



**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 <sup>th</sup> 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 July 2017 **DURATION** : 16 auditor days

**TYPE OF AUDIT** :  Annual Surveillance Audit No. 3  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**

**Acknowledgement by Client's Representative**

Name : Mohd Razman Salim  
Signature : [Signature]  
Date : 7 November 2017

Name : CHOO KEE SHOEI  
Signature : [Signature]  
Date : 9/11/2017

**RSPO PUBLIC SUMMARY REPORT**

**SUMMARY OF AUDITS**

<b>Stage 2 audit / Recertification audit</b>					
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 :			

<b>Annual Surveillance Audit 1</b>					
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 :			

<b>Annual Surveillance Audit 2</b>					
On-site audit date	:	5 <sup>th</sup> – 9 <sup>th</sup> 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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<b>Annual Surveillance Audit 3</b>					
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 : 20/09/2017	
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	Suppliers
		√		√	√
		Contract workers	NGOs	Govt. agency	Independent growers
		√			
		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 November 2017	

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

**RSPO PUBLIC SUMMARY REPORT**

**SUMMARY OF INFORMATION**

**TABLE 1**

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

**TABLE 2**

	<b>PO</b>	<b>PK</b>
<b>Last years certified volume (MT)</b>	20,300.00	5,000.00
<b>Last years actual certified sold (MT)</b>	18,241.52	4,520.86
<b>Last years actual sold under other schemes (MT)</b>	0.00	0.00
<b>Last years sold conventional (MT)</b>	21,587.94	3,681.61
<b>New year certified volume (MT)</b>	19,577.50	4,775.00

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## RSPO PUBLIC SUMMARY REPORT

### 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 Razman Salim	Audit team leader / Workers & community issues, HCV, and related legal	Possessed B.Sc.Forestry (Hons) from University Putra Malaysia with more than 6 years of working experience in the Forest Management, forest, HCVF and ecology.
Mohd Zulfakar Kamaruzaman	Auditor Supply Chain	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 (Good Agricultural Practices)	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.
Rozaimie Ab Rahman	Auditor / GAP, environmental & OHS	Holds a B.Sc. of Agriculture from University Putra Malaysia. He had more than 5 years of working experience in the oil palm operation

#### 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 Kumpulan AGM (Holdings) Sdn Bhd, Karseng Constructions Sdn Bhd & Promasia Sdn Bhd. The audit included an on-site audit to the estates, mill and settlers' houses 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.

**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.

For IP model, a procedure of Operation for Module D – Identity Preserved (CPO Mill) covering the 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 and also Dispatching CSPO & CSPK. Volumes of certified FFBs received by the mill was properly monitored and recorded. Tian Siang Oil Mill has received 90,275.84 MT of RSPO certified FFB from its own estates for their processing activities for the year July 2016 until June 2017. Tian Siang Oil Mill has put up effort in order to achieve the 100% segregation as per 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 be used to process non-certified base product, following by the separate storage tank and PK silo.

For Mass Balance model, a procedure of Operation for Module E – Mass Balance (CPO Mill) were covered which included FFB Suppliers, Weighbridge, Receiving FFB, FFB Loading Ramps (FFB Reception), Process monitoring, Gauging & Measuring, Dispatching CSPO & CSPK and also Computation of Productions. The Weighbridge Clerk checked and verified the consignment notes issued by the supplying estates for the in-coming RSPO and non-RSPO FFBs. The 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. Details of these supply chain process, refer to supply chain report at Attachment 5.

**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 2016 to June 2017)

Estates	FFB Production	
	Tonnes	Percentage (%)
Karseng Plantation Sdn Bhd	14781.06	7.45
Karseng Construction Sdn Bhd	9641.12	4.86
Ladang Kohkoh Sdn Bhd	18713.94	9.43
Kumpulan AGM(Holdings) Sdn Bhd	8547.24	4.31
Tian Siang Plantation Sdn Bhd	10740.85	5.41
Promasia Sdn Bhd	2271.27	1.14
Kenfu Development(Sabah) Sdn Bhd	4507.94	2.27
Alwae Land Sdn Bhd	3524.75	1.78
Manjung Plantation Sdn Bhd	3422.67	1.72
Vivaprompt Sdn Bhd	3548.19	1.79
Mosconcord Sdn Bhd	3504.12	1.77
Unival Enterprise Sdn Bhd	7072.67	3.56
<b>Total</b>	<b>90275.84</b>	<b>45.49</b>
Third party suppliers (Non-certified)*	108178.64	54.51
<b>Grand total</b>	<b>198454.48</b>	<b>100.00</b>

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\*Details of third party suppliers (Non-certified) in the following table

Third party suppliers	FFB (Tonnes)
Agriasia Plantation	1243.28
Briacres Development	17620.06
Borneo Samudera	5422.80
Desentra Corporation	7214.94
Fun Land Liesure	378.32
Kwantas Land Development	5549.37
Lancar Gaya	3411.74
Liew Ping Plantation	7483.57
Nam Wah Plantation	30582.69
Pasir Citra	2369.68
Pemborong Lamag	4673.08
Punyamas	7112.67
Sabachoice	1817.68
Smallholder	13298.76
<b>Total</b>	<b>108178.64</b>

Table 2: Projected FFB production by supply base for the next reporting period (July 2017 to June 2018)

CU own estates	FFB Contribution	
	Tonnes	Percentage (%)
Karseng Plantation Sdn Bhd	19000	6.97
Karseng Construction Sdn Bhd	7000	4.65
Ladang Kohkoh Sdn Bhd	18000	8.14
Kumpulan AGM(Holdings) Sdn Bhd	9500	4.18
Tian Siang Plantation Sdn Bhd	11500	5.11
Promasia Sdn Bhd	2500	1.16
Kenfu Development(Sabah) Sdn Bhd	5000	2.09
Alwae Land Sdn Bhd	3500	1.63
Manjung Plantation Sdn Bhd	4000	1.63
Vivaprompt Sdn Bhd	4000	1.63
Mosconcord Sdn Bhd	4000	1.63
Unival Enterprise Sdn Bhd	7500	3.49
<b>Total</b>	<b>95500</b>	<b>42.31</b>
<b>Other Supply Bases</b>		
Third parties (non-certified)	124100	57.69
<b>Grand Total</b>	<b>215100</b>	<b>100.00</b>

Table 3: Actual FFB received and CPO & PK dispatch by the Mill for the last reporting period (July 2016 – June 2017)

	Total (MT)
FFB Received : Certified	90,275.84
FFB Received : Non-certified	108,178.64
FFB Processed :Certified	90,275.84
FFB Processed :Non-Certified	108,178.64
CPO delivered as IP	18,241.52
CPO delivered as MB	-
CPO delivered as non-RSPO certified	21,587.94
PK delivered as IP	3,066.09
PK delivered as MB	1,454.77
PK delivered as non-RSPO certified	3,681.61



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Table 4: Projected FFB received and CPO & PK dispatch by the Mill of the next reporting period (July 2017 to June 2018)

	Total (MT)
FFB Received : Certified	95,500
FFB Received : Non-certified	124,100
FFB Processed :Certified	95,500
FFB Processed :Non-Certified	124,100
CPO delivered as IP	19,577.50
CPO delivered as MB	-
CPO delivered as non-RSPO certified	24,820
PK delivered as IP	4,775
PK delivered as MB	-
PK delivered as non-RSPO certified	55,84.50

Table 5 Planted and certified area of the CU

Estate	Planted (ha)	Certified (ha)
Karseng Plantation Sdn Bhd	1532.15	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
<b>Total</b>	<b>5654.68</b>	<b>6078.72</b>

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

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1999	1st	Mature	21.04	1.37
2000	1st	Mature	31.57	2.06
2003	1st	Mature	7.28	0.48
2010	2nd	Mature	294.21	19.20
2011	2nd	Mature	311.61	20.34
2012	2nd	Mature	316.06	20.63
2013	2nd	Mature	133.14	8.69
2014	2nd	Mature	122.22	7.98
2015	2nd	Immature	295.02	19.26
Total			<b>1532.15</b>	<b>100.00</b>

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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			<b>1318.87</b>	<b>100.00</b>

**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			<b>721.96</b>	<b>100.00</b>

**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			<b>365.03</b>	<b>100.00</b>

**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			<b>380.00</b>	<b>100</b>

**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			<b>97.12</b>	<b>100</b>

**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			<b>265.88</b>	<b>100</b>

**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			<b>191.42</b>	<b>100</b>

**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			<b>153.38</b>	<b>100</b>

**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			<b>187.77</b>	<b>100</b>

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**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			<b>187.77</b>	<b>100</b>

**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	Matue	84.58	33
Total			<b>253.33</b>	<b>100</b>

### 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	:	<a href="mailto:Steven-tan@tiansiang.com">Steven-tan@tiansiang.com</a>

### 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 (Refer to Table 1 for the 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 :

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- 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?

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- 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 Minor non-conformities for last year findings for Indicator 4.2.3 and 4.7.5 were upgraded from Minor to Major NCR during this audit.

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.

### 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 : 7 2.1.2, 2.1.3, 2.2.2, 4.1.2, 4.6.10, 5.6.3 & 6.5.3

Total no. of major NCR(s) (details refer to Attachment 4) List : 5 4.2.3, 4.3.2, 4.6.11, 4.7.3 & 4.7.5

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 : NA

### 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 Razman Salim

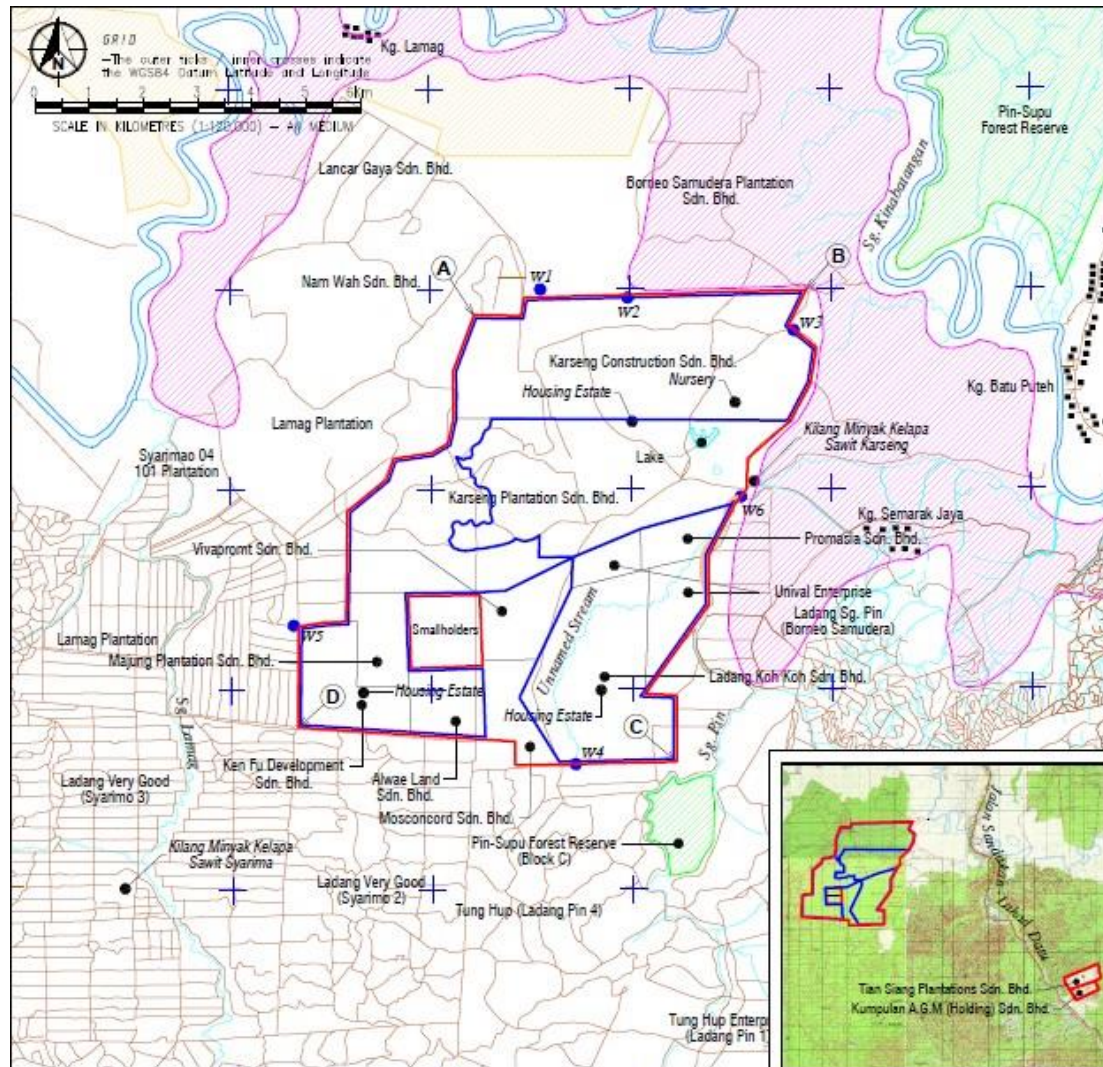
20/09/2017

(Name)

(Signature)

(Date)

**Location map of Tian Siang CU**



## RSPO PUBLIC SUMMARY REPORT

Attachment 2

### RSPO SURVEILLANCE AUDIT PLAN

Day 1: 25 July 2017 (Tuesday)					
Time	Activities / Areas to be visited				
8.00 – 9.00	<b>Opening meeting</b> Lead Auditor to introduce audit team member, brief on audit objectives, scope, methodology, criteria and programmes Organization Representative to brief on the following : <ol style="list-style-type: none"> <li>1) RSPO implementation at CU (i.e. mill &amp; supply base) including changes</li> <li>2) Time bound plan</li> <li>3) Significant changes on organization activities, machinery, supply bases capacity etc.</li> <li>4) Potential issue such as land conflicts, new planting etc.</li> </ol>				Top mgmt & Committee Member
	<b>Razman</b>	<b>Raouf</b>	<b>Rozaimie</b>	<b>Zulfakar</b>	
9:00 – 12:00	<b><u>Promasia Sdn Bhd</u></b> Coverage of assessment:P1, P2, P4, P5, P6, P7, P8 <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Land titles</li> <li>• Visit tof protected sites with HCV attributes</li> <li>• Riparian zone</li> <li>• Social Impact Assessment (SIA), management plan &amp; implementation</li> <li>• Complaints and grievances</li> <li>• Interview workers, GPW, local communities and stakeholders</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	<b><u>Promasia Sdn Bhd</u></b> Coverage of assessment:P1, P2, P3, P4, P7, P8 <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Commitment to long-term economic and financial viability</li> <li>• Good Agricultural PracticeEFB mulching, POME application</li> <li>• Chemical store/fertilizer</li> <li>• Plantation on hilly/swampy area</li> <li>• IPM implementation, training and safe use of agro-chemicals.</li> <li>• New planting</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	<b><u>Kump. AGM (Holdings) SB</u></b> Coverage of assessment:P1, P2, P4, P5, P7, P8 <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Safety management – witness activities at site</li> <li>• Environmental management – witness activities at site</li> <li>• Waste &amp; chemical management</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	<b><u>Tian Siang POM</u></b> RSPO Supply Chain implementation including the model used <ul style="list-style-type: none"> <li>• General Chain of Custody System Requirements for the supply chain</li> <li>• Documented procedures</li> <li>• Purchasing and goods in</li> <li>• Outsourcing activity</li> <li>• Sales and goods out</li> <li>• Processing</li> <li>• Records keeping</li> <li>• Registration</li> <li>• Training</li> <li>• Claims</li> </ul>	Guide(s) for each assessor
12.00 – 14.00	Break				
14.00 – 1700	Continue assessment				

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Day 2: 26 July 2017 (Wednesday)					
	Razman	Raouf	Rozaimée	Zulfakar	
8.00 – 12.00 pm	<p style="text-align: center;"><b><u>Karseng Constructions SB</u></b></p> <p>Coverage of assessment: P1, P2, P4, P5, P6, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Land titles</li> <li>• Inspection of protected sites with HCV attributes</li> <li>• Riparian zone</li> <li>• Social Impact Assessment (SIA), management plan &amp; implementation</li> <li>• Complaints and grievances</li> <li>• Interview workers, GPW, local communities and stakeholders</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	<p style="text-align: center;"><b><u>Karseng Constructions SB</u></b></p> <p>Coverage of assessment: P1, P2, P3, P4, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Commitment to long-term economic and financial viability</li> <li>• Good Agricultural Practice EFB mulching, POME application</li> <li>• Chemical store/fertilizer</li> <li>• Plantation on hilly/swampy area</li> <li>• IPM implementation, training and safe use of agro-chemicals.</li> <li>• New planting</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	<p style="text-align: center;"><b><u>Kump. AGM (Holdings) SB</u></b></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Safety management – witness activities at site</li> <li>• Environmental management – witness activities at site</li> <li>• Waste &amp; chemical management</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	<p style="text-align: center;"><b><u>Tian Siang POM</u></b></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Safety management – witness activities at site</li> <li>• Environmental management – witness activities at site</li> <li>• Waste &amp; chemical management</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	Guide(s) for each assessor
12.00 – 2.00 pm	Break				
2.00 – 5.00 pm	Continue assessment				



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Day 3: 27 July 2017 (Thursday)					
	<b>Razman</b>	<b>Raouf</b>	<b>Rozaimie</b>	<b>Zulfakar</b>	
8.00 – 12.00 pm	<p style="text-align: center;"><b><u>Kump. AGM (Holdings) SB</u></b></p> <p>Coverage of assessment: P1, P2, P4, P5, P6, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Land titles</li> <li>• Inspection of protected sites with HCV attributes</li> <li>• Riparian zone</li> <li>• Social Impact Assessment (SIA), management plan &amp; implementation</li> <li>• Complaints and grievances</li> <li>• Interview workers, GPW, local communities and stakeholders</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	<p style="text-align: center;"><b><u>Kump. AGM (Holdings) SB</u></b></p> <p>Coverage of assessment: P1, P2, P3, P4, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Commitment to long-term economic and financial viability</li> <li>• Good Agricultural Practice</li> <li>• EFB mulching, POME application</li> <li>• Chemical store/fertilizer</li> <li>• Plantation on hilly/swampy area</li> <li>• IPM implementation, training and safe use of agro-chemicals.</li> <li>• New planting</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	<p style="text-align: center;"><b><u>Karseng Constructions SB</u></b></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Safety management – witness activities at site</li> <li>• Environmental management – witness activities at site</li> <li>• Waste &amp; chemical management</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	<p style="text-align: center;"><b><u>Tian Siang POM</u></b></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Safety management – witness activities at site</li> <li>• Environmental management – witness activities at site</li> <li>• Waste &amp; chemical management</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	Guide(s) for each assessor
12.00– 2.00 pm	Break				
2.00 – 5.00 pm	Continue assessment				

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<b>Day 4: 28 July 2017 (Friday)</b>						
	<b>Razman</b>	<b>Raouf</b>	<b>Rozaimee</b>	<b>Zulfakar</b>		
8.00 – 12.00 pm	<p align="center"><b><u>Tian Siang POM</u></b></p> <p>Coverage of assessment: P1, P2, P6, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Land titles</li> <li>• Social Impact Assessment (SIA), management plan &amp; implementation</li> <li>• Complaints and grievances</li> <li>• Interview workers, GPW, local communities and stakeholders</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	<p align="center"><b><u>Kump. AGM (Holdings) SB</u></b></p> <p>Coverage of assessment: P1, P2, P3, P4, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Commitment to long-term economic and financial viability</li> <li>• Good Agricultural Practice</li> <li>• EFB mulching, POME application</li> <li>• Chemical store/fertilizer</li> <li>• Plantation on hilly/swampy area</li> <li>• IPM implementation, training and safe use of agro-chemicals.</li> <li>• New planting</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	<p align="center"><b><u>Promasia Sdn Bhd</u></b></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Safety management – witness activities at site</li> <li>• Environmental management – witness activities at site</li> <li>• Waste &amp; chemical management</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	<p align="center"><b><u>Tian Siang POM</u></b></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Safety management – witness activities at site</li> <li>• Environmental management – witness activities at site</li> <li>• Waste &amp; chemical management</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	Guide(s) for each assessor	
12.00–2.00 pm	Break					
2.00 – 4.00 pm	<ul style="list-style-type: none"> <li>• Continue assessment on unfinished area</li> <li>• Audit team discussion, preparation on audit findings and issuance of NCR (if any)</li> </ul>					
4.00 – 5.00 pm	<ul style="list-style-type: none"> <li>• Closing meeting</li> </ul>					Top mgmt & Committee Member

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**Attachment 3**

**RSPO P&C Audit Checklist and Findings**

**Principle 1: COMMITMENT TO TRANSPARENCY**

<b>Clause</b>	<b>Indicators</b>	<b>Comply Yes/No</b>	<b>Findings</b>
C 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	1.1.1 There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.	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> dated in June 2017 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. Request Form for their stakeholders or other interested party who wanted to view / obtain document related to RSPO and Record of Visitation by government agencies such as DOE and DOSH were maintained. The following visits by the regulators were reviewed : 1. DOSH visit monitoring Log at Tian Siang POM, visit by DOSH officer in April & July 2017. 2. MPOB visit in July 2017. At all estates the following visits by the authorities were verified: • DOSH Logbook visit at AGM estate in May 2016.
	1.1.2 Records of requests for information and responses shall be maintained. Major Compliance	Yes	Stakeholders meetings, as a group, were held at the Mill and records kept therein. The CU continued to implement communication procedure as described in the established procedure. Communication with workers was by the use of <i>Borang Aduan</i> and <i>Buku Aduan</i> . The <i>Borang Aduan</i> had date of communication received, date of response and date of completion and remarks columns. At the point of this audit, there has been no request for such information by the public.
C 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	1.2.1 Land titles/user rights (Criterion 2.2);	Yes	The right to use the land at Tian Siang CU 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 (Criterion 4.7);	Yes	Tian Siang has an Occupational Safety and Health Plan (OSH Plan). The objective of this plan was to ensure everyone with supervisory responsibility to participate directly in assuring that safe working condition were maintained.
	Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)	Yes	Environmental Impact assessment has been established and currently being monitored. The latest performance monitoring was carried out in February 2017 by third party. The main purposed of this assessment was to monitor impact of soil erosion, water quality deterioration, and biomass disposal, land & water contamination. Tian Siang CU has monitored significant social impacts from Social Environmental Impact Assessment including HCV in 2013 and Social Action Plan which was reviewed annually.
	HCV documentation summary (Criteria 5.2&7.3); Pollution prevention and reduction plans (Criterion 5.6);	Yes Yes	HCV documentation summary was verified in the Social and Environmental Impact Assessment including HCV in 2013 was made available at the Tian Siang CU. Tian Siang Holdings Sdn. Bhd. "Identification of All Pollution Sources (Prevention and Mitigation / Improvement Plan)" was revised in 2017 for each of the estate to include activities from the oil palm nursery, replanting, road construction, fertilizer operation, scheduled waste, workshop

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				operation etc. Environmental Improvement Plan / Pollution Prevention and Mitigation Plan for 2017 had been established by both the estates and mill.
		Details of complaints and grievances (Criterion 6.3);	Yes	Tian Siang CU continued to implement the procedure for responding to any communication as outlined in their procedure Complaint & Grievances Resolution Procedure. The details of complaints and grievances were recorded in "Buku Aduan" and made available to public at visited oil mill and estates.
		Negotiation procedures (Criterion 6.4);	Yes	Tian Siang CU had developed procedures to deal with land disputes, as stated in "Land Dispute and Compensation Procedure" distributed on July 2014. Cross refer to criterion 6.4.
		Continual improvement plans (Criterion 8.1);	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 the following link : <a href="http://www.sirim-gas.com.my/sirim/core-files/uploads/2017/10/Tian-Siang-RSPO-Public-Summary-Report_ASA2-2016.pdf">http://www.sirim-gas.com.my/sirim/core-files/uploads/2017/10/Tian-Siang-RSPO-Public-Summary-Report_ASA2-2016.pdf</a>
		Human Rights Policy (Criterion 6.13).	Yes	Human Rights Policy dated January 2014 was made available at Tian Siang CU, and displayed at estates and mill office notice board.
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.	Yes	Tian Siang CU had documented policy on Code of Ethical Conduct, dated May 2015, and can be seen at each office of the POM and visited estates.

### **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	Yes	Generally, Tian Siang CU continued to comply with most of the applicable local, national and ratified international laws and regulations. Relevant licenses and permits were verified accordingly.
	2.1.2 A documented system, which includes written information on legal requirements shall be maintained. Minor	No	The CU had established a documented system for identifying and updating changes to the legal requirements that are applicable to them. The output of this system is a Register of Legal and Other Requirements that contains 23 identified Acts/Enactments/Ordinance/Order. The Sustainability Manager has updated Register of Legal and Other Requirements for Promasia Sdn Bhd, Karseng Construction Sdn Bhd, and Kumpulan A.G.M. Holdings on 1 June 2017 with additional of Minimum Wages Order 2016. Register of Legal and Other Requirements for Tian Siang POM was updated in August 2017 with additional of Minimum Wages Order 2016. However, the mill missed several legal requirements

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				thus Minor NCR MRS 01/2017 was raised.
	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	No	Each estate and mill has its own Register of Legal and Other Requirements and was being evaluated individually annually for compliance. There was evidence of compliance to legal requirements and that it had been evaluated on an annual basis. The Legal registers were evaluated for compliance with the assistance of the Sustainability Manager and the respective site person in-charge and approved by their respective managers. However, there was no evidence of status of compliance has been checked at Tian Siang POM. Thus, Minor NCR MZK 02 2017 was raised during the audit.
	2.1.4	A system for tracking any changes in the law shall be implemented. Minor	Yes	The tracking for changes in the law is documented in procedure – System for Tracking Changes in the Law 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 land ownership documents clearly indicated the land titles. The original copies of the documents were kept in the Central Office. Document review showed the terms of the land title for all the estates is for Cultivation of Oil Palm and Agricultural Crop of economic value, and, this terms and conditions have been complied.
	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	No	The Promasia Sdn Bhd estate has erected and maintained boundary pegs although neighbouring with other Tian Siang owned estate – Unival, Karseng Plantation Sdn Bhd, and Ladang Koh Koh Sdn Bhd. However, it was found that at Karseng Construction Sdn Bhd and Kumpulan A.G.M. (Holding) Sdn Bhd the physical markers were not maintained. Thus, a Minor NCR MRS 02/2017 was raised.
	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	Yes	Based on Stakeholders Meeting in June 2017 and interview with smallholders and Village Head of nearby village, confirmed that there was no land claim at Tian Siang CU. Therefore, no land was encumbered by customary rights or dispute from any stakeholder.

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	2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes are implemented and accepted by the parties involved. Major Compliance	Yes	There were no land conflicts sighted during the audit, as explained in indicator 2.2.3 above.
	2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (incl. neighbouring communities and relevant authorities where applicable). Minor	Yes	There were no land conflicts sighted during the audit, as explained in indicator 2.2.3 above.
	2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. Major	Yes	Site visit to Tian Siang CU found no evidence that oil palm operations have instigated violence. Instead, peace and order was being maintained in the Tian Siang CU current and planned operations. This was confirmed during the consultation with smallholders and Village Head of the nearby village.
C 2.3 Use of the land for oil palm does not diminish the legal,customary or user rights of other users without their free,prior and informed consent.	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 (incl. neighbouring communities where applicable, and relevant authorities). Major	Yes	There were no land conflicts sighted during the audit, as explained in indicator 2.2.3 above.
	2.3.2	Copies of negotiated agreements detailing the process of FPIC shall be available and shall include: a) Evidence that a plan has	Yes	There were no land conflicts sighted during the audit, as explained in indicator 2.2.3 above.

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		<p>been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>Minor Compliance</p>		
	2.3.3	<p>All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>Minor Compliance</p>	Yes	There were no land conflicts sighted during the audit, as explained in indicator 2.2.3 above.

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	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	Yes	There were no land conflicts sighted during the audit, as explained in indicator 2.2.3 above.
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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 (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. Minor	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	Yes	Generally, the documents include operation activities, good practices and safety aspects in the estates, i.e. covering from seedlings in nursery to planting of young palms, plantation upkeep to harvesting and despatch of FFB. The implementation of RSPO SCC, records related to traceability such as weighbridge tickets, consignment note and sales contract, outsources activities and handling of nonconforming material. The CU had adopted and used in their daily operation the documented procedures established by Tian Siang Holdings Sdn Bhd. Generally, the documents include operation activities, good practices and safety aspects in the estates, i.e. covering from seedlings in nursery to planting of young palms, plantation upkeep to harvesting and despatch of FFB.
	4.1.2	A mechanism to check	NO	The mechanism of ensuring consistent implementation was taken in Tian Siang Holdings Sdn Bhd



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		consistent implementation of procedures shall be in place. Minor Compliance		<p>“Identification of all pollution sources 2017 (prevention and mitigation / improvement plan)” updated by sustainability unit. However, during site visit it was found several issues were not adequately established as follow:</p> <ul style="list-style-type: none"> <li>- Oil trap not properly design at gen set area (KCS Estate)</li> <li>- No bund or tray for diesel storage at gen set area (KCS and Promasia Sdn Bhd Estates) to prevent oil spill occur. Thus, #Minor NCR RR 02 2017 has been raised.</li> </ul> <p>The respective Estate Manager has the entire responsibility for the implementation of plantation and common procedures as mentioned above. SOP for harvesting and pruning reviewed 1 September 2016 sighted and incorporating the requirements for long sleeve shirt and use of PPE (safety helmet, googles and shoes). Harvester, field conductor and mandores were trained and training records were viewed.</p> <p>It was noticed that Tian Siang CU monitored implementation of good agricultural practices as per SOPs by on-site visits, inspections and discussions with relevant personnel by Supervisors/Managers and by conducting audits like Internal Audits, RSPO Audits and visits by Agronomists.</p> <p>Generally, Tian Siang CU had well established <i>Nephrolepis biserrata</i> fern and soft vegetation in the inter rows of mature palm. Palms were well pruned and cut fronds stacked as per SOP. Random interview with the estate workers showed that they understood the requirement stated in the SOPs including considerations for safety and health.</p>
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	Yes	Records of monitoring and actions taken by the estates continued to be maintained. This is to ensure that the established procedures were consistently implemented. Records of monitoring and actions taken by both estates were maintained and kept for a minimum of 12 months. Monthly Costing and Annual Reports on monitoring of all activities were available. Among the records sighted at the estates included Work Program Sheets, Field cost books, Bin cards, Harvesting Intervals, Monthly Progress & Report Account, rainfall data, etc.
	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 <sup>rd</sup> 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.
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 fertilisers based on periodic foliar, biomass retention (pruned fronds left to decompose in the fields) and some EFB and compost application. Fertiliser application, which was of paramount importance for maintenance of soil fertility, was carried out based on the recommendation made by the Plantation Advisor. Annual fertiliser recommendations were made based on annual foliar sampling.
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	Yes	Fertiliser application program was monitored using records like program sheets, bin cards, field cost book, Fertiliser Application monitoring forms, etc. Records of programs and applications of fertilisers were made available to auditors.
	4.2.3	There shall be evidence of periodic tissue and soil sampling	No	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

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		to monitor changes in nutrient status. Minor Compliance		fertility. Soil sampling report sighted, however not comprehensive to indicate the recommendation and summarizing the changes in nutrient status. Soil sampling for the 3 estates SB only indicating the structure and nutrient percentage. Due to recurrence of last year finding - Minor NCR STK01/2016, auditor has upgraded this Minor NCR to Major NCR MAR 01 2017.
	4.2.4	A nutrient recycling strategy shall be in place, and may include use of EFB, POME, and palm residues. Minor	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 the estates 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 between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance	No	The management strategy for plantings on slopes is described in the Agriculture Manual & Standard Operating Procedure for Oil Palm, Part 1. Among the practices carried out were establishment of riparian reserve at natural waterways, establishment of cover crop, construction of terrace and construction of bunds at 20 m intervals along the terrace. It was observed that areas undulating and hilly had been terraced. Slopes especially along some road side had well established <i>Mucuna bracteata</i> . However, the strategy at Karseng Construction Sdn Bhd and Kump AGM (Holding) Sdn Bhd which mostly with hilly area, was unclear. And, maps of slopes classification were not available in all 3 estates visited. As this is recurrence of last year finding, the Minor NCR STK03/2016 was upgraded to Major NCR MAR 02 2017.
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	Yes	During the field visit, it was noted that road conditions were fairly well maintained and accessibility were made possible by regular maintenance guided by its road maintenance programmes which consist of road resurfacing & grading. The main roads in all 3 estates were well paved with gravel and stones. The financial support for these programs were sighted in the annual budget.
	4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major	Yes	No peat soil observed in the visited estates. It was supported by soil map and field visit.
	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	Yes	No peat soil observed in the visited estates. It was supported by soil map and field visit.
	4.3.6	A management strategy shall be in place for other fragile and problem soils. Minor	Yes	No peat soil observed in the visited estates. It was supported by soil map and field visit.
C 4.4 Practices maintain the quality and	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. Rainwater harvesting was implemented in workers and staff quarters, workshop, chemical and fertiliser stores, etc. Rainfall records based on rain gauge reading were available on site.

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availability of surface and ground water.	4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. Major	Yes	At Promasia Sdn Bhd, there is a 3m wide stream that flows to 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 Karseng Construction Sdn Bhd and Kump AGM (Holding) SB, 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 (Criteria 2.1 and 5.6). Minor Compliance	Yes	The monitoring of the treated effluent from the mill effluent treatment plant was reported to DOE through the ' <i>Borang Penyata Suku Tahunan</i> '. The audit team had reviewed the Quarterly reports 2017 and it has been consistent with that stipulated in the DOE license, stated that the treated effluent is to be used for 'land Irrigation and Composed' and no discharge into 'water course'. Treated effluent sampling analysis on monthly basis but reported to DOE on quarterly basis as stipulated in the procedure. It was noted that the all parameters were within the regulatory limit. Monitoring of the river water was also carried out at both upstream and downstream of Sungai Pin. The latest analysis was carried out in July 2017. Results were within stipulated limits.
	4.4.4	Mill water use per tonne of FFB shall be monitored. Minor Compliance	Yes	Monitoring of water usage in the mill was carried out. It can be noted that, in general the trend of water consumption is increasing and in 2017 (year to date July) it averaged at 1.34 m <sup>3</sup> /FFB processed.
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.	4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	Yes	The CU had a comprehensive documented integrated pest management (IPM) systems in place. The procedure referred is in the Agriculture Manual. 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 sublata</i> and <i>Euphorbia heterophylla</i> . All estates carried out monthly observation and detection of leaf eating pests and rat damage. These detection and observations were carried by the staffs. When damaged/disease was observed, proper censuses were then carried out. Records showed no outbreaks had taken place. It was noted that census on Ganoderma, Rhinoceros Beetle damage and rat bait acceptance had been carried out. The plan also advocated single layer EFB mulching in order to prevent the breeding of rhinoceros beetles. Rat baiting was by calendar baiting at 2 campaigns per year. Baiting was continued, after rat bait acceptance census on 200 palms was carried, until bait acceptance fell below 20%. Records showed that beneficial plants were continuously planted by all estates visited.
	4.5.2	Training of those involved in IPM implementation shall be demonstrated. Minor	Yes	Training on IPM implementation was being carried out between April to June 2017 by the Promasia Sdn Bhd, Karseng Construction Sdn Bhd and Kump. AGM (Holding) SB. Attendance records showed that the training was attended by staffs and workers.
C 4.6 Pesticides are used in ways that do not endanger health or the environment	4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have min. effect on non-target species shall be used where	Yes	Justification of all pesticides used had been demonstrated. The use of selective products that are specific to the target pest, weed or disease had been demonstrated in the Agriculture manual.

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		available. Major		
	4.6.2	Records of pesticides use (incl. active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major	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. 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. There was no evidence of prophylactic spraying in the CU.
	4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor	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 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	Yes	Records showed that pesticides were handled, used and applied by trained persons and as per the MSDS/CSDS of the pesticide. The staff and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involved and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to the workers through the MSDS/CSDS training. It was also noted that MSDS/CSDS were available at all sites during the audit.

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	precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). Major Compliance		
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major	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 by proven methods that minimise risk and impacts. Minor Compliance	Yes	As mentioned under 4.6.5 Pesticides were handled only by trained personnel. At AGM Estate, the sprayers were trained by the Assistant Manager and staff in charge on spraying methods and the use of PPE. The latest training was conducted in March & April 2017. At Karseng Corporation Estate, training on chemical handling and technique was conducted in May 2017. Training was conducted by the Assistant Manager. Sprayers interviewed in the field during visit were found to use all appropriate PPE and were aware of all safety issues. Chemical was premixed before transported to the fields for spraying. The PPE issuance records confirmed that PPEs were replaced as and when required. At Promasia Estate, chemical weeding / manuring procedure and SOP for sprayer was conducted in May 2017 by Assistant Manager and staff in charge. At all estate, HIRARC were established since year 2013. Latest review was carried out by the Sustainability Manager on January 2016 to include an activities and control measure for activities such as replanting operation.
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance	Yes	There was no evidence to show that aerial spraying was carried out at all estates during site visited. All estates only practices circle spraying and selective spraying which is only for targeted species such as woodies and Vop's.
4.6.9	Evidence of continual training to enhance knowledge and skills of employees and associated	Yes	The staffs and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involve and how the chemicals should be used in a safe manner. Training attendant list verified.

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		smallholders on pesticide handling shall be demonstrated or made available. Minor		
	4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated. Minor	No	Waste Management Plan for 2017 was established under the document of Tian Siang Holding Sdn. Bhd. "Identification of all pollution sources 2017 (prevention and mitigation / improvement plan)" and environment impact assessment (EIA) – waste management. 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. The procedure for identification of all pollution sources was documented for plantation and mill was established. Disposal of empty pesticide containers are being carried out as per established procedures. However, during site visit at AGM (Holdings) SB Estate and Karseng Construction SB Estate, it was found that bulb was not disposed properly. Thus, #Minor NCR RR 01 2017 has been raised.
	4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	No	In AGM (Holdings) and Karseng Estate based on recommendation by CHRA 2017, the annual medical surveillance was conducted by same OHD in Dec 2016. The results were satisfactory and all workers fit to handle the chemicals. In Promasia Estate, CHRA was conducted by same doctor. From the assessment recommendation has been made by the OHD to conduct the medical surveillance for gen set operator and spraying operator. However, medical surveillance for gen set operator was not conducted. It was also found that no health surveillance has been done for Entrance Confined Space as per requirement. Thus, #Major NCR RR 03 2017 was raised.
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women Major Compliance	Yes	There was no evidence of pregnant and breast-feeding women sprayers performed spraying activity in all estates. Workers interviewed were aware that pregnant and breast-feeding women should not handle chemicals. Monitoring pregnant and lactating was conducted on every month by estate HA.
C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.  The occupational health and safety plan shall cover the following:	4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance	Yes	A safety and health plan for 2017 was updated on January 2017 for the Tian Siang POM, and the 3 estates. The OHS management plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training program, accident and emergency procedures, treatment of illness/injury during the job, use of PPE, OSH Committee meetings, accident reporting, internal safety inspection, etc. Generally, the Safety Plan has been implemented. Tian Siang CU continued to have in place and adopt Tian Siang Holdings Sdn Bhd Occupational Safety and Health Policy. The policy was available in Bahasa and had been communicated to all employees through briefings and being displayed on the mill and estates notice boards. It was also communicated to all workers by the workers representative in OSH committee.
	4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be	Yes	HIRARC and CHRA records covered activities in the estates and mill were verified during the assessment. The HIRARC register for Tian Siang POM was reviewed in Sept 2016 due to changing the old HIRARC. Most significant and routine activities for mill and estate were adequately covered including chemical spraying, harvesting in the estates, boiler operation, FFB sterilisation, kernel extraction and oil extraction and clarification in the mill. Appropriate risk control measures had been determined and implemented for the respective

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	properly observed and applied to the workers. Major Compliance		activities and operation. Most of the moving part and rotating machinery were installed with machine guarding and properly covered. Appropriate administrative control was sighted with safety signage were displayed at all work stations including mill and estates office and workshop. On overall performance, OSH administrative controls implementation as well as Appropriate risk control measures had been identified and a person had been assigned to monitor the implementation of the control measures during field and site assessment. The HIRARC registers for all estate were updated on January 2016, respectively by the Sustainability Manager. The assessment was updated to covered activities and control measure for activity replanting operation. Appropriate administrative control was sighted with safety signage displayed at all work stations at the estates. In general, OSH administrative controls implementation as well as engineering control equipment was found to be adequate.
4.7.3	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. Major	No	Based on the HIRARC carried out at both estates and POM, the PPE types for the various activity were identified. All workers were provided with appropriate PPE and replaced when damaged. PPE issuance and replacements records were verified by the auditors. However, noted that the ear plug to prevent hearing impairment was not provided. Thus, #Major NCR RR 04 2017 has been raised. Training and briefing on the operations were provided for workers to educate them on safe working practices to ensure applicable precautions are adhered. Training for employees are conducted from time to time based on needs through various method such as on the job training, briefings, meetings, etc. Records of training for safety were maintained at the office for reference and verification, and were verified during the audit.
4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. Major Compliance	Yes	Regular safety meetings with the workers were conducted. Safety Committee Meeting has been conducted once in every three months. Estate manager was appointed as the responsible person (chairman) and assistant manager as a secretary of committee. The meeting minutes were made available at the estate office and reviewed accordingly. The Mill Manager was appointed as the responsible person for Environment Safety Health. The Safety and Health Committee organization chart, with workers and management representation was sighted. The committee was chaired by the Mill Manager and the RSPO Supervisor as the secretary. The meetings of the Health & Safety Committee Meeting between Jan to June 2017 were sighted.
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	No	<u>Tian Siang - POM</u> The following procedures were available: a) Emergency Preparedness Response Team has been established – with the Mill Manager as the Emergency Commander b) SOP Mill Administration Procedure has been established , the following reviewed : i. Accidents Reporting and investigating Flowchart ii. Accidents Reporting and investigating Plan iii. Pelan tindakan Kecemasan bagi Keracunan Bahan kimia

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		<p>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</p>		<p>iv. Pelan Tindakan Kecemasan bagi Tumpahan Bahan Kimia c) 'Emergency Evacuation Guideline' – presented in Zone Operation – i. Held in the Improve the delivery of resuscitation care to the injured patient ii. Reduced complications or suffering and improve patient outcomes iii. Set achievable standards for emergency medical evacuation.</p> <p>For First Aid training, the POM has planned to conduct in September. However, during site visit at POM, First Aid kits at the stations noted that the items/inventory in first aid kit was not tally with requirement FMA (Safety Health and Welfare) Regulations 1970 Reg 38 Schedule 4 First aid Box. This issue is recurring issue. Thus, previous Minor NCR MM04/2016 was upgraded to Major NCR MZK 03 2017.</p> <p>The ERT consisting of trained First Aiders, mill/field staffs, mandores, Admin clerk, 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 on a monthly basis by the Hospital Assistants. At the estates, first aid box was given to mandore and available at estate office. Records of replenishment were verified by the auditor. Telephone numbers and names of the members of the ERT were communicated to all employees and displayed at notice boards. Telephone numbers of the PIC, Police Station, Fire Brigade, and <i>Klinik Kesihatan</i> were also included. Among of emergency response plan has been conducted such as fire plan, chemical spillage, diesel spillage, and etc.</p>
	4.7.6	<p>All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance</p>	Yes	<p>Tian Siang CU provides medical care to all workers through the Klinik Karseng established within the premises. Serious cases are referred to Hospital Kinabatangan which is about 40 KM from the Estates and Mill.</p> <p>Tian Siang CU had continued to provide a group insurance for all workers as required under the Workmen Compensation Act 1992. Sighting of records and cross check with workers showed that they were covered with valid insurance policy. Local workers are covered by SOCSO.</p>
	4.7.7	<p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance</p>	Yes	<p>At Tian Siang POM, accident statistics were maintained and periodically reviewed (quarterly basis) during 'Health and Safety Committee Meeting. JKPP 8 for 2016 was submitted in Jan 2017. The last accident occurrence was categorized as minor, happened in Dec 2015 and DOSH was notified in Jan 2016. Form JKPP 6 was submitted. The LTI as at December 2016 – 304,800 mandays. All estates had monitored the occupational injuries using Lost Time Accident (LTA) metrics. The records, JKPP 8, were available during the assessment and were verified by the auditor.</p>
<p>C 4.8  All staff, workers, smallholders and contract workers are appropriately trained.</p>	4.8.1	<p>A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major</p>	Yes	<p>Formal training programme was established based on training needs identification. Regular assessments of the effectiveness training were mainly done to routine supervision by the management. Regular assessments of training needs were presented to auditors by the Tian Siang CU. A training needs identification matrix has been established with target dates for the training to be conducted. The training program includes ESH Legal &amp; Other requirements, Safe handling of Electrical Equipment, USECHH 2000, Accident Investigation Techniques, Emergency Respond Plan Training, First Aid Training, Scheduled waste management, Safe Work Procedure for All Stations, Confined Space Training, MSDS training, Sexual harassment briefing, Complaints handling procedure etc.</p>



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	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	Yes	Tian Siang CU had trained their staff, workers and records of training were kept in the RSPO 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. All training records for each employee involved in the estate operations such as weeding, fertiliser application, pest & disease, harvesting and replanting were available for verification.
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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	Yes Latest environment impact aspect assessment was conducted by external consultant in February 2017 to cover all activities in Tian Siang Group. The main purpose of for this assessment were to evaluate and analyse impact on soil erosion, water quality deterioration, and biomass disposal. Other environment impact that were assessed were agrochemical applications, land and water contamination from hazardous material and farm vehicles, human settlement disturbance and abandonment. Among the significant environmental impacts are the pollution on water and land from chemical activities and erosion of soil from the plantation activities which related to the management of chemical handling, scheduled wastes and buffer zone maintained activity.
	5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons. Minor Compliance	Yes Environmental improvement plans to mitigate the negative impacts was implemented. At the Tian Siang CU all significant environmental impacts had been identified with mitigation measures to reduce its impacts. TSPOM has established the action plan namely "Pollution Preventive/Mitigation Plan" which had been reviewed in Sept 2016 and also they're have plan which is extracted from EAI recommendation named 'Management action plan for Environment Impact Assessment' which is updated on January 2017. 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. No changes were made to the environmental aspects and impacts or current practices which require changes in the environmental action plans. Nevertheless, the existing environmental action plans had identified timeframes and responsible person at each operating units assessed.
	5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. Minor Compliance	Yes The management of Tian Siang POM had monitored and reviewed the implementation and effectiveness of the established program on a periodic basis. The following items were among those monitored: BOD at final effluent discharge, Reduce water consumption, Reduce electricity consumption, Management of Scheduled Wastes, Water Quality Assurance, Monitor smoke emission from boiler and Monitor organic waste. For the estates, the following were as part of their monitoring programme: Check the marking on the ground or on the trees at 1.5m high of on the demarcation of river or lake reserve area, Records of chemicals usage and application at the field - to make sure chemicals are not being applied on rainy days and over dosages, Used of pheromones traps to control beetle and planting a beneficial plan at replanting areas, Leguminous cover crop has been planted after replanting and Visual checking to ensure all the buffer zone has maintained.

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<p>C 5.2 The status of rare, threatened or endangered species other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>	5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). Major Compliance	Yes	The report of “Social and Environmental Impact Assessment including HCV” was available. It was completed in Feb 2013 covered all the HCV area within and adjacent to the Tian Siang CU. In general, Tian Siang CU had identified four protected external HCV, which is considered as a wildlife corridor and border with Pin Supu Forest Reserve, Lamag Forest Reserve, Sg Lokan Forest Reserve and Lower Kinabatangan Wildlife Sanctuary which was bordering with Tian Siang CU. The trenching and electric fences had been constructed to prevent any encroachment. The total area of HCV area - water stream, in the CU covered an area about of 3.0 ha.
	5.2.2	Where RTE species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance	Yes	Tian Siang CU had identified potential RTE species, listed as Endangered in the IUCN List, which is Elephant and Orang Utan along the forest boundaries with Pin Supu Forest Reserve. However, the last seen elephant and Orang Utan was in Oct 2013. An appropriate action plan had been made for these RTE species.
	5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. Minor Compliance	Yes	Appropriate disciplinary measures 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 Promasia Sdn Bhd, Kump. AGM (Holdings) Sdn Bhd, Karseng Construction Sdn Bhd and Tian Siang Oil Mill.
	5.2.4	Where an action plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the action plan. Minor Compliance</li> </ul>	Yes	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. The latest weekly monitoring record for external HCV area was conducted in July 2017. The monitoring activities was recorded in the Wildlife Book Records.
	5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated	Yes	The CU identified that there was no HCV to be set-asides with existing rights of local communities and this attribute was confirmed so during consultation with Village Chief of nearby village and Conservation Manager of Forever Sabah (KOPEL). Thus, a negotiated agreement was not an issue.

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		agreement that optimally safeguards both the HCVs and these rights. Minor Compliance		
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	Tian Siang CU has identified all wastes and sources of pollution. The "Pollution Preventive/Mitigation Plan" which had been reviewed in Sept 2016 was established to mitigate and control the identified wastes and source of pollution. The most significant environmental receptors for the estates and mill operations were: Air – sources from boiler stack (smoke and particulate), vehicle & generator (smoke and gases), anaerobic processes (ETP, EFB dumping – biogas emission)- GHG , Water – cleaning water/run-off/process station waters (hydro-cyclone /sterilizer condensate/ clarification waste) & boiler quenching water and blowdown. Land – scheduled waste, clinical waste, Industrial waste, domestic waste and industrial/process waste.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	Yes	Procedure for identification of all pollution sources has been documented for plantation and mill was established. Among the identified wastes include empty chemical containers including pesticides containers. Empty pesticides containers were triple rinse at washing station prior to disposal. Disposals were carried out in compliance with 'Jabatan Pertanian' regulation. Inventory and consignment documents verified for confirmation of proper management and disposal. All the chemical containers were disposed accordingly through Jabatan Pertanian waste collector. TSPOM disposed the containers to third party. On the scheduled waste management, a procedure established and the wastes were disposed through DOE's licensed contractors.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented Minor Compliance	Yes	Waste management and disposal plan to avoid or reduce pollution had been documented and implemented as discussed in Indicator 5.1.3 above. Procedures and guideline were used to guide the waste disposal activities and to reduce pollution on the routine operation. Mill wastes had been disposed as follows; EFBs were sent for mulching in the field, while crop residue/biomass i.e. fibre and shell were used as fuel in the boiler. Boiler ash/ Clinker, Decanter Cakes was mixed with bio compost and compost will apply to the field. On the monitoring of water and effluent discharge, a monthly and quarterly report for final discharge were submitted to DOE in a timely manner, as required by the written approval. Waste Management Plan for 2017 has been established under the document of Tian Siang Holding Sdn. Bhd. "identification of all pollution sources (prevention and mitigation / improvement plan) 2017" and environment impact assessment (EIA) – waste management. 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. For domestic waste has been disposed at land fill area located far away from water sources and line site areas. Management of CU also erected a signage "Jaga Kebersihan" and provided rubbish bin at every house at line site.
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 POM has established the plan on efficient use of fossil fuels in the 'Pollution Preventive/Mitigation Plan". Some of the program included the used of fibre and shell as fuel in the boiler to reduce consumption of diesel. The management monitored the consumption of fibre, shell petrol and diesel on monthly basis. The usage of diesel, fibre and Palm Kernel shell were monitored monthly by Tian Siang POM.

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				Fossil fuel such as diesel & petrol are major use in both operation of estates and POM especially on FFB transportation and generating power by gen set. All estates had developed the plan to ensure that use of fossil fuel are minimised and monitored properly. All estates had developed plan "Management Plan on Efficiency Use of Fossil oil and Optimize Renewable energy". The main target of this plan were to reduce use of diesel usage on vehicles, heavy machineries, and gen set usage.
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' 2003</i> . Major Compliance	Yes	During site visit at replanting areas, there was no evidence that open burning has been carried out. All palms were felled, chipped, and left for decomposed at field.
	5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i> . Minor Compliance	Yes	There was no evidence fire has been used at replanting areas.
C 5.6 Preamble Growers and millers commit to reporting on operational greenhouse gas emissions. However, it is recognized 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	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).	Yes	Tian Siang POM has carried out identification of environmental impact assessment management action plans in plan called "Pollution Preventive/Mitigation Plan". This document had included all activities in the Mills, including gaseous emissions from Process, Effluent, gen-set, and transportation. The management monitored the use of fossil fuel and its renewable energy on monthly basis. Tian Siang POM also committed to use Environmental Mainstreaming Tools (EMT) by DOE to monitor effluent emissions.
	5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	Yes	Tian Siang POM has continued to maintain its documented plans to mitigate environmental pollution from its activities. The environmental aspects for GHG have been identified and action plan and continuous improvement plan titled as GHG Reduction Plan for 2017 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	No	RSPO made compulsory for submitting GHG starting from 1/1/2017. The CU had been used RSPO PalmGHG Calculator as a tools, However, the mill has not submitted the GHG calculation to RSPO within the timeframe. Therefore, Minor NCR MZK 04 2017 was raised during the audit. From the review of the report, it was confirmed that the RSPO PalmGHG version 3.0.1 Calculator was used a tools to calculate the GHG emissions. The input data was verified and can be confirmed to be correct. The following were determined:

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<p>emissions.</p> <p>Growers and millers commit to an implementation period until the end of December 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, including greenhouse gases, are developed, implemented and monitored.</p>			<p>Mill emissions:</p> <table border="1"> <thead> <tr> <th>Emission sources</th> <th>tCO2e</th> <th>tCO2e/tFFB</th> </tr> </thead> <tbody> <tr> <td>POME</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Fuel consumption</td> <td style="text-align: center;">736.99</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Grid electricity utilisation</td> <td style="text-align: center;">3218.51</td> <td style="text-align: center;">0.02</td> </tr> <tr> <td>Export of excess electricity to housing</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Sale of PKS</td> <td style="text-align: center;">-3640.12</td> <td style="text-align: center;">-0.02</td> </tr> <tr> <td>Sale of EFB</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>315.38</b></td> <td style="text-align: center;"><b>0</b></td> </tr> </tbody> </table> <p>Estate emissions:</p> <table border="1"> <thead> <tr> <th>Emission sources</th> <th>tCO2e</th> <th>tCO2e/tFFB</th> </tr> </thead> <tbody> <tr> <td>Land Conversion</td> <td style="text-align: center;">22726.44</td> <td style="text-align: center;">0.85</td> </tr> <tr> <td>CO2 Emissions from Fertiliser</td> <td style="text-align: center;">436.14</td> <td style="text-align: center;">0.02</td> </tr> <tr> <td>N2O Emissions</td> <td style="text-align: center;">1881.92</td> <td style="text-align: center;">0.07</td> </tr> <tr> <td>Fuel Consumption</td> <td style="text-align: center;">615.08</td> <td style="text-align: center;">0.02</td> </tr> <tr> <td>Peat Oxidation</td> <td style="text-align: center;">10140.86</td> <td style="text-align: center;">0.38</td> </tr> <tr> <td>Sinks</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Crop Sequestration</td> <td style="text-align: center;">-10742.21</td> <td style="text-align: center;">-0.4</td> </tr> <tr> <td>Conservation Sequestration</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>176777.6</b></td> <td style="text-align: center;"><b>0.94</b></td> </tr> </tbody> </table> <p>The final emissions value per product was determined as 6.56 tCO2e/t for CPO and 6.56 tCO2e/t for PK.</p>	Emission sources	tCO2e	tCO2e/tFFB	POME	0	0	Fuel consumption	736.99	0	Grid electricity utilisation	3218.51	0.02	Export of excess electricity to housing	0	0	Sale of PKS	-3640.12	-0.02	Sale of EFB	0	0	<b>Total</b>	<b>315.38</b>	<b>0</b>	Emission sources	tCO2e	tCO2e/tFFB	Land Conversion	22726.44	0.85	CO2 Emissions from Fertiliser	436.14	0.02	N2O Emissions	1881.92	0.07	Fuel Consumption	615.08	0.02	Peat Oxidation	10140.86	0.38	Sinks	0	0	Crop Sequestration	-10742.21	-0.4	Conservation Sequestration	0	0	<b>Total</b>	<b>176777.6</b>	<b>0.94</b>
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### Principle 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES BY GROWERS AND MILLERS

Clause	Indicators		Comply Yes/No	Findings
C 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance	Yes	The Social Environmental Impact Assessment including a High Conservation Value Assessment report for Tian Siang's estates and mill were completed 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 (internal, external land owner issues), sexual harassment policies, facilities and amenities offered by the estates, and the social impact assessment procedures and results.
	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	Yes	The latest stakeholder meeting was conducted in June 2017. List of participation during the Stakeholder Consultation' was presented in the SEIA report. The report also included comments made by the various stakeholders on social impacts as well as the proposed mitigation plans by the estates and mill. Each of the issues raised by the participant was addressed in the action plan.
	6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones,	Yes	Social action plan 2017 for Promasia Sdn Bhd, Karseng Construction Sdn Bhd, Kump. AGM (Holdings) Sdn Bhd and Tian Siang POM were made available. A timetable with responsibilities for mitigation of negative impacts and promotion of the positive impacts and also monitoring were

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monitored, demonstrate continual improvement.	to	and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, incl. responsibilities for implementation. Major		reviewed and updated as necessary. The timetable had identified specific person in charge (PIC) responsible for taking actions on each of the mitigation measures with specific time intervals. Among the issues stated in the social action plan: <ol style="list-style-type: none"> <li>1. To legalize all illegal foreign workers</li> <li>2. To conduct checking on contractors documentation with their workers twice a year</li> <li>3. Upgrading wooden housing, sewage and drainage</li> </ol>
	6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. Minor	Yes	The social action plan for Tian Siang CU were reviewed in June 2017. The stakeholders meeting was conducted with participation of affected parties such as smallholders, suppliers and contractors, and neighbouring plantations.
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes. Minor	Yes	There was no smallholders scheme at Tian Siang CU.
C 6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties	6.2.1	Consultation and communication procedures shall be documented. Major Compliance	Yes	A documented Consultation and Grievance Communication Procedures dated March 2013 had been made available at all visited estates and mill during the audit.
	6.2.2	A management official responsible for these issues shall be nominated. Minor Compliance	Yes	The respective managers or senior manager of the estates and mill were nominated as the management official responsible for handling the social issues.
	6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. Minor Compliance	Yes	The lists of stakeholders which was updated in Jan 2017 were available at all the audited sites. The lists was updated by the Sustainability Manager. The lists included government agencies, NGOs – Koperasi Pelancongan Mukim Batu Puteh (KOPEL), parts suppliers, contractors, schools, bus operators, sundry shop and neighbouring estates.
C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is	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	Yes	The estates and mill have developed procedures for reporting complaints and grievances. The “procedures were reviewed in Sept 2016 to include the anonymity protection to the complainant and whistleblowers to the extent possible by the management. These procedures were made available at all visited area.

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<p>implemented and accepted by all affected parties</p>	<p>6.3.2</p>	<p>Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance</p>	<p>Yes</p>	<p>Any complaints from workers related to housing and other services was written in the complaint logbook or using complaint form or through Joint Consultative Committee meeting. The records included the name of the complainant, the address, date, and type of service required. These are the standard mechanism for the whole Tian Siang CU. These complaints usually pertain to housing conditions. The workers (harvester and sprayer) interviewed at the office and during visits to the line sites gave positive remarks on the manner their grievances had been handled the estate staff. The records in the complaint book was verified during the audit.</p>
<p>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.</p>	<p>6.4.1</p>	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance</p>	<p>Yes</p>	<p>Tian Siang CU had developed procedures to deal with land disputes, as stated in “Land Dispute and Compensation Procedure” distributed on July 2014. For the time being, there was no dispute on customary rights, boundaries or squatters. As such, the use of the procedures has yet to be verified</p>
	<p>6.4.2</p>	<p>A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups’ proof of legal versus communal ownership of land. Minor Compliance</p>	<p>Yes</p>	<p>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. Currently, there had been no compensation made as there was no disputing parties. In addition to the above procedures, the Sabah Land Ordinance (SLO) 1930 provides for ways which natives can have titles and rights to lands and who should be compensated if losses are incurred. Land titles can be awarded to natives under sections 9, 15, 76 and 78 of the SLO. Compensation can be paid under section 16 of the Ordinance. Therefore, there exists a legal framework against which the estates have to operate when it involves customary lands rights and determination of compensations.</p>
	<p>6.4.3</p>	<p>The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. Major Compliance</p>	<p>Yes</p>	<p>According to the estates’ or mill’s management and record, there was no dispute on land or squatters.</p>
<p>C 6.5 Pay and conditions for employees and for contract workers</p>	<p>6.5.1</p>	<p>Documentation of pay and conditions shall be available. Major Compliance</p>	<p>Yes</p>	<p>Auditor has verified payslip between Apr to June 2017 for sampled Indonesian workers at Promasia Sdn Bhd, Karseng Construction Sdn Bhd, and local workers at Tian Siang POM. All workers have received monthly salary not less than minimum wages rate as specified in the Minimum Wages Order 2016. Employee wages was made before 7<sup>th</sup> of the month which complied</p>

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always meet at least legal or industry minimum standards and are sufficient to provide decent living wages				with (Section 108 (1)) Labour Ordinance (Sabah Cap.67) as verified through Payroll Checkroll no. 3D. Interviews with workers at Promasia Sdn Bhd, Karseng Construction Sdn Bhd, Kump. AGM (Holdings) Sdn Bhd and Tian Siang POM showed that they understood the information shown in the pay slips.
	6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. Major Compliance	Yes	Every staffs or workers had signed a contract of employment upon joining the estates or mill. As required by the Sabah Labour Ordinance, pay and work conditions were spelled out in this contract which is signed by all employees. 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. Interviews with sampled Indonesian & local workers at Tian Siang CU revealed that the workers were understood the terms of their employment. All foreign workers kept their own passport.
	6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders). Minor Compliance	No	Tian Siang CU continues to provide free housing, water supply, free medical services and subsidized electricity. The conditions of the houses at Tian Siang CU of estates are fairly accepted. Based on the site visit at worker quarters, treated water were supplied for workers daily usage. The treated water was not mixed with untreated rain-harvesting water as verified at Promasia Sdn Bhd, Karseng Construction Sdn Bhd, Kump. AGM (Holdings) Sdn Bhd and Tian Siang POM. The upkeep of the sanitation of workers' housing was effectively carried out. It was observed that surrounding of workers quarters and monsoon drain have been maintained by the estates management. The CU has taken a sample of treated water and sent to third party lab for water analysis. Based on the analysis result between June 2016 to May 2017, <i>Coliforms</i> and <i>E. coli</i> were not detected. However, during the audit, it was found that the housing inspection was not carried out weekly as required by Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). Based on housing inspection report titled 'Laporan kebersihan', 'Creche report' and housing inspection report (mill), the inspection was only carried on monthly basis. Thus, a Minor NCR MRS 03/2017 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 at Promasia Sdn Bhd, Karseng Construction Sdn Bhd, Kump. AGM (Holdings) Sdn Bhd and Tian Siang POM preferred to shops at Lahad Datu although grocery shop is available in the estate. The prices at grocery shop in estate compound was monitored to improve worker's access to affordable and sufficient food with latest inspection in January 2017 as stated in the social action plan. There was no complaints from the workers regarding the food and groceries prices in Tian Siang CU.
C 6.6 The employer respects the rights of	6.6.1	A published statement in local languages recognising freedom of association shall be available.	Yes	Tian Siang CU had published statements on freedom of association. Such statements are available in local languages as required by the standard "Social Policy" dated January 2014 in <i>Bahasa</i> was verified at Tian Siang CU during the audit.



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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.	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	Yes	The workers in the estates and mill were not unionized. Furthermore, there was no formal organization formed among the workers to discuss related work or social matters. Nonetheless, a Joint Consultative Committee (JCC) was formed to serve as a platform for the discussion of such issues. This JCC comprises of the estates management, field supervisors, <i>mandores</i> , drivers and clerk.
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	Yes	Tian Siang CU Social Policy does not allow children below 18 years old to work in the estates or mill. Site visit at Promasia Sdn Bhd, Karseng Construction Sdn Bhd, Kump. AGM (Holdings) Sdn Bhd and Tian Siang POM found no workers below age was found. Inspections of the Employee Master list (June 2017) in both estates and mill, it was found no workers below 18 years were recruited to work in the estates or mill.
C 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	Yes	Tian Siang CU had published statements to 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. Based on interviews with sampled Indonesian & local workers at the CU revealed that management gives equal opportunities to all workers.
	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	Yes	There were no evidences of discrimination based on race, gender or national origin or any other factors. As shown in the employment letter, there were no differences in the terms of employment between foreign and local workers or between male and female workers. Based on interviews with sampled Indonesian & local workers at the CU confirmed that these workers live in the same housing complex and enjoy similar benefits. It was also confirmed that there is no discrimination on any bases in the estates or mill.
	6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance	Yes	Tian Siang CU had advertised vacant position and displayed at the notice board with specific requirement which based on skills, capabilities and working experiences. Tian Siang CU has followed equal employment opportunities which is incorporated within the Social Policy.
C 6.9 There is no	6.9.1	A policy to prevent sexual and all other forms of harassment	Yes	Tian Siang CU had published policy guidelines on sexual harassment entitled "Social Policy" and "Gender Policy" which provided guidance the practices in the estates and POM. The guidelines

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harassment or abuse in the work place, and reproductive rights are protected.		and violence shall be implemented and communicated to all levels of the workforce. Major Compliance		emphasize that sexual harassment is a threat to basic human rights and offenders will be punished accordingly, including termination from work. A Gender Committee was established at each of the estates and mill in Tian Siang CU. The committee is responsible for organizing relevant activities and programmes. The respective site committee met at quarterly basis to organize some activities for the members including briefings on the subject of sexual harassment. The policy was communicated to all women and men workers. Based on interviews with sampled Indonesian & local workers at the CU revealed that they were understood the policy.
	6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. Major Compliance	Yes	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.
	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	Yes	Sexual Harassment Procedure was verified and the guideline has stated clearly that the complainants should not reveal to third party. The guidelines showed the flow chart reporting sexual harassment cases. The procedure had been communicated to all workers. During consultation with workers both male and female including gender committee representatives at Promasia Sdn Bhd, Kump. AGM (Holdings) Sdn Bhd and Tian Siang POM, there was no report on sexual harassment. However at Karseng Construction Sdn Bhd, there was one (1) case reported on sexual harassment in April 2017. A police report was made after the internal investigation by estate manager and representative of gender committee. This case information was not revealed to third party.
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 FFB shall be publicly available. Minor Compliance	Yes	It was evident that the mill displayed current and past FFB prices at their weigh bridge area.
	6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented. Major Compliance	Yes	Tian Siang POM has briefed the pricing mechanism of FFB (followed MPOB) to FFB supplier from smallholders as verified by auditor based on interview with 4 smallholders from nearby village. 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. Services required by the Tian Siang CU had been documented and briefed to contractors such as for FFB transporter and spare part supplier as verified during interview.
	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	The contractors such as for FFB transporter and spare part supplier understood the contractual agreements which are fair, legal and transparent as verified during interview.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	Yes	Payment for FFB supplier (smallholders) were made before 14 <sup>th</sup> day for the subsequent month direct to smallholders' bank account (EFT transfer). Payment for contractors such as the FFB transporter and spare part supplier were made after issuance of Purchase Order and Invoice. Payment was made for the subsequent month.

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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	Yes	The CU has contributed to local development by donation for school programme, road maintenance of access roads to local village, and buying FFB from surrounding villagers farm. The CU has also employed local communities to work with the estates.
	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 were no scheme smallholders at Tian Siang CU.
C 6.12 No forms of forced or trafficked labour are used.	6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. Major	Yes	Based on interviews with sampled Indonesian & local workers at the CU it was verified that there were no forms of forced or trafficked labour are used at the visited area.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	Yes	As verified through employment contracts, passports, work permits and based on interviews with sampled Indonesian & local workers at the CU confirmed that there was no contract substitution has occurred at the visited area. The foreign workers were given the job as promised.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	Yes	A special labour policy for recruitment of foreign workers was reflected in the Social Policy. The policy was displayed at the notice board at Promasia Sdn Bhd, Karseng Construction Sdn Bhd, Kump. AGM (Holdings) Sdn Bhd and Tian Siang POM. Procedure for foreign workers titled 'Foreign Worker Recruitment Procedure' was also made available at all visited areas.
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 (see Criteria 1.2 and 2.1). Major Compliance	Yes	Human Rights Policy was made available at all visited areas in Tian Siang CU. Auditor has verified through interview with sampled Indonesian & local workers at the CU. <u>Promasia Sdn Bhd</u> Briefing on code ethical on conduct will be conducted in September 2017 as planned in the 'Annual Training 2017'. <u>Kump. AGM (Holdings) Sdn Bhd</u> Estate Manager has briefed on code ethical on conduct will be conducted in October 2017 as planned in the 'Staff and Workers Monthly Training Programme 2017'. <u>Karseng Constructions Sdn Bhd</u> Training on ethical conduct policy was conducted in July 2017 during morning muster. <u>Tian Siang POM</u> The mill has conducted briefing on ethical conduct policy in July 2017.
	6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to	Yes	Tian Siang CU had provided bus services to transport foreign workers' children to attend private school at Sekolah Agama Rakyat Ar-Raudah, Kg Sentosa Jaya, without any fee.

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education as a moral obligation.  
Minor Compliance

### Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

The CU has no plan for any new planting and no new development of area was observed during the visit. Thus Principle 7 is not applicable. Auditor has verified through [www.globalforestwatch.org](http://www.globalforestwatch.org), google map and map provided by visited estate including site visit, there was no new planting at the Tian Siang CU as verified by audit team.

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

Clause	Indicators	Comply Yes/No	Findings
C 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.	8.1.1 The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria. As a minimum, these shall include, but are not necessarily be limited to: Major Compliance		
	a) Reduction in use of pesticides(Criterion 4.6);	Yes	Tian Siang CU adopted several continuous improvement in reducing the used 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 (Criteria 4.3, 5.1 and 5.2);	Yes	The following were among those being monitored and reviewed for continual improvement in the pollution prevention and mitigation plan: i) BOD at effluent final discharge ii) P&D control via limiting usage of chemicals and planting of beneficial plants. iii) Air Quality Assurance via enforcement of No Open Burning policy. iv) Water Quality Assurance by way of periodic sampling and monitoring of water quality at strategic sampling points and the prohibition of pesticides spraying at riparian zone (20

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				<p>meters from river bank).</p> <p>v) Construction of water conservation pits</p> <p>vi) The subsidence of peat areas was minimised mainly through drainage management, among them by installing water level markers and bunds. Plans were in place to construct Piezometers in these</p> <p>vii) for boiler operation, the plan to reduce dark smoke emission is via proper usage of burning fuel i.e. shell &amp; 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> <p>Environment impact aspect assessment has been conducted by external consultant in Feb 2017 to cover all activities in Tian Siang Group. The main purposed of for this assessment were to evaluate and analysis impact on soil erosion, water quality deterioration, and biomass disposal. Other environment impact has been assessed were agrochemical applications, land and water contamination from hazardous material and farm vehicles, human settlement disturbance and abandonment. Among the significant environmental impacts are the pollution on water and land from chemical activities and erosion of soil from the plantation activities which related to the management of chemical handling, scheduled wastes and buffer zone maintained activity.</p> <p>Among of mitigation and control measure plan has been taken by CU were:</p> <ul style="list-style-type: none"> <li>• Application of chemicals should be avoided near the waterways and natural pond.</li> <li>• 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.</li> <li>• Chemicals for P&amp;D only applied when the outbreak has passed its threshold level. Whenever possible, biological method of control should be considered.</li> </ul>
	c)	Waste reduction (Criterion 5.3);	Yes	<p>Procedures and guideline were used to guide the waste disposal activities and to reduce pollution on the routine operation.</p> <p>Mill wastes had been disposed as follows;</p> <p>- about 30% EFBs were sent for mulching in the field, the balance 70% were sent to compost plant for process as compost for field application, while crop residue/biomass i.e. fiber and shell were used as fuel in the boiler.</p> <p>- Water and effluent discharge were monitored, and reported monthly and quarterly to DOE in a timely manner, as required by the written approval.</p> <p>For domestic wastes, the CU continued to practice 3R program. On the scheduled waste management, a procedure "Handling of Schedule Waste" has been established. The wastes were disposed through DOE's licensed contractors. The storage, management and disposal of the following scheduled waste were reviewed, noted to be satisfactory.</p> <p>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. For domestic waste has been disposed at land fill area located far away from water sources and line site areas. Management of CU also erected a signage "Jaga Kebersihan" and provided rubbish bin at every house at line site.</p>
	d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6	Yes	<p>The significant pollutants and greenhouse gas (GHG) emissions had been identified and documented as contained the Pollution Prevention Plan 2016/2017, and plans to reduce or</p>

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		and 7.8);		<p>minimise were being implemented.</p> <p>Among those plans to be implemented at the mill are: (1) to install super heater tube at both boilers; the objective being to increase the efficiency of the mill turbines and reduce mill fuel consumption, and (2) prudent boiler maintenance management, that is, to service them timely and avoid the use of diesel generator that rely on fossil fuel and (3) the compost plant using the “Methane avoidance” approach, that is, one of its raw material feed is from aerobic pond (note, there was no anaerobic pond at the ETP).</p> <p>The management from Tian Siang CU had plan to reduce emission by daily inspection and monitoring for their farm tractor / lorry and gen set to prevent any leakage and problem which can impact on smoke emission.</p>
	e)	Social impacts (Criterion 6.1);	Yes	<p>A mechanism to highlight the performance in social aspects in social action plan had been established. The activities listed in the Plans and the monitoring of the actions taken demonstrated the continuous improvement achieved in matters related to the social aspects. Among the planned developments are:</p> <ol style="list-style-type: none"> <li>1. To legalize all illegal foreign workers</li> <li>2. To conduct checking on contractors documentation with their workers twice a year</li> <li>3. Upgrading wooden housing, sewage and drainage</li> </ol>
	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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**Attachment 4**

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

<b>P &amp; C Indicator</b>	<b>Specification Major/Minor</b>	<b>Detail Non-conformances</b>	<b>Corrective Action Taken by the CU and Verification by Auditors</b>
2.1.2	<b>MRS 01/2017 Minor</b>	The legal register was not updated with the applicable legal requirement <b>Objective evidence :</b> <ol style="list-style-type: none"> <li>1. Workmen Compensation Act, 1952</li> <li>2. FMA (Persons-In-Charge) (Amendment) Regulations, 2014</li> <li>3. Industry Code of Practice for Safe Working in a Confined Space 2010</li> <li>4. Factories and Machinery (Electric Passenger and Goods Lift) Regulations, 1970</li> <li>5. Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations, 1970</li> <li>6. Factories and Machinery (Mineral Dust) Regulations 1989</li> </ol>	The management to update the legal register to include all law and regulation as listed above. Completion date: 14.09.2017 <b>Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.</b>
2.1.3	<b>MZK 01 2017 Minor</b>	The mechanism for ensuring compliance with the relevant legal requirements and the mechanism to follow-up on the compliance status is not effective. <b>Objective evidence :</b> 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.	The compliance status was updated to comply and fulfilling RSPO P&C, Indicator 2.1.3 Completion date : 11.09.2017 <b>Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.</b>
2.2.2	<b>MRS 02/2017 Minor</b>	Physical markers were not maintained along the legal boundaries <b>Objective evidence :</b> <ol style="list-style-type: none"> <li>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.</li> <li>2. Kumpulan A.G.M. (Holding) Sdn Bhd - There was no boundary mark between the estate and Seri Badas Estate and Kg. Paris 1.</li> </ol>	The management to adopt using white/green painted wooden peg as boundary marker for Tian Siang group of estates. Completion date: December 2017 <b>Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.</b>
4.1.2	<b>RR 02 2017 Minor</b>	Plan or procedure to avoid or reduce pollution not effectively implemented. <b>Objective evidence :</b> <ol style="list-style-type: none"> <li>1. Oil trap not properly design at gen set area (KCS Estate)</li> <li>2. No bund or tray for diesel storage at gen set area (KCS and Promasia Sdn Bhd Estates) to prevent oil spill occur.</li> </ol>	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. Completion date: 01.09.2017 <b>Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.</b>
4.2.3	<b>MAR 01 2017 Major (Upgraded)</b>	Soil sampling sighted, however not comprehensive to indicate the recommendation and summarizing the changes in nutrient status. <b>Objective evidence:</b> Soil sampling for 3 estates ( Promasia Sdn Bhd, Karseng Construction Sdn Bhd and Kump AGM (Holding) SB only indicating the structure and	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.

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		nutrient percentage.	Completion date : 28.08.2017 <b>Verification by auditor:</b> 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 Promasia Sdn Bhd, Karseng Construction Sdn Bhd and Kump AGM (Holding) Sdn Bhd. <b>Status: Closed</b>
4.3.2	<b>MAR 02 2017 Major (Upgraded)</b>	The strategy is not clear especially in Karseng Construction Sdn Bhd and Kump. AGM (Holding) Sdn Bhd which mostly hilly area <b>Objective evidence:</b> 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.	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 <b>Verification by auditor:</b> 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). <b>Status: Closed</b>
4.6.10	<b>RR 01 2017 Minor</b>	Proper disposal of waste material, according to procedures that are fully understood by workers and managers was not complied with. <b>Objective evidence:</b> During site visit at Estates Kumpulan AGM (Holdings) SB and Karseng Construction SB, it was found that bulb was not disposed properly.	The registered collector were identified and has been appointed to collect this type of SW for Tian Siang Holdings. Completion date: 01.09.2017 <b>Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.</b>
4.6.11	<b>RR 03 2017 Major</b>	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions was not adequately fulfilled. <b>Objective evidence :</b> 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.	The operator was arrange to undergone medical surveillance on 11.08.2017. Completion date: 11.08.2017 <b>Verification by auditor:</b> 1) Auditor has received and verified certificate of fitness for genset operator dated 11 August 2017 which was conducted by registered OHD. Based on the report, the operator was fit to work. 2) The CU has conducted health assessment for authorized person for confined space on 11 August 2018. Based on the health fitness certificate dated 21 August 2017, the OHD has declared that the authorized person is fit. <b>Status: Closed</b>
4.7.3	<b>RR 04 2017 Major</b>	The requirement under this indicator was not effectively implemented. <b>Objective evidence:</b> Gen set operator was provide with PPE such as helmet, boots, and glove. However, ear plug to prevent hearing impairment was not given.	1.Updating current Safe Operating Procedure for Genset Operator to include Ear Plug as provided PPE 2. Ear plug immediately supplied to genset operator in audited operating unit. Completion date: 04.08.2017 <b>Verification by auditor:</b> 1. Safe Operating Procedure for Genset Operator has been revised to include ear plug as provided PPE in August 2017.



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			<p>2. The CU has provided ear plug to genset operator on 12 August 2017 as recorded in the PPE Record.</p> <p><b>Status: Closed</b></p>
4.7.5	<b>MZK 02 2017 Major (Upgraded)</b>	<p>Non-conformance against the indicator related to Accident and emergency procedures</p> <p><b>Objective evidence :</b> 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 Health and Welfare) Regulations 1970 Reg 38 Schedule 4 First aid Box.</p>	<p>The First Aid Kit for TSOM operation to be fully furnished accordance to FMA (Safety Health and Welfare) Regulations 1970 Reg 38 Schedule 4 First aid Box.</p> <p>Completion date: 15.08.2017</p> <p><b>Verification by auditor:</b> 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><b>Status : Closed</b></p>
5.6.3	<b>MZK 03 2017 Minor</b>	<p>No submissions report to RSPO on significant pollutants and emissions from estate and mill operations.</p> <p><b>Objective evidence :</b> 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><b>Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.</b></p>
6.5.3	<b>MRS 03/2017 Minor</b>	<p>Housing inspection was not carried out by weekly as required by Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446)</p> <p><b>Objective evidence :</b> 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><b>Status: The corrective action plan was accepted. And the implementation and effectiveness of the corrective action will be verified during next audit.</b></p>

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**Attachment 5**

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

Item No	Requirement NOV 2014	Findings Standard Nov 2014																																																
D.1  D.1.1	<p><b>Definition</b> 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&amp;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>To verify : a) the volume of certified and uncertified FFB entering the mill 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>Actual (July 2016 – June 2017)</b> 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> <table border="0"> <tr> <td></td> <td></td> <td align="right"><u>MT</u></td> </tr> <tr> <td>a) FFB Received</td> <td></td> <td align="right"><b>90,275.84</b></td> </tr> <tr> <td>    RSPO</td> <td align="right">90,275.84</td> <td></td> </tr> <tr> <td>FFB Processed</td> <td></td> <td align="right"><b>90,275.84</b></td> </tr> <tr> <td>    RSPO</td> <td align="right">90,275.84</td> <td></td> </tr> <tr> <td>CPO Production</td> <td align="right">18,251.72</td> <td></td> </tr> <tr> <td>PK Production</td> <td align="right">3,066.09</td> <td></td> </tr> <tr> <td>b) Delivery of CPO</td> <td></td> <td align="right"><b>18,241.52</b></td> </tr> <tr> <td>(balance 10.20 carry forward for next year)</td> <td></td> <td></td> </tr> <tr> <td>    RSPO(IP)</td> <td align="right">18,241.52</td> <td></td> </tr> <tr> <td>    RSPO(MB)</td> <td align="right">0</td> <td></td> </tr> <tr> <td>    Non-RSPO</td> <td align="right">0</td> <td></td> </tr> <tr> <td>Delivery of PK</td> <td></td> <td align="right"><b>3,066.09</b></td> </tr> <tr> <td>    RSPO (IP)</td> <td align="right">3,066.09</td> <td></td> </tr> <tr> <td>    RSPO(MB)</td> <td align="right">0</td> <td></td> </tr> <tr> <td>    Non-RSPO</td> <td align="right">0</td> <td></td> </tr> </table>			<u>MT</u>	a) FFB Received		<b>90,275.84</b>	RSPO	90,275.84		FFB Processed		<b>90,275.84</b>	RSPO	90,275.84		CPO Production	18,251.72		PK Production	3,066.09		b) Delivery of CPO		<b>18,241.52</b>	(balance 10.20 carry forward for next year)			RSPO(IP)	18,241.52		RSPO(MB)	0		Non-RSPO	0		Delivery of PK		<b>3,066.09</b>	RSPO (IP)	3,066.09		RSPO(MB)	0		Non-RSPO	0	
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D.2 D.2.1	<p><b>Explanation</b> Estimate total tonnage of CPO and PK potentially produce in a year</p>	<p>Based on "Final budget Financial Year 2016" and Mill Operation Budget, approximation total tonnage potential to be produced for year 2016 and projection for 2017 are:</p> <p><b>Projection (July 2017 – June 2018)</b></p> <table border="0"> <tr> <td></td> <td></td> <td align="right"><u>MT</u></td> </tr> <tr> <td>(1) FFB Received</td> <td></td> <td align="right"><b>95,500.00</b></td> </tr> <tr> <td>    RSPO</td> <td align="right">95,500.00</td> <td></td> </tr> <tr> <td>(2) FFB Processed</td> <td></td> <td align="right"><b>95,500.00</b></td> </tr> <tr> <td>    RSPO</td> <td align="right">95,500.00</td> <td></td> </tr> <tr> <td>(3) CPO Production</td> <td align="right"><b>19,577.50</b></td> <td></td> </tr> <tr> <td>(4) PK Production</td> <td align="right"><b>4,775.00</b></td> <td></td> </tr> </table>			<u>MT</u>	(1) FFB Received		<b>95,500.00</b>	RSPO	95,500.00		(2) FFB Processed		<b>95,500.00</b>	RSPO	95,500.00		(3) CPO Production	<b>19,577.50</b>		(4) PK Production	<b>4,775.00</b>																												
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<p>D. 2 D 2.2</p>	<p><b>Explanation</b> The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>Tian Siang Oil Mill Sdn Bhd has registered RSPO e-Trace. The member ID is RSPO_PO1000002070 Sample of registration was sighted:</p> <p>Contract Information Transaction ID # TR-ff125ed2-5d9f Seller Contract # LDO/01P1702/0029L Transport Medium Tanker (lorry) Announcement date MAR 2017 Shipment date 24/3/2017 Product name CPO IP Contract Quantity: 980 MT Sending volume 467 MT Seller Tian Siang Oil Mill Sdn Bhd Buyer <i>Lahad Datu Edible Oils Sdn Bhd</i></p> <p>Contract Information Transaction ID # TR-607be529-ee93 Seller Contract # LDO/01P1703/0019L Transport Medium Tanker (lorry) Announcement date APR 2017 Shipment date 17/4/2017 Product name CPO IP Contract Quantity: 950 MT Sending volume 685.87 MT Seller Tian Siang Oil Mill Sdn Bhd Buyer <i>Lahad Datu Edible Oils Sdn Bhd</i></p>
<p><b>D 3</b> <b>D 3.1</b></p>	<p><b>Documented procedures</b> 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</p>	<p>a) <b>A procedure of Operation for Module D – Identity Preserved (CPO Mill) revised dated 28 June 2016 (revised on Stamps)</b> 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:</p> <ul style="list-style-type: none"> <li>• FFB Suppliers</li> <li>• Weighbridge (Receiving FFB)</li> </ul>

## RSPO PUBLIC SUMMARY REPORT

	awareness of the site's procedures for the implementation of this standard.	<ul style="list-style-type: none"> <li>• FFB Loading Ramps (FFB Reception)</li> <li>• Process monitoring (Sterilizing, Threshing, Pressing, Oil room,</li> <li>• CPO Storage (raw material and finished product)</li> <li>• Nut &amp; Kernel Plant</li> <li>• Gauging &amp; Measuring</li> <li>• Dispatching CSPO &amp; CSPK</li> </ul> <p>b) The Mill Manager is the person who have overall responsibility and authority over the implementation of the standard requirements and compliance.</p>
<b>D 3.2</b>	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 28 June 2016 (revised on Stamps)
<b>D.4</b> D.4.1	<b>Purchasing and goods in</b> The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	<p>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.</p> <p>Tian Siang Oil Mill has received 90,275.84 MT of RSPO FFB from own estates for their processing activities for the year July 2016 until June 2017</p> <p>A Delivery Order # 14930 dated 2/4/2017 with FFB ticket # 013145 referring to Unival Enterprise was sighted. Quantity delivered – 4,280 kg of RSPO FFB</p> <p>A Delivery Order # 79385 dated 15/05/2017 with FFB ticket # 017612 referring to Ladang Koh Koh was sighted. Quantity delivered – 5,540 kg of RSPO FFB</p> <p>A Delivery Note # 12240 dated 4/6/2017 with FFB ticket # 019688 referring to Mosconcord was sighted. Quantity delivered – 5,920 kg of RSPO FFB</p> <p>A Delivery Note # 19632 dated 6/4/2017 with FFB ticket # 013581 referring to Tian Siang Plantation was sighted. Quantity delivered – 13,270 kg of RSPO FFB</p>
<b>D 4.2</b>	The site shall inform the CB immediately if there is a projected overproduction.	There was no overproduction observed.
<b>D.5</b> D.5.1	<b>Record keeping</b> The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	For year 2017, 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 todate balance stock.

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<p><b>D 6</b> <b>D.6.1</b></p>	<p>The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.</p>	<p>Sighted During the visit and explanation by the Mill Manager, the process flow are:</p> <ol style="list-style-type: none"> <li>1. Transportation of certified FFB will be given a green card by the weighbridge officer.</li> <li>2. Certified and Non-certified FFB are segregated by unloading the FFB at designated Bays/Loading Ramps. The dividers and indicators of Certified FFB are placed to show the designated area.</li> <li>3. For processing Certified and Non-certified FFB, different ramp will receive Certified and Non-certified FFB and fill up the fruit cage. No crop mixing between Certified and Non-certified FFB is allowed during the filling and processing. The indicators also tagged to identify designated bays for Certified and Non-certified FFB at the feeding platforms.</li> <li>4. After the sterilizing, threshing and pressing process, the certified CPO will be stored in the designated storage tank. While the nut silo will be emptied before change over or end of process.</li> <li>5. The residual/balance of products in the system during stopping/change over control under 5% of total process quantity by ensuring the oil layer in the clarifier tank lower than 6" (equal to 5%) before start to process next batch of FFB.</li> <li>6. Terms and conditions as a control point in every process such as the system in every station shall be emptied and stopped before restart again in order to avoid contamination</li> </ol>
<p><b>D.6.2</b></p>	<p>The objective is for 100 % segregated material to be reached.</p>	<p>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.</p>

**RSPO PUBLIC SUMMARY REPORT**

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

Item No	Requirement NOV 2014	Findings Standard Nov 2014																																													
E.1 E.1.1	<p><b>Defination</b></p> <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>Actual (July 2016 – June 2017)</b></p> <p>the FFB received for Tian Siang POM for MB model it's from their Outsider crop, the actual FFB received are:</p> <table border="0"> <tr> <td></td> <td align="right"><u>MT</u></td> <td></td> </tr> <tr> <td><b>a) FFB Received</b></td> <td></td> <td align="right"><b>108,178.64</b></td> </tr> <tr> <td>    RSPO</td> <td align="right">0</td> <td></td> </tr> <tr> <td>    Non-RSPO</td> <td align="right">108,178.64</td> <td></td> </tr> <tr> <td><b>FFB Processed</b></td> <td></td> <td align="right"><b>108,178.64</b></td> </tr> <tr> <td>    RSPO</td> <td align="right">0</td> <td></td> </tr> <tr> <td>    Non-RSPO</td> <td align="right">108,178.64</td> <td></td> </tr> <tr> <td>CPO Production</td> <td align="right">21,587.94</td> <td></td> </tr> <tr> <td>PK Production</td> <td align="right">5,136.38</td> <td></td> </tr> <tr> <td><b>b) Delivery of CPO</b></td> <td></td> <td align="right"><b>21,587.94</b></td> </tr> <tr> <td>    RSPO(MB)</td> <td align="right">0</td> <td></td> </tr> <tr> <td>    Non-RSPO</td> <td align="right">21,587.94</td> <td></td> </tr> <tr> <td><b>Delivery of PK</b></td> <td></td> <td align="right"><b>5,136.38</b></td> </tr> <tr> <td>    RSPO (MB)</td> <td align="right">1,454.77</td> <td></td> </tr> <tr> <td>    Non-RSPO</td> <td align="right">3,681.61</td> <td></td> </tr> </table>		<u>MT</u>		<b>a) FFB Received</b>		<b>108,178.64</b>	RSPO	0		Non-RSPO	108,178.64		<b>FFB Processed</b>		<b>108,178.64</b>	RSPO	0		Non-RSPO	108,178.64		CPO Production	21,587.94		PK Production	5,136.38		<b>b) Delivery of CPO</b>		<b>21,587.94</b>	RSPO(MB)	0		Non-RSPO	21,587.94		<b>Delivery of PK</b>		<b>5,136.38</b>	RSPO (MB)	1,454.77		Non-RSPO	3,681.61	
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E 2 E..2.1	<p><b>Explanation</b></p> <p>Estimate total tonnage of CPO and PK potentially produce in a year</p>	<p>Based on "Final budget Financial Year 2017" and Mill Operation Budget, approximation total tonnage potential to be produced for year 2017 and projection for 2018 are:</p> <p><b>Projection (July 2017 – June 2018)</b></p> <table border="0"> <tr> <td></td> <td align="right"><u>MT</u></td> <td></td> </tr> <tr> <td><b>(1) FFB Received</b></td> <td></td> <td align="right"><b>124,100.00</b></td> </tr> <tr> <td>    RSPO</td> <td align="right">0</td> <td></td> </tr> <tr> <td>    Non-RSPO</td> <td align="right">124,100.00</td> <td></td> </tr> <tr> <td><b>(2) FFB Processed</b></td> <td></td> <td align="right"><b>124,100.00</b></td> </tr> <tr> <td>    RSPO</td> <td align="right">0</td> <td></td> </tr> <tr> <td>    Non-RSPO</td> <td align="right">124,100.00</td> <td></td> </tr> <tr> <td><b>(3) CPO Production</b></td> <td></td> <td align="right"><b>24,820.00</b></td> </tr> <tr> <td><b>(4) PK Production</b></td> <td></td> <td align="right"><b>5,584.50</b></td> </tr> <tr> <td><b>(5) Delivery of CPO</b></td> <td></td> <td align="right"><b>24,820.00</b></td> </tr> <tr> <td>    RSPO(MB)</td> <td align="right">0</td> <td></td> </tr> <tr> <td>    Non-RSPO</td> <td align="right">24,820.00</td> <td></td> </tr> <tr> <td><b>Delivery of PK</b></td> <td></td> <td align="right"><b>5,584.50</b></td> </tr> </table>		<u>MT</u>		<b>(1) FFB Received</b>		<b>124,100.00</b>	RSPO	0		Non-RSPO	124,100.00		<b>(2) FFB Processed</b>		<b>124,100.00</b>	RSPO	0		Non-RSPO	124,100.00		<b>(3) CPO Production</b>		<b>24,820.00</b>	<b>(4) PK Production</b>		<b>5,584.50</b>	<b>(5) Delivery of CPO</b>		<b>24,820.00</b>	RSPO(MB)	0		Non-RSPO	24,820.00		<b>Delivery of PK</b>		<b>5,584.50</b>						
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		RSPO (MB) 0 Non-RSPO 5,584.50
E.2 E.2.2	<b>Explanation</b> The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	Tian Siang Oil Mill Sdn Bhd has registered RSPO e-Trace. The member ID is RSPO_PO10000002070.
E.3 E.3.1	<b>Documented procedures</b> The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements  b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.	a) <b>An procedure of Operation for Module E – Mass Balance (CPO Mill)</b> 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"> <li>• FFB Suppliers</li> <li>• Weighbridge (Receiving FFB)</li> <li>• FFB Loading Ramps (FFB Reception)</li> <li>• Process monitoring</li> <li>• Gauging &amp; Measuring</li> <li>• Dispatching CSPO &amp; CSPK</li> <li>• Computation of Productions</li> </ul> b) The Mill Manager is the person who have overall responsibility and authority over the implementation of the standard requirements and compliance.
E.3.2	The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	Receiving of certified and non-certified FFB procedure is stated in section Weighbridge 2.1 and FFB Loading Ramps (FFB Reception) 3.2 of Operation for Operation for Module E – Mass Balance (CPO Mill).
E.4 E.4.1	<b>Purchasing and goods in</b> 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.

**RSPO PUBLIC SUMMARY REPORT**

		<p>For the period, July 2016 – June 2017, TSOM had received a total of 108,178.64 MT of FFBs of which 0 MT were RSPO certified (MB) while the remaining 108,178.64 MT were non-RSPO certified FFBs.</p> <p>A total of 30 randomly selected FFB delivery notes/dispatch tickets for RSPO-certified FFBs issued by the supplying estates on the in-coming FFBs were verified. It was found that all delivery notes/dispatch tickets had indicated the estate's RSPO Certificate number, the name of the supplying estate and the quantity (weight in Kg) of the FFBs.</p>
<b>E 4.2</b>	The site shall inform the CB immediately if there is a projected overproduction.	There was no overproduction observed.
<b>E.5</b> E.5.1	<p><b>Record keeping</b></p> <p>a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p> <p>b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The site can only deliver Mass Balance sales from a positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short (i.e. product can be sold before it is in stock)</p>	<p>a) For year 2017, Tian Siang Oil Mill monitored their incoming of FFB and outgoing of certified CPO product on three monthly basis namely Monthly Production Report/Figure. This records contain information about certified FFB received, process, CPO &amp; PK production and todote balance stock.</p> <p>b) For the period July 2016 – June 2017, no trade has been made under RSPO-certified (MB) CPO due to all CPO certified trade as an IP but for RSPO-certified (MB) PK only 1,454.77 has been trade under MB</p> <p>c) The Quarterly Report / Figure – TSOM indicated both positive balances for the certified CPO and palm kernel.</p>
<b>E 5.2</b>	In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	NA - No outsource activity.



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**Attachment 6**

**Status of Non-conformities Previously Identified**

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action	Verification by Assessor
2.1.1	<b>NCR MM01/2016 Major</b>	<p>The CU had not complied with the relevant legal requirements. The following Acts were breached:</p> <ol style="list-style-type: none"> <li>1. Immigration Act 1959/63 (ACT 155) &amp; Regulations and Orders &amp; Passport Act 1966 (ACT 150)</li> <li>2. Environmental Quality Act 1974, Section 49A (1) (b), Environmental Quality (Prescribed Conveyance) (Scheduled Wastes) Order 2005,</li> </ol> <p><b>Objective Evidence:</b></p> <ol style="list-style-type: none"> <li>1. Percentage of illegal workers at following plantation: Karseng 53.2%, Tian Siang 52% and Monsconcord 50%.</li> <li>2. Found no Competent Person In-Charge to manage the scheduled wastes generated at mill and plantations.</li> </ol>	<p><b>Corrective Action</b></p> <ol style="list-style-type: none"> <li>1.1 Establishing Foreign Worker Recruitment Procedure as guideline on manpower management. Completion date: October 2016.</li> <li>1.2 Effective Oct'16, all female illegal workers will be terminated from service.</li> <li>1.3 For Male illegal worker, the management will liaise with passport agency (Agensi Pekerjaan 2K Sdn Bhd, Lahad Datu) for legalization process. Target to legalize 15 workers per batch per week until current balance quota of 82 quota fully utilized by November 2016. Completion date: November 2016.</li> <li>2.1 Ling Wah King-Mill Manager to attend the course on Nov 2016 and he will responsible to in-charge of Schedule Waste for oil mill and plantations.</li> </ol> <p><b>Verification by auditor</b></p> <p>Sighted the following supporting documents as evidence that correction or corrective action had been taken and found acceptable.</p> <ol style="list-style-type: none"> <li>1.1 Foreign Worker Recruitment Procedure.</li> <li>1.2 Memorandum from General Manager - Plantation to all Estate Manager unauthorizing to recruit / hiring illegal female workers unless written approval had been obtained from him.</li> <li>1.3 Memorandum from Deputy General Manager – Plantation to Group Executive Director dated 26<sup>th</sup> September 2016 informing him of the legalization of foreign male workers process, timeline to legalize and the associated cost involved. Also seen the letter dated 30<sup>th</sup> Oktober 2016 from Agensi Pekerjaan 2K Sdn Bhd informing Tian Siang the success of legalizing 8 Indonesian male workers and awaiting results of work permit application for 27 others.</li> <li>2.1 The application form to AIRWASTE WATER</li> </ol>	<p>The CU also in the process to legalize all illegal workers with Department of Immigration Malaysia Sabah for 6 months period as directed by Immigration Department as verified through official letter from Immigration Department titled 'Kelulusan Bersyarat Pekerja Asing (Sabah)' dated 19/6/2017, reference no. BPA/12091/GFAFH3255191. The management has liaised with passport agency (Agensi Pekerjaan 2K Sdn Bhd, Lahad Datu) for legalization process for male illegal worker. However, all female illegal workers will be terminated from service end of this year (2017) since the CU does not receive any approval from Immigration Department to legalize female workers</p> <ol style="list-style-type: none"> <li>2. Sighted Certificate for CepSWaM no L410, File No: AS (S) 91/110/600/016 Jilid 26 (525) for Mill Manager named and he appointed as person responsible to in-charge of Schedule Waste for oil mill and plantations.</li> </ol> <p><b>Status: Closed.</b></p>

**RSPO PUBLIC SUMMARY REPORT**

			Management Bhd (Training provider) to enrol Course for Certified Environmental Professional in Scheduled Waste management (CePSWM) dated 4.10.2016.	
4.3.1	<b>NCR STK02/2016 Major</b>	The standard requirement was not complied with. <b>Objective Evidence:</b> At time of audit, Maps of any fragile soils were not available on all 3 estates visited.	<b>Corrective Action</b> The current map which were provided by Chemsain Konsultant Sdn Bhd is well-accepted and verified by Environment Protection Department of Sabah in approving Tian Siang Holdings Sdn Bhd EIA for replanting, Hence the management do think that current maps are sufficient and do think that it is not necessary to have multiple map for repeatedly info. <b>Verification by auditor</b> Sighted the copy of fragile soil map as provided by Chemsain Konsultant Sdn Bhd and considered OK.	Soil map was made available for three (3) estates visited i.e Karseng Construction Sdn Bhd, Promasia Sdn Bhd and Kump AGM (Holding) Sdn Bhd and no fragile soils. There were 13 series of soil provided based on soil map. <b>Status: Closed</b>
4.7.2	<b>NCR MM03/2016 Major</b>	The standard requirements were not comprehensively assessed to include high risk activity. <b>Objective Evidence:</b> The following activity have yet to be assessed and incorporated into the HIRARC table. (ii) Safety net was not used to cover FFB during transportation to mill and some bunches were seen fallen onto roads that create additional hazards to road users. (ii) Sickle hung onto palm tree fronds while workers were resting. (iii) Maintenance of air lock related equipment.	<b>Corrective Action</b> 1. Updating HIRARC form and SOP for Transportation of FFB for own company's vehicles. For outsider FFB suppliers, management will write a memo to informed them on the new guidelines as follows: a. Lorry load must be not exceeding maximum 2 layers of FFB above trailer's wall edge. b. If load exceeding 2 layers, then usage of safety net is compulsory. 2. Updating SOP for Harvesting to cover issue of workers took rest. 3. Updating HIRARC and SOP for air lock equipment at oil mill. <b>Verification by auditor</b> Updating HIRARC form and SOP for Transportation of FFB for own company's vehicles and the Memo to inform outsider FFB Suppliers had yet to be sighted. HIRARC and SOP form for Harvesting and Air Lock Maintenance had been revised on 19.9.2016 and found acceptable or corrective action had been taken and they are acceptable.	1) Tiang Siang Holding Sdn Bhd. Had reviewed their Safe Operating Procedure on 1 September 2016 for Harvesting and pruning. its cover all activities before start working, during working, and after working. 2) During site visit at 3 estates it was found that SOP was implement and understand by workers. 3) During rest time on the field it was found that sickle was not hung onto palm tree. <b>Status: Closed</b>

**RSPO PUBLIC SUMMARY REPORT**

6.3.1	<b>NCR KN01/2016 Major</b>	<p>The system for dealing with complaints and grievances did not ensure anonymity of complainant and whistleblowers, where requested.</p> <p><b>Objective Evidence:</b> The established Complaints &amp; Grievances Resolution Procedure and Consultation &amp; Grievances Communication Procedure did not ensure the anonymity of complainant and whistleblowers, where requested.</p>	<p><b>Corrective Action</b> The procedures were immediately reviewed/updated in Sept 2016 to include the anonymity protection to the complainant and whistleblowers to the extent possible by the management.</p> <p><b>Verification by auditor</b> Sighted the two said procedures and found acceptable.</p>	<p>Auditor has verified that the procedures were reviewed in Sept 2016 to include the anonymity protection to the complainant and whistleblowers to the extent possible by the management.</p> <p><b>Status : Closed</b></p>																								
6.5.1	<b>NCR KN02/2016 Major</b>	<p>The pay condition did not meet at least legal or industry minimum standards for employees</p> <p><b>Objective Evidence:</b> The payment of workers' wages were below the Minimum Wage Order 2012 and Minimum Wage Order 2016.</p> <p>The payment of wages for employees was not effectively carried out as required (Section 108(1))Labour Ordinance (Sabah Cap.67). It was observed that the payment was made on 18 August 2016 as stated in the Payroll Checkroll no. 3D.</p>	<p><b>Corrective Action</b></p> <ol style="list-style-type: none"> <li>1. Management immediately introduces the standard forms to be filled up on daily basis by estate management to justify the worker daily productivity. This forms acts as a tool by the management to notify the effected workers in determining the daily earning he/she will be earn for that particular day.</li> <li>2. Electronic Banking Payment of salary directly to the worker's bank account will shorten the duration to Payroll Process.</li> </ol> <p><b>Verification by auditor</b> Correction or corrective actions taken were considered acceptable. To verify implementation during next surveillance audit.</p>	<p>Auditor has verified payslip for April, May and June 2017 for 6 Indonesian workers at Promasia Sdn Bhd, 11 Indonesian workers at Karseng Construction Sdn Bhd, 8 Indonesian workers at Kump. AGM (Holdings) Sdn Bhd and 4 local workers at Tian Siang POM. All workers have received monthly salary not less than minimum wages rate – Minimum Wages Order 2016. Employee wages was made before 7<sup>th</sup> of the month which has complied with (Section 108 (1)) Labour Ordinance (Sabah Cap.67) as verified through Payroll Checkroll no. 3D.</p> <p><b>Status: Closed</b></p>																								
4.1.2	<b>NCR MM02/2016 Minor</b>	<p>There was no mechanism in place to check consistent implementation of the procedures established.</p> <p><b>Objective Evidence:</b> At the visited field, the following breaches were sighted:</p> <ol style="list-style-type: none"> <li>1. Harvesters were found wearing singlet and without goggles.</li> <li>2. A first aid box was not available at field with one of the harvesting gang and at the field loading ramp.</li> </ol>	<p><b>Corrective Action</b></p> <p>1.0 SOP for Harvesting to update mainly on harvester safe dressing code and procedure of goggles usage on harvesting operation.</p> <p>1.1 Conducting refreshment training on SOP for Harvesting to all Field Conductor and Harvesters.</p> <p>2.0 First Aid Kit refreshment training to all Field Conductor and First Aider on their duty and responsibility in regards to First Aid Kit handling issue.</p> <p><b>Verification by auditor</b> Sighted the following supporting documents as evidence that correction or corrective action had been taken. They are acceptable.</p> <p>1.0 The SOP for harvesting and pruning reviewed 01/ September 2016 incorporating the requirements for long sleeve shirt and use of PPE (safety helmet,</p>	<p>1) SOP for harvesting and pruning reviewed 1 September 2016 sighted and incorporating the requirements for long sleeve shirt and use of PPE (safety helmet, goggles and shoes)</p> <p>2) Harvester, field conductor and mandores retrained and the information as follows:</p> <table border="1" data-bbox="1603 1086 2177 1203"> <thead> <tr> <th>No</th> <th>Estate</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Kumpulan AGM (Holding) SB</td> <td>19/2/2017</td> </tr> <tr> <td>2</td> <td>Karseng Constructions SB</td> <td>18/3/2017</td> </tr> <tr> <td>3</td> <td>Promasia Sdn Bhd</td> <td>28/2/2017</td> </tr> </tbody> </table> <p>3) Refresher training to all field conductor and first aider as follows:</p> <table border="1" data-bbox="1603 1257 2177 1374"> <thead> <tr> <th>No</th> <th>Estate</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Kumpulan AGM (Holding) SB</td> <td>3/4/2017</td> </tr> <tr> <td>2</td> <td>Karseng Constructions SB</td> <td>29/3/2017</td> </tr> <tr> <td>3</td> <td>Promasia Sdn Bhd</td> <td>18/3/2017</td> </tr> </tbody> </table>	No	Estate	Date	1	Kumpulan AGM (Holding) SB	19/2/2017	2	Karseng Constructions SB	18/3/2017	3	Promasia Sdn Bhd	28/2/2017	No	Estate	Date	1	Kumpulan AGM (Holding) SB	3/4/2017	2	Karseng Constructions SB	29/3/2017	3	Promasia Sdn Bhd	18/3/2017
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			goggles and shoes) 1.1 All personnel involved including Harvesters, Field Conductors and Mandores were retrained at all the 3 estates. 2.0 Refresher training to all Field Conductor and First Aider (total 10) given on 27.9.2016.	<b>Status: Closed</b>
4.2.3	<b>NCR STK01/2016 Minor</b>	This requirement was not complied with. <b>Objective Evidence:</b> At time of audit, there was no evidence to show that period soil sampling had been carried on all 3 estates visited	<b>Corrective action plan</b> To allocated expenses for soil sampling in 2017 budget and to conduct these programmed in 3 years intervals. <b>Verification by auditor</b> – Corrective action plan acceptable. To be verified during next audit.	Soil sampling sighted, however not comprehensive to indicate the recommendation and summarizing the changes in nutrient status. Soil sampling for 3 estates (Promasia Sdn Bhd, Karseng Construction Sdn Bhd and Kump AGM (Holding) SB only indicating the structure and nutrient percentage. <b>Status: Due to recurrence of last year finding auditor has upgraded this Minor NCR to Major NCR MAR 01 2017.</b>
4.3.2	<b>NCR STK03/2016 Minor</b>	The strategy in place is not clear. <b>Objective Evidence:</b> At time of audit, Maps of slopes classification were not available on all 3 estates visited.	<b>Corrective action plan</b> To identify the operating units that required slope maps for reference in stages. <b>Verification by auditor</b> – Corrective action plan acceptable. To be verified during next audit.	The strategy is not clear especially in Karseng Construction Sdn Bhd and Kump AGM (Holding) Sdn Bhd which mostly hilly area. 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. <b>Status: Due to recurrence of last year finding Minor NCR STK03/2016, auditor has upgraded this Minor NCR to Major NCR MAR 02 2017.</b>
4.7.5	<b>NCR MM04/2016 Minor</b>	The standard requirement was not complied and the contents of the first aid kit were not according to Guidelines on First-aid Facilities in the Workplace, 2004 <b>Objective Evidence:</b> 1. First aid kit was not available at field (for 2 successive days as witnessed by auditors). 2. Inventory of the first aid kit was incomplete and on top of it Analgesic tablets and Panadol were found in the kit. 3. First aid treatment records were not available in some first aid kits examined.	<b>Corrective action</b> Training on First Aid Kit by Medical Assistant to all level of management to be conducted. <b>erification by auditor</b> Training provided. Sighted adequate supporting documents as evidence that correction or corrective action had been taken.	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 Health and Welfare) Regulations 1970 Reg 38 Schedule 4 First aid Box. This issue is Recurrence issue. <b>Status: Due to recurrence of last year finding auditor has upgraded this Minor NCR to Major NCR MZK 03 2017.</b>
6.5.3	<b>NCR KN03/2016 Minor</b>	These were noted during the onsite visit: 1. Supply of potable piped water which filtered and treated was mixed with untreated rain-harvesting water. 2. The workers' housing sanitation	<b>Corrective action</b> 1. Plumbing work was carried out so that water source was kept segregated. Completion date: Immediately 2. Grass-cutting working interval keep shorten in	Based on site visit at worker quarters, treated water were supplied for workers daily usage. The treated water not mixed with untreated rain-harvesting water as verified at Promasia Sdn Bhd, Karseng Construction Sdn Bhd, Kump. AGM (Holdings) Sdn

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		<p>service/condition was not effectively carried out</p> <p><b>Objective Evidence:</b></p> <ol style="list-style-type: none"> <li>1. Site visit to workers line-site at Mosconcord S/B, Tian Siang Plantation Sdn Bhd and Karseng Plantation Sdn Bhd found the treated water (from WTP) is connected to rain water harvesting tank and were used for consumptions. Supply of potable piped water which filtered and treated was mixed with untreated rain-harvesting water. No evidence to show that the tank water is fit for human consumption.</li> <li>2. The upkeep (sanitation) of workers' housing was not effectively carried out as required (Section 8 (1)(a)). It was observed that grasses have overgrown at Tian Siang Plantation, and the waste water was clogging in monsoon drain at Mosconcord S/B.</li> </ol>	<p>open shade area to control over-grown grasses.</p> <p><b>Verification by auditor</b> – Corrective action plan acceptable. To be verified during next audit.</p>	<p>Bhd and Tian Siang POM. And the upkeep (sanitation) of workers' housing was effectively carried out. It was observed that surrounding of workers quarters and monsoon drain have been maintained by the estates management.</p> <p><b>Status: Closed</b></p>
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