPO, no other management system implemented on site. Mr. Ling Wah King has been appointed as the RSPO Management Representative.</p>

SECTION B : GENERAL CHAIN OF CUSTODY REQUIREMENTS FOR THE SUPPLY CHAIN

	Requirements	Remarks
1	Applicability of the general chain of custody requirements for the supply chain	
1.1	Organization takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors.	Tian Siang POM has legal ownership and physically handles RSPO certified sustainable crude palm oil and palm kernel.
1.2	Traders and distributors require a licence obtained from RSPO to sell RSPO certified product but do not themselves require certification. When selling RSPO certified product a licensed trader and/or distributor must pass on the certification number of the product manufacturer and the applicable supply chain model.	Not applicable due to Tian Siang POM is processing facility.
1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform	Registered under parent company: TIAN SIANG OIL MILL

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1.4	Processing aids do not need to be included within an organization's scope of certification.	No processing aid involved in Tian Siang POM scope of certification
2	Supply chain model	
2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	Tian Siang POM has aware on the need to downgrading of supply chain model. Incoming FFB and products dispatch record was verified and confirmed no downgrading was implemented.
2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	Tian Siang POM has continued to maintain 2 Model which are IP and MB model.
3	Documented procedures	
3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:	A procedure of Operation for Module D – Identity Preserved (CPO Mill) revised dated 12 Aug 2015 describing the procedures on the following activities related on its supply chain certification standard required by the RSPO.
a)	Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.	Supply chain procedure was revised 12 Aug 2015. The Procedure was sighted by auditor and found that not all elements of the RSPO Supply Chain standard were covered therefore Major NCR MZK-05/2018 was raised.
b)	Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).	Sighted CPO and PK production record, weighbridge report, dispatch record and training record was up to date and well maintained.
c)	Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization's procedures for the implementation of this standard.	Mill Manager and RSPO Staff has had the overall responsible and authority over the implementation of RSPO supply chain requirement in RSPO Tian Siang POM. Interview with mill manager, assistant mill manager, RSPO Staff & weighbridge operator was confirmed they are understood the supply chain requirements.
3.2	<p>The site shall have a written procedure to conduct annual internal audit to determine whether the organization;</p> <p>i. Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <p>ii. Effectively implements and maintains the standard requirements within its organization.</p> <p>Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct nonconformities shall be subject to management review at least annually. The organization shall be able to maintain the internal audit records and reports.</p>	<p>A procedure of Operation for Module D – Identity Preserved (CPO Mill) revised dated 12 Aug 2015 describing the procedures on the following activities related on its supply chain certification standard required by the RSPO.</p> <p>However it was found that, the Procedure was not address the Internal Audit that include Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents and Effectively implements and maintains the standard requirements within its organization. Therefore Major NCR MZK-05/2018 was raised.</p>

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4	Purchasing and goods in	
4.1	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and following minimum information for RSPO certified products is made available by the supplier in document form:</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment / delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply Chain certificate number of the seller; • A unique identification number. <p>Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).</p>	<p>Tian Siang POM had continued received FFB supply from own company for IP model estate namely Kumpulan AGM (Holding), Tian Siang Plantation, Karseng Plantation, Ladang Koh Koh, Karseng Construction, Promasia, Ken Fu Development (Sabah), Alwae Land, Manjung Plantation, Vivaprompt, Mosconcord, and Unival Enterprise.</p> <p>For MB Model there are 15 Out grower and 66 Small Holder.</p> <p>Tian Siang POM has received 90390.04MT of RSPO FFB from own estates for their processing activities.</p>
a)	The site shall have documentation that demonstrate that purchases are made to the material category agreed with their supplier (IP, SG or MB).	Available
b)	The site ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcement and Shipping Confirmation on the RSPO IT platform on the level of each shipment.	Tian Siang POM has registered in IT platform
c)	A check of the validity of the Supply Chain Certification of suppliers for all sites that are SC certified. This shall be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements.	Tian Siang POM had continued received FFB supply from own company for IP model estate namely Kumpulan AGM (Holding), Tian Siang Plantation, Karseng Plantation, Ladang Koh Koh, Karseng Construction, Promasia, Ken Fu Development (Sabah), Alwae Land, Manjung Plantation, Vivaprompt, Mosconcord, and Unival Enterprise. For MB Model there are 15 Out grower and 66 Small Holder.
4.2	The site shall have a mechanism in place for handling non-conforming material and/or documents.	Tian Siang POM has established Weighbridge Nett is cater to control incoming material and outgoing products. The FFB supplier & Product buyer & its vehicle registration has to been registered in the system prior weighing. RSPO Supply Chain procedure item 18.5.1

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		has indicate the mechanism to handle nonconforming material/documents such as validity of certificate supplying estate.
5	Outsourcing activities	
5.1	<p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard.</p> <p><i>This requirement should not apply to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the organization (not the tank farm manager).</i></p>	There are 1 outsource company CPO and 4 outsource PK transporter, agreement document was available and communication on the RSPO supply chain requirement were communicated to them. Record of training was sighted.
5.2	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ul style="list-style-type: none"> a) The site has legal ownership of all input material to be included in outsourced processes; b) The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The responsibility is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. c) The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance. 	<ul style="list-style-type: none"> a) There are 1 outsource company CPO and 4 outsource PK transporter b) There is contract document between Tian Siang POM and the transporters. c) The RSPO Supply Chain procedure (Procedures of operation for Module D – IP (CPO Mill) Chapter 11, Dispatching CSPO & PK has described on outsource activity. d) The Third Party understand the RSPO requirement, also stated in the contract. <p>Inspection was carried out as additional effort to ensure no contamination sighted book at AP Post.</p>
5.3	The site shall record the names and contact details of all contractors used for the processing or production of RSPO certified materials.	List of contact person for both transporters were made available and up-to-date.
5.4	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or production of RSPO certified materials.	No new contractors used for the processing or production of RSPO certified materials.

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6	Sales and goods out	
6.1	<p>The organization shall ensure that the following minimum information for RSPO certified products is made available in document form. Information must be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation):</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number; • A unique identification number. 	<p>The procedure in handling of sale and delivery was sighted and found adequate. Sales activities usually handled Tian Siang and Marketing Department (HQ) on behalf of Tian Siang POM.</p> <p>From July 2017 to June 2018, Tian Siang POM had delivered 17,462.63 mt of CPO IP and 0 mt of CPO MB to 1 buyer only (Lahad Datu Edible Oils Sdn Bhd) and 4488.38 mt of PK IP to 2 buyer only (Lahad Datu Edible Oils Sdn Bhd and KLK Premier Oils).</p> <p>Sample of deliveries document were sighted during the audit and it was found all related information were adequate. Tian Siang POM RSPO certificate number and product name together with model used were stated in the delivery documents.</p>
7	Registration of transactions	
7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> • are supply chain actors between the mill and final refinery; • take legal ownership and physically handle RSPO Certified Sustainable oil palm products; and • are part of the supply chain of RSPO Certified Sustainable oil palm products <p>must register their transaction in the RSPO IT platform at the time of physical shipment as required by the rules set by RSPO.</p>	<p>Tian Siang POM has legal ownership and physical handle RSPO certified sustainable CPO and PK.</p>
8	Training	
8.1	<p>The organization shall have a defined training plan, which is subject to on-going review and is supported by records of the training provided to staff.</p>	<p>Training plan has included the RSPO Supply chain training scheduled in July 2018 for staff & workers.</p>
8.2	<p>Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification system.</p> <p>Training shall be specific and relevant to the task(s) performed.</p>	<p>Training was conducted for workers in June 2017 by the PIC attended by 6 person including Chief Clerk, Weighbridge Clerk. Attendance list & photograph was seen.</p>

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9	Record keeping	
9.1	The site shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements.	Sighted CPO and PK delivery note, weighbridge ticket, production data and internal audit records were found up-to-date.
9.2	Retention times for all records and reports shall be a minimum of two (2) years and must comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	Relevant record was maintained for more than 2 years
9.3	The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	Provided.
10	Conversion factors	
5.10.1	Where applicable a conversion rate must be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which must be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org). This is in particular relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries. The guidance document for oleochemicals is available on the RSPO website (www.rspo.org).	TSPOM process all the received certified crop & their processing output will be based on their actual Oil Extraction Ratio (OER) & Kernel Extraction Ratio (KER).
10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	These figures were monitored on daily & monthly basis by the mill using the prepared template to ensure their accuracy as well as monitoring of their ongoing performance.
11	Claims	
11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO rules on communications and claims.	Relevant information on product claim (including applicable SC model and certificate no.) being correctly indicated in the relevant outgoing paperwork. TSPOM has not use any RSPO trademark.
12	Complaints	
12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	Tian Siang POM has not receive any complaint from stakeholder, However, Tian Siang POM : An procedure of Operation for Module D – Identity Preserved (CPO Mill) revised dated 12 Aug 2015 does not cover procedures for collecting and resolving stakeholder complaints. Thus, Major NCR MZK-06/2018 was raised in this indicator
13	Management review	
13.1	The organization is required to hold management reviews at planned intervals appropriate to the scale and nature of the activities undertaken.	Management review had not been conducted for RSPO Supply Chain scope at TSPOM Therefore, issues listed under the input to & output from the management review meeting had not address. Thus, Major NCR MZK-07/2018 had been issued to highlight the matter.

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13.2	<p>The input to management review shall include information on:</p> <ul style="list-style-type: none"> • Results of internal audits covering RSPO SCCS • Customer feedback • Status of preventive and corrective actions • Follow-up actions from management reviews • Changes that could affect the management system • Recommendations for improvement 	
13.3	<p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes • Resource needs 	

SECTION C : SUPPLY CHAIN MODELS *(to only use whichever is applicable)*

	Module D – CPO Mills: Identity Preserved							
D.1	<p>Definition</p> <p>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>a) the FFB received for Tian Siang POM for IP model it's from their own supply base (Tian Siang Holding Estates) the actual FFB received are:</p> <p>Actual FFB received from July 2017 – June 2018</p> <table><tr><td></td><td>FFB (Mt)</td></tr><tr><td>RSPO Certified FFB</td><td>90,390.04</td></tr></table>		FFB (Mt)	RSPO Certified FFB	90,390.04		
	FFB (Mt)							
RSPO Certified FFB	90,390.04							
D.1.1	<p>To verify :</p> <p>a) the volume of certified and uncertified FFB entering the mill</p> <p>b) the volume sales of RSPO certified</p> <p>The claim only the volume of oil palm products produced from processing of the certified FFB as MB</p>	<p>b) During the same period total volume of CSPO and CSPK sales are:</p> <p>Actual Volume despatch RSPO products from July 2017 – June 2018</p> <table><tr><td></td><td>(Mt)</td></tr><tr><td>RSPO Certified CPO</td><td>18,550.49</td></tr><tr><td>RSPO Certified PK</td><td>4,681.60</td></tr></table>		(Mt)	RSPO Certified CPO	18,550.49	RSPO Certified PK	4,681.60
	(Mt)							
RSPO Certified CPO	18,550.49							
RSPO Certified PK	4,681.60							
D 2	Explanation							
D.2.1	Estimate total tonnage of CPO and PK potentially produce in a	Based on “Final budget Financial Year 2019” and Mill Operation Budget, approximation total tonnage potential to be produced for year 2018 and projection for 2019 are:						

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	year	<table><tr><td></td><td>(MT)</td></tr><tr><td>FFB Production Projection for July 2018 – June 2019</td><td>95,000</td></tr><tr><td>CPO Production projection for July 2018 – June 2019</td><td>19,950</td></tr><tr><td>PK Production projection for July 2018 – June 2019</td><td>4,750</td></tr></table>		(MT)	FFB Production Projection for July 2018 – June 2019	95,000	CPO Production projection for July 2018 – June 2019	19,950	PK Production projection for July 2018 – June 2019	4,750
	(MT)									
FFB Production Projection for July 2018 – June 2019	95,000									
CPO Production projection for July 2018 – June 2019	19,950									
PK Production projection for July 2018 – June 2019	4,750									
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 RSPO e-Trace. Sample of registration was sighted:								
D.3	Documented procedures									
D.3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements; b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.	a) A procedure of Operation for Module D – Identity Preserved (CPO Mill) revised dated 12 Aug 2015 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 Suppliers• Weighbridge (Receiving FFB)• FFB Loading Ramps (FFB Reception)• Process monitoring (Sterilizing, Threshing, Pressing, Oil room,• CPO Storage (raw material and finished product)• Nut & Kernel Plant• Gauging & Measuring• Dispatching CSPO & CSPK However NCR Major MZK-05/2018 has been raised due to the procedure was not up to date with new SCCS requirement. b) The Mill Manager is the person who have overall responsibility and authority over the implementation of the standard requirements and compliance.								
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 is stated in section Weighbridge 2.1 and FFB Loading Ramps (FFB Reception) 3.2 of Operation for Module D – Identity Preserved (CPO Mill) revised dated 12 Aug 2015 However NCR Major MZK-05/2018 has been raised due to the procedure was not up to date with new SCCS requirement								
D.4	Purchasing and goods in									
D.4.1	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.								

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D.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	There was no overproduction observed.
D.5	Record keeping	
D.5.1	The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.	For year 2018, Tian Siang Oil Mill monitored their incoming of 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 todote balance stock.
D.6	Processing	
D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified oil palm product including during transport and storage.	Available
	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.

	Module E – CPO Mills: Mass Balance									
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: <u>Actual FFB received from July 2017 – June 2018</u> <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>104,833.82</td></tr><tr><td>TOTAL</td><td>104,833.82</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	104,833.82	TOTAL	104,833.82
	FFB (Mt)									
RSPO Certified FFB	-									
RSPO non Certified FFB	104,833.82									
TOTAL	104,833.82									
E 2 E..2.1	Explanation Estimate total tonnage of CPO and PK potentially produce in a year	Based on “Final budget Financial Year 2019” and Mill Operation Budget, approximation total tonnage potential to be produced for year 2018 and projection for 2019 are: <table><tr><td></td><td>(MT)</td></tr><tr><td>FFB Production Projection for July 2018 – June 2019</td><td>116,000</td></tr><tr><td>CPO Production projection for July 2018 – June 2019</td><td>23,780</td></tr></table>		(MT)	FFB Production Projection for July 2018 – June 2019	116,000	CPO Production projection for July 2018 – June 2019	23,780		
	(MT)									
FFB Production Projection for July 2018 – June 2019	116,000									
CPO Production projection for July 2018 – June 2019	23,780									

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		PK Production projection for July 2018 – June 2019	5,220	
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.		
E.3	Documented procedures			
E.3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: 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 site 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. However NCR Major MZK-05/2018 has been raised due to the procedure was not up to date with new SCCS requirement 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 site 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).		
E.4	Purchasing and goods in			
E.4.1	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 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 FFB production.		
E.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	There was no overproduction observed.		
E.5	Record keeping			
E.5.1	a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and/or three-monthly basis. b) All volumes of palm oil and palm kernel oil that are delivered	a) For year 2018, 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,		

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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. 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.)

For further details refer to Module C.

process, CPO & PK production and todote balance stock.

b) For the period July 2017 – June 2018, no trade has been made under RSPO-certified (MB) CPO due to all CPO certified trade as an IP.

c) The Quarterly Report / Figure – TSOM indicated both positive balances for the certified CPO and palm kernel.

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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
2.1.2	MRS 01/2017 Minor	<p>Finding : The legal register was not updated with the applicable legal requirement</p> <p>Objective evidence :</p> <ul style="list-style-type: none"> • Workmen Compensation Act, 1952 • FMA (Persons-In-Charge) (Amendment) Regulations, 2014 • Industry Code of Practice for Safe Working in a Confined Space 2010 • Factories and Machinery (Electric Passenger and Goods Lift) Regulations, 1970 • Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations, 1970 • Factories and Machinery (Mineral Dust) Regulations 1989 	<p>The management to update the legal register to include all law and regulation as listed above.</p> <p>Completion date: 14.09.2017</p>	<p>LORR checked and the management has included all the listed Act/Regulations as highlighted in the NCR.</p> <p>STATUS: Closed</p>
2.1.3	MZK 01 2017 Minor	<p>Finding : The mechanism for ensuring compliance with the relevant legal requirements and the mechanism to follow-up on the compliance status is not effective.</p> <p>Objective evidence :</p> <p>The following anomalies noted at the legal compliance check carried out Tian Siang POM. There is no evidence of status of compliance has been check at POM.</p>	<p>The compliance status was updated to comply and fulfilling RSPO P&C, Indicator 2.1.3.</p> <p>Completion date : 11.09.2017</p>	<p>Checked the list of legal register in the mill and a tick has been marked to indicate compliance with the legal requirement</p> <p>STATUS: Closed</p>
2.2.2	MRS 02/2017 Minor	<p>Finding : Physical markers were not maintained along the legal boundaries</p> <p>Objective evidence :</p> <ol style="list-style-type: none"> 1. Karseng Construction Sdn Bhd - Physical markers were not maintained between the estate and Nam Wah Estate as verified during site visit at Block 30A. 2. Kumpulan A.G.M. (Holding) Sdn Bhd - There was no boundary mark between the estate and Seri Badas Estate and Kg. Paris 1. 	<p>The management to adopt using white/green painted wooden peg as boundary marker for Tian Siang group of estates.</p> <p>Completion date: December 2017</p>	<p>Verified the boundary with other Plantation such as Sawit Kinabalu, and JC Chang which is marked with green Paint. Thus, past Minor NCR MRS 02/2017 was successfully closed.</p> <p>STATUS: Closed</p>

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4.1.2	RR 02 2017 Minor	<p>Finding: Plan or procedure to avoid or reduce pollution not effectively implemented.</p> <p>Objective evidence :</p> <ol style="list-style-type: none"> 1. Oil trap not properly design at gen set area (KCS Estate) 2. No bund or tray for diesel storage at gen set area (KCS and Promasia Sdn Bhd Estates) to prevent oil spill occur. 	<p>The plantation management to renovate the genset room's room to comply and meet the standard as per EQA 1974 and RSPO P&C requirement.</p> <p>Completion date: 01.09.2017</p>	<p>During the site visit to the store and gen-set building Alwae Land Sdn Bhd and other estates, the management has constructed a structure to support the diesel tank for the supply to the gen-sets. This structure is located inside a containment wall to serve purpose to store any leakage fuel in event of any mishap. The installation was noted to be effective for the intended reason.</p> <p>In addition the tray system has been implemented to support any issuance drums to contain any spillage during the lubricants issuance. This has been extended to the chemicals containers for the same purpose.</p> <p>STATUS: Closed</p>
4.2.3	MAR 01 2017 Major (Upgraded)	<p>Requirement: Indicator: 4.2.3 - There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.</p> <p>Finding: Soil sampling sighted, however not comprehensive to indicate the recommendation and summarizing the changes in nutrient status.</p> <p>Objective evidence: Soil sampling for 3 estates (Promasia Sdn Bhd, Karseng Construction Sdn Bhd and Kump AGM (Holding) SB) only indicating the structure and nutrient percentage.</p>	<p>The management has established Soil Sampling Procedure for the group estates as guideline in regards to soil sampling in managing soil analysis report. In addition to the above, the management has also engaging consultant from Loongsyn Sdn Bhd to analyze and preparing soil sampling report for Tian Siang group of estates.</p> <p>Completion date : 28.08.2017</p> <p>Verification by auditor: The CU has engaged Loongsyn Sdn Bhd. for soil analysis interpretation and manuring recommendation for the year 2018. The consultant has provided a report dated 28 August 2017 for 3 estates which are</p>	<p>Annual foliar sampling for the nutrients N, P, K, Mg, Ca & B were carried out in all 3 estates and the results formed the basis for the fertiliser recommendations to maintain and to improve soil fertility. Soil sampling report sighted and indicate the recommendation and summarizing the changes in nutrient status.</p> <p>Soil sampling for the 3 estates Alwae Land, Vivaprompt and Unival Enterprise indicating the structure and nutrient percentage.</p>

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			Promasia Sdn Bhd, Karseng Construction Sdn Bhd and Kump AGM (Holding) Sdn Bhd. Status: Closed	Status: Refer to 2018 finding closure
4.3.2	MAR 02 2017 Major (Upgraded)	<p>Requirement: Indicator: 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.</p> <p>Finding: The strategy is not clear especially in Karseng Construction Sdn Bhd and Kump AGM (Holding) Sdn Bhd which mostly hilly area</p> <p>Objective evidence: Maps of slopes classification were not available in all 3 estates visited (Promasia Sdn Bhd, Karseng Construction Sdn Bhd and Kump AGM (Holding) Sdn Bhd.</p>	<p>Slope classification map were extracted from Chemsain Konsultant "Environmental Impact Assessment" report to show the details of slope area for guideline and reference for plantation operation in managing oil palm in slope area base on company's Agriculture Manual. Completion date: 14.08.2017 Verification by auditor: Auditor has received and verified slope classification map of Promasia Sdn Bhd, Karseng Construction Sdn Bhd and Kumpulan A.G.M. (Holding) Sdn Bhd with contour interval 30 meters (flat undulating, undulating rolling, hilly, steep & very steep).</p> <p>Status: Closed</p>	<p>Maps of slope classification was made available for three (3) estates visited. Alwaeland, Vivaprompt and Unival.</p> <p>Status: Refer to 2018 finding closure</p>
4.6.10	RR 01 2017 Minor	<p>Finding: Above requirement was not complied with.</p> <p>Objective evidence: During site visit at Estates Kumpulan AGM (Holdings) SB and Karseng Construction SB, it was found that bulb was not disposed properly.</p>	<p>The registered collector were identified and has been appointed to collect this type of SW for Tian Siang Holdings. Completion date: 01.09.2017</p>	<p>Field inspection and observation confirmed chemicals were being handled in accordance with the product safety precautions. SDS were made available at point of use, for example workshop, store, and estate water treatment plant. Domestic wastes and recycle wastes were segregated by the workers. Only organic wastes are disposed at the landfill. Recycle materials</p>

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				<p>such as cans, glass bottle, plastic bottle and paper are sent to recycle area. Records of disposals (Check Roll Book and Consignment Notes for domestic wastes and scheduled wastes respectively) were sighted.</p> <p>Status: Closed</p>
4.6.11	RR 03 2017 Major	<p>Finding: The requirement in Industry Code of Practice for Working in a Confined Space Area, 2010 was not implemented.</p> <p>Objective evidence :</p> <ol style="list-style-type: none"> 1) At Promasia Sdn Bhd Estate medical surveillance for gen set operator was not perform according to CHRA 2015. 2) No health surveillance has been done for Entrance Confined Space as per requirement. 	<p>The operator was arrange to undergone medical surveillance at Klinik Mansor, Sandakan on 11.08.2017.</p> <p>Completion date: 11.08.2017</p> <p>Verification by auditor:</p> <ol style="list-style-type: none"> 1) Auditor has received and verified certificate of fitness for genset operator dated 11 August 2017 which was conducted by registered OHD (HQ/08/DOC/00/695). Based on the report, the operator was fit to work. 2) The CU has conducted health assessment for authorized person for confined space at Klinik Ruslan Amin by registered OHD (HQ/12/DOC/00/274) on 11 August 2018. Based on the health fitness certificate dated 21 August 2017, the OHD has declared that the authorized person is fit. <p>Status: Closed</p>	<p>In all Estate based on recommendation by CHRA, annual medical surveillance was conducted. The results were satisfactory and all workers fit to handle the chemicals.</p> <p>In Alwaeland Estate, CHRA was conducted by same doctor as Vivaprompt Estate. The assessment was conducted to working units such as sprayer, manuring operator, and gen set operator. Recommendation made by assessor to conduct medical surveillance for sprayer, gen set operator and manuring operator. Medical surveillance was conducted by same OHD. The results were satisfactory and all workers fit to handle the chemicals.</p> <p>In Unival Enterprise Estate, CHRA was conducted. The assessment was conducted to working units such as sprayer, manuring operator, and gen set operator. Recommendation made by assessor to conduct</p>

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				<p>medical surveillance for sprayer, gen set operator and manuring operator. Medical surveillance was conducted by same OHD. The results were satisfactory and all workers fit to handle the chemicals.</p> <p>Status: Closed</p>
4.7.3	RR 04 2017 Major (recurrence)	<p>Finding: Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations. This was not effectively implemented.</p> <p>Objective evidence: Gen set operator was provide with PPE such as helmet, boots, and glove. However, ear plug to prevent hearing impairment was not given.</p>	<p>1.Updating current Safe Operating Procedure for Genset Operator to include Ear Plug as provided PPE.</p> <p>2. Ear plug immediately supplied to genset operator in audited operating unit.</p> <p>Completion date: 04.08.2017</p> <p>Verification by auditor:</p> <p>a) Safe Operating Procedure for Genset Operator has been revised to include ear plug as provided PPE in August 2017.</p> <p>b) The CU has provided ear plug to genset operator on 12 August 2017 as recorded in the PPE Record.</p> <p>Status: Closed</p>	<p>Site visit to the office complex to observe the store management and the chemical mixing area evidenced that workers on duty were fully equipped with mask, rubber gloves, rubber boots & apron. Along the journey inside the field drivers and harvesters were noted to be in safety helmets and their sickle, harvesting knife covered with the approved type. There were 2 instances of PPE non-adherence committed by the workers. As such an NCR AB 04 2018 is raised.</p> <p>a) During the workers dialogue in the field Block 3 Filed 1998, a harvester was not equipped with goggle for the protection of eye while performing work (Major recurrence NCR RR 04 2017)</p> <p>Status: Refer to 2018 finding closure</p>
4.7.5	MZK 02 2017 Major (Upgraded)	<p>Requirement :</p> <p>Indicator 4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers.</p>	<p>The First Aid Kit for TSOM operation to be fully furnished accordance to FMA (Safety Heath and Welfare)</p>	<p>It was observed on site that all operating units had been provided with first aid boxes</p>

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		<p>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</p> <p>Finding : Non-conformance against the indicator related to Accident and emergency procedures</p> <p>Objective evidence :</p> <p>During site visit at POM Station e.g Store, First Aid kits at the Stations were checked and found the items/inventory in first aid kit was not tally with requirement FMA (Safety Heath and Welfare) Regulations 1970 Reg 38 Schedule 4 First aid Box.</p>	<p>Regulations 1970 Reg 38 Schedule 4 First aid Box.</p> <p>Completion date: 15.08.2017</p> <p>Verification by auditor:</p> <p>Auditor has received receipt of medical kit purchase at Clinic Karseng Plantation. Auditor has received and verified photo of revised and updated first aid kit inventory list including content of first aid box at the POM's store which was tally with FMA requirement.</p> <p>Status : Closed</p>	<p>which were checked/replenished on a monthly basis by the Medical Assistant. In the estates, first aid box was provided to mandore and brought along to the fields during operations hours. Records of replenishment were verified by the auditor. Therein the first aid boxes contain the list of the required items, items and issued. There was an instance of a Major recurrence NCR MZK 02 2017 upgraded to recommendation for Suspension as observed during the site visit to the creche hence an Major NCR AB 03 2018 is raised. Details as follows;</p> <p>a) During the assessment there was no first aid box sighted/available at the crèche located in Unival Enterprise Sdn Bhd. The management was unable to provide the availability of the item.</p> <p>Status: Refer to 2018 finding closure</p>
5.6.3	MZK 03 2017 Minor	<p>Finding : No Submissions report to RSPO on significant pollutants and emissions from estate and mill operations.</p> <p>Objective evidence : RSPO made compulsory for submitting GHG starting from 1/1/2017 However, the mill was not Submit the GHG calculation to RSPO within the timeframe</p>	<p>The report will be submit to RSPO by PIC before audit of external auditor/CB.</p> <p>Completion date: 12.09.2017</p>	<p>The latest submission to RSPO was dated 20/6/18. Therein are the parameters compiled for the entire 2017 performance. The raw data compiled by all the units within the CU was also checked and verified. Acknowledgement of receipt by RSPO was also made evidence via email dated 28/6/18</p>

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				Status: Closed
6.5.3	MRS 03/2017 Minor	<p>Finding : Housing inspection was not carried out by weekly as required by Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446)</p> <p>Objective evidence :</p> <p>Based on housing inspection report titled 'Laporan kebersihan', 'Creche report' and housing inspection report (mill), the Medical Assistant only carried monthly housing inspection.</p>	<p>The management will appoint estate personal from each operation units to take charge of weekly housing inspection as commented.</p> <p>Completion date: 01.09.2017.</p>	<p>Based on records of line-site inspections sighted at Unival Enterprise Sdn Bhd, line-site inspection is being carried out on a weekly basis (23 May 2018, 6 June 2018, 13 June 2018 and 20 June 2018) in accordance with the Workers' Minimum Standard of Housing and Amenities Act 1990. Therefore, Minor NC MRS 03/2017 is satisfactorily closed.</p> <p>Status: Closed</p>