

**RSPO PRINCIPLE AND CRITERIA –
3rd ANNUAL SURVEILLANCE ASSESSMENT (ASA3)
Public Summary Report**

TSH Resources Berhad
Client company Address: TSH Plantation Sdn Bhd Jalan Apas & Bangunan TSH TB9, KM 7 91000 Tawau Sabah, Malaysia
Certification Unit: Lahad Datu Palm Oil Mill & supply base Location of Certification Unit: KM 48, Lahad Datu – Sandakan Highway 90200 Kinabatangan Sabah, Malaysia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0173-14-000-00	Membership Approval Date	17/11/2014
Parent Company Name	TSH Resources Berhad		
Address	Head office : Jalan Apas & Bangunan TSH, TB 9, KM 7 91000 Tawau, Sabah, Malaysia		
Subsidiary (Certification Unit Name)	TSH Plantation Sdn Bhd – Lahd Datu Palm Oil Mill		
Address	KM 48, Lahad Datu – Sandakan Highway 90200 Kinabatangan, Sabah, Malaysia		
Contact Name	Mr. Bruno Bungkong (Mill Manager)		
Website	http://www.tsh.com.my/	E-mail	ldmill@tsh.com.my ; bruno.bungkong@tsh.com.my
Telephone	+60 198331356	Facsimile	+6089 913000

2. Certification Information			
Certificate Number	RSPO 652155	Date of First Certification	23/03/2017
		Certificate Start Date	23/03/2017
		Certificate Expiry Date	22/03/2022
Scope of Certification	Palm Oil and Palm Kernel Production		
Applicable Standards	RSPO Principles & Criteria for Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019; with Supply Chain Mass Balance Module		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSPO 682916	MS 2530-4 Malaysia Sustainable Palm Oil (MSPO) Part 4	BSI Services Malaysia Sdn Bhd	22/08/2023
MSPO 698140	MS 2530-3 Malaysia Sustainable Palm Oil (MSPO) Part 3		22/08/2023

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS Coordinates	
		Latitude	Longitude
TSH Plantation Sdn Bhd (Lahad Datu Palm Oil Mill)	KM 48, Lahad Datu – Sandakan Highway 90200 Kinabatangan, Sabah, Malaysia	5° 19' 09.00" N	118° 02' 33.08" E
TSH Palm Products Sdn Bhd (Ong Yah Ho Estate)	KM 48, Lahad Datu – Sandakan Highway 90200 Kinabatangan, Sabah, Malaysia	5° 19' 26.01" N	118° 02' 43.04" E
TSH Resources Bhd (Gomantong Estate)	KM 48, Lahad Datu – Sandakan Highway 90200 Kinabatangan, Sabah, Malaysia	5° 19' 17.48" N	117° 59' 48.36" E

5. Description of Supply Base					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Ong Yah Ho	1,905	19	76	2,000	95.00
Gomantong	947	0	60	1,007	94.00
Total	2,852	19	136	3,007	94.50

6. Plantings & Cycle							
Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Ong Yah Ho	0	0	0	1,905	0	1,905	0
Gomantong	150	371	0	0	426	797	150
Total (ha)	150	371	0	1,905	426	2,702	150

7. Certified Tonnage of FFB (Own Certified Scope)				
Estate	Tonnage / year			
	Estimated (March 2019-Feb 2020)	Actual (Dec 2018-Nov 2019)		Forecast (March 2020-Feb 2021)
		Previous license period (Dec 2018-Feb 2019)	Current license period (March 2019-Nov 2019)	
Ong Yah Ho	49,538.86	11,725.75	25,410.96	35,085.68
Gomantong	15,947.47	5,410.79	11,725.75	5,811.98

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Total	65,486.33	54,273.25	40,897.66
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8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *				
Estate	Tonnage / year			
	Estimated (March 2019-Feb 2020)	Actual (Dec 2018-Nov 2019)		Forecast (March 2020-Feb 2021)
Not applicable	N/A	<i>Previous license period</i> (Dec 2018-Feb 2019)	<i>Current license period</i> (March 2019-Nov 2019)	N/A
Total				

9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable				
Independent FFB Supplier	Tonnage / year			
	Estimated (March 2019-Feb 2020)	Actual (Dec 2018-Nov 2019)		Forecast (March 2020-Feb 2021)
		<i>Previous license period</i> (Dec 2018-Feb 2019)	<i>Current license period</i> (March 2019-Nov 2019)	
Out growers @ 3 rd party suppliers	N/A	15,313.68	53,357.08	N/A
Total	N/A	68,670.76		N/A

10. Certified Tonnage				
Mill Capacity: 60 MT/hr SCC Model: MB	Estimated (March 2019-Feb 2020)	Actual (Dec 2018-Nov 2019)		Forecast (March 2020-Feb 2021)
	FFB	FFB		FFB
	65,486.33	<i>Previous license period</i> (Dec 2018-Feb 2019)	<i>Current license period</i> (March 2019-Nov 2019)	40,897.66
		17,136.54	37,136.71	
	CPO (OER:20.50 %)	CPO (OER: 19.85 %)		CPO (OER:20.5 %)
	13,424.70	10,774.74		8,384.02
	PK (KER: 5.50 %)	PK (KER: 5.14 %)		PK (KER: 5.50 %)
3,601.75	2,788.7		2,249.37	

11. Actual Sold Volume (CPO)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
CPO (MT)	10,604.75	-	-	-	10,604.75

**Total volume sold from the new license period (March – November 2019)*

12. Actual Sold Volume (PK)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
PK (MT)	2,644.61	-	-	-	2,644.61

**Total volume sold from the new license period (March – November 2019)*

13. Actual Group certification Claims		
	Credit	Physical Volume (MT)
IS-CSPO	N/A	N/A
IS-CSPKO	N/A	N/A
IS-CSPKE	N/A	N/A

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: ASI-ACC-067)
Suite 29.01 Level 29, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia.
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Representative: Nicholas Cheong (Nicholas.Cheong@bsigroup.com)
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BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 180 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Jakarta and Australia which involve in RSPO Certification Program.

2.1 Assessment Methodology, Programme, Site Visits

The on-site surveillance assessment was conducted from 16-19/12/2019. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The Major NC close out on-site assessment was conducted on 05/03/2020. The audit programmes are included in Section 2.3.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criteria for Sustainable Palm Oil Production: 2018 & Malaysian National Interpretation: 2019; were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates (or smallholders) of its supply base.

- The minimum sample size is four estates. Sample size for certification unit with more than four (4) estates were determined based on formula $N = (0.8\sqrt{y}) \times (z)$ where y is the number of estates and where z is the multiplier defined by risk assessment
- As for the smallholders, the sample were determined following the RSPO Management System Requirements and Guidance for Group Certification of FFB Production (2016). The sampling of smallholders were based on the formula $(0.8\sqrt{y}) \times (z)$; where y is total number of independent group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix I.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between

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the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Section 3.5.

All the previous nonconformities are remains closed. The assessment findings for the initial assessment/annual surveillance assessment are detailed in Section 3.4.

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

For Initial and Re-certification assessment, the report was externally reviewed by RSPO approved Certification Reviewer prior to certification decision by BSI.

For Annual surveillance assessment, the report was internally reviewed and approved by BSI qualified certification reviewer.

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

Assessment Program					
Name (Mill / Supply Base)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Lahad Datu Palm Oil Mill	√	√	√	√	√
Ong Yah Ho Estate	√	√	√	√	√
Gomantong Estate	√	√	√	√	√

Tentative Date of Next Visit: December 16, 2020 - December 19, 2020

Total No. of Mandays: 10 mandays (including 1 manday SC audit for mill)

2.2 BSI Assessment Team:

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Mohamed Hidir Zainal Abidin	Lead auditor	Holds a Bachelor Degree in Chemical Engineering from National University of Malaysia. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 14001, ISO 45001, MSPO and RSPO in his previous certification body. He completed the ISO

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		9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and ISO 45001 Lead Auditor Course, Endorsed RSPO P&C Lead Auditor Course, MSPO Awareness Training and Endorsed RSPO SCCS Lead Auditor Course. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. In this assessment, he assessed on the aspects of supply chain, legal, mill best practices, safety and health, environmental and workers welfare and stakeholders consultation. He is fluent in both verbal/written in English.
Muhamad Naquiddin Mazeli	Team member	He graduated with Bachelor of Science Horticulture at University Putra Malaysia. He started his career in 2009 as Researcher at Sime Darby Research Seed Centre and manage for Quality control for seed production for paddy, chilli and corn with collaboration with Malaysian Agricultural Research and Development Institute (MARDI) for 4 years. During the period, he was also involved with Nestle project on Red Rice production. He later joins the Sime Darby Plantation Berhad Sustainability Team in 2013 as Sustainability Executive. Joining the sustainability team, he managed, implemented and monitored the RSPO, ISCC, MSPO and ISO 9001 and ISO 18001 certification requirements for the estates, mills, refineries and Smallholder scheme. He also support in providing training and internal audits related to RSPO, MSPO and other certifications where applicable to the operations within Sime Darby Plantation. He is a trained Safety Officer and he managed the Occupation Safety and Health of Northern Region Sime Darby Plantation Berhad operations. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health and workers consultation.
Vijay Kanna Pakirisamy	Team member	He holds a bachelor’s degree in Agribusiness Science Management with Honours from University Utara Malaysia in 2010. He gained his working exposure in the plantation sector, serving as an Assistant Manager with KL Kepong and IOI Plantations and as a Sr. Assistant Manager with United Plantations Berhad. Throughout his 10 year tenure in the oil palm industry, he has been part of the operations team that implements standards within the estate such as RSPO, MSPO, ISCC and FINWATCH. He has completed ISO IMS 9001, 14001, 45001(OHS 18001) Lead Auditor Course in November 2019, endorsed RSPO P&C Lead Auditor Course in October 2019 and endorsed MSPO Lead Auditor Course in November 2019. During this assessment, he assessed on the aspects of Occupational, Health & Safety and estate best practises. He is fluent in Bahasa Malaysia and English languages.

Accompanying Persons:

No.	Name	Role

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2.3 Assessment Plan

The Assessment plan was sent to the client prior to the assessment (attached assessment plan).

PRELIMINARY AGENDA					
Date	Time	Subjects	MN	MH	VK
Sunday 15/12/2019	PM	Audit team travel to Kota Kinabalu via MH 2628, ETD 2030	√	√	√
Monday 16/12/2019 Lahad Datu Palm Oil Mill	AM	Arrival at LDU airport via MH3010 ETA 0705. Audit team travel to LD POM	√	√	√
	0830	Opening Meeting: <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation). • Verification on previous audit findings 			
	09.00 – 13.00	Lahad Datu Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders etc.	√	√	√
	13.00 – 14.00	Lunch	√	√	√
	14.00 – 16.30	Lahad Datu Palm Oil Mill : Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P7: SOPs. Review on SEIA documents and records, wage records, employee data, training records, legal permits, legality of FFB, mill inspection and internal monitoring records, CIP & implementation etc.	√	√	√
	16.30-17.00	Interim Closing briefing	√	√	√
Tuesday 17/12/2019 Ong Yah Ho Estate	08.30 – 13.00	Ong Yah Ho Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
	10.00 – 12.00	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	-	√	-
	13.00 – 14.00	Lunch	√	√	√
	14.00 – 16.30	Document review P1 – P7: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
		16.30-17.00	Interim Closing Briefing	√	√

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PRELIMINARY AGENDA					
Date	Time	Subjects	MN	MH	VK
Wednesday 18/12/2019 Gomantong Estate	8.30 – 13.00	Gomantong Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√	√
	10.00 – 13.00	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	-	√	-
	13.00 – 14.00	Lunch	√	√	√
	14.00 – 16.30	Continue with unfinished elements Document review P1 – P7: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30-17.00	Interim Closing Briefing and end of day 3	√	√	√
Thursday 19/12/2019 Lahad Datu Palm Oil Mill	08.30 – 11.30	RSPO SCCS audit - General chain of custody - RSPO rules of communication and claims Module D: Mass balance - Mass balance accounting - Overproduction - Deliveries and palm trace transaction - Book and Claim @ credit sales (if any)	√	√	-
	11.30 – 12.30	Audit team discussion and closing meeting	√	√	√
	PM	Lunch and travel back to Lahad Datu Travel back to KL via MH3017 (ETA 1610) and MH2649	√	√	√

Major NC Close Out Verification

PRELIMINARY AGENDA		
Time	Subjects	Mohd Hidhir
Wednesday 4/3/2020	Audit Team travelling Lahad Datu via MH 2646 & MH 3018. Check in at My Inn Hotel.	√

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PRELIMINARY AGENDA		
Time	Subjects	Mohd Hidhir
0730 AM	Travelling to Lahad Datu POM	√
08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Briefing on site verification plan 	
09.00 – 12.30	Lahad Datu POM - Verification on previous Major NC. Site observation ,workers interview (individual and group session) if necessary Document review – implemented evidence Closing meeting	√
13.00 – 14.00	Lunch break and travel to back to Kuala Lumpur via MH 3015 & MH2607	√

Section 3: Assessment Findings

3.1 Normative requirement applied for this assessment:

- TSH Resources Berhad Multiple Management Units / Time Bound Plan
- RSPO P&C 2018 Generic
- RSPO Group Certification Standard 2016
- RSPO Supply Chain Certification Standard 2017
- RSPO P&C National Interpretation(MYNI 2019)

3.2 Time Bound Plan progress for multiple management units

Time Bound Plan		
Requirement	Remarks	Compliance
Does the plan include all current subsidiaries, estates and mills that is under the control of the holding company?	<p>The time bound plan includes all operating units in Malaysia and Indonesia. Since joining RSPO as processor and trader on 17/11/2014, TSH Resources Bhd. (hereinafter referred to as TSH) has developed its Sustainable Palm Policy as in the Roundtable of Sustainable Palm Oil (RSPO) Manual; Doc. no.: TSHR/RSPO; Rev. no.: 1; dated 12/6/2016. For Malaysia operations, only one (1) remaining estate to certified in 2020. For Indonesia operations, one unit operation, PT Andalas Agro Industri Palm Oil Mill, has been certified in 2019. The plan was also to certify the rest of operating units complex in Indonesia on annual basis in 2020 onwards.</p> <p>For management units and estate that have no liabilities (social/biodiversity etc), all have been certified for both Malaysia and Indonesia operation. Based on liability disclosure made by TSH to RSPO, there were potential liabilities identified and reported in RSPO case tracker as at Nov 2019. There are a few LUCA that still pending except for one MU (PT Farinda Bersaudara). 1 combine concept note will be submitted once the pending LUCA finalized.</p>	Yes
Have all the estates and mills certified within five years after obtaining RSPO membership?	Certifications of all estates and mills within TSH group were still in progress since obtaining of membership in November 2014. Delay is due to LUCA that still pending for the uncertified management units in Indonesia.	Yes
Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three-year from the date of acquisition. Certification plan for the new acquisition shall be available.	No any new acquisitions since the last audit.	Yes

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<p>Have there been any changes to the time-bound plan since the last audit (both new acquisition and existing)? If yes, justification is required. Is this consistent with the ACOP reporting?</p>	<p>There are changes for the existing TBP with regards to potential liabilities issues for Indonesia Operation. This is consistent with the latest ACOP reporting i.e. RSPO Annual Communications of Progress 2018 and TSH Resources Bhd website.</p>	<p>Yes</p>
<p>Have there been any isolated lapses in implementation of the plan? If yes a Minor non-compliance shall be raised</p>	<p>No any isolated lapses in implementation of TBP so far.</p>	<p>Yes</p>
<p>Have there been any fundamental failure (e.g. unable to justify delay in planning the assessments) to proceed with implementation of the plan? If yes a Major non-compliance shall be raised</p>	<p>No any fundamental failure to proceed with the implementation of TBP so far. Delay in planning the assessment is justifiable and pending for LUCA finalization before submission of concept note to RSPO.</p>	<p>Yes</p>
<p>Un-Certified Units or Holdings</p>		
<p>No replacement after dates defined in NIs Criterion 7.3:</p> <ul style="list-style-type: none"> • Primary forest. • Any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. 	<p>No replacement after dates defined in NIs Criterion 7.3</p>	<p>Yes</p>
<p>Any new plantings since January 1st 2010 shall comply with the RSPO New Plantings Procedure.</p>	<p>No new plantings since 2005 except for replanting activity.</p>	<p>Yes</p>
<p>Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6.</p> <p>The RSPO RaCP tracker shall be checked to confirm for any land conflicts/Liabilities https://www.rspo.org/certification/remediation-and-compensation/racp-tracker. The progress on the Liabilities shall be verified and reported.</p>	<p>As of the date of the report being produced, there is no any comment by stakeholder that could be taken action by TSH. Further details please refer to the RSPO Complaints Website: http://www.rspo.org/members/status-ofcomplaints?keywords=TSH</p> <p>TSH has submitted a total of 11 LUCA for 11 management units with potential liability. 11 LUCA submitted, 1 ongoing review, 9 requiring clarification, 1 completed and 9 requiring concept note as per tracker https://www.rspo.org/certification/remediation-and-compensation/racp-tracker</p> <p>For management units and estate that have no liabilities (social/biodiversity etc), all have been certified for both Malaysia and Indonesia operation. Based on liability disclosure made by TSH to RSPO, there were potential liabilities identified and reported in RSPO case tracker as at Nov 2019. There are a few LUCA that still pending except for one MU (PT Farinda Bersaudara). 1 combine concept note will be submitted once the pending LUCA finalized.</p>	<p>Yes</p>
<p>Any Labor disputes are being resolved through</p>	<p>No stakeholder comments or complaints received</p>	<p>Yes</p>

a mutually agreed process, in accordance with RSPO P&C criterion 6.3.		
Any Legal non- compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1	None of issues noted. No stakeholder comments or complaints received.	Yes
Did the company conduct internal audit against the uncertified management units requirement? If yes, a positive assurance statement shall be available.	Periodical assessment were also planned and conducted for all operating units in both Malaysia and Indonesia. A positive assurance statement has been produced through this periodical assessment and internal audit as well of status RaCP tracker as reference.	Yes
Have there been any stakeholder (including NGO) consultation conducted?	No stakeholder comments or complaints received	Yes

3.3 Progress of scheme smallholders and/or outgrowers (if applicable to this assessment)

Progress of scheme smallholders or outgrowers towards compliance with relevant standards		
Requirement	Remarks	Compliance
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification? OFI shall be raised if after one year where 100% of the scheme smallholders and scheme outgrowers are not in compliance, a minor NC after two years, and a major NC if this requirement is not met after three years.	Not applicable	N/A

3.4 Details of findings

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

During the Surveillance Assessment there were three (3) Major & five (5) Minor nonconformities raised. The TSH Lahad Datu Palm Oil Mill Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for it effectiveness and closed accordingly. The below is the summary of the non-conformity raised during this assessment.

Non-conformity			
NCR Ref #	1864918-201912-M1	Clause & Category (Major / Minor)	Indicator 5.1.6 Major
Date Issued	19/12/2019	Due Date	18/03/2020

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Closed (Yes / No)	Yes	Date of nonconformity Closure	05/03/2020
Statement of Nonconformity:	Agreed payment are not made in timely manner as per contract agreement		
Requirement Reference:	Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.		
Objective Evidence:	Contractor	Payment details	Remarks
	Chemindus	INV-29188, boiler and raw water treatment (Invoice date: 30/6/19, stamped received: 16/7/19)	Payment term in 30 days from date of invoice, refer to payment term subclause 3.2(c) Date of payment: 1/11/19
	MP Machinery	Invoice date: 13/9/19, ref. no. L1S/IL024297	Payment term is 30 days. Date of payment 1/11/19.
Corrections:	Revised the current Tax Invoice Verification time through Reduce waiting time for tax invoice verification to ensure site verification can be done within the time frame stated in both agreement and with PR / billings system.		
Root Cause Analysis:	<ol style="list-style-type: none"> The tax invoice verification flow which required 3 signatures of approval increase the numbers of processing days. The 3-signature required: <ol style="list-style-type: none"> Site Manager Purchasing Department Finance Department Company payment term standard at 60 days, MP Machinery didn't update into their billings system of tax invoice for TSH causing the tax invoice printed still at 30 days of payment term. Not all tax invoice received by site will be stamp with Receiving Date causing unable to track the actual receiving date of tax invoice from business partner. 		
Corrective Actions:	<ol style="list-style-type: none"> Revised related procedure on the timeframe for site verification to ensure immediate approval can be managed. Revised the contract agreement to change the sub-clause 3.2(c) from " payment term in 30 days from date of invoice" TO " payment term in 60 days from date of tax invoice received date" All tax invoice will be stamp with Receiving Date to ensure proper tracking of payments terms. 		
Assessment Conclusion:	<p><u>Major NC onsite verification:</u></p> <p>Verified the new TSH Resources Bhd process flow for payment process under appendix 8.3 - invoice verification flow. Training for the new SOP was given to store personnel on 12/2/20. Initial payment term in the contract was 30 days and agreed to be revised to 60 days based on letter dated 6/1/20 from Chemindus COO. Sighted evidence of payment for Chemindus Sdn Bhd, invoice no. INV-30555 dated 30/11/19 (received date 23/12/19), payment date 1/2/20.</p> <p>Another sample of payment document form UMW (East Malaysia) Sdn Bhd was verified. Invoice no. S6207962 dated 20/12/19. Payment was made on 30/1/20</p>		

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	<p>for the said invoice. It was evident that both samples meeting payment timeline of 60 days.</p> <p>The corrective action is found to be effectively implemented, thus the major NC is closed on 5/3/20. Continuous implementation will be further verified in the next audit.</p>
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Non-conformity			
NCR Ref #	1864918-201912-M2	Clause & Category (Major / Minor)	RSPO SCCS E 4.2 Major
Date Issued	19/12/2019	Due Date	18/03/2020
Closed (Yes / No)	Yes	Date of nonconformity Closure	05/03/2020
Statement of Nonconformity:	Mechanism for handling non-conforming oil palm products and/or documents was not in place.		
Requirement Reference:	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.		
Objective Evidence:	In the SOP, TSHR/SUST/SOP05 rev;4 dated 10/12/19, mechanism for handling non-conforming oil palm products and/or documents was not explicitly explained.		
Corrections:	Refresher training to PIC on the type and methods on handling the non-conformance products/documents.		
Root Cause Analysis:	Current non-confirming mechanism and methods only cross reference to TSH CAR/Complaint procedure. No specification on findings of any non-conforming documents are clearly stated in the supply chain procedure (TSHR/SUST/SOP05).		
Corrective Actions:	Revised the TSHR/SUST/SOP05 to further clarify the mechanism of handling of Nonconforming documents and/or oil palm products and type of non-conformance related to the certified products		
Assessment Conclusion:	<p><u>Major NC onsite verification:</u></p> <p>Refresher training for RSPO SCCS was given to Lahad Datu POM's team on 25/2/20. The intent of training is to update on the new revised SOP on handling the non-conformance products/documents. Verified document, TSH/SUST/SOP05 rev:5 dated 20/2/20. Interview with person in charge has confirmed the understanding and intent of the new revised SOP on handling the non-conformance products/documents.</p> <p>The corrective action is found to be effectively implemented, thus the major NC is closed on 5/3/20. Continuous implementation will be further verified in the next audit.</p>		

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Non-conformity			
NCR Ref #	1864918-201912-M3	Clause & Category (Major / Minor)	RSPO SCCS E 5.1 (a) Major
Date Issued	19/12/2019	Due Date	18/03/2020
Closed (Yes / No)	Yes	Date of nonconformity Closure	05/03/2020
Statement of Nonconformity:	Record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK was not recorded on three monthly basis.		
Requirement Reference:	a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.		
Objective Evidence:	Record of FFB and CPO and PK deliveries only updated on monthly basis and no reconciliation of stock after delivery was made.		
Corrections:	Sold the CSPO & CSPK on real time basis and conduct reconciliation of stock after the 1st month delivery (Dec'2019) with the next 2 months (Jan ~ Feb' 2020) stock before the next stock delivery will be made.		
Root Cause Analysis:	<p>Currently the mill has two (2) set of tracking of FFB/ CPO/PK by two (2) different department causing unable to show the smooth mass balance sheet for the mill deliveries of certified product;</p> <ol style="list-style-type: none"> 1. Operating Site for the FFB processed and CPO/PK produced both certified & non-certified. 2. FFB Admin at HQ for the sales of certified CPO/PK. 		
Corrective Actions:	Revised and combine both mass balance sheet / tracking transaction of CSPO/CSPK to ensure the volume sold under CSPO/CSPK will be easily tracked and each delivery based on the volume from CSFFB processed by monthly to three-monthly basis.		
Assessment Conclusion:	<p><u>Major NC onsite verification:</u></p> <p>Movement of certified material and product monitored using certified product traceability sheet, rev:0 effective date 1/1/20. Tracking of products are on monthly basis and reconcile by end of 3 month @ inventory period. Verified updated data until end of February 2020 and found to be surplus for both CPO and PK. Interview with person in charge has confirmed the understanding on how to monitor movement of certified material and product with fixed inventory period accounting.</p> <p>The corrective action is found to be effectively implemented, thus the major NC is closed on 5/3/20. Continuous implementation will be further verified in the next audit.</p>		

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Non-conformity			
NCR Ref #	1864918-201912-N1	Clause & Category (Major / Minor)	Indicator 6.2.7 Minor
Date Issued	19/12/2019	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"Open"
Statement of Nonconformity:	No permanent, full-time employment is used for all core work performed by the unit of certification.		
Requirement Reference:	Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.		
Objective Evidence:	Lahad Datu POM Core work performed by the unit of certification is currently under contract and renewed on yearly basis. Sample of workers checked: i) Employee ID: 010653, Employment contract dated 2/1/19 (WB clerk) ii) Employee ID: 040688, Employment contract dated 2/1/19 (fireman) iii) Employee ID: 050710, , Employment contract dated 2/1/19 (watchman) iv) Employee ID: 0736, Employment contract dated 22/10/19 (lab attendance) Gomantong Estate i) Employee ID: 022871, employment contract dated 2/1/19 (security) ii) Employee ID: 032553, employment contract dated 2/1/19 (general/harvester)		
Corrections:	Briefing to employees on the new contract agreement conditions from annual renewal of contract to permanent employment for those without limitation from the Labour & Immigration department.		
Root Cause Analysis:	Standardizing all level of workers under one contract agreement as part of equality for contract of employment among them.		
Corrective Actions:	To revised the contract agreement for workers which fall under core activities from annual to permanent contract agreement for Malaysian citizenship effective in Feb'2020.		
Assessment Conclusion:	The correction action plan is accepted. Effectiveness of corrective action taken will be further verified in the next surveillance assessment.		

Non-conformity			
NCR Ref #	1864918-201912-N2	Clause & Category (Major / Minor)	Indicator 6.4.1 Minor
Date Issued	19/12/2019	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"Open"

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Statement of Nonconformity:	Remediation process is not incorporated in the established policy.
Requirement Reference:	A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.
Objective Evidence:	Remediation process was properly documented and explained in the Child Labour Policy, TSHR/POL/SOP07, rev:0 dated 16/10/15.
Corrections:	Create a remediation program should any transgression found and briefed to employees under this organization
Root Cause Analysis:	The remediation process currently is available and implemented on-site such as CLC School, School program, Training and refresher training towards the parents which cover under the company's CSR. Unfortunately, the list of remediation activities and how to conduct are not clearly stated in the Child Labour Policy
Corrective Actions:	<ol style="list-style-type: none"> 1. Revised the TSHR/POL/SOP07 to include the clause of remediation process should any transgression found on-site. 2. Annual refresher conducted to all employees on the reminder for the child labour protection under this organization.
Assessment Conclusion:	The correction action plan is accepted. Effectiveness of corrective action taken will be further verified in the next surveillance assessment.

Non-conformity			
NCR Ref #	1864918-201912-N3	Clause & Category (Major / Minor)	Indicator 6.5.3 Minor
Date Issued	19/12/2019	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"Open"
Statement of Nonconformity:	No evidence that management has assessed the needs of new mothers, in consultation with the new mothers as to date.		
Requirement Reference:	Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified		
Objective Evidence:	Consultation process with new mothers has yet to be carried out. Based on meeting minutes dated(9/12/19, 18/9/19, 18/6/19 and 14/3/19), no discussion on the needs of new mothers to breastfeed up to nine months and adequate space and paid breaks should be provided to enable mothers with infants 24 months or younger to breastfeed or express and store breast milk with privacy.		
Corrections:	Create new mother program during the Gender Committee Meeting which will includes all new mothers at that area for inputs and feedbacks.		
Root Cause Analysis:	The program is partially implemented directly under Estate Clinic (breastfeeding program) but no discussion in the Gender Committee as a continuous program.		

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Corrective Actions:	Program for new mother management/consultation (female workers which handling with chemicals) such as training, space and needs for breast feeding breaks and the periods approved for such requests will be prepared and discussed as Gender Committee annual plan.
Assessment Conclusion:	The correction action plan is accepted. Effectiveness of corrective action taken will be further verified in the next surveillance assessment.

Non-conformity			
NCR Ref #	1864918-201912-N4	Clause & Category (Major / Minor)	Indicator 7.3.2 Minor
Date Issued	19/12/2019	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"Open"
Statement of Nonconformity:	The disposal of waste material were not done according to standard procedures.		
Requirement Reference:	Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.		
Objective Evidence:	<p><u>LDPOM</u> During the visit to LDPOM Linesite, the waste materials (used lubricant containers and used paint containers) were not disposed responsibly as they can be seen reused at the linesite and disposed by recycling when they are categorized as scheduled waste. The management need to review the effectiveness of their schedule waste disposals as contaminated containers must be disposed as schedule waste.</p> <p><u>Ong Yah Ho Estate</u> During the visit to the Ong Yah Ho Schedule Waste store it was sighted that there was a 200 litre drum filled with used oil filters. Unfortunately there were no "Toxic Substance Waste" label on the container which is required to indicate the Waste Code, Waste Type, Generation date, etc.</p>		
Corrections:	Collect back all mineral oil empty chemical container from housing area. 2. Conduct refresher training for the occupier on SW management both from mill & housing area.		
Root Cause Analysis:	<ol style="list-style-type: none"> 1. Currently certain all type of Empty Chemical Container is re-use (3R program) as per the TSHR/ENV/SOP03 Ver02 (Eff; 04/07/2016); Waste Management requirement to reduce the amount of SW waste generated for disposal. 2. The employee's awareness to distinguish type of used chemical container that can be reuse are still lacking. 3. During the recent collection of SW410 by the Licensed Contractor the collection bin has been collected and the replacement bin are yet to be prepared yet by the new SW Store PIC. 		
Corrective Actions:	1. To revised the TSHR's Waste management- TSHR/SOP03/rev2 dated 04.07.2016; plan to specify the type of able to re-use chemical containers on-site		

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	<ol style="list-style-type: none"> 2. To conduct waste management refresher training in 6 monthly basis. 3. Conduct return to supplier program of mineral oil empty chemical container for their reuse of mineral oil container. Details of disposed of or re-use type of chemical container will be specified in the TSHR/SOP03/Rev03.
Assessment Conclusion:	The correction action plan is accepted. Effectiveness of corrective action taken will be further verified in the next surveillance assessment.

Non-conformity			
NCR Ref #	1864918-201912-N5	Clause & Category (Major / Minor)	Indicator 7.2.8 Minor
Date Issued	19/12/2019	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"Open"
Statement of Nonconformity:	The handling of used pesticide containers were not in accordance with the estates SOP and Procedures of safe handling.		
Requirement Reference:	All pesticide containers are properly disposed of and/or handled responsibly if used for other purposes.		
Objective Evidence:	<p>With the exception that some empty pesticide containers were recycled as premixing containers used to supply pesticide for field applications, the rest of the empty chemical containers were triple rinsed and stored in dedicated store in accordance to procedure TSHR/ENV/SOP03 r2 dated 04.07.2016 The procedure states that all emptied chemical containers shall be triple rinsed to recover the chemical residue (refer to the triple, TSHR/ENV/WI01).</p> <p>The procedure does not mention on the need to puncture the chemical rums to remove the chemical residues. The triple rinse procedure (TSHR//ENV/WI01) Rev 1 states at Part 2(8) – Tebuk bekas di bawah bagi tujuan keselamatan dan kesihatan) which requires the chemical drums to be punctured prior to be sent to the store.</p> <p>Based on the chemical drums that were randomly selected at the Empty Chemical Drum Stores at Ong Yoh Ha Estate and Gomantang Estate, it was sighted that none of the chemical drums were punctured. It was also sighted that the chemical containers still had liquid inside if them.</p> <p>It was also sighted during the Field Visit at Gomantong Estate, the Contractor’s Excavator had a number of chemical drums used to store lubricant. This indicates the lack of control on the used chemical drums within the estate as the chemical drums are supposed to be reused (premix drums) or disposed responsibly and not to store fossil fuels.</p>		
Corrections:	<ol style="list-style-type: none"> 1. Collect back all Empty chemical container from contractor 2. Pierced all the empty pesticide container currently inside the SW store 		
Root Cause Analysis:	<ol style="list-style-type: none"> 1. Currently certain all type of Empty Chemical Container are re-use (3R program) as per the TSHR/ENV/SOP03 Ver02 (Eff; 04/07/2016) ; Waste Management requirement to reduce the amount of SW waste generated for disposal. 2. Management of the return of chemical container are found lacking as the numbers of chemical container issued out are not properly collected. 		

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	3. Management of SW Store for return of chemical container are found lacking as still allowed for any empty chemical container goes into the SW store even without punctured.
Corrective Actions:	<ol style="list-style-type: none"> 1. Training of the PIC to be improved especially on the new recruits from annually to 6 monthly refresher training on SW management. 2. Revised the TSHR/SOP03/rev2 dated 04.07.2016 to include the triple rinsing requirements and type of empty chemical container which approved for re-use with labelling and signage. 3. 3. SW Store inspection frequency to be increase from quarterly to Monthly basis and to be conducted by Store PIC/Staff/Engineer instead of the SW Store PIC.
Assessment Conclusion:	The correction action plan is accepted. Effectiveness of corrective action taken will be further verified in the next surveillance assessment.

Opportunity for Improvements	
OFI #	Description
OFI 1	Nil

Positive Findings	
PF #	Description
PF 1	No negative comments received from stakeholders during onsite assessment.

3.4.1 Status of Nonconformities Previously Identified and Observations

Nonconformity			
NCR Ref #	1718280-201812-N1	Clause & Category (Major / Minor)	Indicator 5.3.3 Minor
Closed (Yes / No)	No	Date of nonconformity Closure	Reissue the NC due to recurrence of issue
Statement of Nonconformity:	The evidence of diesel, lubricant and scheduled waste spillage shows the environmental improvement plan was not effectively implemented.		
Requirement Reference:	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.		
Objective Evidence:	<p>During the both estates/mill site visits at the following venues /stations it was sighted that;</p> <ol style="list-style-type: none"> a) Mill Diesel storage tank - Diesel and lubricant oil spillage underneath. b) Mill Scheduled Waste store - spillage of used lubricant oil SW 305 under the storage container. c) c) OYH Estate - spillage of used lubricant oil SW 305 under the storage container. In the Environmental Improvement Plan, in section Waste/M/002, the objective stated 'to improve collection, segregation, storage and disposal of all scheduled waste and domestic waste. The action program stated that 'all 		

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	scheduled wastes to be collected, segregated, store and disposed through the DOE licensed company.
Corrections:	To designed and install secondary containment suitable for the SW store.
Root Cause Analysis:	The understanding that the concrete flooring and oil sump-pit was already sufficient to control & collect any spillage of oil or SW
Corrective Actions:	To revised the TSHR/ENV/F03 to include the secondary requirements & conduct environmental improvement training on the SW305 5S collection & storage.
Assessment Conclusion:	The previous NC was not effectively closed thus re-issue under new indicator of RSPO P&C MYNI 2019.

Nonconformity			
NCR Ref #	1718280-201812-N2	Clause & Category (Major / Minor)	Indicator 2.1.3 Minor
Closed (Yes / No)	Yes	Date of nonconformity Closure	16/12/2019
Statement of Nonconformity:	The clauses of the below act was not adequately addressed		
Requirement Reference:	A mechanism for ensuring compliance shall be implemented.		
Objective Evidence:	Gomantong Estate: Lapses of the following Regulations was sighted in the legal register of Occupational Safety and Health - Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations 2013 - The Agrochemicals, Lubricant and Hydraulic oil Safety and Data Sheets found at the Agrochemicals store and Workshop did not have their valid (more than 5 years old) SDS displayed.		
Corrections:	To submit the chemical master-list to Purchasing Group & Store PIC for their help to on getting the revised SDS for relevant chemical		
Root Cause Analysis:	The updated of SDS are not received regularly from supplier unless requested. There is a lapse of request for updated SDS for 2018		
Corrective Actions:	To update and send the chemical register annually to Purchasing Group & Store PIC for annual SDS expiry status and to get the updated copy from either supplier or manufacturer. Revised the OSH WI - TSHR/OSH/WI02. Conduct training for the PIC on Jan 2019.		
Assessment Conclusion:	<u>ASA3 verification:</u> i) The latest training carried out on 24/10/19 for the chemical buy-off training, SDS and chemical safety handling training. The said training was given to clerk and store attendance. ii) Master list of chemical was sighted which include 25 chemicals in the register. From the list, there was no expired SDS and still valid until 2020. iii) Work instruction has been updated, doc no. TSHR/OSH/WI02 rev:1 dated 1/3/19. No recurrence of issues found during audit. All copies of SDS available are still valid and valid until 2020. Thus the previous minor NC is closed on 16/12/19.		

Opportunity for Improvements	
OFI #	Description
OFI 1	<p>Indicator 6.5.3</p> <p>Details: All operating units: Company need to demonstrate its stance related to any unauthorized permanent or temporary structure constructions and renovations or extension of existing company's houses whether .</p> <p>ASA3 status: As verified during site assessment, there was no construction and renovation allowed in the linesite by the management</p>

3.4.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Major / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
1396353M1	Major	4.7.1	03/11/2016	Closed on 28/11/2016
1396353N1	Minor	5.3.3	03/11/2016	Closed on 15/12/2017
1567675-201711-M1	Major	2.1.1	15/12/2017	Closed 01/02/2018
1567675-201711-M2	Major	5.3.1	15/12/2017	Closed 01/02/2018
1567675-201711-M3	Major	6.5.1	15/12/2017	Closed 01/02/2018
1567675-201711-M4	Major	6.5.2	15/12/2017	Closed 01/02/2018
1567675-201711-M5	Major	6.12.1	15/12/2017	Closed 01/02/2018
1567675-201711-N1	Minor	4.7.3	15/12/2017	Closed on 7/12/2018
1567675-201711-N2	Minor	5.2.4	15/12/2017	Closed on 7/12/2018
1718280-201812-N1	Minor	5.3.3	07/12/2018	Reissue the NC under new indicator 7.3.2
1718280-201812-N2	Minor	2.1.3	07/12/2018	Closed on 19/12/2019
1864918-201912-M1 (New P&C)	Major	5.1.6	19/12/2019	Closed on 05/03/2020
1864918-201912-M2	Major	SCCS E 4.2	19/12/2019	Closed on 05/03/2020
1864918-201912-M3	Major	SCCS E 5.1(a)	19/12/2019	Closed on 05/03/2020
1864918-201912-N1	Minor	6.2.7	19/12/2019	"Open"
1864918-201912-N2	Minor	6.4.1	19/12/2019	"Open"
1864918-201912-N3	Minor	6.5.3	19/12/2019	"Open"
1864918-201912-N4	Minor	7.3.2	19/12/2019	"Open"
1864918-201912-N5	Minor	7.2.8	19/12/2019	"Open"

3.5 Stakeholders and previous land owner / user consultation

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

Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. Any comment which is not complying to the RSPO P&C requirements have been incorporated as an assessment finding.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as below.

List of Stakeholders contacted	
Internal Stakeholders Mill and estate workers Female workers Gender committee representative Workers (by nationalities – Malaysian and Indonesian) Sustainability representative	Union/Contractors Chemindus MP Machinery
Government Departments	NGO/neighbouring estates Pontian Fico Estate Lindalle Sdn Bhd

	Stakeholders comment
1	<p>Feedbacks: Replanting programme for both Gomantong and Lindalle Sdn Bhd. Boundary management based on pegs. No dispute or disagreement on boundary pegs adjacent with boundary for both estates.</p> <p>Management Responses: Will continue to assist whenever possible.</p> <p>Audit Team Findings: No other issue.</p>
2	<p>Feedbacks:</p> <ul style="list-style-type: none"> i) Female workers (gender committee) – Regular meetings were carried out by operating units. No case of sexual harassment reported as to date. ii) Workers representative (by nationality Malaysian and Indonesian) – Equal opportunities are given to all regardless of nationality or gender. No form or evidence of forced labor in TSH plantation. <p>Management Responses: Medium and channel are given to workers to report or voice out any concerns and grievances via gender committee meeting and workers welfare meeting. Meeting are conducted regularly to discuss any issues arising from workers and gender committee.</p>

	<p>Audit Team Findings: Based on the interview with workers, no unresolved issues reported. All issued being handled accordingly.</p>
3	<p>Feedbacks: Contractor (MP machinery and Chemindus) – Any job/services offered to the company must be official. PO or contract will be issued prior to any job offered. No issue on the payment term.</p>
	<p>Management Responses: Noted and will continue to update the contractors if there is any new amendments in the contract/PO.</p>
	<p>Audit Team Findings: No further issue.</p>
4	<p>Feedbacks: Routine road maintenance (Pontian Fico) and TSH Resources Berhad (Gomantong Estate). Continuous collaboration with both estates to maintain the road condition after rainy season.</p>
	<p>Management Responses: Will continue to assist whenever possible.</p>
	<p>Audit Team Findings: No other issue.</p>

List of land owner / user contacted					
Name	Years of ownership / used	Land area (ha)	Agreement (Yes / No)	Agreement base on FPIC (Yes/No)	Compliance on the agreement terms and conditions

*Deras Ikhtijaya Sdn Bhd was unable to be contacted during site audit. Deras Ikhtijaya Sdn Bhd was the previous land owner and already planted with oil palm before bought over in 2000 by TSH management. The particular land is under country lease from 1/1/1998 – 31/12/2096 (98 years).

Previous land owner / user comment	
	<p>Feedbacks:</p>
	<p>Management Responses: -</p>
	<p>Audit Team Findings:</p>

3.6 Impartiality and conflict of interest

During this assessment there *was no* circumstances or pressure that had influenced the independence or confidentiality of the assessment team

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Formal Signing-off of Assessment Conclusion and Recommendation	
<p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that TSH Lahad Datu Palm Oil Mill complied with the RSPO Supply Chain Certification Standard (June 2017) and audit criteria identified within the audit report. It is deemed that the management system continues to achieve its intended outcomes. Therefore, it is recommended that the certification of TSH Lahad Datu Palm Oil Mill is continued.</p>	
Report prepared by	Acceptance of Assessment Conclusion
Name: Mohamed Hidhir Zainal Abidin	Name: HENRY SEAW KIM
Company Name: BSI Services Malaysia Sdn Bhd	Company Name: TSH - LAHAD DATU PALM OIL MILL
Title: Lead auditor	Title: MILL MANAGER
Signature: 	Signature: (I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)  
Date: 12 th April 2020	Date: 18 Apr 2020

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance	
Principle 1: Behave ethically and transparently			
Criterion 1.1 The unit of certification provides 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	<p>(C) Documents that are specified in the RSPO P&C are made available to the public. - Major compliance -</p>	<p>General publicly available documents sighted available such as the Annual Report 2018 and accessible for downloading its softcopy version from company's website: https://www.tsh.com.my/annual-report-2018/</p> <p>a) Ong Yah Ho Estate: Land title sighted available: Title no. Country Lease 095327218; Register memo no.: 20243896; dated 25/8/98. b) Gomantong Estate: Land title sighted available: Title no. Country Lease 095310731; Register memo no.: 20299391; dated 9/4/09.</p> <p>Policy had been established with procedures and policy following: a) Transparency Policy; Doc. no.: TSHR/POL/SOP01; Rev. 0 dated 16/10/15 b) Safety & Health Policy; Doc. no.: TSHR/POL/SOP02; Rev. 2 dated 18/10/17 c) Equal Opportunity & Discrimination Policy; Doc. no.: TSHR/POL/SOP03; Rev. 0 dated 16/10/15 d) Freedom of Association Policy; Doc. no.: TSHR/POL/SOP04; Rev. 0 dated 16/10/15 e) Sexual Harassment Policy; Doc. no.: TSHR/POL/SOP05; Rev. 0 dated 16/10/15 f) Reproductive Rights Policy; Doc. no.: TSHR/POL/SOP06; Rev. 1 dated 21/3/16</p>	<p>Complied</p>

		<p>g) Child Labour Policy; Doc. no.: TSHR/POL/SOP07; Rev. 0 dated 16/10/15 h) Environment Policy; Doc. no.: TSHR/POL/SOP08; Rev. 1 dated 1/11/17 i) Human Rights and Responsible Business; TSHR/POL/SOP09, rev:0 dated 16/10/15. j) Special Labour Policy, TSHR/POL/SOP10, rev:2 dated 26/11/18.</p> <p>Other publicly available documents were sighted and available with details as reported in the each indicator of related criterion.</p>	
1.1.2	<p>Information is provided in appropriate languages and accessible to relevant stakeholders. - Minor compliance -</p>	<p>Information were adequately provided through the implementation of following procedures: a) Information Request; TSHR/SUST/SOP01; Rev.: 2; Effective date: 1/11/17 b) Employee grievance; TSHR/HR/SOP06; Rev.: 0; Effective date: 12/1/16</p> <p>Based on procedures, sighted records of Stakeholder Registration Form that was used for Information Request by external stakeholders. Therein the requester shall provide information: - Full name - Date of request - Address/contact no/email - Business, organization representing - Reason of request/intended use of information.</p>	Complied
1.1.3	<p>(C) Records of requests for information and responses are maintained. - Major compliance -</p>	<p>Records of request for information and responses are maintained. Request of information was recorded in stakeholder request track form, TSHR/SUST/F02 rev:1.</p>	Complied
1.1.4	<p>(C) Consultation and communication procedures are documented, disclosed, implemented, made available, and</p>	<p>Communication, Consultation and Participation procedures are in place, refer to TSHR/SUST/SOP02, rev:3 dated 19/11/19. Nominated</p>	Complied

	explained to all relevant stakeholders by nominated representative. - Major compliance -	management official is the estate manager. Refer to letter dated 22/7/16 signed by Group Executive Director (GED)	
1.1.5	There is a current list of contact and details of stakeholders and their nominated representatives. - Minor compliance -	Current list of contact and details of stakeholders and their nominated representatives was made available for review. List of internal and external stakeholder list checked as per the following: i) Internal stakeholder list, rev:5 dated 20/9/19 ii) External stakeholder list (FFB supplier) dated 2/12/19 iii) Government/NGO list, rev:5 dated 5/12/19 iv) Goods supplier list, rev:3 dated 11/12/19 v) Product customer list, rev:3 dated 10/9/19	Complied
Criterion 1.2			
The unit of certification commits to ethical conduct in all business operations and transactions.			
1.2.1	A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts. - Minor compliance -	TSH Resources Berhad has established policy on Communication & Consultation and the embedment of Code of Ethics within the Group Human Resource Manual and practice covers all operations in the plantation operation. Policies displayed on the notice board and communicated to employees. Elements of ethical conducts and integrity were imbedded in all policies reviewed at operations sites. 1. Transparency Policy Statement 2. Safety & Health Policy Statement 3. Equal Opportunity & Discrimination Policy Statement 4. Freedom of Association Policy Statement 5. Sexual Harassment Policy Statement 6. Reproductive Rights Policy Statement 7. Child Labour Policy Statement	Complied

		8. Environment Policy Statement 9. Human Rights Responsible Business Policy Statement	
1.2.2	A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice. - Minor compliance -	Human Rights & Responsible Business Policy; Doc. no.: TSHR/POL/SOP09 Rev. 0 dated 16/10/15 signed by MD. Communicated through internal stakeholder meeting and assembly. Interview with employees reveal that they are aware of the policies.	Complied
Principle 2: Operate legally and respect rights			
Criterion 2.1			
There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	(C) The Unit of Certification complies with legal requirements - Major compliance -	Lahad Datu Palm Oil Mill certification unit has demonstrated evidence of compliance with relevant legal requirements. The list of legal requirement has been identified and registered in Legal Document Master List. The legal requirements with respect to license, permit and competent person sampled and verified found compliance at the visited operating units are as follows: Sampling accordance to regulation compliance: <ul style="list-style-type: none"> - Air receiver Boiler No. 2 (SB PMT 12151) refer license PMT-SB/19 22401 valid until 6/6/20. - Back Pressure receiver (PMT 143752) refer license PMT-SB/19 24520 valid until 6/6/20. - Air compressor Biogas Plant (SB PMT 10634) refer license PMT-SB/19 19994 valid until 8/4/20. - Crane no 2 (PMA 94850)refer PMA-SB/19 22404 valid until 6/6/20 - Softener No 1 (SB PMT 9609) refer license PMT SB/19 19995 valid until 8/4/20. - MPOB license, refer certificate no 508717404000 valid until 31/5/20 	Complied

		<ul style="list-style-type: none"> - License from JTK for night shift more than 10 o'clock for ladies dated 5/4/18 valid until its cover TSH Plantation Sdn Bhd, TSH Plantation Management Sdn Bhd, TSH Bio- Gas Sdn Bhd and TSH Bio-Energy Sdn Bhd - For Ong Yah Ho estate, License from KPDNKK for Diesel (S016602) and Petrol (S005046) was valid until 6 Nov 2020 and 1 Feb 2020. - License for Hired foreign workers refer JTK.H.KBN.600-4/1/01261/0101 valid until 14/9/20 - MPOB license referred 503443702000 valid until 31/1/20 - Air receiver license referred SB PMT 13070 valid until 3/2/21. - Safety data Sheet verification sampling on glyphosate and ally valid until 2021. Chemical Hazard Risk Assessment for estate, conducted by Dr Mohd Azizan (HQ/11/ASS/00/298) from DAB OH SDN BHD dated 13 Oct 2017, the report can refer ref. no. HQ/11/ASS/00/298-2017/051. All risk was updated under HIRARC and comply accordance verified as per PPE issuance record and other control verification <p>Sample of Competent person as per legal requirement:-</p> <ul style="list-style-type: none"> - Authorised Gas Tester and entry Supervisor for confined Space (AGT) – Bruno Bungkong(NW-NSDK-AGT-R-0042-O) valid until 21/9/20 complied with INDUSTRY CODE OF PRACTICE FOR SAFE WORKING IN A CONFINED SPACE 2010 - Authorised Entrant and Standby Person for Confined Space (AESP) – Muhamad Ridzuan Bin Aduring (NW-NSDK-AE-R-0369-O) valid until 26 June 2020 complied with INDUSTRY CODE OF PRACTICE FOR SAFE WORKING IN A CONFINED SPACE 2010 - CePSWaM – under name Rohana Parilla(CePSWaM/185339) comply with Scheduled waste regulation 2005 	
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		The list was last reviewed by the Oil Mill on July 2019 and Gomantong Estate and Ong Yah Ho Estate was on Jan 2019. The mill and estates visited has kept the set of legal requirements in hard copy and soft copy.	
2.1.2	A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations. - Minor compliance -	Written information for Legal and other requirements, Document dated 15/1/18 was available and maintained. It includes procedure for tracking changes, implementation of changes and evaluation of compliance. The tracking of the changes to legal requirements are conducted by the respective HOD (4 departments). The Legal Master List was last was evaluated from 29/11/19 for mill and estates assessed.	Complied
2.1.3	Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries. - Minor compliance -	The legal or authorised boundaries was clearly demarcated and visibly maintained in Field OP 08 between Ong Yah Ho estate and Department of Agriculture land. In Gomantong estate the legal authorised boundaries was clearly demarcated using boundary pegging. Verification done on Lindale Sdn Bhd land and Field OP 2014 the demarcation was available.	Complied
Criterion 2.2:			
All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements			
2.2.1	A list of contracted parties is maintained. - Minor compliance -	List of contracted parties is maintained and documented in the list of external parties.	Complied
2.2.2	All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available. - Minor compliance -	Specific clause on meeting applicable legal requirements included in the all agreement with contractors. For example under transportation agreement, HMK Transport Sdn Bhd with the addendum contract dated 11/11/19 was sighted	Complied

2.2.3	<p>All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.</p> <p>- Minor compliance -</p>	<p>An addendum contract for FFB supplier (Merayah Sdn Bhd, Prestige Central Management Sdn Bhd, Syarikat Borneo Mas) were sighted. Communication with contractors on the clause disallowing child, forced and trafficked labour were also done. No young workers were employed.</p>	Complied						
<p>Criterion 2.3: All FFB supplies from outside the unit of certification are from legal sources.</p>									
2.3.1	<p>(C) For all directly sourced FFB, the mill requires:</p> <ul style="list-style-type: none"> • Information on geo-location of FFB origins • Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder • One or more supporting documents for claims • Valid MPOB license <p>- Major compliance -</p>	<p>For directly sources FFB (Ong Yah Ho and Gomantong) all required information are detail out in the earlier part of the report. As for 3rd party estates/out growers, As minimum, a valid MPOB license is required for registration. Details of MPOB license for some of estate/out growers as per below table: Estate/Out growers</p> <table border="1" data-bbox="1003 884 1592 1129"> <tr> <td data-bbox="1003 884 1592 963">Merayah Sdn Bhd</td> <td data-bbox="1592 884 1872 963">MPOB license & validity 502972702000 valid until 31/10/20</td> </tr> <tr> <td data-bbox="1003 963 1592 1043">Syarikat Borneo Mas</td> <td data-bbox="1592 963 1872 1043">551948101000 valid until 31/7/19</td> </tr> <tr> <td data-bbox="1003 1043 1592 1129">Prestige Central Management Sdn Bhd</td> <td data-bbox="1592 1043 1872 1129">617646002000 valid until 20/9/20</td> </tr> </table>	Merayah Sdn Bhd	MPOB license & validity 502972702000 valid until 31/10/20	Syarikat Borneo Mas	551948101000 valid until 31/7/19	Prestige Central Management Sdn Bhd	617646002000 valid until 20/9/20	Complied
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2.3.2	<p>For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1.</p> <p>- Minor compliance -</p>	<p>3rd party FFB supplier outreach programme has been initiated by TSH with a timeline of 3 years. This plan is in-line with RSPO directive as to secure all required information of TSH's indirect suppliers. The first year of implementation is more focus on legality to supply FFB provided with MPOB license as evidence. Beginning of 2020, other details required will be proactively collected from suppliers and conforming the geo-location of FFB origin by going on-site to supplier's estates/plantations. This will be continue to be monitored in the next surveillance assessment on the</p>	Complied						

		progress. Information with regards of indirect source of FFB from out-growers are still in progress. As minimum, a valid MPOB license is required for registration.	
Principle 3: Optimise productivity, efficiency, positive impacts and resilience			
Criterion 3.1			
There is an implemented management plan that aims to achieve long-term economic and financial viability.			
3.1.1	(C) A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders. - Major compliance -	LDPOM Business management plans were sighted for all the operating units and was available under the 'Long Term Project Development & Maintenance Plan (3 Years)' for period January 2019 to December 2021. The areas that were focused on were fixed assets, staff salaries & related costs, labour welfare expenses, administration & general charges, depreciation and manufacturing costs. This 3-year projection were prepared as guidance for future planning.	Complied

<p>3.1.2</p>	<p>An annual replanting programme projected for a minimum of five years with yearly review, is available. - Minor compliance -</p>	<p>The replanting program for the two estates were compiled as follows. <u>Ong Yah Ho Estate</u> has projected the replanting program for the next 10 years which is subjected to be reviewed on a yearly basis. The program as at 2019 is as follows.</p> <table border="1" data-bbox="1003 515 1742 1066"> <thead> <tr> <th>Year of Planting</th> <th>Total Ha</th> </tr> </thead> <tbody> <tr><td>2019</td><td>0</td></tr> <tr><td>2020</td><td>0</td></tr> <tr><td>2021</td><td>158.46</td></tr> <tr><td>2022</td><td>310.25</td></tr> <tr><td>2023</td><td>297.30</td></tr> <tr><td>2024</td><td>344.54</td></tr> <tr><td>2025</td><td>341.51</td></tr> <tr><td>2026</td><td>408.0</td></tr> <tr><td>2027</td><td>99.95</td></tr> <tr><td>2028</td><td>0</td></tr> </tbody> </table> <p><u>Gomantong Estate</u> has projected the replanting programme fo the next 6 years which is subjected to be reviewed on a yearly basis. The programme as at 2019 is as follows.</p> <table border="1" data-bbox="1003 1217 1742 1364"> <thead> <tr> <th>YEAR OF PLANTING</th> <th>TOTAL HA</th> </tr> </thead> <tbody> <tr><td>2019</td><td>150</td></tr> <tr><td>2020</td><td>192</td></tr> </tbody> </table>	Year of Planting	Total Ha	2019	0	2020	0	2021	158.46	2022	310.25	2023	297.30	2024	344.54	2025	341.51	2026	408.0	2027	99.95	2028	0	YEAR OF PLANTING	TOTAL HA	2019	150	2020	192	<p>Complied</p>
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3.1.3	<p>The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertake.</p> <p>- Minor compliance -</p>	<p>A Sustainability Management Review meeting was held on 20/9/19 for Lahad Datu Region comprising the Mill and Supply Bases (Ong Yah Ho Estate and Gomantong Estate). The annually conducted management review was chaired by the Group Executive Director and attended by 9 other members from the Mill and the two Supply bases.</p>	Complied								
<p>Criterion 3.2 The unit of Certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable Continuous improvement in key operations.</p>											
3.2.1	<p>(C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification.</p> <p>- Major Compliance -</p>	<p>The action plan for continuous improvement is implemented and mentioned in the Environment and Social Continual Improvement Plan 2015 – 2020. The plan is created for all 3 operating units combined. Sampled of the Action Plan for both considerations are as below ;</p> <ol style="list-style-type: none"> 1. To reduce emission that polluted the air. (Environment) 2. To prevent CPO spillage or flows that can contaminate the storm water drain. (Environment) 	Complied								

		<p>3. To improve the collection, segregation, storage and disposal of all scheduled waste and domestic waste. (Environment)</p> <p>4. To ensure relevant social activity are planned and implemented towards worker’s overall improvement. (Social)</p> <p>5. To make sure that the price (sundry shops) is within the appropriate range. (Social)</p> <p>6. To ensure that work & pay conditions achieve minimum standard of Labour Law. (Social)</p> <p>The sampled CIP objectives and the implementation of them are as below:</p> <table border="1" data-bbox="1003 719 1854 1209"> <thead> <tr> <th data-bbox="1003 719 1384 751">CIP Objectives</th> <th data-bbox="1384 719 1854 751">Implementation</th> </tr> </thead> <tbody> <tr> <td data-bbox="1003 751 1384 850">1. To minimize pollution</td> <td data-bbox="1384 751 1854 850">Policy and SOP had been set up for Zero Burning for replanting activities. The practice was done.</td> </tr> <tr> <td data-bbox="1003 850 1384 1078">2. To promote the biodiversity’s present in the fields and the proliferation of beneficial soil, flora and fauna.</td> <td data-bbox="1384 850 1854 1078">1. Band pesticide had been highlighted by safety officer, the replaced and avoided to purchase. Any old stock of Class 1A and 1B to be disposed of SW Contractor. 2. The IPM plan had been established and to monitor the pesticide used.</td> </tr> <tr> <td data-bbox="1003 1078 1384 1209">3. To protect any Riparian reserved or gazette buffer zone from any plantation activities.</td> <td data-bbox="1384 1078 1854 1209">None detection of spraying and fertilizer was applied at the riparian and buffer zone areas.</td> </tr> </tbody> </table>	CIP Objectives	Implementation	1. To minimize pollution	Policy and SOP had been set up for Zero Burning for replanting activities. The practice was done.	2. To promote the biodiversity’s present in the fields and the proliferation of beneficial soil, flora and fauna.	1. Band pesticide had been highlighted by safety officer, the replaced and avoided to purchase. Any old stock of Class 1A and 1B to be disposed of SW Contractor. 2. The IPM plan had been established and to monitor the pesticide used.	3. To protect any Riparian reserved or gazette buffer zone from any plantation activities.	None detection of spraying and fertilizer was applied at the riparian and buffer zone areas.	
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3. To protect any Riparian reserved or gazette buffer zone from any plantation activities.	None detection of spraying and fertilizer was applied at the riparian and buffer zone areas.										
3.2.2	As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the [RSPO metrics template].	The RSPO metrics template is awaiting approval from RSPO therefore it is not applicable.	Not applicable								

	<p>PROCEDURAL NOTE: The RSPO metrics template is awaiting decision/agreement by RSPO and the issue is still being discussed. Until such metrics is agreed and developed, companies will carry on with existing reporting e.g. PalmGHG, Annual Communication of Progress (ACOP) reporting, and information provided to Certification Body and feedback via RSPO Secretariat is required. - Minor Compliance -</p>		
<p>Criterion 3.3 Operating procedures are Appropriately documented, consistently implemented and monitored.</p>			
<p>3.3.1</p>	<p>(C) Standard Operating Procedures (SOPs) for the unit of certification are in place. - Major Compliance -</p>	<p>The mill operations are directed by SOP maintained by the management. The latest review dated 07/12/17. Among others relating to;</p> <ol style="list-style-type: none"> 1. Admin 2. Store 3. Maintenance 4. Biogas 5. Weighbridge Station 6. FFB Grading 7. Production 8. Crude Palm Oil (CPO) 9. Palm Kernel (PK) 10. Water Quality Analysis 11. Effluent Analysis <p>Similarly the estates operations are guided by SOP maintained by the management. Initial date of document dated 1/7/16 and review as per section/activities requirement. Among others relating to;</p>	<p>Complied</p>

		<ol style="list-style-type: none"> 1. Land Clearing & Preparation 2. Nursery 3. Cover Crops 4. Weeding 5. Pruning & Sanitation 6. FFB, Harvesting & Dispatch 7. Replanting 	
3.3.2	<p>A mechanism to check consistent implementation of procedures is in place..</p> <p>- Minor Compliance -</p>	<p>Various Mechanism was used to ensure that the SOPs were in place such as the implementation of checklists, monitoring records, Onsite Inspection by Top Management, Task Specific Experts (Agronomist) and Internal Audits Teams.</p> <p>The mill adopted the following practices;</p> <ol style="list-style-type: none"> a) Daily production report therein containing <ul style="list-style-type: none"> - FFB processed/Ramp balance/ - Throughput/starting & stopping time - Boiler monitoring sheet - Daily notification report – machinery status b) Monthly shutdown c) Mill summary expenditure <ul style="list-style-type: none"> - Palm oil statistics - Administration and General Charges - CAPEX expenditure d) Audit Process 1x/month e) Assistant Gen Manager visits 1x/month f) Unscheduled visit by Group Executive Director g) Government Agencies i.e. DOSH, DOE, JTK, others. 	Complied

		<p>The estates similarly practice the following to check the implementations of procedures.</p> <ul style="list-style-type: none"> a) Daily production/work records for the core activities at the estates b) Operation Costing Book. c) chemical consumption record d) mature/immature field work program <ul style="list-style-type: none"> - fertilizer application, - herbicide spraying, - Harvesting and collection of FFB. e) Unscheduled visits by Senior Manager & Gen Manager. f) Annual Plantation Advisor visit. g) Annual Agronomist visit relating to field agronomy and foliar sampling. h) Sustainability Unit audits and visits 	
<p>3.3.3</p>	<p>Records of monitoring and any actions taken are maintained and available. - Minor Compliance -</p>	<p>The monitoring of the SOP implementation was closely made by all levels of the supervisory personnel with records maintained and checked. The records sighted were as follows;</p> <ul style="list-style-type: none"> a) Daily production/work records for the core activities at the estates b) field cost book, c) chemical consumption record d) mature/immature field work program <ul style="list-style-type: none"> - fertilizer application, - herbicide spraying, - harvesting and collection of FFB. <p>All the above records were kept for a minimum period of 12 months.</p>	<p>Complied</p>

Criterion 3.4 A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.			
3.4.1	<p>(C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/out-grower scheme, is documented.</p> <p>- Major Compliance -</p>	<p>There was no new planting within Lahad Datu POM management unit as to date. First planting was last done on 1998 by the previous land owner. Identification and evaluation of environmental impact was completed for all activities and processes related to the mill operation. Environmental Impact Assessment studies were conducted in October and November 2015. The report entitled "Proposed Replanting of 3007 Hectares Oil Palm Plantation at Ong Yah Ho Estate and Gomantong Estate", on Land Title Nos. CL095327218 and CL095310731, in the District of Kinabatangan, Sabah by TSH Resources Berhad. EIA studies were done and reported by Kiviheng Environmental Consultants Sdn. Bhd. dated March 2016 has been properly maintained for reference.</p> <p>The Environment Aspect and Impact Assessment [TSHR/ENV/SOP04. rev. 0, 1/9/15] is made through utilization of the following forms:</p> <ul style="list-style-type: none"> a) Environmental Aspect and Impact Assessment Sheet [TSHR/ENV/F01] b) List of Significant Aspect [TSHR/ENV/F02] c) Environment Improvement Plan [TSHR/ENV/F08] <p>The agreement between the EPD [<i>Surat Akujanji Selaras dengan Peruntukan Seksyen 12E(1), Enakmen Perlindungan Alam Sekitar 2002</i>] between TSH Resources Berhad and Sabah Environmental Protection Department dated on 26/9/16], was also available Activities among others as listed below:</p> <ul style="list-style-type: none"> a) Boiler stack emission which associated with air emission, palm oil mill effluent (POME) discharge 	Complied

		<p>b) Land contamination which related to managing the scheduled waste and general waste</p> <p>c) Estate's on going replanting programme EIA follows the recommendation given by EPD consultant by constructing terrace to minimize soil erosion and road side pit construction to minimize road damage from high volume of running water. Other mitigation measure such as moisture conservation pit was also constructed in the replanting field.</p>	
3.4.2	<p>For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.</p> <p>- Minor Compliance -</p>	<p>SIA has been developed for Proposed Replanting of 3007 Hectares Oil Palm Plantation at Ong Yah Ho Estate & Gomantong Estate on Land Title nos. CL09532718 & CL095310731, In the District of Kinabatangan, Sabah by TSH Resources Berhad; report prepared by Kiwiheng Environmental Consultants Sdn Bhd; Ref.: KWEC-(EV)/16/17; Dated June 2016. Monitoring plan has been developed with participation of affected stakeholders</p>	Complied
3.4.3	<p>(C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.</p> <p>- Major Compliance -</p>	<p>Social Continual Improvement Plan rev:2 dated 30/11/19 has been established to monitor the implementation of management plan. The plan is being reviewed on yearly basis and status of completion will be updated in plan as well.</p>	Complied
<p>Criterion 3.5 A system for managing human resources is in place.</p>			
3.5.1	<p>Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable.</p> <p>- Minor Compliance -</p>	<p>Employment procedure is documented under ADMIN, doc: TSHPOM/AD/SOP01, rev:5 dated 27/12/17 and made available to workers.</p>	Complied
3.5.2	<p>Employment procedures are implemented, and records are maintained.</p>	<p>Implementation of employment procedures can be seen based on hiring of new workers. Recruitment selection, hiring and promotion are based</p>	Complied

	<p>- Minor Compliance -</p>	<p>on skills, capabilities, qualities, and medical fitness necessary for the jobs available. It was noted during the audit that there is no discrimination based on nationality, race, gender and age. Foreign workers were accepted upon completion of medical tests and positive results from FOMEMA. No more <i>surat penjamin</i> is allowed for those voluntary come to work in the company. Hiring of foreign worker is through labour agency.</p>	
<p>Criterion 3.6 An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.</p>			
<p>3.6.1</p>	<p>(C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented. - Major Compliance -</p>	<p>Occupational Safety and Health Policy has been established and signed by the Plantation Director dated 1/4/17 (refer doc no TSHR/POL/SOP02). It is available in Bahasa Malaysia and English language. The policy has been communicated to all employees through briefings and hardcopy is displayed at the estates notice boards. The latest communication was carried out on 19/11/19 during LD region internal stakeholder meeting.</p> <p>OSH plan was available dated 2/1/19 prepared by Assistant manager. The plan includes training needs, OSH meeting, Workplace inspection, medical surveillance and others.</p> <p>CHRA (RSSB/CHRA/2016-012) was done 5 years once as per legal requirement. CHRA was conducted on 8/11/16 by Suzanna J Rice Oxley (JKKP HIE 127/171-2(290)) from REHPRO SCIENTIFIC SDN BHD. CHRA for estate, conducted by Dr Mohd Azizan (HQ/11/ASS/00/298) from DAB OH SDN BHD dated 13/10/17, the report can refer ref. no. HQ/11/ASS/00/298-2017/051. The recommendations by CHRA assessor has been followed by management accordingly.</p> <p>In Ong Yah Ho estate and Gomantong estate, latest review HIRARC was on 23/11/18. For year 2019 no accident occurred in mill and estate. All</p>	<p>Complied</p>

		<p>risks have been identified in this HIRARC register including production and non-production activities such as harvesting, construction, manuring, and others.</p> <p>Workplace inspection was done periodically 3 month once before the OSH meeting. The latest record was on 29/11/19. The workplace inspection cover all workstation in estate including Store, Office, workshop, operation and others.</p>	
3.6.2	<p>(C) The effectiveness of the H&S plan to address health and safety risks to people is monitored.</p> <p>- Major Compliance -</p>	<p>To ensure the effectiveness of Health and safety planning, the management conduct the Internal Audit (TSHR/QD/F09) for Lahad Datu estate on 23-26/9/19 by Quality Assurance Team. Other than internal audit exercise, OSH meeting carried out once every 3 month as part of self – monitoring. The latest meeting was on 18/11/19; refer to meeting minute no. SHE/2019/4).</p> <p>Verification on implementation of H&S plan, the audiometric test in Lahad Datu POM was done on 23/10/19 as per plan by DAB OH SDN BHD (Dr Mohd Azizan). 27 workers was involved during audiometric test and no hearing impairment and STS record.</p> <p>For estates, medical surveillance was done on 2/10/19 at DAB OH Sdn Bhd by Dr Sanjay A/L Sadasivan (HQ/18/DOC/00/00201). No detrimental of health reported based on USECHH 3 and 4 report.</p>	Complied
<p>Criterion 3.7 All staff, workers, Scheme Smallholders, out-growers, and contract workers are appropriately trained.</p>			
3.7.1	<p>(C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and out-growers, taking into account gender-specific needs, and which covers applicable aspects of the RSPOP&C, in a form they understand, and which includes assessments of training.</p> <p>- Major Compliance -</p>	<p>The management establish Agrochemical Management policy dated July 2018 to ensure fully committed towards the well-being, safety and health for their company. The commitment cover the scope storage, handling, transportation, usage and disposal of agrochemical. To ensure the training cover as per policy the training need and plan was establish dated January 2019. It cover Social, environment, Best Practice and safety aspect such as training on Policy, Induction training, scheduled waste training, IPM</p>	Complied

		training and others. The training already been done refer to indicator 3.7.2.	
3.7.2	Records of training are maintained. - Minor Compliance -	<p>All employees and contractors were provided with training related to their job skills, RSPO requirements, and Occupational Health & Safety and Environmental matters. They training program include productivity and best management practice subjects on estates operating procedures as well as procedural matters caring for Occupational Health & Safety and Environmental, from felling of oil palm trees, nursery, replanting, harvesting and upkeep of fields to evacuation of FFB to mill. Likewise, at the mill it covers from FFB receipt, grading, processing to Crude Palm Oil, storage and dispatch of CPO, nut kernel and the management of by-products, wastes and waste streams.</p> <p>The training program specified the target group of employees to be trained for the identified subjects. In addition to the Good Mill /Agricultural Practice training, that is, Process stations / field SOP related to trade/job skills, the following topics, among others, were included in the 2019/20 annual training program;</p> <p><u>Mill</u></p> <ul style="list-style-type: none"> - New orientation & Induction training dated December 2019 - Sustainability Awareness Training dated 14/8/19 - Hearing conservation training dated 3/7/19 - Social policies, complaint & grievances, communication training dated 19/11/19 - EIA and EIE training dated 16/8/19 - SW training 15/8/19 - First aid training dated 4/3/19 - HIRARC training dated 5/3/19 	Complied

		<ul style="list-style-type: none"> - Fire Fighting training 4/3/19 - Confined space training 3/8/19 - ERT- Drill training dated 3/7/19 - Contractor and transporter training dated 29/8/19 <p><u>OYH estate</u></p> <ul style="list-style-type: none"> - Riparian protection and zero burning training dated 15/8/19 - IPM training dated 27/11/19 - Store handling chemical training dated 24/10/19 - Chemical Buy off training dated 24/10/19 - HIRADC training dated 15/8/19 - ESH committee training dated 14/6/19 - First Aid training dated 19/7/19 - Tractor driving training dated 1/10/19 - ERT- Fire Drill training dated 18/7/19 - PPE training dated 24/10/19 - Social Policies, complaint and communication dated 15/8/19 <p><u>Gomantong</u></p> <ul style="list-style-type: none"> - Safe handling of Chemical training dated 25/10/19 - Manuring and spraying training dated 21/11/19 - Management, Quality, Safety, Production, Technical, Engineering, Computer, language and others training dated 15/8/19 - Harvesting training dated 27/11/19 - Demonstration of how to use the fire extinguisher dated 18/7/19 - Riparian protection and zero burning training dated 15/8/19 - Environment Impact Assessment (EIA) Training dated 15/8/19 	
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		- High Conservation Value (HCV) & Wildlife monitoring training dated 15/8/19	
3.7.3	<p>Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.</p> <p>- Minor Compliance -</p>	<p>The Unit has implemented an SOP under Doc No. TSHR/SUST/SOP05. Rev #4. Effective date 10/12/2019. The SOP states <i>"The sites shall ensure that all personnel engaged in the implementation and maintenance of the SCCS are competent with relevant training, skills and experience."</i></p> <p>The Unit has appointed mill admin as the person in charge (PIC) for SCCS of Lahad Datu Oil MILL (LDPOM) on 27/11/17.</p> <p>Specific training on SCCS has been provided by the Sustainability to the PIC and 13 other members to ensure awareness and effective implementation of the SCCS. The last training record recorded was sighted to be on 9/12/19 chaired by Mdm. Rohana of the TSH Sustainability Team.</p>	Complied
<p>Criterion 3.8 Supply chain requirement for mills (note: all supply chain requirements are considered as critical (C). However it will not contribute to suspension if there is more than 5 non-compliance within a principle)</p>			
3.8.1	<p>Definition Identity Preserved Mill D.1:</p> <p>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme. 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. If a mill processes certified and uncertified FFB without physically separating them, then only Module E is applicable.</p>	Not applicable	Not applicable

3.8.2	<p>Definition Mass Balance Mill E.1</p> <p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB</p>	<p>Lahad Datu POM received certified and uncertified FFB which categorized under mass balance module.</p>	Complied
3.8.3	<p>Explanation (Volume and product integrity) – D.2, E.2</p> <p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products shall be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report. The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organisation (RSPO IT platform).</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>	Complied
3.8.4	<p>Documented procedures – 5.3.1, D.3, E.3</p> <p>The site shall have written procedures and/or work instructions to ensure the implementation of all elements</p>	<p>A revised SOP on Supply Chain, Doc. No.: TSHR/SUST/SOP05, Rev. No. 4 dated 10/12/19 available for review. The scope of the Mass Balance Model procedure in POM is to cover the entire supply chain activities and record</p>	Complied

	<p>of the applicable supply chain model specified. This shall include at minimum the following: Complete and up-to-date procedures covering the implementation of all the elements of the supply chain model requirements.</p> <p>Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</p> <p>Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organisation's procedures for the implementation of this standard.</p> <p>The site shall have documented procedures for receiving and processing certified and non-certified FFBS.</p>	<p>data from the intake of certified and non-certified raw material till the delivery of certified and non-certified products.</p> <p>This procedure is developed and revised based on the RSPO P&C 2018, Principle 3 – Supply Chain Requirements for Mills. The changes of the procedure on the element related to Outsourcing activities.</p> <p>The site manager has the responsibility to implement, manage and verify all the overall Mass Balance Traceability activities and confirm traceability figures are accurate on monthly basis in accordance to the certification system requirements with the assistance from Mill</p>	
3.8.5	<p>Internal Audit – 5.3.2 The site shall have a written procedure to conduct annual internal audit to determine whether the organisation; Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <p>Effectively implements and maintains the standard requirements within its organisation.</p> <p>Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at</p>	<p>Procedure internal audit was available referred document TSHR/QD/SOP03 Rev: 3 dated 26/9/19. As per verification Internal Audit plan, the internal audit conduct using RSPO Supply Chain certification Standard (Revision 2017). The latest internal audit for Supply chain was carried out on 23-26/9/19. From the audit report no finding been raise and record was maintain accordingly.</p> <p>The management review also been done annually to review the internal audit finding done on 30 September 2019 at TSH HQ Meeting room at Tawau. The meeting cover issue such as review of previous meeting, Audit result, nonconformities and corrective action, customer feedback, compliances, any changes internal and external, opportunities of improvement and any other business.</p>	Complied

	least annually. The organisation shall be able to maintain the internal audit records and reports.		
3.8.6	<p>Purchasing Goods In – 5.4, D.4.1/ D.4.2, E.4.1/E.4.2 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p> <p>The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p> <p>The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.</p>	<p>Incoming FFB for both certified and non-certified is being monitored and recorded in the mass balance sheet and SAP system. Records of certified FFB checked from own supply base. No overproduction recorded from the last review period, December 2018 to November 2019.</p> <p>Supplier: Gomantong Estate DO no. 329371, dated 3/11/19 RSPO certificate no.: RSPO 652155 Lorry: SD4512K OP: 94G Total bunches: 195 Date harvested: 3/11/19.</p> <p>Total weight: 4.65 mt</p> <p>Supplier: Ong Yah Ho Estate DO no. 113855, dated 17/11/19 RSPO certificate no.: RSPO 652155 Lorry: SD8796L OP: 22 Total bunches: 150 Date harvested: 17/11/19. Total weight: 3.19 mt</p>	Complied

		Mechanism for handling of non-conforming oil palm product and/or documents not clearly documented on the procedure. Thus a major NC was issued.	
3.8.7	<p>Outsourcing Activities – 5.5</p> <p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</p> <p>This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the certified organisation (not the tank farm manager).</p>	<p>Outsource only involved transportation of products, i.e. CSPO and CSPK, subjected to the buyers’ contractual requirements either ex-mill or delivered. Mostly delivered contracts involved CSPO and and ex-mill involved CSPK. Implementation for CSPO was based on the procedure Crude Palm Oil (CPO); Doc. # TSHPOM/LB/SOP01; Rev. # 3; Effective date: 7/12/17; Section D: CPO Dispatch – D1 (Before CPO Filling Process) & D2 (After CPO Filling Process).</p>	Complied
	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <p>a) The site has legal ownership of all input material to be included in outsourced processes;</p> <p>b) The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</p>	<p>a) The mill trades CSPO and CSPK with its buyers among refineries and/or oleo-chemical plants. Based on agreements, transporter has no ownership of transported products.</p> <p>b)Sighted the recent contract for both CSPO and CSPK were delivered, hence requiring outsource process i.e. transportation. The recent outsourcing of CSPO and CSPK transport as per following:</p> <p>- Transportation Agreement; Transporter: HMK Transport Sdn. Bhd.; Commodity: CPO; Contract Addendum; Ref. Transportation Agreement (HMK Transport) Date: 11/11/19</p>	Complied

	<p>c) The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p> <p>d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.</p>	<p>- Transportation Agreement; Transporter: Pengangkutan Sri Mediyudusin; Commodity: PK; Contract Addendum; Ref. Transport Agreement (Sri Mediyudusin); Date: 11/11/19</p> <p>c) Written documented procedures was established; Supply Chain; Doc. # TSHR/SUST/SOP05; Rev. # 2; dated 10/12/19 with Mass Balance (MB) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB.</p> <p>d) Both CSPO and CSPK transporters agreed, as per agreement, to provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance as per Contract addendum to include RSPO and MSPO Requirements.</p>	
	<p>The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.</p>	<p>Names and contact details of transporters used for the physical handling of RSPO certified oil palm products were recorded and registered in the mill supplier database system.</p>	<p>Complied</p>
	<p>The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products.</p>	<p>Names and contact details of any new transporter used for the physical handling of RSPO certified oil palm products to be informed by mill supply chain PIC upon available.</p>	<p>Complied</p>
<p>3.8.8</p>	<p>Record keeping – 5.9 The organisation shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.</p>	<p>Lahad Datu Palm Oil Mill has maintained the accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements</p>	<p>Complied</p>
	<p>Retention times for all records and reports shall be a minimum of two(2) years and shall comply with legal and</p>	<p>Retention time for all records and reports is 3 years based on the SOP Doc. No.: TSHR/SUST/SOP05, Rev. No. 4 dated 10/12/19.</p>	<p>Complied</p>

	regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.		
	The organisation shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	Lahad Datu Palm Oil Mill has maintained the accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements.	Complied
	D.5.1 – The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis. Or E.5.1 – a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and/or three-monthly basis. b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)	Not applicable. Record of FFB and CPO and PK deliveries only updated on monthly basis and no reconciliation of stock after delivery was made. Thus, a major NC was issued.	Major non-conformance
3.8.9	Conversion Factors – 5.10 Where applicable, a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organisations may determine and set their own conversion rates which shall be based upon past experience, documented and	Year to date OER is 19.85 and KER is 5.14. The OER and KER is monitored daily and compile on monthly basis.	Complied

	applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org)		
	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	For CPO, the tank is measured daily to get previous day yield to calculate the conversion factor. For PK, the silo is measured daily to get previous day yield to calculate the conversion factor.	Complied
3.8.10	<p>Processing – D.6</p> <p>The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non- certified oil palm product including during transport and storage to strive for 100% separation.</p>	This is not applicable as the certification is mass balance.	Complied
3.8.11	<p>Sales and goods out – 5.6</p> <p>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form:</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment / delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; • A unique identification number. 	<p><u>CPO sales</u></p> <ul style="list-style-type: none"> • The name and address of the seller – Lahad datu POM • The loading or shipment / delivery date – October 2019 • The date on which the documents were issued – 27/9/19 • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations) – CPO MB • The quantity of the products delivered – 1,200 mt • Any related transport documentation – Sales contract (40002364), weighbridge advice ticket(18912), dated 15/10/19 Lorry no. JQD8193, weight: 36.03 mt • Supply chain certificate number of the seller – RSPO 652155 • A unique identification number - TR-861fbc23-0a93 <p><u>PK Sales</u></p> <ul style="list-style-type: none"> • The name and address of the seller – Lahad datu POM 	Complied

	<ul style="list-style-type: none"> Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. 	<ul style="list-style-type: none"> The loading or shipment / delivery date – October 2019 The date on which the documents were issued – 27/9/19 A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations) – PK RSPO MB The quantity of the products delivered – 300 mt Any related transport documentation – Sales contract (40002366), weighbridge advice ticket(18908), dated 14/10/19 Lorry no. ST6660X, weight: 21.44 mt Supply chain certificate number of the seller – RSPO 652155 A unique identification number - TR-1b42ca05-eda3 <p>Confirmation and announcement in RSPO IT platform is by contract / group of shipment not by each individual lorry.</p>	
3.8.12	<p>Registration of Transactions – 5.7</p> <p>Supply chain actors who:</p> <ul style="list-style-type: none"> Are mills, traders, crushers and refineries; and Take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable. 	<p>Lahad Datu POM take legal ownership and physically handle RSPO Certified Sustainable oil palm products (CPO and PK) and registered all transaction in the RSPO IT platform. RSPO ID: RSPO_PO1000005713, license valid until 22/3/20.</p>	Complied
	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <p>Shipping Announcement/Announcement: When RSPO certified volume is sold as certified, the volumes of</p>	<p>As mentioned under SOP, Supply Chain, Doc. No.: TSHR/SUST/SOP05, Rev. No. 4 dated 10/12/19, declaration time to do Shipping Announcement / Announcement is monthly confirmed by end of the month.</p>	Complied

	<p>products that are in the yield scheme (Figure2 and 3, refer Annex 1) shall be registered as a Shipping Announcement/Announcement in the RSPO IT Platform. time to do Shipping Announcement/Announcement is based on members' own standard operating procedures.</p> <p>Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</p> <p>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</p> <p>Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements/Announcements.</p>	Confirmed transaction is summarized under table C for reference.	
3.8.13	<p>Claims – 5.11</p> <p>The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.</p>	Site only make claim_regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	Complied
Principle 4: Respect community and human rights and deliver benefits			
Criterion 4.1			
The unit of Certification respects human rights, which includes respecting the rights of Human Rights Defenders.			
4.1.1	<p>(C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the</p>	A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD) is documented. Refer to Human Rights &	Complied

	workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces. - Major compliance -	Responsible Business Policy; Doc. no.: TSHR/POL/SOP09 Rev. 0 dated 16/10/15. Latest policy briefing session was carried out on 15/8/19.	
4.1.2	The unit of certification does not instigate violence or use any form of harassment in their operations. - Minor compliance -	No violence instigate or use in any form of harassment in TSH Resources Berhad. This was verified with the workers committee and the management.	Complied
Criterion 4.2			
There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties			
4.2.1	(C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistle-blowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD. - Major compliance -	Disputes resolution process is documented under Communication, Consultation and Participation, TSHR/SUST/SOP02 rev:3 dated 19/11/19. This process is open to all affected parties and protection of whistleblowers without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD	Complied
4.2.2	Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties. - Minor compliance -	A procedure named Communication, Consultation and Participation, TSHR/SUST/SOP02 rev:3 dated 19/11/19 is referred to.	Complied
4.2.3	The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders. - Minor compliance -	Progress of grievance resolution is being informed to the parties involved and shall be completed @ resolve within 20 working days. Outcome will be communicated to the complainant and verify if the issue is closed or not. Sighted also records of Employee Grievance Report Form; TSH/GHR/1016/068 (Ver. 2) that was used for any complaints or grievance by mostly from internal stakeholders.	Complied

4.2.4	<p>The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.</p> <p>- Minor compliance -</p>	<p>Conflict resolution mechanism process included in the procedure, TSHR/SUST/SOP03, Legal, Customary Rights and Compensation rev:2 dated 1/11/17.</p>	Complied
<p>Criterion 4.3 The unit of Certification contributes to local sustainable development as agreed by local communities.</p>			
4.3.1	<p>Contributions to community development that are based on the results of consultation with local communities are demonstrated.</p> <p>- Minor compliance -</p>	<p>Corporate Social Responsibility (CSR) yearly programme is based on the results of consultation with local communities. Inputs from external stakeholders meeting will be used as reference for the annual programme. For Lahad Datu POM, the latest external stakeholder meeting was carried out on 27/8/19.</p> <p><u>Ong Yah Ho Estate</u> External stakeholder meeting was carried out on 19/11/19. Example of CSR programme carried out in 2019 ; Classroom tools for learning - 22/11/19 (KAFA Paris 3) Contribution for Kampung Otentik – 21/9/19 (Tanjung Batu) for those affected with fire incident Organic Fertilizer donation – 26/8/19 (maximize the usage of bio-composting)</p>	Complied
<p>Criterion 4.4 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>			
4.4.1	<p>(C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent</p>	<p>Documents showing legal ownership or lease and history of land tenure and the actual legal or customary use of the land are available.</p>	Complied

	<p>(FPIC) process. Documents Related to the history of land tenure and the actual legal or customary use of the land are available.</p> <p>- Major compliance -</p>	<table border="1"> <thead> <tr> <th data-bbox="999 360 1176 411">Estate</th> <th data-bbox="1176 360 1391 411">Title no.</th> <th data-bbox="1391 360 1574 411">Lease period</th> <th data-bbox="1574 360 1856 411">Legal use</th> </tr> </thead> <tbody> <tr> <td data-bbox="999 411 1176 533">Gomantong Estate</td> <td data-bbox="1176 411 1391 533">Country lease 095310731</td> <td data-bbox="1391 411 1574 533">1/1/1979 – 31/12/2077 (98 years)</td> <td data-bbox="1574 411 1856 533">Cultivation of an agriculture crop of economic value</td> </tr> <tr> <td data-bbox="999 533 1176 654">Ong Yah Ho Estate</td> <td data-bbox="1176 533 1391 654">Country lease 095327218</td> <td data-bbox="1391 533 1574 654">1/1/1998 – 31/12/2096 (98 years)</td> <td data-bbox="1574 533 1856 654">Cultivation of oil palm</td> </tr> </tbody> </table> <p>No customary land within Lahad Datu POM certification unit. All land titles leased from state government. In 2000, TSH management bought Ong Yah Ho Estate from a plantation named Deras Ikhtijaya Sdn Bhd which has been planted with oil palm.</p>	Estate	Title no.	Lease period	Legal use	Gomantong Estate	Country lease 095310731	1/1/1979 – 31/12/2077 (98 years)	Cultivation of an agriculture crop of economic value	Ong Yah Ho Estate	Country lease 095327218	1/1/1998 – 31/12/2096 (98 years)	Cultivation of oil palm	
Estate	Title no.	Lease period	Legal use												
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Ong Yah Ho Estate	Country lease 095327218	1/1/1998 – 31/12/2096 (98 years)	Cultivation of oil palm												
4.4.2	<p>Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:</p>	<p>No customary land within Lahad Datu POM certification unit based on the SIA report. No land dispute in the Lahad Datu POM certification unit at the time of audit. The land belongs to state government @ country lease and lease agreement/title was verified. Interviewed with smallholders/neighbouring estates confirmed that no encroachment of land by the company.</p>	Complied												
4.4.2a	<p>Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities’ and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making.</p> <p>- Minor compliance -</p>	<p>No customary land within Lahad Datu POM certification unit based on the SIA report. No land dispute in the Lahad Datu POM certification unit at the time of audit. The land belongs to state government @ country lease and lease agreement/title was verified. Interviewed with smallholders/neighbouring estates confirmed that no encroachment of land by the company.</p>	Complied												

4.4.2b	Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken. - Minor compliance -	No customary land within Lahad Datu POM certification unit based on the SIA report. No land dispute in the Lahad Datu POM certification unit at the time of audit. The land belongs to state government @ country lease and lease agreement/title was verified. Interviewed with smallholders/neighbouring estates confirmed that no encroachment of land by the company.	Complied
4.4.2c	Evidence that the legal, economic, environmental and social implications of 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 unit of certification's title, concession or lease on the land. - Minor compliance -	No customary land within Lahad Datu POM certification unit based on the SIA report. No land dispute in the Lahad Datu POM certification unit at the time of audit. The land belongs to state government @ country lease and lease agreement/title was verified. Interviewed with smallholders/neighbouring estates confirmed that no encroachment of land by the company.	Complied
4.4.3	(C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Major compliance -	No customary land authorized within Lahad Datu POM certification unit based on the SIA report. No land dispute in the Lahad Datu POM certification unit at the time of audit. The land belongs to state government @ country lease and lease agreement/title was verified. Interviewed with smallholders/neighbouring estates confirmed that no encroachment of land by the company.	Complied
4.4.4	All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. - Minor compliance -	No customary land s within Lahad Datu POM certification unit based on the SIA report. No land dispute in the Lahad Datu POM certification unit at the time of audit. The land belongs to state government @ country lease and lease agreement/title was verified. Interviewed with smallholders/neighbouring estates confirmed that no encroachment of land by the company.	Complied
4.4.5	(C) Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose.	No customary land within Lahad Datu POM certification unit based on the SIA report. No land dispute in the Lahad Datu POM certification unit at the time of audit. The land belongs to state government @ country lease and lease agreement/title was verified. Interviewed with	Complied

	- Major compliance -	smallholders/neighbouring estates confirmed that no encroachment of land by the company.	
4.4.6	There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties. - Minor compliance -	No customary land within Lahad Datu POM certification unit based on the SIA report. No land dispute in the Lahad Datu POM certification unit at the time of audit. The land belongs to state government @ country lease and lease agreement/title was verified. Interviewed with smallholders/neighbouring estates confirmed that no encroachment of land by the company.	Complied
Criterion 4.5:			
No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.			
4.5.1	(C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available. - Major compliance -	Lahad Datu POM Certification Unit and supply base did not carry out any new plantings since November 2005. The immature areas are replanted area. There is a guidance procedure for Legal, Customary Rights and Compensation, TSHR/SUST/SOP02 rev:2 dated 1/11/17 if there is any customary right issues occurs in future development and new acquisition	Not applicable
4.5.2	(C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation. - Major compliance -	Lahad Datu POM Certification Unit and supply base did not carry out any new plantings since November 2005. The immature areas are replanted area.	Not applicable
4.5.3	Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated	Lahad Datu POM Certification Unit and supply base did not carry out any new plantings since November 2005. The immature areas are replanted area.	Not applicable

	<p>consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations.</p> <p>- Minor compliance -</p>		
4.5.4	<p>To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.</p> <p>- Minor compliance -</p>	<p>Lahad Datu POM Certification Unit and supply base did not carry out any new plantings since November 2005. The immature areas are replanted area.</p>	<p>Not applicable</p>
4.5.5	<p>Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.</p> <p>- Minor compliance -</p>	<p>Lahad Datu POM Certification Unit and supply base did not carry out any new plantings since November 2005. The immature areas are replanted area.</p>	<p>Not applicable</p>
4.5.6	<p>Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator.</p> <p>- Minor compliance -</p>	<p>Lahad Datu POM Certification Unit and supply base did not carry out any new plantings since November 2005. The immature areas are replanted area.</p>	<p>Not applicable</p>
4.5.7	<p>New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations.</p>	<p>Latest acquisition of land was in 2000 for Ong Yah Ho Estate. Lahad Datu POM Certification Unit and supply base did not carry out any new plantings since November 2005. The immature areas are replanted area.</p>	<p>Not applicable</p>

	- Minor compliance -		
4.5.8	(C) New lands are not acquired in areas inhabited by communities in voluntary isolation. - Major compliance -	No acquired new lands in the areas inhabited by communities with Lahad Datu POM certification unit.	Not applicable
Criterion 4.6			
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.			
4.6.1	(C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place. - Major compliance -	There is a guidance procedure for Legal, Customary Rights and Compensation, TSHR/SUST/SOP02 rev:2 dated 1/11/17 if there is any customary right issues occurs in future development and new acquisition.	Complied
4.6.2	(C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. - Major compliance -	The process is explained under Legal, Customary Rights and Compensation, TSHR/SUST/SOP02 rev:2 dated 1/11/17	Complied
4.6.3	Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings. - Minor compliance -	No scheme smallholdings within Lahad Datu POM certification unit. Equal opportunities are provided to both men and women mentioned in the said procedure if there is any customary right issues occurs in future development and new acquisition.	Complied
4.6.4	The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them. - Minor compliance -	As the point of audit, there was no process and outcomes of any negotiated agreements, compensation and payments reported.	Complied

Criterion 4.7			
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.			
4.7.1	(C) A mutually agreed procedure for identifying people entitled to compensation is in place. - Major compliance -	There is a guidance procedure for Legal, Customary Rights and Compensation, TSHR/SUST/SOP02 rev:2 dated 1/11/17 if there is any customary right issues occurs in future development and new acquisition	Complied
4.7.2	(C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is in place and documented and made available to affected parties. - Major compliance -	The process is explained under Legal, Customary Rights and Compensation, TSHR/SUST/SOP02 rev:2 dated 1/11/17	Complied
4.7.3	Communities that have lost access and rights to land for plantation expansion are given opportunities including employment and supply contracts to benefit from plantation development. - Minor compliance -	No customary land authorized by customary landowners through FPIC process within Lahad Datu POM certification unit. Thus, this indicator is not applicable.	Not applicable
Criterion 4.8			
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.			
4.8.1	Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC. - Minor compliance -	No customary land authorized by customary landowners through FPIC process within Lahad Datu POM certification unit. Thus, this indicator is not applicable.	Not applicable

4.8.2	<p>(C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms.</p> <p>- Major compliance -</p>	<p>No customary land authorized by customary landowners through FPIC process within Lahad Datu POM certification unit. Thus, this indicator is not applicable.</p>	<p>Not applicable</p>
4.8.3	<p>Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4)</p> <p>- Minor compliance -</p>	<p>No customary land authorized by customary landowners through FPIC process within Lahad Datu POM certification unit. Thus, this indicator is not applicable.</p>	<p>Not applicable</p>
4.8.4	<p>For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).</p> <p>- Minor compliance -</p>	<p>No customary land authorized by customary landowners through FPIC process within Lahad Datu POM certification unit. Thus, this indicator is not applicable.</p>	<p>Not applicable</p>
<p>Principle 5: Support smallholder inclusion</p>			
<p>Criterion 5.1 The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.</p>			
5.1.1	<p>Current and previous period prices paid for FFB are publicly available and accessible by smallholders.</p> <p>- Minor compliance -</p>	<p>Current and previous period prices paid for FFB are publicly available and accessible by smallholders. Purchase of oil palm fruit from external parties is arranged by the TSH Management As per notification memo by Marketing Department displayed on weighbridge:</p>	<p>Complied</p>

		<p>i) Memo dated 3/12/19 for November 2019 is RM417</p> <p>ii) Memo dated 4/11/19 for October 2019 is RM329</p>							
5.1.2	<p>(C) Evidence is available that the unit of certification explains the FFB pricing to smallholders on request from individual smallholders (at least once a year or upon request).</p> <p>- Major compliance -</p>	<p>Evidence for regular explanation on the FFB pricing to smallholders is available. This was recorded in the marketing visiting logbook with respective FFB suppliers. Latest session was on 7/11/19 with the supplier.</p>	Complied						
5.1.3	<p>(C) Fair pricing, calculated as a portion of the international CPO price less costs is provided to smallholders in the supply base and documented.</p> <p>- Major compliance -</p>	<p>Pricing of FFB is based on MPOB latest price and it was publicly available at weighbridge. No bidding contract between mill and supplier and they are free to send their crop to other mill or collection centre.</p>	Complied						
5.1.4	<p>(C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable.</p> <p>- Major compliance -</p>	<p>No binding contract between mill and FFB suppliers that includes finance, loans/credit and repayments through FFB price reductions for replanting and or other mechanisms at Lahad Datu POM. Thus, this indicator is not available.</p>	Not applicable						
5.1.5	<p>Contracts are fair, legal and transparent and have an agreed timeframe.</p> <p>- Minor compliance -</p>	<p>Contract is available for long term and shot term contract of service for mill and estate. Below are the sample of contracts checked:</p> <table border="1" data-bbox="996 1189 1854 1318"> <thead> <tr> <th>Contractor</th> <th>Job scope</th> <th>Contract period</th> </tr> </thead> <tbody> <tr> <td>Hin Fatt Dev. Contractor</td> <td>Replanting (Appendix I – Job scope and rate)</td> <td>15/5/19 – 31/12/19</td> </tr> </tbody> </table>	Contractor	Job scope	Contract period	Hin Fatt Dev. Contractor	Replanting (Appendix I – Job scope and rate)	15/5/19 – 31/12/19	Complied
Contractor	Job scope	Contract period							
Hin Fatt Dev. Contractor	Replanting (Appendix I – Job scope and rate)	15/5/19 – 31/12/19							

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		Chemindus	Chemical supplier (raw water and boiler water treatment)	1/8/19 31/7/19	-												
5.1.6	<p>(C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.</p> <p>- Major compliance -</p>	<p>Agreed payment are made in timely manner and receipts specifying details and amount paid are given. Summary of payment made to the contractor as per the following:</p> <table border="1"> <thead> <tr> <th>Contractor</th> <th>Payment details</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Hin Fatt Dev. Contractor</td> <td>Progress payment for October 2019, dated 20/11/19, ref: 11321 (mechanical chipping, field road construction 14ft & 16ft)</td> <td>Work inspection done on 25/11/19 and proceed for payment</td> </tr> <tr> <td>Chemindus</td> <td>INV-29188, boiler and raw water treatment (Invoice date: 30/6/19, stamped received: 16/7/19)</td> <td>Payment term in 30 days from date of invoice, refer to payment term sub-clause 3.2(c) Date of payment: 1/11/19.</td> </tr> <tr> <td>MP Machinery</td> <td>Invoice date: 13/9/19, ref. no. L1S/IL024297</td> <td>Payment term is 30 days. Date of payment 1/11/19.</td> </tr> </tbody> </table> <p>Delay of payment recorded for 2 of sample invoice under Chemindus and MP machinery, thus a major NC was raised.</p>			Contractor	Payment details	Remarks	Hin Fatt Dev. Contractor	Progress payment for October 2019, dated 20/11/19, ref: 11321 (mechanical chipping, field road construction 14ft & 16ft)	Work inspection done on 25/11/19 and proceed for payment	Chemindus	INV-29188, boiler and raw water treatment (Invoice date: 30/6/19, stamped received: 16/7/19)	Payment term in 30 days from date of invoice, refer to payment term sub-clause 3.2(c) Date of payment: 1/11/19.	MP Machinery	Invoice date: 13/9/19, ref. no. L1S/IL024297	Payment term is 30 days. Date of payment 1/11/19.	Major non-conformance
Contractor	Payment details	Remarks															
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MP Machinery	Invoice date: 13/9/19, ref. no. L1S/IL024297	Payment term is 30 days. Date of payment 1/11/19.															
5.1.7	<p>Weighbridges used for determining payment to smallholders are verified by an independent third party on a regular basis (this can be government).</p>	<p>Records of weighing equipment stamping was maintained on annual basis at Lahad Datu POM. Summary of stamping records as follows:</p> <table border="1"> <thead> <tr> <th>Weighing equipment</th> <th>Model/capacity</th> <th>Date of stamping</th> </tr> </thead> <tbody> </tbody> </table>			Weighing equipment	Model/capacity	Date of stamping	Complied									
Weighing equipment	Model/capacity	Date of stamping															

	- Minor compliance -	Weighbridge A	Mettler-Toledo IND135, 60,0000 kg	11/9/19, serial no. 0002220-AJ	
		Weighbridge B	Mettler-Toledo IND135, 60,0000 kg	18/6/19, serial no. 00622166-AJ	
5.1.8	The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material. - Minor compliance -	No independent smallholders within Lahad Datu POM certification unit.			Not applicable
5.1.9	(C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner. - Major compliance -	No independent smallholders within Lahad Datu POM certification unit.			Not applicable
Criterion 5.2					
The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.					
5.2.1	The Company consults with interested smallholders (irrespective of type) within the Unit of Certification, including women or other partners in their supply base, to assess their needs for support to improve their livelihoods and their interest in RSPO certification. - Minor compliance -	There are no independent, scheme and group smallholders that supply FFB to Lahad Datu POM. Other 3 rd party suppliers are categorized under growers/estate. Consultation with out growers was done during external consultation meeting 27/8/19 and part of company's reach out programme. No interested out growers with RSPO certification so far.			Complied
5.2.2	The unit of certification develops and implements smallholder support programme to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and	There are no independent, scheme and group smallholders that supply FFB to Lahad Datu POM. Other 3 rd party suppliers are categorized under growers/estate.			Not applicable

	specific elements of RSPO certification (including the RSPO Independent Smallholder Standard or RISS). - Minor compliance -		
5.2.3	Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production. - Minor compliance -	There are no independent, scheme and group smallholders that supply FFB to Lahad Datu POM. Other 3 rd party suppliers are categorized under growers/estate.	Not applicable
5.2.4	(C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. - Major compliance -	There are no independent, scheme and group smallholders that supply FFB to Lahad Datu POM. Other 3 rd party suppliers are categorized under growers/estate.	Not applicable
5.2.5	The unit of certification regularly reviews and publicly reports on the progress of the Smallholder support programme. - Minor compliance -	There are no independent, scheme and group smallholders that supply FFB to Lahad Datu POM. Other 3 rd party suppliers are categorized under growers/estate.	Not applicable
Principle 6: Respect workers' rights and conditions			
Criterion 6.1: Any form of discrimination is prohibited.			
6.1.1	(C) A publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age. - Major compliance -	A policy on equal opportunity available and displayed at the offices along with the other policies. Policy is known as the Equal Opportunity & Discrimination. Policies were in dual language (English & Malay). Refer to policy, TSHR/POL/SOP03, rev:0 dated 16/10/15.	Complied
6.1.2	(C) Evidence is provided that workers and groups including local communities, women, and migrant workers have not	Reviewed on the Employee Master Listing found that it consists of local communities and foreign workers. They are treat equally without any discrimination verified through interviewed. Interviewed with the foreign	Complied

	been discriminated against including charging of recruitment fees for foreign workers. - Major compliance -	workers found that they did not pay any recruitment fee prior to work in Sabah to anyone in their home country. All the costs are paid by the company.	
6.1.3	The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available. - Minor compliance -	Verified the checklist for new workers and found that the recruitment process is based on the skills and capabilities of the candidates for local workers. For recruitment of foreign workers, medical check-up @ FOMEMA will be conducted to ensure the candidates are fit to work.	Complied
6.1.4	Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women. - Minor compliance -	Pregnancy testing is automatically included in the process of medical check-up prior recruitment. However, this will not be the reason of not employing the pregnant women. Interviewed with the female workers and HR Manager confirmed that the pregnant women will have job opportunities without any discrimination. The testing was carried out just to ensure that no chemical handling job was assigned to the pregnant women.	Complied
6.1.5	(C) A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women. - Major compliance -	Gender committee is in place and available at each operating units. Lahad Datu POM – The latest gender committee meeting (#4) was carried out on 19/10/19. Ong Yah Ho Estate – Latest meeting was conducted on 9/12/19. There were issues discussed related sexual harassment, domestic violence as well as reproductive rights. No reported case of harassment and violence so far.	Complied
6.1.6	There is evidence of equal pay for the same work scope. - Minor compliance -	There is no difference between male and female workers in terms of pay. Workers are paid based on the agreed rate for piece rated and daily rated evidently reported in check roll and final output (payslip).	Complied

Criterion 6.2

Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).

6.2.1	<p>(C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand.</p> <p>- Major compliance -</p>	<p>Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages. Sample of employment contracts checked:</p> <p>i) Employee ID: 040508, Passport: AT249958, Employment contract dated 2/1/19 (contract extension)</p> <p>ii) Employee ID: 040198, Passport: AT249970, Employment contract dated 2/1/19 (contract extension)</p> <p>Contract for 1 year.</p> <p>i) Employee ID: 010653, Passport: nil, Employment contract dated 2/1/19</p> <p>ii) Employee ID: 040688, Passport: nil, Employment contract dated 2/1/19</p> <p>iii) Employee ID: 050710, Passport: nil, Employment contract dated 2/1/19</p> <p>iv) Employee ID: 0735, Passport: nil, Employment contract dated 22/10/19</p>	Complied
6.2.2	<p>(C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.</p> <p>- Major compliance -</p>	<p>Employment contracts for local and foreign workers related documents detailing payments and conditions of employment was made available of all sampled workers. For Foreign workers contract of employment is valid for 2 years and plus 1 year extension. For locals, contract of employment is renewable on yearly basis even for core work activities. Refer to indicator 6.2.7 for further details.</p> <p>In the contract of employment, it has clearly stated that the payment and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal</p>	Complied

		requirements) in the employment contract for local and Indonesia workers.																									
6.2.3	<p>(C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.</p> <p>- Major compliance -</p>	<p>The workers recorded their attendance during muster ground at main office. Besides, supervisor/mandore will record in the check roll/field book if there is any overtime, raining pay and etc. Interviewed with the workers found that they have holiday and maternity leave entitlement.</p> <p>Based on pay slips for 3 sample months [March 2019: Normal, August 2019: Low and September 2019: Peak], all salary payment meeting the Minimum Wages Order 2018.</p> <p>Ong Yah Ho/Gomantong Estate</p> <table border="1" data-bbox="1003 767 1852 1361"> <thead> <tr> <th>Workers ID/designation</th> <th>Passport/ID</th> </tr> </thead> <tbody> <tr> <td>012463 (crèche ayah)</td> <td>AT687334</td> </tr> <tr> <td>053946 (harvester)</td> <td>B4403208</td> </tr> <tr> <td>014896 (general/watchman)</td> <td>970610-12-6709</td> </tr> <tr> <td>024748 (weeders/manure)</td> <td>C0804400</td> </tr> <tr> <td>073487 (P&D workers)</td> <td>AT683512</td> </tr> <tr> <td>013357 (drivers)</td> <td>AU303778</td> </tr> <tr> <td>01581 (security)</td> <td>B3407581</td> </tr> <tr> <td>02236 (manuring)</td> <td>B4135173</td> </tr> <tr> <td>02236 (harvester)</td> <td>B1668426</td> </tr> <tr> <td>02643 (harvester)</td> <td>B7961669</td> </tr> <tr> <td>02689 (census)</td> <td>B7961663</td> </tr> </tbody> </table>	Workers ID/designation	Passport/ID	012463 (crèche ayah)	AT687334	053946 (harvester)	B4403208	014896 (general/watchman)	970610-12-6709	024748 (weeders/manure)	C0804400	073487 (P&D workers)	AT683512	013357 (drivers)	AU303778	01581 (security)	B3407581	02236 (manuring)	B4135173	02236 (harvester)	B1668426	02643 (harvester)	B7961669	02689 (census)	B7961663	Complied
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6.2.4	<p>(C) The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5years) is allowed to upgrade the infrastructure.</p> <p>- Major compliance -</p>	<p>The standard of housing provided for workers and their families meets the basic requirements of the government regulations, Act 446 Workers' Minimum Standards Of Housing And Amenities Act 1990(as a guidance). Weekly inspection was carried out by dresser (reg. no.:217, license no. 02645) under Health Department Sabah. Record of inspection recorded under "<i>Borang Pemeriksaan Perumahan, Dewan Komuniti Pusat Jagaan Kanak-Kanak and Sekolah</i>", TSHR/CLF/14 rev:1 dated 1/8/16. Summary of line site inspection as per below table:</p> <table border="1"> <thead> <tr> <th>Operating unit</th> <th>Date of inspection</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Lahad Datu POM</td> <td>22/11/19</td> <td>Comments for improvement – to allocate place for poultry 20m away from house.</td> </tr> <tr> <td>Ong Yah Ho Estate</td> <td>29/11/19</td> <td>Temporary zinc is used for fences and divider. To be replaced/repaired.</td> </tr> <tr> <td>Gomantong Estate</td> <td>28/11/19</td> <td>Line site is good satisfactory condition.</td> </tr> </tbody> </table> <p>VMO visit was last done on 29/11/19 by OHD, HQ/10/DOC/00/167 under DAB OH Sdn Bhd. Overall comments are good and recommendation is given related to hand wash practice and personal hygiene.</p>		Operating unit	Date of inspection	Remarks	Lahad Datu POM	22/11/19	Comments for improvement – to allocate place for poultry 20m away from house.	Ong Yah Ho Estate	29/11/19	Temporary zinc is used for fences and divider. To be replaced/repaired.	Gomantong Estate	28/11/19	Line site is good satisfactory condition.	Complied
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6.2.5	<p>The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance -</p>	<p>Access to food for the workers are considered adequately and sufficiently provided through provision shops available in each estate and mill site. Sighted canteens/provision shops at estates and mill. Reviewed current prices monitored by the company on monthly basis and interview with</p>		Complied												

		<p>local staff and foreign staff indicated that the services / food prices at the canteen and shops were convenient and affordable.</p>	
<p>6.2.6</p>	<p>A DLW is paid to all workers, including piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.</p> <p>PROCEDURAL NOTE:</p> <p>STATEMENT FROM THE RSPO STANDARDS STANDING COMMITTEE REGARDING INDICATOR 6.2.6 ON DECENT LIVING WAGE</p> <p>(Endorsed by the RSPO BoG on 7th November 2019)</p> <p>With reference to procedural note of indicator 6.2.6, the RSPO has published a guidance on the DLW calculation in June 2019. The RSPO Secretariat will endeavor to carry out DLW country benchmarks for palm oil producing countries in which RSPO members operate and for which no Global Living Wage Coalition (GLWC) benchmarks exist (These benchmarks are developed based on banana, coffee, floriculture, textile, manufacturing, seafood processing and tea industry. The RSPO is in the process of commissioning benchmarks for Malaysia and Indonesia for the palm oil sector and will develop methods to calculate and/or define DLW applicability for all palm oil producing countries in which RSPO members operate).</p> <p><i>Where a GLWC living wage standard (benchmark), or one that fulfills the basic requirements of the RSPO-endorsed living wage methodology, has been established in the country or region of operation, the same should be used as benchmarks.</i></p>	<p>As for now, no DLW established for reference in Sabah. TSH has provided wages for both local and foreign workers based on RSPO Guidance On Calculating Prevailing Wages. All sampled workers receive at least minimum wages on average of RM 1100 to 1300. In addition, the certification unit also have carried out the calculation of prevailing wages and in-kind benefits. It includes food, non-food non-house (NFNH), housing, unexpected events, medical, electricity and water utility for a total gross living wage. This still an ongoing process where DLW is being established for Sabah and to be further verified in the next surveillance assessment.</p>	<p>Complied</p>

	<p>In the absence of such benchmarks, the RSPO will collaborate with the GLWC and/or local experts on developing oil palm industry benchmarks (Benchmark in this context may include other approaches and/or methods to calculate the applicability of DLW in the country or region in accordance to the RSPO endorsed method for determining a DLW. Local applicability for benchmarks is important and it may differ based on the needs of each locality or country). These benchmarks will be developed in collaboration and consultation with relevant stakeholders such as palm oil industry members, workers' union, authorities and/or relevant organisations.</p> <p><i>For countries where no living wage standard is established, until such time that an RSPO endorsed benchmark for the country is in place, national minimum wages shall be paid to all workers. In addition to the payment of minimum wages, the Unit of Certification (UoC) shall conduct an assessment of the prevailing wages and in-kind benefits provided to workers in the Unit of Certification aligned with the RSPO Guidance for Implementing a Decent Living Wage</i> (RSPO Guidance for Implementing a Decent Living Wage. The RSPO will also develop further guidance and tools to calculate DLW in line with the RSPO endorsed methodology which may include independent studies by local experts in their respective region or country).</p>		
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	<p>Once these benchmarks are available, this procedural note is no longer applicable. UoC shall have an implementation plan towards the payment of a DLW with specific targets, and a phased implementation process including:</p> <ul style="list-style-type: none"> • Updated assessment on prevailing wages and in-kind benefits • There is annual progress on the implementation of living wages • Where a minimum wage, based on equivalent of baskets of goods, is stipulated in Collective Bargaining Agreements (CBAs), this should be used as the foundation for the gradual implementation of the living wage payment • The UoC may choose to implement the living wage payment in a specific section as a pilot project; the pilot will then be evaluated and adapted before eventual scale up of the living wage implementation. <p>- Minor compliance -</p>		
<p>6.2.7</p>	<p>Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</p> <p>- Minor compliance -</p>	<p><u>Lahad Datu POM.</u> Core work performed by the unit of certification is currently under contract and renewed on yearly basis. Sample of workers checked:</p> <ul style="list-style-type: none"> i) Employee ID: xxxxxx, Passport: nil, Employment contract dated 2/1/19 (WB clerk) ii) Employee ID: xxxxxx, Passport: nil, Employment contract dated 2/1/19 (fireman) iii) Employee ID: xxxxxx, Passport: nil, Employment contract dated 2/1/19 (watchman) iv) Employee ID: xxxx, Passport: nil, Employment contract dated 22/10/19 (lab attendance) 	<p>Minor non-conformance</p>

		Thus, a minor NC was issued.	
Criterion 6.3 The unit of Certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.3.1	(C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented. - Major compliance -	A policy on Freedom of Association is in place dated 16/10/15. Policy reflected the Work Act 1955. Procedure Equal Opportunity & Discrimination, TSH/POL/SOP03, Rev:0 is in place.	Complied
6.3.2	Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request. - Minor compliance -	Meeting minute with workers welfare committee was carried out on 10/12/19. All issues discussed recorded in the minute of meeting and being review and follow up in the next meeting.	Complied
6.3.3	Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers. - Minor compliance -	No official registered union/labour organization in TSH Resources Berhad. Workers are allowed to form an association as per the established policy on Freedom of Association dated 16/10/15. No interference from management and verified from the interview with workers.	Complied
Criterion 6.4 Children are not employed or exploited.			
6.4.1	A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.	A formal policy for the protection of children, including prohibition of child labour is in place. Refer to Child Labour Policy, TSHR/POL/SOP07, rev:0	Minor non-conformance

	- Minor compliance -	dated 16/10/15. Remediation process was properly documented and explained in the said policy. Thus a minor NC was issued.	
6.4.2	(C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure. - Major compliance -	Based on interviewed with HR department, that they will have a screening process of age prior to recruitment through birth certificate and identification card/passport. Document reviewed on the labor statistic for 2019 confirmed that workers under 18 years old were employed. The youngest is 21 years old.	Complied
6.4.3	(C) Young persons may be employed only for non-hazardous work, with protective restrictions in place for that work. - Major compliance -	No young workers employed for hazardous work.	Complied
6.4.4	The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live. - Minor compliance -	Communication on no child labour policy was done on 15/8/19 during Social Policies, Complaints and Grievance, Communication training.	Complied
Criterion 6.5			
There is no harassment or abuse in the workplace, and reproductive rights are protected.			
6.5.1	(C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce. - Major compliance -	A policy to prevent sexual and all other forms of harassment and violence is in place. Refer to policy, TSHR/POL/SOP05 rev:0 dated 16/10/15. Latest communication on the policy was done on 24/10/19.	Complied
6.5.2	(C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce.	A policy to protect the reproductive rights of all is in place. Refer to policy, TSHR/POL/SOP06 rev: 1 dated 21/3/16. The last communication and briefing was done on 15/8/19.	Complied

	- Major compliance -		
6.5.3	Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified. - Minor compliance -	Policy has been established for the pregnant and breast feed workers. Consultation process with new mothers has yet to be carried out. Based on meeting minutes (9/12/19, 18/9/19, 18/6/19 and 14/3/19), no discussion on the needs of new mothers has been identified to breastfeed up to nine months until 24 months of age. Thus, a minor NC was issued.	Minor non-conformance
6.5.4	A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce. - Minor compliance -	TSH Resources Berhad has developed a Procedure for Sexual Harassment, TSHR/HR/SOP05; Rev. 0 as guidance for gender committee. Method of complaint is in place and the Form- Sexual Harassment Action Form which respects anonymity and protects complainants. Process to raise complaint is either direct to immediate superior or direct to site head/manager as depending on case with the assistance of site gender committee representative. Sites were headed by Gender Committee representatives and all gender related issues were discussed in the meeting. Implementation can be seen through recorded form for other type of complaints/request for house repair etc. So far there was no recorded sexual harassment case based on interview with gender committee representative. Latest session for grievance policy briefing was last done on 24/10/19. Interview with a group of workers consisting of gender committee representative and other workers by nationalities has confirmed that they understood on how to report/log complaints and grievances based on the mechanism and process flow.	Complied
Criterion 6.6 No forms of forced or trafficked labour are used.			
6.6.1	(C) All workers have entered into employment voluntarily and the following are prohibited: <ul style="list-style-type: none"> Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes) 	All workers have entered into employment voluntarily based on interview with local and foreign workers. Passport retention is for the safe keeping and with the consent of workers.	Complied

	<ul style="list-style-type: none"> • Charging the workers for recruitment fees. • Contract substitution • Involuntary overtime • Lack of freedom of workers to resign • Penalty for termination of employment • Debt bondage • Withholding of wages <p>- Major compliance -</p>		
6.6.2	<p>(C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented.</p> <p>- Major compliance -</p>	A Special Labour Policy; Doc. Ref: TSHR/POL/SOP10; Rev: 2; dated 26/11/18 was established and implemented mainly for any foreign workers working under TSH Group in Sabah. Latest session for social policy training was conducted on 15/8/19	Complied
<p>Criterion 6.7 The unit of certification ensures that the working environment under its control is safe and without undue risk to health.</p>			
6.7.1	<p>(C) The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.</p> <p>- Major compliance -</p>	In Mill, the manager has been appointed as chairman for OSH committee and mill assistant as secretary of H&S committee. The OSH meeting was done periodically done on 21/2/19, 28/5/19, 26/8/19 and 18/11/19. The appointed person to handle safety was the assistant manager based on appointment letter dated 1/8/19. The OSH meeting for Ong Ya Ho and Gomantong was conducted together as one unit. Meeting was planned on 3 monthly basis and the latest meeting was done on 6/12/19. Previous meeting record available dated 18/9/19, 14/6/19 and 15/3/19. Workplace inspection will be done prior to OSH meeting to check regarding to OSH implementation at workplace. The latest record of WPI was done on December 2019.	Complied
6.7.2	<p>Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident</p>	The emergency preparedness and response procedure was made available for review. Refer to doc. no: TSH/OSH/SOP06 dated 4 July	Complied

	<p>procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>2016. From interview with workers, understanding on the ERP plan can be demonstrated and they were able to explained how to activate the ERP.</p> <p>In mill, the JKPP 8 record was made available for review. Latest submission via MyKKP was done on 31/1/19. No incident cases reported in JKPP 6 for the last 2 years. As for 2019, only one (1) first aid case with LTI 1 day reported on 7/8/19.</p> <p>For Ong Yah Ho estate, on first aid case reported with the total of LTI 8 days. This was verified with JKPP 8 submission dated 31/1/19 and monthly incident report.</p>	
6.7.3	<p>(C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</p> <p>- Major compliance -</p>	<p>During site visit on Field OP 17 for spraying activities, full spraying gear worn by the spraying gang. Verification on the PPE issuance record (TSHP/AD/F08), the PPE was given to workers according to their work and as per CHRA recommendation. The latest issuance was on 20 Sept 2019 to spraying gang such as rubber boot yellow, chemical apron, hand glove and also respirator. This provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. In estate also provide the bathroom with locker as sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</p>	Complied

6.7.4	<p>All workers are provided with medical care and covered by accident insurance. Costs incurred from work- related incidents leading to injury or sickness are covered in accordance with Malaysian law.</p> <p>- Minor compliance -</p>	<p>The CU continued to ensure all workers working in their premises (both mill and estates) are covered by insurance. All local workers were covered by SOCSO as required under the Employee’s Social Security Act and sampling as per below:-</p> <table border="1" data-bbox="999 507 1839 738"> <thead> <tr> <th>Insurance Policy</th> <th>Workers ID</th> </tr> </thead> <tbody> <tr> <td>Policy No:- 18PTW0000083-00 Valid:- 31-12-2018 until 30-12-2019</td> <td>0056, 0077 & 0446</td> </tr> <tr> <td>Policy No:- 18PTW5002167-00 Valid:- 30-12-2018 until 29-12-2019</td> <td>0916, 2873, 2472, 0016, 3183</td> </tr> </tbody> </table> <table border="1" data-bbox="999 790 1848 1002"> <thead> <tr> <th>SOCSO 8A</th> <th>Month</th> <th>Workers ID</th> </tr> </thead> <tbody> <tr> <td>Mill</td> <td>Nov 2019</td> <td>040084, 040596, 030681, 030635 and 030242</td> </tr> <tr> <td>Ong Yah Ho</td> <td>Nov 2019</td> <td>4214102, 4328104, 4748102, 3953107 and 4046105</td> </tr> </tbody> </table>	Insurance Policy	Workers ID	Policy No:- 18PTW0000083-00 Valid:- 31-12-2018 until 30-12-2019	0056, 0077 & 0446	Policy No:- 18PTW5002167-00 Valid:- 30-12-2018 until 29-12-2019	0916, 2873, 2472, 0016, 3183	SOCSO 8A	Month	Workers ID	Mill	Nov 2019	040084, 040596, 030681, 030635 and 030242	Ong Yah Ho	Nov 2019	4214102, 4328104, 4748102, 3953107 and 4046105	Complied
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6.7.5	Occupational injuries are recorded using Lost Time Accident (LTA) metrics. - Minor compliance -	Records of accidents are maintained and summarized in the relevant form and submitted to DOSH as per OSH NADOOPOD Regulations_2004. The occurrence of accidents recorded for YTD November 2019 is as shown below: <table border="1" data-bbox="999 507 1740 707"> <thead> <tr> <th>Operating Unit</th> <th>2019 (LTA)</th> </tr> </thead> <tbody> <tr> <td>LD Mill</td> <td>4.2</td> </tr> <tr> <td>OYH</td> <td>8.1</td> </tr> <tr> <td>Gomantong</td> <td>0</td> </tr> </tbody> </table>	Operating Unit	2019 (LTA)	LD Mill	4.2	OYH	8.1	Gomantong	0	Complied
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Principle 7: Protect, conserve and enhance ecosystems and the environment

Criterion 7.1

Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.

7.1.1	(C) IPM plans are implemented and monitored to ensure effective pest control. - Major compliance -	Both estates continued to have in place a documented integrated pest management (IPM) plan (Rev No.0) prepared by TSH RSPO Controller dated 23.04.2016. SOP for Pest and Disease, title Leaf Pests Doc. No. P&D- SOP03-03 Rev. 03, dated 1/2/17 was available to manage pest and disease such as leaf eating pests, rats, rhinoceros beetles, etc. During the estate visit, it was observed that beneficial plants such as Cassia cobennensis, Tunera subulata and Antigonon Leptopus were extensively planted at strategic places by the roadsides or unshaded field boundaries. The Ong Yah Ho estate has also established a Beneficial Plant Garden where they have propagated and planted the beneficial plants extensively.	Complied
7.1.2	Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless	There were no species referenced in the Global invasive Species database and CABI.org sighted within the estate and POM premises.	Complied

	plans to prevent and monitor their spread are implemented. - Minor compliance -																										
7.1.3	There is no use of fire for pest control unless in exceptional circumstances such as plantation sanitation, i.e. where no other effective methods exist, and with prior approval of government authorities. - Minor compliance -	There is no use of fire for the pest control identified at the estates.	Complied																								
Criterion 7.2 Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.																											
7.2.1	(C) Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised. - Major compliance -	Justification for all pesticides used was stated in the following SOP (sampled)	Complied																								
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<p>7.2.2</p>	<p>(C) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided. - Major compliance -</p>	<p>Records of pesticides used for 2018 and 2019 (November to date) are maintained. The ai/ha was monitored on a monthly basis and the summary for the year is recorded and as below :</p> <table border="1" data-bbox="1001 515 1839 786"> <thead> <tr> <th rowspan="2">Estate</th> <th colspan="3">Ong Yah Ho Estate</th> <th colspan="3">Gomantong Estate</th> </tr> <tr> <th>a.i.</th> <th>Ha</th> <th>a.i./Ha</th> <th>a.i.</th> <th>Ha</th> <th>a.i./Ha</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>2520.00</td> <td>1905</td> <td>0.40</td> <td>1006.30</td> <td>947</td> <td>0.63</td> </tr> <tr> <td>2019 (tdt Nov 2019)</td> <td>1931.27</td> <td>1905</td> <td>0.31</td> <td>3550.69</td> <td>947</td> <td>1.34</td> </tr> </tbody> </table> <p>The records of pesticides used and number of applications is monitored and recorded on a daily basis in the Operations Costing books where the management monitor and control the usage and dosages of the chemicals.</p>	Estate	Ong Yah Ho Estate			Gomantong Estate			a.i.	Ha	a.i./Ha	a.i.	Ha	a.i./Ha	2018	2520.00	1905	0.40	1006.30	947	0.63	2019 (tdt Nov 2019)	1931.27	1905	0.31	3550.69	947	1.34	<p>Complied</p>
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<p>7.2.3</p>	<p>(C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans. - Major compliance -</p>	<p>The IPM implementations were meant to minimize the use of pesticides. The Documented IPM procedure include:</p> <ul style="list-style-type: none"> a. Identification of pest, b. Implementation monitoring c. Biology control d. Pesticides use e. Records keeping g. IPM Training 	<p>Complied</p>																											

7.2.4	<p>There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.</p> <p>- Minor compliance -</p>	<p>There has been no prophylactic use of pesticides at the visited estates.</p>	<p>Complied</p>
7.2.5	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks.</p> <p>The due diligence refers to:</p> <ul style="list-style-type: none"> 7.2.5a Judgment of the threat and verify why this is a major threat 7.2.5b Why there is no other alternative which can be used 7.2.5c Which process was applied to verify why there is no other less hazardous alternative 7.2.5d What is the process to limit the negative impacts of the application 7.2.5e Estimation of the timescale of the application and steps taken to limit application to the specific outbreak. <p>- Minor compliance -</p>	<p>Only class II, III & IV chemicals were used at the estates visited. Paraquat had been eliminated. In its place, alternatives such as Glyphosate was used instead. Sighted at the chemical stores of all 3 operating units there were no usage of chemicals under Class 1A or 1B.</p>	<p>Complied</p>

<p>7.2.6</p>	<p>(C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criteria 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out.</p> <p>- Major compliance -</p>	<p>Pesticide handlers have been given training on the safe handling of pesticides including demonstration on the correct PPE usage as listed in the table below. Chemical Safety Data Sheet were used and explained to the participants. All precautions attached to the products were again reminded during muster call. They understood the dangers of the chemicals and the reasoning why to use the required PPE was verified by the auditor in the field during the interviews with workers.</p> <p>The trainings are as below:</p> <table border="1" data-bbox="999 683 1850 1062"> <thead> <tr> <th>ESTATE</th> <th>TRAINING</th> <th>DATE</th> <th>ATTENDEES</th> </tr> </thead> <tbody> <tr> <td>OYH Estate</td> <td>Triple Rinse Training</td> <td>15/8/19</td> <td>39 personals</td> </tr> <tr> <td>OYH Estate</td> <td>Training on Chemical Usage and Handling</td> <td>21/11/19</td> <td>14 personals</td> </tr> <tr> <td>Gomantong Estate</td> <td>Safe Handling of Chemical Training</td> <td>25/11/19</td> <td>19 personals</td> </tr> <tr> <td>Gomantong Estate</td> <td>SW Management, labelling in SW and Maintenance Training</td> <td>17/10/19</td> <td>10 Personals</td> </tr> </tbody> </table> <p>Suitable personal protective equipment were seen provided to the operators (store clerk, premixer, supervisor and sprayers) with records maintained. Example of PPE provided for specific work units were:</p> <table border="1" data-bbox="999 1217 1850 1310"> <thead> <tr> <th>Job Description</th> <th>PPE Provided</th> </tr> </thead> <tbody> <tr> <td>Store Clerk</td> <td>Hand Glove Neoprene and Respirator Particulate</td> </tr> </tbody> </table>	ESTATE	TRAINING	DATE	ATTENDEES	OYH Estate	Triple Rinse Training	15/8/19	39 personals	OYH Estate	Training on Chemical Usage and Handling	21/11/19	14 personals	Gomantong Estate	Safe Handling of Chemical Training	25/11/19	19 personals	Gomantong Estate	SW Management, labelling in SW and Maintenance Training	17/10/19	10 Personals	Job Description	PPE Provided	Store Clerk	Hand Glove Neoprene and Respirator Particulate	<p>Complied</p>
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7.2.7	<p>(C) Storage of all pesticides is in accordance with recognised best practices. - Major compliance -</p>	<p>All pesticides were found stored in the respective estate's Chemical and Fertilizer store in accordance with the Occupational Safety and Health Act 1994 (Act 514) and Pesticides Act 1974 (Act 149) and their Regulations.</p> <p>The stores were at all times locked and at the time of visit the store clerk was seen to unlock the pad-lock to open entrance door for auditor to inspect the store. The auditors were given safety briefing and the required PPE prior to entering the stores. At the entrance door, signages requiring usage of PPE were displayed. Up-to-date chemical hazards signage, trade and generic names, and their Safety data Sheet were available and valid. Spill kits were available on site. ERP and Emergency contact Person's List were also available at the notice boards outside the stores.</p>	Complied				
7.2.8	<p>All pesticide containers are triple rinsed and punctured before being disposed of and/or handled responsibly if used for other purposes. - Minor compliance -</p>	<p>With the exception that some empty pesticide containers were recycled as premixing containers used to supply pesticide for field applications, the rest of the empty chemical containers were triple rinsed and stored in dedicated store in accordance to procedure TSHR/ENV/SOP03 r2 dated 4/7/16.</p> <p>The procedure states that all emptied chemical containers shall be triple rinsed to recover the chemical residue (refer to the triple, TSHR/ENV/WI01). The procedure does not mention on the need to puncture the chemical rums to remove the chemical residues. The triple</p>	Minor nonconformance				

		<p>rinse procedure (TSHR//ENV/WI01) Rev 1 states at Part 2(8) – Tebuk bekas dibawah bagi tujuan keselamatan dan kesihatan) which requires the chemical drums to be punctured prior to be sent to the store.</p> <p>Based on the chemical drums that were randomly selected at the Empty Chemical Drum Stores at Ong Yoh Ha Estate and Gomantang Estate, it was sighted that none of the chemical drums were punctured. It was also sighted that the chemical containers still had liquid inside if them.</p> <p>It was also sighted during the Field Visit at Gomantong Estate, the Contractor’s Excavator had a number of chemical drums used to store lubricant. This indicates the lack of control on the used chemical drums within the estate as the chemical drums are supposed to be reused (premix drums) or disposed responsibly and not to store fossil fuels.</p>	
7.2.9	<p>(C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.</p> <p>- Major compliance -</p>	<p>There was no aerial spraying observed at Ong Yah Ho and Gomantong Estate</p>	Complied

7.2.10	<p>(C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.</p> <p>- Major compliance -</p>	<p>An annual medical surveillance was done in the LDPOM for 5 workers (1 female & 4 males) for those working in the Laboratory Station on 13/10/19 by OHD DOSH Reg No. JKPP HQ/18/DOC/00/00201. Results of the Medical Examinations showed all 5 workers were normal without any health issues and were fit for work.</p> <p>Specific annual medical surveillance record for 14 workers Ong Yah Ho estate was conducted on 2/10/19 by JKPP HQ/18/DOC/00/00201 from DAB OH Sdn. Bhd. Results of the Medical Examinations showed all workers were normal without any health detrimental issues and were fit to work.</p> <p>Specific annual medical surveillance record for 13 workers Gomantong estate was conducted on 2/10/19 by JKPP HQ/18/DOC/00/00201 from DAB OH Sdn. Bhd. Results of the Medical Examinations showed all workers were normal without any health detrimental issues and were fit to work.</p>	Complied
7.2.11	<p>(C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.</p> <p>- Major compliance -</p>	<p>Medical screening for woman workers involved in chemical handling and application was conducted on monthly basis. Latest medical screening conducted indicated none were found pregnant. During the site visit the female chemical handlers were interviewed and they mentioned that they are not breastfeeding. All 3 units do not have persons under the age of 18 working in the premises.</p>	Complied
<p>Criterion 7.3 Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.</p>			
7.3.1	<p>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.</p> <p>- Minor compliance -</p>	<p>A waste Management Plan is available in the Waste management SOP (Doc No: TSHR/ENV/SOP03 –Rev No.2 – Date: 4/7/16). The waste management plan identifies the various types of waste which includes Schedule Waste Storage and Disposal, Domestic Waste, Mill Waste Products and Monitoring Records.</p>	Complied

		<p>The Landfill located at Field OP12 Ong Yah Ho Estate was sighted to be responsibly managed. The Site selected was far from water sources and linesite. The old landfill was properly closed (14/12/19) with adequate signage indicating the date of closure.</p> <p>The landfill located at Field OP94 Gomantong Estate was sighted to be responsibly managed. The site selection was far from the linesite. The previously used were properly closed (2/12/19) and signage were erected. Recycling efforts were sighted in the mill and estates as they have provided sufficient containers for the segregation of recyclable materials. These materials are sold to recycling collection centres.</p> <p>Schedule Waste Stores were available and responsibly maintained where legally disposal materials such as oil filters, used oil and batteries were stored according to the legal requirements and disposed to license waste managers. Latest e-swiss records were sighted and all were found to be in accordance to the procedures.</p>	
7.3.2	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</p> <p>- Minor compliance -</p>	<p><u>LDPOM</u></p> <p>During the visit to LDPOM Linesite, the waste materials (used used lubricant containers and used paint containers) were not disposed responsibly as they can been seen reused at the linesite and disposed by recycling when they are categorized as scheduled waste. The management need to review the effectiveness of their schedule waste disposals as contaminated containers must be disposed as schedule waste.</p> <p><u>Ong Yah Ho Estate</u></p> <p>During the visit to the Ong Yah Ho Schedule Waste store it was sighted that there was a 200 litre drum filled with used oil filters. Unfortunately there were no "Toxic Substance Waste" label on the container which is required to indicate the Waste Code, Waste Type, Generation date, etc.</p>	<p>Minor nonconformance</p>

7.3.3	The unit of certification does not use open fire for waste disposal. - Minor compliance -	There were no sightings of open fire used for any waste disposal in all 3 operating units.	Complied
Criterion 7.4 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
7.4.1	Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts. - Minor compliance -	<p>TSH are currently using the Good Agricultural Practises generated by MPOB as a guideline to manage the soil fertility to optimise yield and minimise environmental impacts. This is portrayed in the "Code of Good Practice For The Handling, Transport and Storage Of Products From The Oil Palm & Code Of Good Agricultural Practice For Oil Palm Estates and Smallholders by MPOB.</p> <p>Both estates manages and improves soil fertility to a level that ensures optimal and sustained yield by monitoring the fertilizer inputs through annual fertilizer applications.</p> <p>The sustaining of the soil fertility is guided by the organization SOP Manuring Doc Ref No. TSHP/OPE/SOP08 dated 01/7/16 rev 0. Therein containing information on the following</p> <ul style="list-style-type: none"> a) Manuring process flow b) Manuring for mature and immature palms c) Fertiliser type/timing of application/placement d) Supervision/Assessment 	Complied

<p>7.4.2</p>	<p>Periodic tissue and soil sampling is carried out by Companies to monitor and manage changes in soil fertility and plant health. - Minor compliance -</p>	<p>Periodic tissue and soil sampling were carried out in Estates to monitor changes in nutrient status and its results formed the basis for the fertilizers input recommendation. The soil analysis provided the indication of soil health and monitors the changes in the K, Ca, Mg, CEC, P. The cycle is every 5 years. Results for analysis made on 21/08-07/09/18 in Ong Yah Ho estate as follows :</p> <table border="1" data-bbox="999 619 1839 901"> <thead> <tr> <th>pH H2O</th> <th>N</th> <th>C</th> <th>K</th> <th>Ca</th> <th>Mg</th> <th>C.E.C</th> </tr> </thead> <tbody> <tr> <td>4.9</td> <td>0.28</td> <td>2.23</td> <td>1.18</td> <td>9.22</td> <td>5.15</td> <td>18.20</td> </tr> <tr> <td>5.0</td> <td>0.08</td> <td>1.41</td> <td>0.34</td> <td>3.97</td> <td>4.38</td> <td>16.13</td> </tr> <tr> <td>4.7</td> <td>0.14</td> <td>0.93</td> <td>0,52</td> <td>6.41</td> <td>5.07</td> <td>18.80</td> </tr> <tr> <td>4.7</td> <td>0.11</td> <td>0.60</td> <td>1.25</td> <td>8.95</td> <td>6.62</td> <td>13.80</td> </tr> </tbody> </table> <p>Results for analysis made on 05 – 14/03/18 in Gomantong Estate as follows</p> <table border="1" data-bbox="999 1023 1832 1206"> <thead> <tr> <th>pH H2O</th> <th>N</th> <th>C</th> <th>K</th> <th>Ca</th> <th>Mg</th> <th>C.E.C</th> </tr> </thead> <tbody> <tr> <td>4.8</td> <td>0.13</td> <td>1.04</td> <td>0.86</td> <td>2.37</td> <td>7.73</td> <td>10.00</td> </tr> <tr> <td>5.1</td> <td>0.14</td> <td>0.61</td> <td>0.61</td> <td>4.36</td> <td>8.55</td> <td>6.29</td> </tr> </tbody> </table> <p>The foliar Analysis done by Borneo Samudera Sdn Bhd provided the indication of palm health and monitors the changes in Ash, N, P, K, Ca and Mg on a yearly basis. Results for foliar analysis made on 05 – 17/9/19 in OYH estate as follows</p>	pH H2O	N	C	K	Ca	Mg	C.E.C	4.9	0.28	2.23	1.18	9.22	5.15	18.20	5.0	0.08	1.41	0.34	3.97	4.38	16.13	4.7	0.14	0.93	0,52	6.41	5.07	18.80	4.7	0.11	0.60	1.25	8.95	6.62	13.80	pH H2O	N	C	K	Ca	Mg	C.E.C	4.8	0.13	1.04	0.86	2.37	7.73	10.00	5.1	0.14	0.61	0.61	4.36	8.55	6.29	<p>Complied</p>
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7.4.3	<p>A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers.</p> <p>- Minor compliance -</p>	<p>The EFB generated from the LDPOM is distributed to the Supply Bases where it is used as Field Mulching, sold to neighbouring estates also to be used as mulching and reused as a source at the boiler station.</p> <p>It was sighted at Ong Yah Ho estate the mulching was done responsibly at Field OP32 and OP33. EFB is applied at rate of 40 mt/ha as per SOP in page 5 of 23 SOP 08. The EFB application is monitored in Ong Yah Ho Estate with sampled records shown below;</p> <table border="1"> <thead> <tr> <th>FIELD</th> <th>MONTH</th> <th>MT APPLIED</th> <th>REMARKS</th> </tr> </thead> <tbody> <tr> <td>OP 32</td> <td>Nov 2019</td> <td>321.71</td> <td>Land Application</td> </tr> <tr> <td>OP 33</td> <td>Nov 2019</td> <td>880.48</td> <td>Land Application</td> </tr> </tbody> </table>	FIELD	MONTH	MT APPLIED	REMARKS	OP 32	Nov 2019	321.71	Land Application	OP 33	Nov 2019	880.48	Land Application	Complied																																												
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OP 32	Oct 2019	783.38	Land Application				
7.4.4	Records of fertiliser inputs are maintained. - Minor compliance -	<p>Both estates continued to monitor the fertilizer inputs through annual fertilizer applications as programmed in the Estate manuring Programme 2019.</p> <p>The process of the fertilizer application follows a flow chart Fertilizer application, commencing from an agronomist visit for a leaf and soil sampling to determine the level of nutrient and fertility. Thereafter the calculation will be made for an input of fertilizer to maintain/improve the nutrient and fertility at the desired level. Estates will use this input for the entire requirement in the field identified. Fertilizers are then applied based on the programme generated.</p>	Complied				
<p>Criterion 7.5 Practices minimise and control erosion and degradation of soils.</p>							

7.5.1	<p>(C) Maps identifying marginal and fragile soils, including steep terrain, are available.</p> <p>- Major compliance -</p>	<p>Soil maps were available at all the visited estates. Based on the maps, all the soil of the estates were of mineral types. The soil series were identified as Lungmanis/Mudstone & Alluvium, Rumidi/Mudstone, sandstone & miscellaneous rocks, Kretam / Mudstone, sandstone & miscellaneous rocks at Gomantong Estate and Kinabatangan/ Alluvium, Sapi / Alluvium & peat, Lungmanis / Mudstone & Alluvium, Rumidi Mudstone, sandstone & miscellaneous rocks, Kretam / Mudstone, sandstone & miscellaneous rocks and Bidu-Bidu / Ultrabasic igneous rock at Ong Yah Ho Estate.</p> <p>Ong Yah Ho Estate and Gomantong Estate have a Slope Class Map and a Topography & Hydrology Map which indicates the terrain degree, slope elevation and contour of the land within the premises.</p>	Complied
7.5.2	<p>No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25 degrees) larger than 25 Ha within the Unit of Certification.</p> <p>- Minor compliance -</p>	<p>Based on the Slope Class Map of both estates, there was no slope identified as >25 degree as all slopes are within the <15° and 15° - 25° range.</p>	Complied
7.5.3	<p>There is no new planting of oil palm on steep terrain.</p> <p>- Minor compliance -</p>	<p>There is no new planting at Lahad Datu POM certification unit.</p>	Complied
<p>Criterion 7.6 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</p>			
7.6.1	<p>(C) To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations.</p> <p>- Major compliance -</p>	<p>Soil maps were available at all the visited estates. Based on the maps, all the soil of the estates were of mineral types. There are no recognized marginal and fragile soils including steep terrains within the area of the estate visited.</p>	Complied

7.6.2	Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices. - Minor compliance -	Not applicable as there are no marginal and fragile soils at all the visited estates.	Not applicable
7.6.3	Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure. - Minor compliance -	The estates have constructed terraces and stop bunds at the hilly areas as well as establishment of cover crop such as <i>Mucuna bracteata</i> where appropriate, to minimize soil erosion and improve soil quality. Drainage systems and desilting programmed for proper water management were sighted. The Gomantong estate it was sighted at the replanting that was under progress the construction of new drains for the proper management of water within the estate.	Complied
Criterion 7.7			
No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.			
7.7.1	(C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas. - Major compliance -	Not applicable as there was no peat soil at all the visited estates.	Not applicable
7.7.2	Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat. PROCEDURAL NOTE: Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below). - Minor compliance -	Not applicable as there was no peat soil at all the visited estates.	Not applicable
7.7.3	(C) Subsidence of peat is monitored, documented and minimised.	Not applicable as there was no peat soil at all the visited estates.	Not applicable

	- Major compliance -		
7.7.4	(C) A documented water and ground cover management programme is in place. - Major compliance -	Not applicable as there was no peat soil at all the visited estates.	Not applicable
7.7.5	(C) For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the timeframe for future replanting, as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation. This is subject to transitional (5 years: 2019 to 2024) arrangement stated in the Drainability Assessment Procedure. Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition. - Major compliance -	Not applicable as there was no peat soil at all the visited estates.	Not applicable
7.7.6	(C) All existing plantings on peat are managed according to the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', version 2 (2019) and associated audit guidance. - Major compliance -	Not applicable as there was no peat soil at all the visited estates.	Not applicable

7.7.7	<p>(C) All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as "peatland conservation areas"; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the 'RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat', version 2 (2019) and associated audit guidance.</p> <p>- Major compliance -</p>	Not applicable as there was no peat soil at all the visited estates.	Not applicable
<p>Criterion 7.8 Practices maintain the quality and availability of surface and groundwater.</p>			
7.8.1	<p>A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following:</p> <p>7.8.1a The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</p> <p>7.8.1b Workers have adequate access to clean water.</p> <p>- Minor compliance -</p>	<p>TSH is committed to maintain the quality and availability of surface and ground water. Among the water management established and implemented by the estates were protecting water course by maintaining buffer zones and rain water harvesting.</p> <p>The quality and availability of natural water resources by practicing efficient water consumption through various methods such as;</p> <ul style="list-style-type: none"> a) Implementation of rain water harvest, b) Construction of water gate for effective management of collection/main drain, c) Establishment of Mucuna bracteata to prevent erosion, d) Side drain at field road to control water, frond stacking, e) Enhancement of ground vegetation at bare ground area. <p>LDPOM and Ong Yah Ho Estate is provided with uninterrupted clean treated water for the communities which is treated and monitored by the LDPOM. The Mill has also identified actions to be taken in the event of water supply shortage where there will be a ration of water to better manage the supply</p>	Complied

		<p>of clean water. Gomantong Estate is provided with clean consumable government water from Jabatan Air Kinabatangan.</p> <p>Workers quarters were provided with separate tanks for rain water harvesting. This water was used for washing purpose.</p> <p>The workers of LDPOM and Ong Yah Ho Estate are provided with adequate access to clean water supplied through the Water Treatment Plant that is located in the Mill premises. A yearly water sampling is done for the treated water to monitor the water quality provided to the workers. The results of the latest Water sampling is as below ;</p> <table border="1" data-bbox="999 676 1839 1155"> <thead> <tr> <th>Tests</th> <th>Results</th> <th>Drinking Water Quality Standard</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.7 @ 25°C</td> <td>6.5 – 9.0</td> </tr> <tr> <td>+ Colour @ pH True Colour Units</td> <td>5 @ pH 7.7</td> <td>15</td> </tr> <tr> <td>Turbidity</td> <td>0.45</td> <td>5</td> </tr> <tr> <td>+ Free Cl₂, mg/L</td> <td>ND (<0.02)</td> <td>0.2 – 5.0</td> </tr> <tr> <td>Combined Residual Cl₂, mg/L</td> <td>ND (< 0.02)</td> <td>Not less than 1.0</td> </tr> <tr> <td>Ammonium as AL, mg/L</td> <td>0.06</td> <td>0.2</td> </tr> <tr> <td>Chloride as Cl⁻, mg/L</td> <td>12.3</td> <td>250</td> </tr> <tr> <td>Fluoride as F, mg/L</td> <td>0.19</td> <td>0.4 – 0.6</td> </tr> </tbody> </table>	Tests	Results	Drinking Water Quality Standard	pH	7.7 @ 25°C	6.5 – 9.0	+ Colour @ pH True Colour Units	5 @ pH 7.7	15	Turbidity	0.45	5	+ Free Cl ₂ , mg/L	ND (<0.02)	0.2 – 5.0	Combined Residual Cl ₂ , mg/L	ND (< 0.02)	Not less than 1.0	Ammonium as AL, mg/L	0.06	0.2	Chloride as Cl ⁻ , mg/L	12.3	250	Fluoride as F, mg/L	0.19	0.4 – 0.6	
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7.8.2	<p>(C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or applicable National legislation or specific environmental permit. Smallholders may replant existing planted areas provided there is no evidence of</p>	<p>Ong Yah Ho Estate continued to maintain the buffer zone along Sg Koyah, protecting the water courses, including maintaining appropriate riparian buffer zones along the natural waterways. The width of the buffer allocated was 20 metres. The buffer zone were demarcated by the marking of a red band around the palm trunk to indicate the boundary of the buffer zones. The estates adopted the existing Policy to maintain the buffer by restricting agrochemicals application. Water courses and</p>	Complied																											

	<p>environmental deterioration having occurred during the previous cycle.</p> <p>- Major compliance -</p>	<p>wetlands are protected including maintaining and restoring appropriate riparian buffer zones. Gomantong Estate does not have any identified HCV areas, Riparian reserves or buffer zones.</p> <p>Based on the site visit, there was no evidence that agrochemicals application has been carried out at the area. Workers during the interview session revealed that they understood on this requirement on the buffer zone protection to ensure no agrochemicals were diffused into the water stream.</p> <p>The signboards were displayed accordingly at the site where applicable.</p>																															
<p>7.8.3</p>	<p>Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.</p> <p>- Minor compliance -</p>	<p>The effluent analysis is made based on the final discharge sampling points organized once a month by an independent accredited laboratory (REHPRO SCIENTIFIC SDN BHD). Results sampled as shown below.</p> <table border="1" data-bbox="999 831 1816 1396"> <thead> <tr> <th>Parameter</th> <th>DOE Standard</th> <th>6/11/19</th> <th>1/10/19</th> <th>6/9/19</th> </tr> </thead> <tbody> <tr> <td>pH Value</td> <td>5.0 – 9.0</td> <td>8.80</td> <td>8.80</td> <td>8.99</td> </tr> <tr> <td>Biochemical Oxygen Demand</td> <td>20</td> <td>17</td> <td>18</td> <td>13</td> </tr> <tr> <td>Chemical Oxygen Demand</td> <td>-</td> <td>121</td> <td>284</td> <td>200</td> </tr> <tr> <td>Oil and Grease</td> <td>20</td> <td>18</td> <td>14</td> <td>6.6</td> </tr> <tr> <td>Total Suspended Solids</td> <td>200</td> <td>40</td> <td>71</td> <td>52</td> </tr> </tbody> </table>	Parameter	DOE Standard	6/11/19	1/10/19	6/9/19	pH Value	5.0 – 9.0	8.80	8.80	8.99	Biochemical Oxygen Demand	20	17	18	13	Chemical Oxygen Demand	-	121	284	200	Oil and Grease	20	18	14	6.6	Total Suspended Solids	200	40	71	52	<p>Complied</p>
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7.8.4	<p>Mill water use per tonne of FFB is monitored and recorded.</p> <p>- Minor compliance -</p>	<p>The mill maintained records of water consumption for the mill processing and also for the domestic usage. The consumption is being monitored and recorded over the FFB processed.</p> <p>Data for 2019 (Nov to date) as shown below.</p> <table border="1"> <thead> <tr> <th>MONTH</th> <th>FFB PROCESSED</th> <th>WATER USAGE</th> <th>WATER/FFB</th> </tr> </thead> <tbody> <tr> <td>JAN 2019</td> <td>10,224.53</td> <td>14,210</td> <td>1.39</td> </tr> <tr> <td>FEB 2019</td> <td>9,953.12</td> <td>13,420</td> <td>1.35</td> </tr> <tr> <td>MAR 2019</td> <td>9,154.13</td> <td>13,040</td> <td>1.42</td> </tr> <tr> <td>APR 2019</td> <td>10,391.19</td> <td>15,480</td> <td>1.49</td> </tr> <tr> <td>MAY 2019</td> <td>10,562.92</td> <td>15,310</td> <td>1.45</td> </tr> <tr> <td>JUNE 2019</td> <td>9,824.55</td> <td>15,050</td> <td>1.53</td> </tr> <tr> <td>JUL 2019</td> <td>9,540.69</td> <td>13,590</td> <td>1.42</td> </tr> <tr> <td>AUG 2019</td> <td>9,047.33</td> <td>13,437</td> <td>1.49</td> </tr> <tr> <td>SEPT 2019</td> <td>10,093.48</td> <td>13,732</td> <td>1.36</td> </tr> <tr> <td>OCT 2019</td> <td>10,522.77</td> <td>14,170</td> <td>1.35</td> </tr> </tbody> </table>	MONTH	FFB PROCESSED	WATER USAGE	WATER/FFB	JAN 2019	10,224.53	14,210	1.39	FEB 2019	9,953.12	13,420	1.35	MAR 2019	9,154.13	13,040	1.42	APR 2019	10,391.19	15,480	1.49	MAY 2019	10,562.92	15,310	1.45	JUNE 2019	9,824.55	15,050	1.53	JUL 2019	9,540.69	13,590	1.42	AUG 2019	9,047.33	13,437	1.49	SEPT 2019	10,093.48	13,732	1.36	OCT 2019	10,522.77	14,170	1.35	Complied
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		Average water used per tonne FFB for the month of June 2019 is 1.53 m ³ /mt, which is over the limit of 1.5 m ³ /mt based on MPOB. The Mill has identified that the exceed is due to water usage during maintenance day.				
Criterion 7.9						
Efficiency of fossil fuel use and the use of renewable energy is optimised						
7.9.1	A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented. - Minor compliance -	The renewable energy use per tonne CPO was available data for year 2019 in Mill. From the monitoring was done monthly and record was available as per below:-				Complied
		Estate/Mill	Usage 2018	Usage 2019		
		Gomantong	68,218	62,776		
		Ong Yah Ho	119,522	110,752		
		Lahad Datu Mill	933,88.96	112,544.00		
		The Increase in usage on Diesel at Lahad datu Mill cause by Biogas breakdown from June until August.				
Criterion 7.10						
Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.						
7.10.1	(C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported. - Major compliance -	An assessment of all polluting activities has been conducted and monitored. This included the gaseous emissions, particulate / soot emissions and effluent. The CU has continued to maintain its environmental aspects/impacts register associated with their activities.				Complied
7.10.2	(C) Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions	No new development in both estate and mill. Not applicable				Not applicable

	that may result directly from the development are estimated and a plan to minimise them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development). - Major compliance -		
7.10.3	(C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored. - Major compliance -	TSH has its monitoring system to report its significant pollutants and emissions from the operating units' activities for example monitoring stack emission from boiler operation by competent consultant. The mill has conducted its stack sampling at regulated frequency (twice a year) without fail. Based on the stack sampling reports, the emission from the chimney were reported to be in compliance with the regulated limit (0.4 g/Nm)	Complied
Criterion 7.11			
Fire is not used for preparing land and is prevented in the managed area			
7.11.1	(C) Land for new planting or replanting is not prepared by burning. - Major compliance -	No replanting in Ong Yah Ho estate, the replanting will be start on 2021. For Gomantong estate, no trace of fire been using during replanting for year 2019.	Complied
7.11.2	The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification. - Minor compliance -	TSH has established Standard Operating Procedure (SOP) for Fire control plan dated 1/7/16. Fire-fighting committee has been established the team equipped with fire-fighting equipment to prepare for any possibility of fire in the estate.	Complied
7.11.3	The unit of certification engages with adjacent stakeholders on fire prevention and control measures. - Minor compliance -	Engagement with adjacent stakeholders on fire prevention and control measures was carried out during Nov 2019 stakeholder meeting. This explained how the emergency preparedness and response in the occurrence of fire in the plantation.	Complied
Criterion 7.12			

Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.			
7.12.1	<p>(C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests.</p> <p>A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.</p> <p>- Major compliance -</p>	<p>The First planting was on 1998 as per history estate, the land title was dated 1997 (Title no: country lease 095327218). Not applicable because it been planting before November 2005.</p>	Not applicable
7.12.2	<p>(C) HCVs, HCS forests and other conservation areas are identified as follows:</p> <p>7.12.2a For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.</p> <p>7.12.2b Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.</p> <p>PROCEDURAL NOTE: Requirement is further clarified under the Interpretation of Indicator 7.12.2 and Annex 5 (approved by BOG on 12 June 2019).</p> <p>- Major compliance -</p>	<p>In Ong Yah Ho estate, no new planting in estate as per land statement. The HCV report was conducted by Anna Wong (ALS15042AW) from Oct 2015 until Feb 2016. No new land clearing and as per HCV assessment. There are HCVs identified under HCV 1 at forest (under Department of Agriculture) boundary at OP 08, HCV 3 (Lake) under OP 14 and HCV 4 adjacent with Sungai Koyah near Field OP 28.</p> <p>No new land clearing. Not applicable.</p>	Complied

7.12.3	<i>Indicator is not applicable in Malaysia context</i>		Not applicable
7.12.4	<p>(C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).</p> <p>- Major compliance -</p>	No new planting in both estate. The management plan was available dated 12/7/19 and the monitoring done by 6 monthly frequency. Latest record was on 5-6/11/19 and previously was on 13-14/6/19.	Complied
7.12.5	<p>Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peat land and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.</p> <p>- Minor compliance -</p>	No new clearing forest in both estate. Not applicable	Not applicable
7.12.6	<p>All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is</p>	As per HCV assessment report dated February 2016, the rare, threatened or endangered (RTE) species are protected, are been identified in the assessment. The programme for educate the workers and stakeholder regarding to RTE species was available and latest training on High Conservation Value (HCV) and wildlife monitoring was done on 15/8/19, attended by workers, stakeholder and management.	Complied

	found to capture, harm, collect, trade, possess or kill these species. - Minor compliance -		
7.12.7	The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan. - Minor compliance -	<p>Identification of high biodiversity value habitats was done through HCV Assessment for Ong Yah Ho & Gomantong Estates by a third party assessor (led by Anna Wong) on October 2015 to February 2016. Monitoring of conservation status was also recommended by the HCV assessor which is to yearly conduct a long term wildlife monitoring study which encompasses all the vertebrate classes, since contained one critically endangered species, two endangered species, four vulnerable species, five nearly threatened and several CITES Appendices I and II species. The study is to be carried out even after oil palm harvesting to update the wildlife data whether the populations trend is reducing or increasing. However, the established action plan has yet to adequately address the recommendation. The estates continued to monitor HCV using the monitoring form (rev no 15/8/19) having the following details.</p> <p>a) Vertebrata class b) Species name/common name c) Photos/Location d) Number sighted during working hours</p> <p>To date no RTE being sighted based on the information collated.</p>	Complied
7.12.8	(C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies. - Major compliance -	Not applicable because no new planting or new land clearing in both estate as per interview with stakeholder and workers, land usage verification.	Not applicable

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Appendix B: Approved Time Bound Plan

No	PMU	Certification Status	Assessment Date	Updated Information on Partial Certification as of 4.5.4
MALAYSIA (SABAH)				
1	Lahad Datu POM <ul style="list-style-type: none"> • Gomantong Estate • OYH Estate 	Certified in March 2017	ASA 3 Completed in Dec 2019	-
2	Kunak POM <ul style="list-style-type: none"> • Maju Sawit Estate • Wakuba Estate • LKSK Estate • Landquest Estate 	Certified in August 2018	ASA-1 completed in June 2019	-
3	Sabahan POM <ul style="list-style-type: none"> • Sabahan estate 	Certified	Main Assessment certification on 25 th – 28 th June 2019 ASA1 due in June 2020	-
4	RT Estate	Uncertified	Planned in 2020	Pending HCV & LUCA Approval
INDONESIA				
4	PT Sarana Prima Multi Niaga POM <ul style="list-style-type: none"> • PT Sarana Prima Multi Niaga estate 	Certified in May 2016	ASA 3 completed from 11 th – 15 th March 2019	-
5	PT Mitra Jaya Cemerlang (Estate)	Uncertified	Planned in 2020	HGU application in progress
6	PT Andalas Agro Industri POM -PT Laras Internusa (Estate)	Certified	10 – 14 December 2018	Certified in 2019
7	PT Farinda Bersaudara POM <ul style="list-style-type: none"> • PT Farinda Bersaudara (Estate) • PT Teguh Swakarsa Sejahtera (Estate) • PT Munte Waniq Jaya Perkasa (Estate) • PT Perkebunan Sentawar Membangun (Estate) 	Uncertified	Planned in 2020	Planning to be certified in 2020
8	PT Andalas Wahana Berjaya POM <ul style="list-style-type: none"> • PT Andalas Wahana Berjaya (Estate) 	RSPO certification audit completed in April 2019	22 nd – 25 th April 2019	Awaiting for NC closure
9	PT Andalas Wahana Sukses (Estate)	Uncertified	Planning for RSPO Certification in 2021	Plantation without mill
10	PT Bulungan Citra Agro Persada (Estate)	Uncertified	Planning for RSPO Certification in 2021	Plantation without mill

Appendix C: GHG Reporting Executive Summary

The GHG emissions that were produced in **2018** for **TSH Lahad Datu Mill** and supply base was calculated using the PalmGHG Calculator version 3.0.1. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

- i. Estates area planted data
- ii. Fuel consumed
- iii. Mill datas include CPO produced, PKO Produced and FFB Processed
- iv. Fertilizer consumed data for both estates and smallholders.

The summary of the Net GHG emitted in **2018** for **TSH Lahad Datu** and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	0.24
PKO	0

Extraction	%
OER	20.69
KER	5.2

Production	t/yr
FFB Process	121,867.18
CPO Produced	25,217.4
PKO Produced	0

Land Use	Ha
OP Planted Area	2,852
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	19
Total	2,871

Summary of Field Emission and Sink

	Own Crop*		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB
Emission								
Land Conversion	16,074.81	0.28	0	0	0	0	16,074.81	0.28
CO ₂ Emission from fertilizer	1,597.6	0.03	0	0	0	0	1,597.6	0.03
NO ₂ Emission	2,626.87	0.04	0	0	0	0	2,626.87	0.04
Fuel Consumption	540.91	0.01	0	0	0	0	540.91	0.01
Peat Oxidation	0	0	0	0	0	0	0	0
Sink								
Crop Sequestration	-16074.61	-0.28	0	0	0	0	-16074.61	-0.28
Conservation Sequestration	0	0	0	0	0	0	0	0
Total	4,765.38	0.08	0	0	0	0	4,765.38	0.08

**Note: Includes both estates and smallholders*

Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	3,899.68	0.03
Fuel Consumption	296.26	0
Grid Electricity Utilization	0	0
Credit		
Export of Grid Electricity	-31.77	0
Sales of PKS	-1,233.72	-0.01
Sales of EFB	-252.3	0
Total	2,678.15	0.02

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO ₂ e
PK from own mill	1,494.01
PK from other source	0
Fuel Consumptions	0
Total Crusher emissions	0

*This mill has no kernel crusher operation.

Palm Oil Mill Effluent (POME) Treatment:	
Divert to Compost (%)	0
Divert to anaerobic diversion (%)	100

POME Diverted to Anaerobic Digestion:	
Divert to anaerobic pond (%)	0
Divert to methane captured (flaring) (%)	70
Divert to methane captured (energy generation) (%)	30

Appendix D: Supply Chain Declaration

A. Monthly Records of Certified and Uncertified FFB Received since the last audit				
No.	Month - Year	Volume of FFB from certified supply bases (mt)	Volume of FFB from uncertified supply bases (mt)	Total FFB/Month (mt)
1	Dec 18	5,921.59	5,644.22	11,565.81
2	Jan 19	5,730.68	4,605.85	10,336.53
3	Feb 19	5,484.27	5,063.61	10,547.88
4	Mar 19	5,175.54	5,620.43	10,795.97
5	Apr 19	4,628.92	5,762.37	10,391.29
6	May 19	4,793.42	5,769.50	10,562.92
7	June 19	4,464.51	5,360.04	9,824.55
8	July 19	4,248.85	5,417.83	9,666.68
9	August 19	3,394.41	5,652.92	9,047.33
10	Sept 19	3,332.54	6,751.83	10,084.37
11	October 19	3,675.82	6,986.95	10,662.77
12	November 2019	3,422.70	6,035.21	9,457.91
13	TOTAL	54,273.25	68,670.76	122,944.01

B. Monthly Records of Certified CPO & PK since the last audit			
No.	Month - Year	Certified CPO (mt)	Certified PK (mt)
1	Dec 18	1,102.60	299.63
2	Jan 19	1,071.06	290.55
3	Feb 19	1,073.27	288.47
4	Mar 19	1,077.55	283.62
5	Apr 19	934.58	249.50
6	May 19	947.18	248.30
7	June 19	867.45	211.17
8	July 19	831.50	184.40
9	August 19	718.60	178.55
10	Sept 19	722.49	184.29
11	October 19	748.03	202.17
12	November 2019	680.43	168.05
13	TOTAL	10,774.74	2,788.7

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C. Records of Certified CPO & PK Sold under PalmTrace to Buyers since the last audit (if any)				
No.	Buyers Name	Palmtrace Trading License Number	Certified CPO Sold (mt)	Certified PK Sold (mt)
1	ABC	TR-8f1d00a4-ffc5, TR-9fc7fe4c-aec5, TR-eca821b7-d9c8, TR-1b732339-7b4a, TR-38cbc3a1-34d8, TR-043a406f-c60b, TR-27c8c596-a999, TR-aa9ef505-c4dd, TR-24837177-5d6d, TR-861fbc23-0a93	11,873.2	-
2	XYZ	TR-fc1a5d30-73ef, TR-e2bc1a37-c49f, TR-e7b25eab-f168, TR-06de792c-dcb2, TR-3a8ce2e1-7438, TR-ad9deb5e-dee3, TR-532dc4cd-be35, TR-bf3bd083-e809, TR-652870a0-d751, TR-1b42ca05-eda3, TR-01a6150b-0cf3	-	3,115.70
TOTAL			11,873.2	3,115.70

**Total sold volume is more than production with no reconciliation after delivery. A major NC was issued. Refer to indicator E 5.1 (a)*

D. Records of CPO & PK Sold under other schemes to Buyers since the last audit (if any)				
No.	Buyers Name	Scheme Name	CPO Sold (mt)	PK Sold (mt)
Nil				

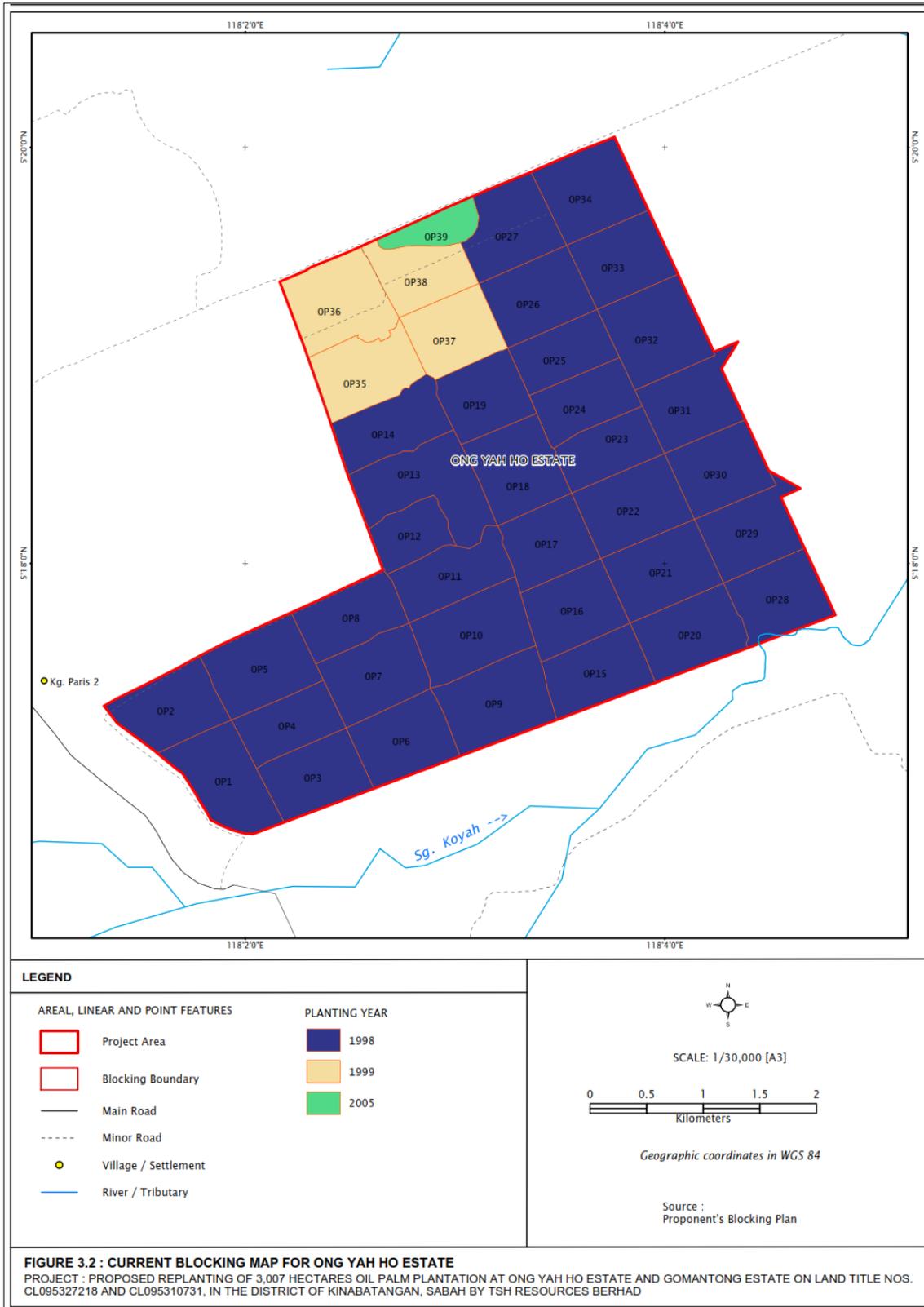
E. Records of CPO & PK Sold as conventional to Buyers since the last audit (if any)				
No.	Buyers Name	CPO Sold (mt)	PK Sold (mt)	
1	CDE	11,860.22	2,368.61	
	TOTAL	11,860.22	2,368.61	

F. Records of Certified CPO Sold under RSPO Credits to Buyers since the last audit (if any)			
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold (mt)
Nil			

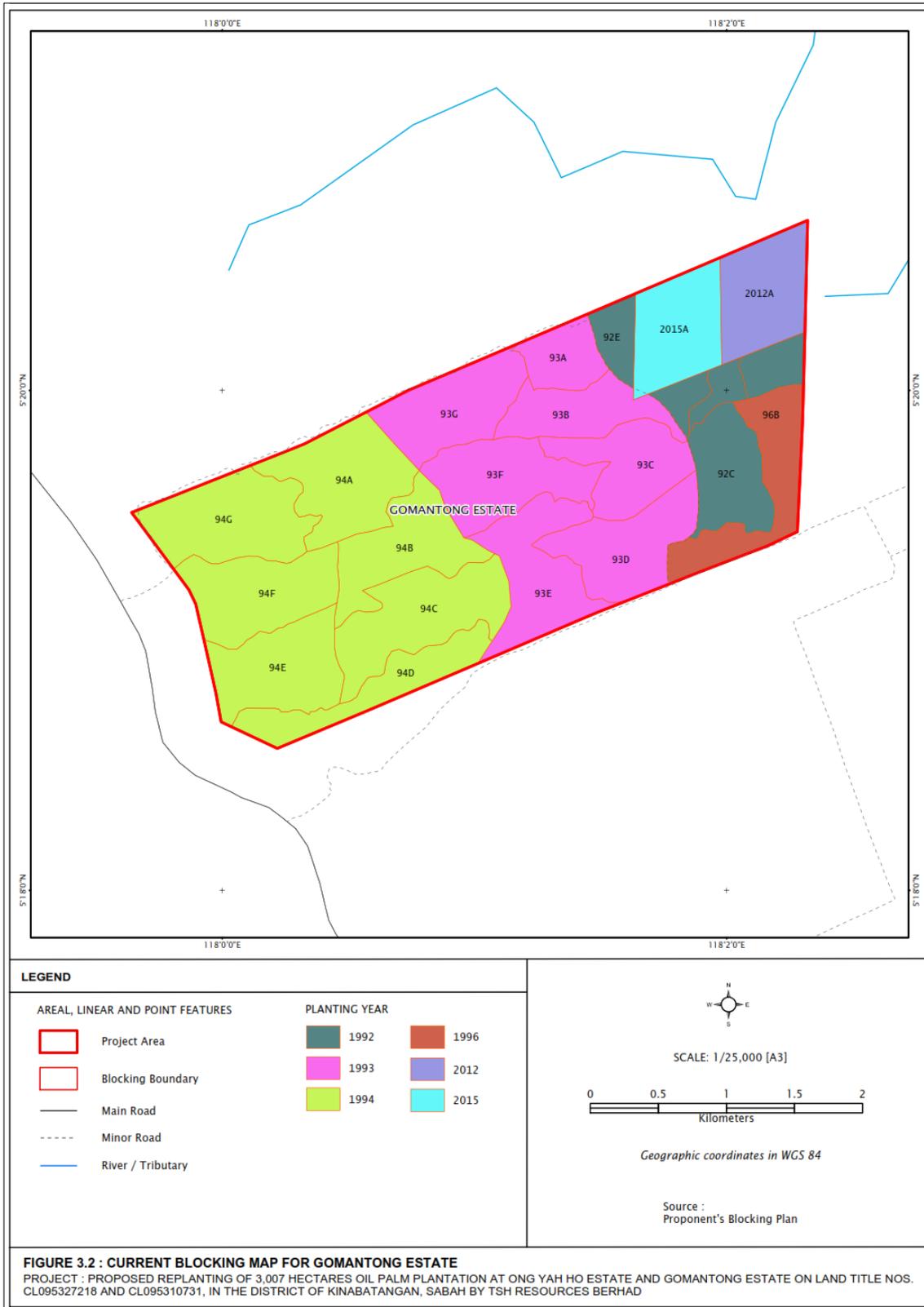
Appendix E: Location Map of TSH Lahad Datu Certification Unit and Supply bases



Appendix F: Ong Yah Ho Estate Field Map



Appendix G: Gomantong Estate Field Map



Appendix H: List of Smallholder Sampled *(If applicable – scheme/associated/group certification)*

Not applicable

Appendix I: List of Abbreviations

a.i	Active Ingredient
BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSPO	Certified Sustainable Palm Oil
CSPKO	Certified Sustainable Palm Kernel Oil
EFB	Empty Fruit Bunch
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior, Informed and Consent
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
GPS	Global Positioning System
HCV	High Conservation Value
IPM	Integrated Pest Management
IP	Identity Preserved
IS - CSPO	Independent Smallholder Certified Sustainable Palm Oil
IS – CSPKO	Independent Smallholder Certified Sustainable Palm Kernel Oil
IS – CSPKE	Independent Smallholder Certified Sustainable Palm Kernel Expeller
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MB	Mass Balance
MSDS	Material Safety Data Sheet
MT	Metric Tonnes
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
P&C	Principles & Criteria
RTE	Rare, Threatened or Endangered species
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure