

**RSPO PRINCIPLE AND CRITERIA  
PUBLIC SUMMARY REPORT**

- Initial Assessment**
- Annual Surveillance Assessment (4)**
- Recertification Assessment (Choose an item.)**
- Extension of Scope**

<b>Client Company Name / Parent Company: TSH Resources Berhad</b>
Client Company / Parent Company Address: Menara TSH, No. 8, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
Certification Unit: <b>TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill)</b>
Location of Certification Unit: KM 56, Tawau- Kunak Highway, Tawau 91000 Sabah, Malaysia
Date of Final Report: 03/10/2022

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### Section 1: Scope of the Assessment

1. Company Details			
<b>Parent Company</b>	TSH Resources Berhad		
<b>RSPO Membership Number</b>	1-0173-14-000-00	<b>Membership Approval Date</b>	17/11/2014
<b>Address</b>	Menara TSH, No. 8, Jalan Semantan, Damansara Heights, 50490, Kuala Lumpur, Malaysia.		
<b>Palm Oil Mill / Group Manager / Estate (Certification Unit)</b>	TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill)		
<b>Location / Address</b>	KM 56, Tawau- Kunak Highway, Tawau 91000 Sabah, Malaysia		
<b>Website</b>	<a href="http://www.tsh.com.my">www.tsh.com.my</a>		
<b>Management Representative</b>	Rohana Parilla Binti Abdul Salam	<b>E-mail</b>	<a href="mailto:Rohana.SHO@tsh.com.my">Rohana.SHO@tsh.com.my</a>
<b>Telephone</b>	+60 89-912020	<b>Facsimile</b>	+60 89-913000

2. Certification Information			
<b>Certificate Number</b>	RSPO 692556	<b>Certificate Start Date</b>	23/08/2018
<b>Date of First Certification</b>	23/08/2018	<b>Certificate Expiry Date</b>	22/08/2023
<b>Scope of Certification</b>	Production of Palm oil and Palm Kernel		
<b>Visit Objectives</b>	<p>Determination of the conformity of the clients management system, or parts of it, with audit criteria.</p> <p>Evaluation of the ability of the management system to ensure the client organization meet applicable statutory, regulatory and contractual requirements.</p> <p>To conduct the extension scope on Sabahan 1 estate as supply base under TSH Kunak POM.</p>		
<b>Assessment Cycle</b>	<input type="checkbox"/> Pre Assessment (Choose an item.) <input type="checkbox"/> Initial Assessment <input checked="" type="checkbox"/> Annual Surveillance Assessment (ASA 4) <input type="checkbox"/> Recertification Assessment (Choose an item.) <input checked="" type="checkbox"/> Scope Extension		
<b>Applicable Standards / Normative Reference</b>	RSPO Certification System for P&C and RSPO ISH 2020 <input type="checkbox"/> RSPO P&C 2018 for the Production of Sustainable Palm Oil <input checked="" type="checkbox"/> Malaysia National Interpretation 2019 for RSPO P&C 2018 for the Production of Sustainable Palm Oil		
<b>Supply Chain Module</b>	<input type="checkbox"/> Identity Preserved; <input checked="" type="checkbox"/> Mass Balance	<b>Mill Capacity</b>	75mt/Hr
<b>ISH certification Phase</b>	<input type="checkbox"/> Eligibility <input type="checkbox"/> Milestone A <input type="checkbox"/> Milestone B <input checked="" type="checkbox"/> Not Applicable		

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<b>Is this a remote audit or on-site audit</b>	<input checked="" type="checkbox"/> On-site audit (Option AI)	<input type="checkbox"/> On-site audit (Option AII)	<input type="checkbox"/> Remote audit (Option B)
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<b>3. Other Certifications</b>			
<b>Certificate Number</b>	<b>Standard(s)</b>	<b>Certificate Issued by</b>	<b>Expiry Date</b>
MSPO/2018/08	MSPO MS 2530 Part 3	Rehpro Certification Sdn Bhd	6/10/2024
MSPO/2018/09	MSPO MS 2530 Part 4	Rehpro Certification Sdn Bhd	6/10/2024

<b>4. Location(s) of Mill &amp; Supply Bases</b>			
<b>Name (Mill / Supply Base / Group Manager / Smallholders)</b>	<b>Location</b>	<b>GPS Coordinates</b>	
		<b>Latitude</b>	<b>Longitude</b>
TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill)	KM 56, Tawau- Kunak Highway, Tawau 91000 Sabah, Malaysia	04° 28' 3.05" N	118° 11'06.57" E
TSH Kunak Plantation Management Sdn Bhd (Maju Sawit Estate)	Mile 41, Tawau Kunak Road, Sabah, Malaysia	04° 27' 53.13" N	118° 10' 56.49" E
LKSK Sdn Bhd (LKSK Estate)	KM 39, Semporna-Tawau Road, Sabah, Malaysia	04° 29'38.02" N	118° 04' 09.06" E
Landquest Sdn Bhd (Landquest Estate)	Mile 16, Apas Road, Tawau, Sabah, Malaysia	04° 25' 43.90" N	118° 20' 08.10" E
Tan Soon Hong Holdings (Wakuba Estate)	Batu 16, Wakuba, Jalan Tawau-Kunak Highway, Sabah, Malaysia	04° 17' 13.25" N	118° 04' 17.54" E
Sabahan 1 Estate	KM48, Lahad Datu – Kunak Highway	04° 49' 07.50"N	118° 05' 29.40"E

<b>5. Description of Supply Base</b>					
<b>New Planting Development</b>	<input checked="" type="checkbox"/> No (no change in total planted area)		<input type="checkbox"/> Yes (please refer to Principle 7 for details)		
<b>Estate / Smallholders</b>	<b>Total Planted (Mature + Immature) (ha)</b>	<b>HCV (ha)</b>	<b>Infrastructure &amp; Other (ha)</b>	<b>Total Area (ha)</b>	<b>% of Planted</b>
Maju Sawit Estate	156.50	2.06	60.44	219.00	71.46
LKSK Estate	930	20.30	15.70	966	96.27
Landquest Estate	365	7.68	61.12	433.80	84.14
Maju Sawit Estate - Wakuba Division	15	0	1.0	16	93.75
Sabahan 1 Estate	98	0	24	122	80.33
<b>Total</b>	<b>1,564.50</b>	<b>30.04</b>	<b>162.56</b>	<b>1,756.80</b>	<b>89.04</b>

<b>6. Plantings &amp; Cycle</b>						
Estate / Smallholders	Age (Years) - ha				Mature	Immature
	0 - 3	4 - 14	15 - 25	>25		
Maju Sawit Estate	12.5	77.5	66.5	0	144	12.5
LKSK Estate	166	0	5	759	764	166
Landquest Estate	152	67	0	146	213	152
Maju Sawit Estate - Wakuba Division	0	3	0	12	15	0
Sabahan 1 Estate	63	21	0	14	35	63
<b>Total (ha)</b>	<b>393.5</b>	<b>168.50</b>	<b>71.5</b>	<b>931</b>	<b>1,171.00</b>	<b>393.50</b>

<b>7. Summary of Certified Tonnage of FFB (Own Certified Scope)</b>				
Estate / Smallholders	Tonnage (MT) / year			
	Estimated last year (Aug 21 – Jul 22)	Actual (July 2021 – May 2022)		Forecast (Aug 22 – Jul 23)
		Previous license period (July 2021)	Current license period (August 2021- May 2022)	
Maju Sawit Estate	2,251.39	173.06	1,271.24	1,877.59
LKSK Estate	13,590.25	1,276.07	10,943.71	13,441.76
Landquest Estate	5,202.05	415.47	3,490.68	5,273.30
Maju Sawit Estate - Wakuba Division	481.97	31.92	310.26	444.83
Sabahan 1 Estate	0	0	0	400
<b>Total</b>	<b>21,525.66</b>	<b>17,912.41</b>		<b>21,437.48</b>

<b>8. Summary of Certified Tonnage of FFB (from other certified unit(s))</b>				
Estate / Smallholders	Tonnage (MT) / year			
	Estimated last year (Aug 21 – Jul 22)	Actual (July 2021 – May 2022)		Forecast (Aug 22 – Jul 23)
		Previous license period (July 2021)	Current license period (August 2021- May 2022)	
Nil				
<b>Total</b>		<b>N/A</b>		

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<b>9. Summary of Non-Certified Tonnage of FFB (outside supplier – excluded from certificate)</b>				
Out growers / smallholders	Tonnage (MT) / year			
	Estimated last year (Aug 21 – Jul 22)	Actual (July 2021 – May 2022)		Forecast (Aug 22 – Jul 23)
		Previous license period (July 2021)	Current license period (August 2021- May 2022)	
Smallholder	0	24,750.67	225,921.19	0
<b>Total</b>	<b>0</b>	<b>250,671.86</b>		<b>0</b>

<b>9A. Monthly Records of Certified and Uncertified FFB Received since the last audit</b>				
No.	Month - Year	Volume of FFB from certified supply base (mt)	Volume of FFB from uncertified supply base (mt)	Total FFB/Month (mt)
1	Jul'21	1,534.01	24750.67	26284.68
2	Aug'21	1,406.32	23561.12	24967.44
3	Sept'21	1,407.98	22175.54	23583.52
4	Oct'21	1,616.74	23313.11	24929.85
5	Nov'21	1,772.46	24509.88	26282.34
6	Dec'21	1,658.36	25066.11	26724.47
7	Jan'22	1,633.24	23033.76	24667
8	Feb'22	1,574.94	14460.97	16035.91
9	Mar'22	1,702.64	22622.22	24324.86
10	Apr'22	1,709.20	23698.15	25407.35
11	May'22	1,896.52	23480.33	25376.85
	<b>TOTAL</b>	<b>17,912.41</b>	<b>250,671.86</b>	<b>268,584.27</b>

<b>10. Summary of Certified Tonnage (MT) (not applicable for ISS)</b>			
Estimated last year (Aug 21 – Jul 22)	Actual (July 2021 – May 2022)		Forecast (Aug 22 – Jul 23)
	Previous license period (July 2021)	Current license period (August 2021- May 2022)	
<b>FFB</b>	<b>FFB</b>		<b>FFB</b>
21,525.66 mt	1,896.52 mt	16,015.89 mt	21,437.48 mt
	<b>TOTAL</b>	17,912.41 mt	
<b>CPO (OER: 20.49%)</b>	<b>CPO (OER: 18.45%)</b>		<b>CPO (OER: 18.38%)</b>
4,412.76 mt	291.92 mt	2,701.97 mt	3,941.37 mt
	<b>TOTAL</b>	2,993.89 mt	

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<b>PK (KER: 5.49%)</b>	<b>PK (KER: 5.56%)</b>		<b>PK (KER: 5.25%)</b>
1,183.91 mt	92.94 mt	902.98 mt	1,127.26 mt
	<b>TOTAL</b>	995.92 mt	

<b>10A. Monthly Records of Certified CPO &amp; PK since the last audit</b>			
No.	Month - Year	Certified CPO (MT)	Certified PK (MT)
1	Jul'21	291.92	92.94
2	Aug'21	274.51	89.33
3	Sept'21	269.21	87.45
4	Oct'21	313.81	101.48
5	Nov'21	338.01	108.29
6	Dec'21	301.99	100.46
7	Jan'22	302.31	99.45
8	Feb'22	205.09	70.22
9	Mar'22	81.53	35.75
10	Apr'22	301.88	103.63
11	May'22	313.63	106.92
<b>TOTAL</b>		<b>2,993.89</b>	<b>995.92</b>

<b>11. Summary of Actual Volume sold</b>					
<b>Current license period ( August 2021- May 2022)</b>					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	Others		
<b>CPO (MT)</b>	2,593.27	0	0	0	2,593.27
<b>PK (MT)</b>	751.55	0	0	0	751.55
<b>Credits</b>	0	0	0	0	0
<b>Previous license period (July 2021)*</b>					
<b>CPO (MT)</b>	301.29	0	0	0	301.29
<b>PK (MT)</b>	200.95	0	0	0	200.95
<b>Credits</b>	0	0	0	0	0

Notes:

- Conventional is RSPO certified material but sold as non-RSPO.
- \*Carry forward volume of CPO and PK from previous license (July2021).

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<b>11A. Records of Certified CPO &amp; PK Sold under PalmTrace since the last audit (if any)</b>				
No.	Buyers Name	PalmTrace Trading License Number	Certified CPO Sold (MT)	Certified PK Sold (MT)
1	Lahad Datu Edible Oils Sdn Bhd (KCP)	RSPO_PO1000006525	-	96.76
2	Lahad Datu Edible Oils Sdn Bhd (KCP)	RSPO_PO1000006525	-	144.69
3	Lahad Datu Edible Oils Sdn Bhd (KCP)	RSPO_PO1000006525	-	343.8
4	Lahad Datu Edible Oils Sdn Bhd (KCP)	RSPO_PO1000006525	-	166.3
5	Lahad Datu Edible Oils Sdn Bhd (KCP)	RSPO_PO1000006525	-	200.95
6	TSH WILMAR SDN BHD	RSPO_PO1000005884	67.88	-
7	TSH WILMAR SDN BHD	RSPO_PO1000005884	319.71	-
8	TSH WILMAR SDN BHD	RSPO_PO1000005884	307.6	-
9	TSH WILMAR SDN BHD	RSPO_PO1000005884	409.87	-
10	TSH WILMAR SDN BHD	RSPO_PO1000005884	223.31	-
11	TSH WILMAR SDN BHD	RSPO_PO1000005884	290.36	-
12	TSH WILMAR SDN BHD	RSPO_PO1000005884	321.08	-
13	TSH WILMAR SDN BHD	RSPO_PO1000005884	194.86	-
14	TSH WILMAR SDN BHD	RSPO_PO1000005884	390.72	-
15	TSH WILMAR SDN BHD	RSPO_PO1000005884	301.29	-
16	TSH WILMAR SDN BHD	RSPO_PO1000005884	67.88	-
<b>TOTAL</b>			<b>2,894.56</b>	<b>952.50</b>

<b>11B. Records of certified CPO &amp; PK Sold under other schemes since the last audit (if any)</b>				
No.	Buyers Name	Scheme Name	Certified CPO Sold (MT)	Certified PK Sold (MT)
	Nil			
<b>TOTAL</b>				

<b>11C. Records of CPO &amp; PK Sold as conventional since the last audit (if any)</b>				
No.	Buyers Name	CPO Sold (MT)	PK Sold (MT)	
	Nil			
<b>TOTAL</b>				

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11D. Records of Certified CPO Sold under RSPO Credits since the last audit (if any)			
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold
	Nil		
<b>TOTAL</b>			

12. Independent Smallholders Certified Tonnage (MT) / Volume									
Phase	Estimated last year (Not Applicable)			Actual (Not Applicable)			Forecast (Not Applicable)		
	Eligibility	MS A	MS B	Eligibility	MS A	MS B	Eligibility	MS A	MS B
	40%	70%	100%	40%	70%	100%	40%	70%	100%
FFB									
IS-CSPO	N/A								
IS-CSPKO									
IS-CSPKE									
CSPK									

12A. Monthly Records of Certified CPO, PK & PKE (equivalent) produced since the last audit						
No.	Month - Year	FFB (MT)	Certified CPO (MT)	Certified PK (MT)	Certified PKO (MT)	Certified PKE (MT)
	N/A					
<b>TOTAL</b>						

13. Independent Smallholders Actual Sold Tonnage / Volume							
	FFB	FFB Conventional	FFB Other schemes	IS-CSPO	CSPK	IS-CSPKO	IS-CSPKE
<b>Current License period (Not Applicable)</b>							
Credits				N/A	N/A	N/A	N/A
Physical	N/A	N/A	N/A				
<b>Previous License period (Not Applicable)</b>							
Credits				N/A	N/A	N/A	N/A
Physical	N/A	N/A	N/A				

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13A. Records of Certified FFB, CPO, PK & PKE (including credits) sold since the last audit							
No.	Buyers Name	PalmTrace Trading License Number	FFB Sold (MT)	Certified CPO Sold (MT/credit)	Certified PK Sold (MT/credit)	Certified PKO Sold (MT/credit)	Certified PKE Sold (MT/credit)
	N/A						
<b>Note:</b>							

## 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.  
Tel +60 (3) 9212 9638 Fax +60 (3) 9212 9639  
Representative: Dr. Chaiyaporn Seekao ([Chaiyaporn.Seekao@bsigroup.com](mailto:Chaiyaporn.Seekao@bsigroup.com))  
Website: [www.bsigroup.com](http://www.bsigroup.com)

BSI is a leading global provider of management systems assessment and certification, with more than 92,000 certified locations and clients in over 193 countries. BSI 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.

### 2.1 Assessment Methodology, Programme, Site Visits

The on-site assessment was conducted on **20-25/6/2022**. The audit programme is included as Section 2.3.

The approach to the audit was to treat the mill and supply base as an RSPO Certification Unit. A range of occupational health and safety, environmental, best practice management, and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas, local communities engagement and workers welfare and safety.

The Critical NC close out on-site assessment was conducted on **30/8/2022**. The audit programs 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. Malaysia National Interpretation 2019 of the RSPO P&C 2018 was used as the normative reference to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The minimum sample size is four estates. Sample size for certification unit with more than four (4) estates were determined based on formula  $N = (\sqrt{y}) \times (z)$  where y is the number of estates and where z is the multiplier defined by risk assessment. While, the sampling of smallholders were based on the formula  $(\sqrt{y}) \times (z)$ ; where y is total number of group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix E.

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 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 3.4.

The non-conformities for this audit are detailed in Section 3.3 and unless it is stated in this section, all previous nonconformities including minor nonconformities are remains closed.

This report is structured to provide a summary of assessment finding as provided in Appendix A. The assessment was conducted based on risk based approach sampling and therefore nonconformities may exist.

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For Initial, Re-certification and Extension of Scope assessment, the report was externally reviewed by approved external peer 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**

<b>Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill)	√	√	√	√	√
TSH Kunak Plantation Management Sdn Bhd (Maju Sawit Estate)	√	√	√	√	√
LKSK Sdn Bhd	√	√	√	√	√
Landquest Sdn Bhd	√	√	√	√	√
Tan Soon Hong Holdings (Wakuba Estate)	√	√	√	√	√
Sabahan 1 Estate	-	-	-	-	√

**Tentative Date of Next Visit: June 19, 2023 - June 23, 2023**

**Total Number of Mandays: 17**

**2.2 BSI Assessment Team**

<b>Name</b>	<b>Role</b>	<b>Competency</b>
Muhamad Naqiuddin Mazeli (MNM)	Team Leader	<p><b>Education:</b> Holds a Bachelor of Science Horticulture, University Putra Malaysia</p> <p><b>Work Experience:</b> 11 years working experience in oil palm industry managing sustainability implementation and certification of RSPO P&amp;C, ISCC, and ISO9001 and ISO 18001 for the estates, mills, refineries and Smallholder scheme. He also support in providing training related to RSPO and other certifications where applicable to the operations during previous company.</p> <p><b>Training attended:</b> He has completed ISO 9001: 2015 Lead Auditor Course, ISO 14001: 2015 Lead Auditor Course, ISO 45001: 2018 Lead Auditor Course, HCV &amp; HCS Introductory Training, Endorsed RSPO P&amp;C Lead Auditor Course and Social Auditing &amp; SMETA Training</p> <p><b>Language proficiency:</b> Fluent in in both Bahasa Malaysia and English.</p> <p><b>Aspect covered in this audit:</b> During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, Smallholders inclusion, legal requirements, environment, RSPO supply chain and HCV.</p>

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<p>Amir Bahari (AB)</p>	<p>Team Member</p>	<p><b>Education:</b> Holds a Bachelor of Science (Hons) in Chemistry, University Science Malaysia &amp; a Diploma in Palm Oil Milling Tech/Management, Malaysian Palm Oil Board.</p> <p><b>Work Experience:</b> He has more than 30 years of plantation experience including managing rubber factories, palm oil mills and estates. Since 2014 he has started auditing professionally for varies scheme including RSPO and MSPO for varies accredited certification body.</p> <p><b>Training attended:</b> He has completed ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course, OHSAS 18001 Lead Auditor Course &amp; Endorsed RSPO P&amp;C Lead Auditor Course.</p> <p><b>Language proficiency:</b> Fluent in English and Bahasa Malaysia</p> <p><b>Aspect covered in this audit:</b> During the assessment he covered mills and estates best practices, workers consultation and occupational safety &amp; health.</p>
<p>Mohd Razaleigh Mohamad (MRM)</p>	<p>Team Member</p>	<p><b>Education:</b> Holds a Bachelor Degree in Plantation Management and Agrotechnology, University Technology Mara (UiTM).</p> <p><b>Work Experience:</b> He has 5 years' experience in Oil Palm Estate Management with Tradewinds Plantation Berhad. The last position held was Senior Assistant Manager. He has more than 4 years of experience in Third Party Certification Audit with Control Union (M) Sdn Bhd for RSPO P&amp;C, MSPO P&amp;C and GLOBALG.A.P. IFA Fruits and Vegetables. Qualified as RSPO Lead Auditor and approved to conduct Environmental and Social elements.</p> <p><b>Training attended:</b> He has completed ISO 9001-2015 Lead Auditor Course, ISO14001- 2015 Lead Auditor Course, ISO45001-2018 Lead Auditor Course, Endorsed RSPO P&amp;C Lead Auditor Course, Endorsed MSPO P&amp;C Lead Auditor Course, Social Accountability SA8000 Auditor Course, RSPO Independent Smallholder (IHS) Auditor Training.</p> <p><b>Language proficiency:</b> Fluent in English and Bahasa Malaysia</p> <p><b>Aspect covered in this audit:</b> During this assessment, he assessed on the aspects of legal, social, and stakeholder engagement.</p>
<p>Dr. Suhaili Sahari</p>	<p>Peer Reviewer</p>	<p><b>Education:</b> Graduated from University Technology Mara (UiTM), Malaysia in Diploma in Science in 1990. He furthers his first degree in B.Sc (Hons) in Chemistry with Industrial Chemistry in 1995 from Liverpool University, England. He later advances his study in Master in Business Administration (General) in 2002 and graduated in 2005 from University of Multimedia, Malaysia. Completed his PhD from University Science Islam Malaysia (Faculty of Economy and Muamalat - Management) under the supervision of previous University Vice Chancellor Dato' Mohd Muda.</p> <p><b>Work Experience:</b> Worked with Hong Leong Group of Companies as a production executive cum TQM facilitator and continues to advance in his career as a manager and senior manager in management, production, training and quality for more than 11 years. During his tenure with Hong Leong Group of Companies, he heavily involved in strategic management decision issues such as developing SWOT analysis, Vision, Mission, Business and Corporate Strategy formulation, Acquisition and restructuring strategies. Strategic actions and implementation etc. Then he joint Kumpulan Guthrie and Sime Darby Group of Companies for more than 7 years as a manager, heads of department and Assistant Vice President in management, quality and training. Part of his duty is to strategies the departmental vision; mission,</p>

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		<p>critical success factors and action plan into actions and support the corporate strategic plan.</p> <p><b>Training attended:</b></p> <ol style="list-style-type: none"> <li>1. ISO 9001:2015 Lead Auditor and Internal Auditor</li> <li>2. ASI reviewer training</li> <li>3. Safety and Health</li> <li>4. ISO 14001:2015 Standard</li> <li>5. RSPO Standards: RSPO P&amp;C 2018 MY-NI 2019</li> <li>6. MSPO Standards : MS 2530 : 2013 part 1, 2 , 3 and 4</li> <li>7. Problem Solving Technique : 8 D, ICC, QCC, Systematic PS</li> <li>8. HACCP MS 1480:2019</li> <li>9. GAP Standard : Global GAP, Euru GAP</li> </ol>
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**Accompanying Persons:**

Name	Role
Nil	

**2.3 Assessment Plan**

The Assessment plan was sent to the client prior to the assessment

Date	Time	Subjects	MNM	MRM	AB
Sunday, 19/06/2022	PM	Audit Team Travelling to Tawau	√	√	√
Monday, 20/06/2022  Landquest Estate	08.30 – 09.00	<p>Opening Meeting:</p> <ul style="list-style-type: none"> <li>• Opening Presentation by Audit team leader.</li> <li>• Confirmation of assessment scope and finalize Audit plan</li> </ul>	√	√	√
	09.00 – 12.30	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.	√	√	√
	09.30 – 12.30	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)		√	
	12.30 – 13.30	Lunch	√	√	√
	13.30 – 16.30	<p>Document review P1 – P7:</p> <p>(General Documentation e.g. Legal, Manual and Procedure, production &amp; monitoring records, IPM &amp; HCV records, SEIA documents &amp; records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation &amp; etc.)</p>	√	√	√

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Date	Time	Subjects	MNM	MRM	AB
	16.30 - 17.00	Interim Closing briefing.	√	√	√
Tuesday, 21/06/2022 LKSK Estate	09.00 – 12.30	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.	√	√	√
	09.00 – 13.30	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)		√	
	12.30 – 13.30	Lunch	√	√	√
	13.30 - 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.	√	√	√
Wednesday, 22/06/2022 Kunak POM	09.00 – 12.30	Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	√
	09.30 – 12.30	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)		√	
	12.30 – 13.30	Lunch	√	√	√
	13.30 – 16.30	Lab, weighbridge and palm product storage area. Document Review P1 – P7: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation.  RSPO SCC general requirements, internal audit, management review, sales and purchasing documents, mass balance accounting and other relevant documents and records.	√	√	√

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Date	Time	Subjects	MNM	MRM	AB
	16.30 – 17.00	Interim closing briefing	√	√	√
Thursday, 23/06/2022 Maju Sawit Estate & Wakuba Div	09.00 – 12.30	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.	√	√	√
	09.30 – 12.30	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)		√	
	12.30 – 13.30	Lunch	√	√	√
	13.30 – 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	√	√	√
Friday 24/06/2022, Sabahan 1 Estate	09.00 – 12.30	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.	√	√	√
	09.30 – 12.30	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)		√	
	12.30 – 13.30	Lunch	√	√	√
	13.30 – 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	√	√	√

Date	Time	Subjects	MNM	MRM	AB
Saturday, 25/06/2022 Sabahan 1 Estate	09.00 – 12.30	Continue with :- 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.  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.)	√	√	√
	12.30- 12.45	Preparing for closing meeting	√	√	√
	12.45 – 1.15	Closing Meeting	√	√	√
		Audit team travelling to Kuala Lumpur	√	√	√

**NCR Closure Audit Plan**

Date	Time	Subjects	MN
Monday, 29/08/2022		Travel from KL to Tawau (1915) and check in Hotel.	√
Tuesday, 30/08/2022	0800-0900	Travelling from Hotel to TSH Kunak POM	√
	0900-0930	TSH Kunak POM: Opening Meeting: • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder's/workers consultation).	√
	0930–1130	TSH Kunak POM, Landquest Estate & Maju Sawit Estate: Verification on previous Major NC. Site observation ,workers interview (individual and group session) if necessary Document review – implemented evidence	√
	1130–1230	Closing	√
	1230-1700	Travelling back to Kuala Lumpur	√

### Section 3: Assessment Findings

#### 3.1 Multiple Management Units and Time Bound Plan

Requirement	Assessment	Compliance
Does the time bound plan include all current subsidiaries, estates and mills that is under the control and/or minor shareholding of the holding company?	Yes, the time bound plan submitted annually to RSPO via ACOP has included all TSH majority owned and managed subsidiaries.	Complied
Have all the estates and mills certified within five (5) years after obtaining RSPO membership? If no, has RSPO Secretariat approval obtained? Was the submission according to the template as announced by the RSPO Secretariat on 21/12/2021	No. TSH is expected to achieve 100% certified latest by 30/6/2023 within 5 years from RSPO Certification System effective date on 1/7/2018. PT Andalas Agro Industri (AAI) was the latest estate to be successfully certified with RSPO in December 2019. Generally all estates and mills are certified with RSPO except stated below and/or in the TBP attached: <ul style="list-style-type: none"> <li>- There's a Pending HCV &amp; LUCA Approval (resubmission of HCV) for PT Farinda Bersaudara (FDB) Estate and PT Andalas Wahana Berjaya (AWB) POM. Currently LUCA is being under reviewed by RSPO. PT AWB Estate 2 is in progress of HGU application. PT FDB POM certification was postponed in 2020 and planned to be certified in 2022.</li> <li>- For PT Mitra Jaya Cemerlang (MJC), the Hak Guna Usaha (HGU) application in progress as a single estate with no mill. Hence, TSH will add MJC to be part of PT Sarana Prima Multi Niaga (SPMN) POM's supply base in 2022.</li> <li>- LUCA for PT Munte Waniq Jaya Perkasa (MWJP) have passed. Hence, TSH are preparing for the audit this year as scheduled.</li> <li>- PT Perkebunan Sentawar Membangun (PSM) is in the midst of finalizing the mapping (peta bidang) and once finalized TSH will include PSM into certification as well</li> </ul>	Complied
Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three (3) years from the date of acquisition. Certification plan for the new acquisition shall be available. If no, has RSPO Secretariat approval obtained? Was the submission according to the template as announced by the RSPO Secretariat on 21/12/2021.	There is no new acquisitions as per the latest TBP 2022.	Complied
Any deviations from the maximum periods requires approval by the RSPO Secretariat.	Although there are deviation has been identified at those Indonesia management units but it has been justified as described above and included in ACOP submission.	Complied

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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?	Yes, changes as described above has been included in ACOP submission. The approval from RSPO was available as per email from RSPO Sec 24/2/2022.	Complied
Have there been any isolated lapses in implementation of the plan? If yes a <b>Minor</b> non-compliance shall be raised	Yes. The approval was obtained from the RSPO secretariat on 24/2/2022.	Complied
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 <b>Major</b> non-compliance shall be raised	No fundamental failure to proceed with the implementation of the plan.	Complied
<b>Un-Certified Units or Holdings</b>		
No replacement of primary forest or any area required to maintain or enhance HCVs and HCS in accordance with RSPO P&C criterion 7.12.	Based on RSPO RsCP Tracker website link as following: There are 11 management unit (MUs) with potential liability with LUCA submitted for all 11 Mus. LUCA review completed for 5 MUs with 10 MUs required Concept Note and Remediation Plan <a href="#">RaCP Tracker   RSPO - Roundtable on Sustainable Palm Oil</a>	Complied
Any new plantings since January 1 <sup>st</sup> 2010 shall comply with the RSPO New Plantings Procedure.	New plantings was only declared by TSH in ACOP 2015 submissions for a total area of 427.75 ha without NPP notifications submitted to RSPO. No declarations in subsequent years ACOP until latest 2021.	Complied
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 4.4, 4.5, 4.6, 4.7 and 4.8.	As of the date of the report being produced, there is no complaints related to land conflicts that requires action by TSH as per RSPO Complaints Website.	Complied
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 4.2	As of the date of the report being produced, there is no complaints related to labour disputes that requires action by TSH as per RSPO Complaints Website.	Complied
Any Legal non- compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1	As of the date of the report being produced, there is no complaints related to legal non-compliance that requires action by TSH as per RSPO Complaints Website	Complied
Did the company conduct internal audit for those uncertified estates against the uncertified management units requirement and covering the RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12? If yes, a positive assurance statement shall be available and justified.	Yes. The company has conducted the annual internal audit by the Sustainability Team and the report has covering all the criterion to be complied with the corrective action taken. All nonconformities raised being closed accordingly	Complied

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	and positive assurance statement been produced.	
Are there any Critical (Major) non-compliance raised against any of the RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12 during the last internal audit of the uncertified estates? If yes is the NC(s) actively addressed with RSPO?	Yes. The company has conducted the annual internal audit by the Sustainability Team and the report has covering all the criterion to be complied with the corrective action taken. All nonconformities raised being closed accordingly and positive assurance statement been produced	Complied
Have there been any stakeholder (including NGO) consultation conducted?	Stakeholder Consultations are conducted regularly to include workers, suppliers, contractors, NGO's, Government Bodies Neighbouring estates and smallholders. Stakeholder comments are recorded in the Stakeholder Meeting Minutes. No negative comments were obtained from the stakeholders except for suggestions and recommendation taken into consideration by the company.	Complied

**3.2 Progress of scheme smallholders and/or outgrowers**

<b>Progress of scheme smallholders or outgrowers towards compliance with relevant standards</b>		
<b>Requirement</b>	<b>Remarks</b>	<b>Compliance</b>
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 as no scheme smallholder for TSH-Kunak POM.	Complied

**Approved Time Bound Plan**

<b>RSPO Certification of TSH Mills and Supply bases</b>								
<b>Companies</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Malaysia</b>								
TSH Plantation Management Sdn Bhd			Kunak POM & Maju Sawit Estate <sup>2</sup>	Sabahan POM <sup>3</sup>				
TSH Resources Berhad		Gomantong Estate <sup>1</sup>						
TSH Palm Products Sdn Bhd		OYH Estate <sup>1</sup>						
TSH Holding Sdn Bhd			Wakuba Estate <sup>2</sup>					
LKSK Sdn Bhd			LKSK Estate <sup>2</sup>					
Landquest Sdn Bhd			Landquest Estate <sup>2</sup>					
TSH Plantations Sdn Bhd		Lahad Datu POM <sup>1</sup>		Sabahan Estate <sup>2</sup>				
RT Plantations Sdn Bhd							RT Estate <sup>2</sup>	
<b>Indonesia</b>								
PT Andalas Agro Industri				AAI POM <sup>5</sup>				
PT Laras Internusa				LIN Estate <sup>5</sup>				
PT Sarana Prima Multi Niaga	SPMN POM <sup>4</sup> & SPMN Estate <sup>4</sup>							
PT Mitra Jaya Cemerlang							MJC Estate <sup>4</sup>	

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PT Andalas Wahana Berjaya							AWB POM <sup>6</sup> & AWB Estate <sup>6</sup>	
PT Farinda Bersaudara							FDB POM <sup>6</sup> & FDB Estate <sup>6</sup>	
PT Teguh Swakarsa Sejahtera							TSS Estate <sup>6</sup>	
PT Munte Waniq Jaya Perkasa							MWJP Estate <sup>6</sup>	
PT Perkebunan Sentawar Membangun							PSM Estate <sup>6</sup>	
PT Bulungan Citra Agro Persada								BCAP POM* & BCAP Estate
PT Andalas Wahana Sukses								AWS POM* & AWS Estate
Notes:								Certified
- Superscript 1 supplies to Lahad Datu POM. Superscript 2 supplies to Kunak POM. Superscript 3 supplies to Sabahan POM. Superscript 4 supplies to SPMN POM. Superscript 5 supplies to AAI POM. Superscript 6 supplies to FDB POM. Superscript 7 supplies to AWB POM								Uncertified Estate
- * (Asterisk) Indicates POM not yet built.								Uncertified Mill
- This schedule may be subject to change but member will endeavour to keep the final schedule as close as possible to what appears here.								

**3.3 Details of Nonconformities**

The nonconformities are listed below. The findings summary of the assessment by criteria are listed in Appendix A. During this Assessment there were three (3) Critical; *Two* (2) Minor nonconformities and *No* Opportunity For Improvement raised. The *TSH Plantation Management Sdn Bhd (Kunak 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 Critical Nonconformity(ies) has been verified for its effectiveness and closed accordingly. The below is the summary of the non-conformity raised during this assessment.

Non-conformity			
<b>NCR Ref #</b>	2216460-202206-M1	<b>Issued Date</b>	25/6/2022
<b>Due Date</b>	23/9/2022	<b>Closure Date</b>	30/8/2022
<b>Indicator &amp; Category (Critical / Minor)</b>	3.8.5 (Critical)		
<b>Statement of Nonconformity:</b>	Found the implementation of supply chain procedure was inadequate		
<b>Requirement Reference:</b>	Documented procedures The mill shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following: d) The mill shall have documented procedures for receiving and processing certified and non-certified FFBs including ensuring no contamination in the IP mill.		
<b>Objective Evidence:</b>	From the standard procedure for supply chain (TSHR/SUST/SOP05) Rev No; 5 dated 20/2/2020 under B. Miller Traceability, CSFFB stated 3. The WAT for CSFFB shall be retained and separated with the designated label or stamp which stated both supply chain model and certificate number.  However found from the weighbridge ticket from Landquest estate, Maju Sawit estate and Wakuba div was not stamp with supply chain model and certificate number thus Major NC been raised. Sampling as per below:- FFB Supplier: Ladang Maju Sawit SAP no: ML03A220335814 Ticket No: 435814 Delivery Date: 7/3/2022 Vehicle Number: SD611B Net weight: 1570 Kg  FFB Supplier: Landquest Sdn Bhd SAP no: ML03A220335848 Ticket No: 435848		

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	<p>Delivery Date: 8/3/2022 Vehicle Number: SS6416N Net weight: 11,420 Kg</p>
<b>Corrections:</b>	Briefing to all TSH estate without own weighbridge to stamp on their available documents i.e Delivery Note (DN) or Delivery Order (DO) whichever use during their delivery of CSFFB to mill. Effective on 1 <sup>st</sup> July 2022.
<b>Root Cause Analysis:</b>	Current SOP TSHR/SUST/SOP05 only stated the requirements of RSPO stamping on WAT only. Since these 2 estates didn't have own weighbridge station on their own, the FFB directly submitted daily to KPOM and the WAT will be generated by KPOM.
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>1. Revised TSHR/SUST/SOP05 to includes this new requirement – 15th July 2022</li> <li>2. Briefing to all Supply Chain PIC from Estates and Mill – 15th July 2022</li> </ol>
<b>Assessment Conclusion:</b>	<p>As per document review below:- SOP- Supply Chain, Doc no. TSHR/SUST/SOP05 Rev no. 6 dated 15/7/2022 to revise on clause 6 to add on DN/DO &amp; WAT Definition. Briefing on Supply chain SOP to all weighbridge clerk and PIC for each operating unit dated 15/7/2022 at KPOM meeting room. Attended by all operating PIC with total 12 person. Sampling the weighbridge ticket as per below:- Landquest Sdn Bhd Ticket no: 149145, 149143 dated: 4/8/2022, 2/8/2022 Sabahan 1 estate Ticket no: 166285, 166293 dated: 10/8/2022, 18/8/2022 Maju Sawit estate Ticket no: 446388, 446453 dated: 30/7/2022, 31/7/2022 Wakuba estate Ticket no: 444478, 444573 dated: 5/7/2022, 6/7/2022 From the ticket with the designated label or stamp which stated both supply chain model and certificate number. From the interview with supply chain PIC and weighbridge operator they understand and aware regarding to the new SOP. Thus the major NC close on 30/8/2022</p>

Non-conformity			
<b>NCR Ref #</b>	2216460-202206-M2	<b>Issued Date</b>	25/6/2022
<b>Due Date</b>	23/9/2022	<b>Closure Date</b>	30/8/2022
<b>Indicator &amp; Category (Critical / Minor)</b>	Critical (6.2.4 )		

<b>Statement of Nonconformity:</b>	Workers housing condition has not been properly maintained
<b>Requirement Reference:</b>	(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.
<b>Objective Evidence:</b>	<p>Line inspection checklist format is available and documented in the “Borang Pemeriksaan Perumahan, Dewan Komuniti Pusat Jagaan KanakKanak &amp; Sekolah”.</p> <p>As per checklist, line site inspection needs to be conducted for specific parameters in-line with applicable requirements of Workers Minimum Housing and Amenities Standard Act 1990</p> <p>For Kunak POM and Maju Estate, sample for 3 months taken which is March, April and May 2022 which latest inspection done 11/05/2022, 17/05/2022 and 25/05/2022. As per stated in the inspection records, there is no issues and comply with the parameter set.</p> <p>However, it was observed during the site visit that bushes, trees and plant has not been properly managed that may attract mosquitoes breeding and causing discomfort to the occupant. This is not in line with the housing inspection conducted.</p>
<b>Corrections:</b>	Cleaning of the area that abandoned where found with bush, tree and plant.
<b>Root Cause Analysis:</b>	Most of houses found with bushes, trees or plant left at housing area are those abandoned without occupant causing it deteriorate as such.
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>1. Memo to issue related prohibition of planting of any plants that without proper care/maintenance surrounding the TSH Bio-complex housing area.</li> <li>2. Continuous monitoring on the housing area will be made on weekly basis and recorded in the “Borang Pemeriksaan Perumahan, Dewan Komuniti Pusat Jagaan KanakKanak &amp; Sekolah”.</li> <li>3. Site management for Mill, Estate and stakeholder (TSH Bio-Energy and TSH Biogas Sdn Bhd) will conduct bi-annual “gotong royong” program</li> <li>4. The Grass cutter during their daily scheduled will clean those area/space which is unkept (tall grass, etc)</li> <li>5. Management has issued out the banned of planting banana tree surrounding the housing and operation area to ensure clean and tidy housing complex.</li> </ol>
<b>Assessment Conclusion:</b>	<p>The memo of related prohibition of planting of any plant was available as per dated 15/7/2022 approved by Mr Thomas Gunik (Manager KPOM). This memo have been briefing to the workers as per record 3/8/2022 at KPOM.</p> <p>Programmed for TSH Bio-Integrated complex have been conducted on 1/8/2022. this to ensure the housing area kept clean and in good condition. this programmed will be conducted 2 time per year as per memo 30/7/2022. From the site visit sighted the area already been kept tidy and good condition as per linesite inspection record. As per linesite inspection dated 25/7/2022 and 18/7/2022 and site visit was same as per record stated.</p>

	The management already established for grass trimming scheduled dated 28/7/2022 to ensure all housing area in good condition and hygiene. Thus the major nc was close on 30/8/2022.
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Non-conformity															
<b>NCR Ref #</b>	2216460-202206-M3	<b>Issued Date</b>	25/6/2022												
<b>Due Date</b>	23/9/2022	<b>Closure Date</b>	30/8/2022												
<b>Indicator &amp; Category (Critical / Minor)</b>	6.6.1 (Critical)														
<b>Statement of Nonconformity:</b>	Sighted retention of wages and recruitment fees has been charged to workers														
<b>Requirement Reference:</b>	(C) All workers have entered into employment voluntarily and the following are prohibited: <ul style="list-style-type: none"> <li>• Retention of identity documents or passports (except for administration purposes including legalization and renewal processes)</li> <li>• Charging the workers for recruitment fees.</li> <li>• Contract substitution</li> <li>• Involuntary overtime</li> <li>• Lack of freedom of workers to resign</li> <li>• Penalty for termination of employment</li> <li>• Debt bondage</li> <li>• Withholding of wages</li> </ul>														
<b>Objective Evidence:</b>	Sample of new workers for recruitment taken in year 2019 for 10 workers where it has been arranged by the agent appointed by human resources department which are Agensi Pekerjaan Anika and Agensi JR Resources. Total cost incurred has been outline in workers expenses cost document number HRD/WR/20191101/KPOM, HRD/WP/20200103/KPOM,HRD/WP/20200103/KPOM, HRD/WP/202005/02/KPOM, HRD/WP/20200301/KPOM. Details of cost incurred as per below <table border="1" style="margin-top: 10px;"> <thead> <tr> <th>Cost</th> <th>Total (RM)</th> </tr> </thead> <tbody> <tr> <td>Accommodation</td> <td>185</td> </tr> <tr> <td>Transport Fee</td> <td>300</td> </tr> <tr> <td>Special pass (3x)</td> <td>300</td> </tr> <tr> <td>JP Visa</td> <td>500</td> </tr> <tr> <td>Agency Fee</td> <td>200</td> </tr> </tbody> </table> <p>a. Based on 10 workers pay slips sighted that deduction has been made to the workers since 2019 until the day of audit total RM60/month for the cost of recruitment. It has been confirmed that recruitment fee has been charged to workers through interview with human resources department and the workers itself.</p>			Cost	Total (RM)	Accommodation	185	Transport Fee	300	Special pass (3x)	300	JP Visa	500	Agency Fee	200
Cost	Total (RM)														
Accommodation	185														
Transport Fee	300														
Special pass (3x)	300														
JP Visa	500														
Agency Fee	200														

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	<p>b. Retention of RM600 workers salary as guarantee for the foreign workers did not resign before the permit expiry. Total RM50/balance month before expiry will be charge to workers from the retention of RM600. (i.e Permit expired December 2022, resigned June 2022, balance month before permit expiry: 6 months; total RM charge to the workers is RM50 x 6 months balance = RM300)</p> <p>Samples of deduction sighted in pay slip November 2021, January 2022 and April 2022 for 10 workers.</p> <p>Hence, Major nonconformities has been raised.</p>
<b>Corrections:</b>	<p>All Recruitment Fee will be absorbed by management.</p> <p>All collected saving fund will be refunded to all relevant employees in their next pay of month –July’2022 Salary</p>
<b>Root Cause Analysis:</b>	<p>These 10 workers are listed under the 10 years renewal program legalization by Sabah government; hence the application is made using the agents to facilitate passport renewal. This is the last batch that Sabah Government has approved for renewal for another 10 years. Started in 2020, no more passport renewal for another 10 years has been approved.</p>
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>1. Training, briefing &amp; evaluation to all passport holder employees and management.</li> <li>2. To monitor such as internal audit by yearly basis to ensure no reoccurrence issue</li> <li>3. HR to be diligent on Labour law enforcement within the organization.</li> <li>4. HR to conduct training to the Premise Admin to ensure the same case are not repeated.</li> </ol>
<b>Assessment Conclusion:</b>	<p>As per document review below:-</p> <p>Passport refund to workers as per Gang/ID No. and Payslip on July 2022 have been given dated 8/8/2022. verified as per payslip sample below:-</p> <p>03/0370 04/0389 03/0447 04/0568 04/0599 10/0744 02/0916</p> <p>Interview with foreigner workers showed that the passport was kept by them and they also confirm already received the retention money. The training on passport holder conducted on 8/8/2022 attended by all workers.</p> <p>Training on premise admin training dated 5/8/2022, this to train and brief premise admin on labor law enforcement.</p> <p>For HR diligence on Labour Law enforcement, from the email dated 28/4/2022 showed that the HR implemented the Minimum Wage Order 2022 will be started on 27/4/2022. Thus the major NC was close on 30/8/2022.</p>

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Non-conformity			
<b>NCR Ref #</b>	2216460-202206-N1	<b>Issued Date</b>	25/6/2022
<b>Due Date</b>	Next surveillance audit	<b>Closure Date</b>	Open
<b>Indicator &amp; Category (Critical / Minor)</b>	7.12.7 (Minor)		
<b>Statement of Nonconformity:</b>	The HCV monitoring requirement is not complied.		
<b>Requirement Reference:</b>	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.		
<b>Objective Evidence:</b>	<p>LKSK Estate - There is presence of HCV 6 "Children Cemetery" as mentioned in the assessment report (by M/s Kiwiheng Environmental Consultants Sdn Bhd K Kinabalu on Jan 2018). The assessment recommended the following monitoring;</p> <p>a) The cemetery to be inspected to ensure it is not vandalized or that it is not vandalized or become a place for unhealthy illegal</p> <p>There is no record of monitoring of HCV except for wildlife monitoring as sighted in the records latest being 13/6-15/6/2022.</p>		
<b>Corrections:</b>	Revised the HCV monitoring form specifically for LKSK Estate – 15th July 2022		
<b>Root Cause Analysis:</b>	The previous HCV monitoring didn't include the HCV6 due to miss interpretation of HCV. However, the cemetery has been monitored on monthly basis by the management but not recorded in the form.		
<b>Corrective Actions:</b>	Train the social Environmental PIC to inspect and monitor this HCV 6 using the new form – 15th July 2022 and to conduct the evaluation by yearly basis.		
<b>Assessment Conclusion:</b>	CAP has been accepted. Evidence of CAP effectiveness to be verified in next assessment.		

Non-conformity			
<b>NCR Ref #</b>	2216460-202206-N2	<b>Issued Date</b>	25/6/2022
<b>Due Date</b>	Next surveillance audit	<b>Closure Date</b>	Open
<b>Indicator &amp; Category (Critical / Minor)</b>	3.4.2 (Minor)		
<b>Statement of Nonconformity:</b>	Issues discussed in the welfare committee meeting has not been included in the social management plan.		
<b>Requirement Reference:</b>	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.		
<b>Objective Evidence:</b>	<p>Workers welfare committee, Jawatankuasa Kebajikan has been established for operating units as alternative for trade union and meeting conducted as of the channel to discuss any issues related to social, OSH and environment.</p> <p>Latest meeting for Landquest Estate conducted on 21/12/2022 and 24/03/2022, Sabahan 01 Estate on 06/12/2021, while for Maju Sawit and Kunak POM, welfare</p>		

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	meeting conducted latest on 14/06/2022. Several issues has been raised during the meeting such as road repair, housing repair, sport activities. Social impact assessment management plan established in the document "social continual improvement plan" (Tawau Region) for all estates and Kunak POM effective date 01/01/2016 revision #0 for the period of 20212025. However, issues that has been raised in the welfare committee meeting has not been included management plan.
<b>Corrections:</b>	Management/PIC to complete those items that required for immediate action under the welfare meeting. All site PIC (engineers/welfare/staff) will monitor welfare meeting outcomes which is under their own name for the upcoming welfare meeting
<b>Root Cause Analysis:</b>	PIC missed out the plan for completion within the time limit causing it not completed within the time frame of 3 months.
<b>Corrective Actions:</b>	The Person that raised the finding/action required item to use the Borang Keluh Kesah to track it and as a record for its completion.
<b>Assessment Conclusion:</b>	CAP has been accepted. Evidence of CAP effectiveness to be verified in next assessment.

Opportunity for Improvements	
OFI #	Description
OFI 1	Nil

Positive Findings	
PF #	Description
PF 1	Good document retrieval.
PF 2	Positive feedbacks from interviewed external stakeholders.

**3.3.1 Status of Nonconformities Previously Identified and Observations**

Non-conformity			
<b>NCR Ref #</b>	2143345-202112-M1	<b>Issued Date</b>	15/12/2021
<b>Due Date</b>	14/03/2022	<b>Closure Date</b>	10/3/2022
<b>Indicator &amp; Category (Critical / Minor)</b>	6.2.1 (Critical)- onsite		
<b>Statement of Nonconformity:</b>	Pay rate was found not in compliance with Minimum Wage Order 2020 requirements.		
<b>Requirement Reference:</b>	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.		
<b>Objective Evidence:</b>	Based on sample worker's work agreements and payslip sighted, it was sighted that the rate of pay for all workers are at minimum RM 42.31 per day or RM 1,100.00		

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	<p>per month for 6-days weekly basis. Based on the Business License; Sabah State Trade Licensing Ordinance 1948 Form D for all operating units within Kunak POM certification units as following:</p> <ul style="list-style-type: none"> <li>- Kunak POM &amp; Maju Sawit Estate (TSH Plantation Management Sdn. Bhd.); Station: Kunak KNK/2021/1008; License ID # KNK/2020/2525; Application # 1008/2021; Date: 20/1/2021</li> <li>- Landquest Estate (Landquest Sdn. Bhd.); Station: Semporna SPA/2021/3916; License ID # SPA/2020/4477; Application # 3916/2021; Date: 9/2/2021</li> <li>- LKSK Estate (LKSK Sdn. Bhd.); Serial # 27170; Majlis Perbandaran Tawau T390586; License ID # SPA/2020/4477; Application # R 14013/01; MPT A/C # 10012659; Date: 6/1/2021</li> </ul> <p>However, it was found that the work agreement and pay for employees in LKSK was still based on minimum wage of RM 42.31/day (RM 1,100.00/month; 6-days weekly) for sample employees work contract agreement dated 2/1/2021 and salary for the month of March, April &amp; May 2021 as following:</p> <p>LKSK Estate:</p> <ul style="list-style-type: none"> <li>- Female employee ID # 10-0643; Post: Sprayer</li> <li>- Male employee ID # 02-0429; Post: Harvester</li> <li>- Female employee ID # 05-1625; Post: Loose Fruit Collector</li> <li>- Male employee ID # 02-0942; Post: Harvester</li> <li>- Female employee ID # 10-1680; Post: Sprayer</li> <li>- Male employee ID # 07-0450; Post: General Worker</li> </ul> <p>This was not in-line with requirements that employee whose place of employment is in any of the 16 City Council areas or the 40 Municipal Council areas specified in the Schedule to the 2020 Order which included Tawau, the minimum wage rates are RM 46.15/day (RM 1,200.00/month; 6-days weekly). Hence, a Critical NC has been raised on the matter.</p>
<b>Corrections:</b>	Pay the employees with new rate of RM1,200/mth or Rm46.15/day effective on 1st January 2022.
<b>Root Cause Analysis:</b>	<p>Previously when this new Minimum Wages, 2020 come out the understanding is its only enforced for those business operating within the Township Council Areas Coverage which is town area and no issue during the Annual License Renewal in 2020 under Tawau Township Council. Hence the salary adjustment has been made only for TSH employees working at that area (TSH, Headquarters Office).</p> <p>Only in June 2021 Sabah Labour Department has made contact with TSH during our JTK related License Renewal Period regarding these minimum wages issues. Series of site audit and interviews has been conducted by JTK to all LKSK Estate which Trading License registered under Tawau Township Council but located far from Tawau Township Areas (Balung region rural area).</p> <p>After the interview, the renewal of license has been approved without any further details of order for enforcement of the Salary Adjustment</p>
<b>Corrective Actions:</b>	<ul style="list-style-type: none"> <li>- Training of new Minimum Wages order to relevant department of HR &amp; clerk to ensure awareness has reached every level of payroll departments.</li> </ul> <p>To revised all the employee contract agreement at LKSK to reflects to this Minimum Wage Order 2020.</p>

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<b>Assessment Conclusion:</b>	<p>Due to the nature of Major NC CAP able to verified off-site, all evidences were requested to submitted for off-line verification. Documented evidences received as following:</p> <ul style="list-style-type: none"> <li>- Payslips of sample employees paid with correct minimum wages from 1/1/2022</li> <li>- Records of training of new Minimum Wages order to relevant department of HR &amp; clerk conducted on 18/12/2021</li> <li>- Sample revised employee contract agreements</li> </ul> <p>Based on the documented evidences provided, the CAP verified to be sufficient to address the Major NC. Hence, Major NC closed on 10/3/2022.</p>
<b>Effectiveness Closure (for previous audit closed Critical NC):</b>	<p>Employment contracts detailing payments and conditions of employment available to the workers for sample employees sighted as per indicator 6.1.6. Regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with Sabah Labour Ordinance and Minimum Wages Order.</p> <p>Sample of employment contract sighted</p> <p>Landquest Estate</p> <ul style="list-style-type: none"> <li>a. 02-0823</li> <li>b. 02-0914</li> <li>c. 02-0761</li> <li>d. 02-0813</li> </ul> <p>LKSK Estate</p> <ul style="list-style-type: none"> <li>a. 01-1504</li> <li>b. 07-1637</li> <li>c. 11-1825</li> <li>d. 01-1662</li> </ul> <p>Maju Sawit Estate</p> <ul style="list-style-type: none"> <li>a. 01-0199</li> <li>b. 03-0486</li> <li>c. 01-0496</li> </ul> <p>Kunak POM</p> <ul style="list-style-type: none"> <li>a. 03/0978</li> <li>b. 05/0345</li> <li>c. 05/1038</li> <li>d. 02/1070</li> </ul> <p>Sabah 01 Estate</p> <ul style="list-style-type: none"> <li>a. 0444</li> <li>b. 0493</li> <li>c. 0521</li> </ul> <p>Thus Major NC remained closed.</p>

Non-conformity			
<b>NCR Ref #</b>	2143345-202112-M2	<b>Issued Date</b>	15/12/2021

<b>Due Date</b>	14/03/2022	<b>Closure Date</b>	10/03/2022
<b>Indicator &amp; Category (Critical / Minor)</b>	7.2.6 (Critical)- onsite		
<b>Statement of Nonconformity:</b>	Proper handling of chemicals was not effectively demonstrated.		
<b>Requirement Reference:</b>	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.		
<b>Objective Evidence:</b>	<p>During site visit at Maju Sawit Estate, it was found 4 unit of premix container still containing chemicals were left unattended at field OP2019 although there are no spraying activities were conducted there. It was against SOP Langkah Kerja Selamat Mengendali Bahan Kimia dated 06/04/2016, Document Number: TSHP/OSH/WI01 section 2(d) "Setiap Mandur mestilah memastikan jumlah baki racun yang tinggal di bawa pulang dan di simpan di dalam stor yang disediakan".</p> <p>During site visit at LKSK Estate, spraying area OP99E, it was found pure chemicals was brought and mixing in the field. Based on interview with mandore and workers, the reason they mix the chemical in the field to avoid any spillage during refilling. It was against SOP Langkah Kerja Selamat Mengendali Bahan Kimia dated 06/04/2016, Document Number: TSHP/OSH/WI01 section D. Langkah Kerja Selamat (1) Premix Station – Pencampuran Racun.</p>		
<b>Corrections:</b>	<ul style="list-style-type: none"> <li>- Immediately return all unused chemicals to the store if the programmed has been cancelled due to weather or any other issues.</li> </ul> <p>Returned balance of pure chemical back to store on the of premixed to ensure no balance of pure chemicals are kept at premixed station.</p>		
<b>Root Cause Analysis:</b>	<ul style="list-style-type: none"> <li>- On 15th December 2021, the weeding gang given an instruction to both conduct manual weeding (slashing) &amp; chemical weeding (spraying) if the weather suitable. Hence the weeding gang brought in the premixed herbicide into the field OP2019 in the morning. Unfortunately, the weather is not suitable as its drizzling in the morning and rained in the afternoon. So, the gang only proceed with the manual weeding. Premixed herbicide then left at OP2019 for driver to collect and returned to store. The driver will collect once all FFB has been transferred to Palm Oil Mill and will always be the last trip as the estate only have one Farm Tractor Only.</li> </ul> <p>There is premixed herbicide prepared by the Mandore in the Premixed station which prepared the day before the as per SOP. On 13th December 2021 morning the usual weeding gang farm tractor driver is on leave and the replacement driver mistakenly take the gallon outside of the store (which is filled with water only) instead of the premixed gallon inside of the store. The Mandore once she checked the content of the gallon left at the field OP99E then instead of contacting the Field Staff/Farm tractor driver on this mistake, she fetched the balance pure herbicide from the premix station and bring into the field for weeding gang use.</p>		
<b>Corrective Actions:</b>	<ul style="list-style-type: none"> <li>- To confirm the program of the day example for weeding gang, either manual or chemical weeding. Chemical only will be released from the store/premixed station once the program is confirmed on that day only. Chemical issuances should be tally with the daily muster chit program.</li> </ul>		

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	<ul style="list-style-type: none"> <li>- a. All balanced of pure chemicals to be returned back to Store if found the volumed issued exceed the amount required (on the day of mixing of chemicals)</li> <li>b. Mandore to standby at premixed station during driver collection of gallons to ensure only correct chemicals are taken to the field.</li> </ul>
<b>Assessment Conclusion:</b>	<p>Due to the nature of Major NC CAP able to verified off-site, all evidences were requested to submitted for off-line verification. Documented evidences received as following:</p> <ul style="list-style-type: none"> <li>- Records of sample chemical issuance tally with the daily muster chit program dated 15/1/2022</li> <li>- Photos of premix station and chemical handling at field</li> </ul> <p>Based on the documented evidences provided, the CAP verified to be sufficient to address the Major NC. Hence, Major NC closed on 10/3/2022.</p>
<b>Effectiveness Closure (for previous audit closed Critical NC):</b>	<p>Pesticide operators are given training on the safe handling and application of the pesticides. Suitable personal protective equipment's and application equipment provided to the operators based on the PPE issuance forms.</p> <p>Regular updates on the knowledge about the activity were conducted through sampled the training conducted for pesticide handlers as below: -</p> <p>Sabahan 1 estate ;- chemical handling training &amp; SDS training dated 9/5/2022</p> <p>Maju sawit estate:- safety work by process training record dated 13/4/2022</p> <p>As per interview with sprayer workers they understand the SOP Langkah Kerja Selamat Mengendali Bahan Kimia dated 06/04/2016, Document Number: TSHP/OSH/WI01 section 2(d) "Setiap Mandur mestilah memastikan jumlah baki racun yang tinggal di bawa pulang dan di simpan di dalam stor yang disediakan". Duirng site verification not sighted any premix container still containing chemicals were left unattended at field thus major NC remained closed.</p>

Non-conformity			
<b>NCR Ref #</b>	2143345-202112-M3	<b>Issued Date</b>	15/12/2021
<b>Due Date</b>	14/03/2022	<b>Closure Date</b>	10/03/2022
<b>Indicator &amp; Category (Critical / Minor)</b>	7.10.3 (Critical)- onsite		
<b>Statement of Nonconformity:</b>	The environmental Continual Improvement Plan was not effectively implemented.		
<b>Requirement Reference:</b>	Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.		
<b>Objective Evidence:</b>	During site visit at Schedule waste store and Lubricant Store at Maju Sawit Estate, it was found evidence of spillage on store floor which flow into the pollution control device (Oil Trap). Inspection at oil trap it was noted that, there is an evidence of oil in both compartment and flow to the field drain. It was against Continual Improvement Plan-Environment Impacts Assessment (EIA) Mitigation Plan "Provide of Layout Plan, Schedule waste store which 50m away from watercourse and the store be sheltered, banded, with perimeter drain and oil trap".		

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<b>Corrections:</b>	- Servicing of oil trap Install of secondary containment at POL Store
<b>Root Cause Analysis:</b>	Poor POL store service and management of the oil trap. Secondary containment not available at POL Store
<b>Corrective Actions:</b>	- Records of POL store servicing & maintenance of Oil Trap using the TSHR/ENV/F11 - Repair of SW Oil trap
<b>Assessment Conclusion:</b>	Due to the nature of Major NC CAP able to verified off-site, all evidences were requested to submitted for off-line verification. Documented evidences received as following: - Photos of oil trap being serviced and floor being cleaned - Photos of oil trap completely repaired Based on the documented evidences provided, the CAP verified to be sufficient to address the Major NC. Hence, Major NC closed on 10/3/2022.
<b>Effectiveness Closure (for previous audit closed Critical NC):</b>	During site verification not sighted any oil spillage at site and verification with interview with workers they understand regarding to SW. The oil trap been kept cleaning weekly basis to ensure the oil trap was fully functional thus Major NC remained closed.

Non-conformity			
<b>NCR Ref #</b>	2143345-202112-M4	<b>Issued Date</b>	15/12/2021
<b>Due Date</b>	14/03/2022	<b>Closure Date</b>	10/03/2022
<b>Indicator &amp; Category (Critical / Minor)</b>	3.6.2 (Critical)- onsite		
<b>Statement of Nonconformity:</b>	The established Safety and Health Plan was not effectively implemented		
<b>Requirement Reference:</b>	The effectiveness of the H&S plan to address health and safety risks to people is monitored.		
<b>Objective Evidence:</b>	<p>Landquest Estate</p> <ul style="list-style-type: none"> <li>- The estate conducted inspection/monitoring for first aid box on monthly basis recorded in First Aid Box Monthly Monitoring, refer form no. TSHR/CL/F19. Reviewed the monitoring records 03/12/2021. During site visit at harvesting gang at field 2016, it was noted that the items in the first aid box was not adequate as per first aid box item established. The items that was not in the first aid box were Acriflavine lotion</li> <li>- The Noise Risk Assessment (NRA) was conducted on 24/06/2021 Refer report no. RSSB/NOISE/2021-039. In the section 7: Discussion under subsection 7/1 Existing Control Measures stated that "Warning signs that indicates high levels of noise available at entrances of workshop and generator sets area". However, during site visit at generator set house, the safety signs that indicates high levels of noise was not available.</li> </ul> <p>Noted during document review, the estate was not conducted the meeting for Safety and Health Committee for 2nd quarter.</p>		

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<b>Corrections:</b>	<ul style="list-style-type: none"> <li>- To purchase the insufficient medicines/ointment – PR Raised</li> <li>- To paste the new signage with noise level limit at the appropriate distance from gen-set house as per the noise map provided in the NRA Report.</li> </ul> <p>To conduct the postponed OSH meeting ASAP</p>
<b>Root Cause Analysis:</b>	<ul style="list-style-type: none"> <li>- Tawau region site didn't have registered MA since June 2020. Any purchase of medicines has been put on hold by purchasing.</li> <li>- The signage installed without the level of noise exposure stated.</li> </ul> <p>The Site Manager didn't conduct due to the recent MCO enforcement at that particular time and forgot to conduct it once the MCO banned has been lifted.</p>
<b>Corrective Actions:</b>	<ul style="list-style-type: none"> <li>- To submit the first aid box item to purchasing with Management Approval and purchase at approved interval.</li> <li>- Monitoring report to filled in the TSHR/OSH/F21; Evaluation of compliance form to ensure any requirements under the Report are reviewed and implemented.</li> </ul> <p>To get verification from Legal PIC for any postponement / cancellation of meeting that related to legal requirement.</p>
<b>Assessment Conclusion:</b>	<p>Due to the nature of Major NC CAP able to verified off-site, all evidences were requested to submitted for off-line verification. Documented evidences received as following:</p> <ul style="list-style-type: none"> <li>- Photos of sample first aid kit completely filled with Medicines/Ointment has been topped up by estate on 8/3/2022 together with its content list</li> <li>- Photos of New Signage with noise level limit distance from genset house has been installed</li> <li>- Minutes of meeting records of postponed OHS meeting has been held on 17.12.2021. Ref No SHE/2021/03</li> </ul> <p>Based on the documented evidences provided, the CAP verified to be sufficient to address the Major NC. Hence, Major NC closed on 10/3/2022.</p>
<b>Effectiveness Closure (for previous audit closed Critical NC):</b>	<p>The operating units has established Safety and Health plan and documented in the Continuous Improvement of OSH Performance and Management System. In the plan stated the activities/programs, Premise, Frequency, Person In-Charge and monitoring period. Reviewed the implementation of the management plan as follows:</p> <p>Landquest Estate</p> <p>The medical surveillance conducted on 14/7/2021 at DAB OH Sdn Bhd, there are 15 workers total been sent and result showed that fit to work with chemical.</p> <p>The management already taken action such as to send the genset operator and grass cutter operator for audiometric test dated on 21/9/2021 and result showed normal hearing record. This audiometric test conducted by DAB OH Sdn Bhd.</p> <p>LKSK Estate</p> <p>The audiometric test already conducted on 21/9/2021 by DAB OH Sdn Bhd. From the audiometric test report the result showed 6 with normal hearing.</p> <p>The medical surveillance conducted on 14/7/2021 at DAB OH Sdn Bhd, there are 17 workers total been sent and result showed that fit to work with chemical.</p> <p>Kunak POM</p>

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	<p>Medical surveillance conducted on 14/7/2021 at DAB OH Sdn Bhd with total 14 person included Lab operator. From the report there are 1 person unfit to work with chemical. The workers already change to the other work (non chemical) dated 21/8/2021.</p> <p>Sabahan 1 Estate</p> <p>The Audiometric test conducted at DAB OH Sdn Bhd dated 21/9/2021 and result showed no workers have abnormal audiogram and standard threshold shift. All workers was having normal hearing result.</p> <p>Medical surveillance conducted yearly basis and the management last conducted was on 15/7/2021 with total 4 workers and result showed all fit to work with the chemical. The medical surveillance conducted at DAB OH Sdn Bhd by OHD doctor (HQ/19/DOC/00/0039). The result showed all fit to work with chemical.</p> <p>Thus Major NC remained closed.</p>
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Non-conformity			
<b>NCR Ref #</b>	2143345-202112-N1	<b>Issued Date</b>	15/12/2021
<b>Due Date</b>	25/06/2022	<b>Closure Date</b>	25/6/2022
<b>Indicator &amp; Category (Critical / Minor)</b>	7.3.1 (Minor)- onsite		
<b>Statement of Nonconformity:</b>	Proper management and disposal of domestic waste were not effectively implemented.		
<b>Requirement Reference:</b>	A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.		
<b>Objective Evidence:</b>	<ul style="list-style-type: none"> <li>- During site visit at Landquest Estate labor quarters found portion of uncollected domestic waste. Sighted last collection of domestic waste was conducted on 13/12/2021, 06/12/2021, 29/11/2021 and 22/11/2021 and recorded in the Waste Loading Chit as per SOP Waste Management TSHR/ENV/SOP03 Rev 4 dated 01/12/2021. Frequency of waste collection was conducted weekly basis and against Waste Identification and Disposal Plan, prepared on 22/12/2020 with effective dated 01/01/2021 Section Housing &amp; Facilities stated, "Collected twice/per week and disposed to land fill".</li> <li>- During site visit at LKSK Estate Landfill stated date open 15/10/2021. It was verified that there is no evidence of waste disposal there since date open until date of audit. Collection of waste has been conducted and the disposal of waste might not be effectively conducted at landfill. Based on interview the management cannot justify the implementation of domestic waste disposal there. The implementation does not meet as per stated in the SOP Waste Management TSHR/ENV/SOP03 Rev 4 dated 01/12/2021 section 5 (c) Landfill.</li> <li>- During site visit at Landfill managed by Kunak POM located at Maju Sawit Estate field OP98C, it was found the domestic waste there was overload and smelly. No signage of date open and close. No covered with a layer of earth. The implementation does not meet as per stated in the SOP Waste Management TSHR/ENV/SOP03 Rev 4 dated 01/12/2021 Landfill section 5 (c) "The waste should be covered with a layer of earth once a week" and 5 (e) " In filed holes shall be clearly marked with the Opening &amp; Closing Date".</li> </ul>		

<p><b>Corrections:</b></p>	<ul style="list-style-type: none"> <li>- Training refresher to the domestic waste pic to ensure all waste are collected as per the Waste Identification &amp; Disposal Plan which is twice/week.</li> <li>- Return back to the original Landfill area once the temporary one has been closed.</li> <li>- PIC to conducted earth layering immediately &amp; paste the new Open and Close Marking Board</li> </ul>
<p><b>Root Cause Analysis:</b></p>	<ul style="list-style-type: none"> <li>- The collection of domestic waste found lapsed as the site management/PIC didn't monitor the scheduled of appointed driver/collector. Previous years records showing of twice a week collection of waste.</li> <li>- LKSK has open temporary land fill at Block 99C to be used for only 2 months due to the road to the current landfill are has collapsed due to continuous heavy rain for the month of October. Attached the pictures of the Temporary Landfill with open date &amp; zero burning signage. The PIC who managed this site and changes of site are on leave during the Audit.</li> <li>- Utility PIC at KPOM didn't conduct the earth layering for those particular few weeks due to the mini excavator lend are fully used for housing area drainage maintenance. Rainy season also cause the landfill filled with rain water. This contributes to water collection in the landfill causing it looked overload and waste become rot faster producing the terrible smell. The open and close marking are missing during the audit and suspected fell down into the landfill hole during the heavy rain season.</li> </ul>
<p><b>Corrective Actions:</b></p>	<ul style="list-style-type: none"> <li>- Site Management to post the waste collection schedule on annual basis and scheduled to be posted on notice board for references.</li> <li>- LKSK PIC to record all any changes of activities in the Environmental meeting and the morning master records to ensure the information has reached all employees for their knowledge.</li> <li>- Utility PIC to produce the earth layering schedule to the appointed domestic waste collector and excavator driver to ensure they know and aware of the layering schedule and adhere to that schedule.</li> </ul>
<p><b>Assessment Conclusion:</b></p>	<p>CAP has been accepted. Evidence of CAP effectiveness to be verified in next assessment.</p>
<p><b>Effectiveness Closure (for previous audit closed Critical NC):</b></p>	<p>In Kunak POM and the estates in the CU, The procedure TSHR/ENV/SOP03 dated 04/7/16 Waste Management - Scheduled Wastes (Hazardous Waste) Management has been established. Therein containing details relating to;</p> <ul style="list-style-type: none"> <li>i. Waste identification / disposal plan</li> <li>ii. Scheduled waste inventory/inspection checklist</li> <li>iii. Return of emptied chemical container</li> <li>iv. Environment monitoring records</li> <li>v. SW maintenance records</li> </ul> <ul style="list-style-type: none"> <li>a) Collection is made by M/s Lagenda Bumimas Sdn Bhd a DOE licensed contractor.</li> <li>b) Interview with staffs and workers i.e. storekeepers and chemical mixer were trained and they had understood the hazards involved and how the chemicals should be used and disposed in a safe manner.</li> <li>c) Among the identified wastes include empty chemical containers including pesticides containers. Empty pesticides containers were washed at washing station prior to disposal.</li> </ul>

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d) Disposals were carried out in compliance with relevant regulation of scheduled waste. Inventory and consignment documents verified for confirmation of proper management and disposal.

Estate	Date	SW409	SW410	SW305	SW408	-	-
L/Quest	19/1/22	-	0.014	0.063	0.006	-	-
L/Quest	25/8/21	-	0.017	0.180	0.005	-	-
Sabh1	19/1/22	-	0.001	0.250	-	-	-
Sabh1	25/8/21	-	0.005	0.02	-	-	-
Maju S	19/1/22	-	-	0.186	-	-	-
Maju S	25/8/21	-	-	0.160	-	-	-
LKSK	19/1/22	-	0.007	0.055	0.002	-	-
LKSK	25/8/21	-	0.011	0.056	0.002	-	-
	Date	SW409	SW410	SW305	SW322	SW102	SW306
KPOM	19/1/22	0.030	0.005	0.186	0.012	0.133	0.098
KPOM	25/8/21	0.035	0.006	0.299	0.025	0.127	0.139

Domestic waste for the operating units in the CU was disposed as follows;

Estate	Disposal site		Remarks
	Estate	External	
Landquest	P98A	-	Collection 2/3 x week
LKSK	P98G	-	Collection 2/3 x week
Sabah1	P93A	-	Collection 2/3 x week
Maju Sawit	P98C	-	Collection 2/3 x week
KPOM	P98C	-	Collection 2/3 x week

During site verification at LKSK estate housing, not sighted any portion of uncollected domestic waste. During site visit at Landfill managed by Kunak POM located at Maju Sawit Estate, it was found the domestic waste there was in good management and clean. There are signage of date open and close available at site Thus Minor NC was close on 25/6/2022.

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Opportunity for Improvement	
OFI#	Description
<b>2066226-202106-I1</b>	<p><b>OFI Statement:</b> 3.2.1 -remote Issues cause by Covid-19 pandemic related to departure and repatriation or extension of foreign workers could be assessed further its aspect for better impact mitigation action.</p> <p><b>Verification / Follow-up actions:</b> During interview and document verification no more cases found regarding the issue cause by the Covid -19 pandemic from repatriation or extension of foreign workers. The issue been solve by the management by quarantine and monitoring in certain area. Thus OFI was close on 25/6/2022.</p>

**3.3.2 Summary of the Nonconformities and Status**

CAR Ref.	Category (Critical / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
201804-M1	Major	SC 5.1.3	16/05/2018	Closed on 03/08/2018
1633205-201804-M2	Major	SC 5.3.2	16/05/2018	Closed on 03/08/2018
1633205-201804-M3	Major	SC 5.4.1	16/05/2018	Closed on 03/08/2018
1633205-201804-M4	Major	SC 5.13.2	16/05/2018	Closed on 03/08/2018
1633205-201804-M5	Major	5.3.2	16/05/2018	Closed on 03/08/2018
1633205-201804-M6	Major	4.6.2	16/05/2018	Closed on 03/08/2018
1633205-201804-M7	Major	4.7.4	16/05/2018	Closed on 03/08/2018
1633205-201804-M8	Major	6.1.1	16/05/2018	Closed on 03/08/2018
1633205-201804-M9	Major	6.1.2	16/05/2018	Closed on 03/08/2018
1633205-201804-M10	Major	6.1.3	16/05/2018	Closed on 03/08/2018
1633205-201804-M11	Major	2.1.1	16/05/2018	Closed on 03/08/2018
1633205-201804-N1	Minor	6.2.3	16/05/2018	Closed on 21/06/2019
1633205-201804-N2	Minor	6.9.3	16/05/2018	Closed on 17/06/2019
1788381-201904-N1	Minor	2.1.3	21/06/2019	Closed on 24/07/2020
1788381-201904-N2	Minor	4.1.2	21/06/2019	Closed on 24/07/2020
1788381-201904-N3	Minor	4.6.10	21/06/2019	Closed on 24/07/2020
1788381-201904-N4	Minor	6.5.3	21/06/2019	Closed on 24/07/2020
1936766-202007-M1	Critical	3.8.12	23/07/2020	Closed on 28/09/2020
1936766-202007-M2	Critical	4.1.1	23/07/2020	Closed on 28/09/2020
1936766-202007-M3	Critical	6.2.2	23/07/2020	Closed on 28/09/2020
1936766-202007-M4	Critical	6.2.4	23/07/2020	Closed on 28/09/2020
1936766-202007-M5	Critical	7.10.1	23/07/2020	Closed on 28/09/2020

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1936766-202007-M6	Critical	3.6.1	23/07/2020	Closed on 28/09/2020
1936766-202007-N1	Minor	6.5.3	23/07/2020	Closed on 13/12/2021
1936766-202007-N2	Minor	7.3.2	23/07/2020	Closed on 13/12/2021
1936766-202007-N3	Minor	2.2.2	23/07/2020	Closed on 13/12/2021
1936766-202007-N4	Minor	2.2.3	23/07/2020	Closed on 13/12/2021
2143345-202112-M1	Critical	6.2.1	15/12/2021	Closed on 10/03/2022
2143345-202112-M2	Critical	7.2.6	15/12/2021	Closed on 10/03/2022
2143345-202112-M3	Critical	7.10.3	15/12/2021	Closed on 10/03/2022
2143345-202112-M4	Critical	3.6.2	15/12/2021	Closed on 10/03/2022
2143345-202112-N1	Minor	7.3.1	15/12/2021	Closed on 25/06/2022
2216460-202206-M1	Critical	3.8.5	25/06/2022	Closed on 30/8/2022
2216460-202206-M2	Critical	6.2.4	25/06/2022	Closed on 30/8/2022
2216460-202206-M3	Critical	6.6.1	25/06/2022	Closed on 30/8/2022
2216460-202206-N1	Minor	7.12.7	25/06/2022	Open
2216460-202206-N2	Minor	3.4.2	25/06/2022	Open

**3.4 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 Plantation Management Sdn Bhd (Kunak 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.

<b>Stakeholders contacted</b>		
<b>Type of Stakeholder</b> (e.g. Internal, Union, Contractor, Governmental Department, NGO, External, Communities)	<b>Stakeholder name / organization</b>	<b>Means of communication</b> (e.g. face to face interview, email, phone interview, comment from public notice)
CLC Teachers	CLC Pelita Bangsa LKSK Estate CLC Landquest Estate	Phone call
Contractor	Pemborong Am Suhailah Jaya Yung Leong Enterprise	Phone call

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Neighbour Estate Representatives	Man Yen Estate	Face to face
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Stakeholders comment	
1	<p><b>Feedbacks: Children and Gender committee</b> Chief of gender committee has been interviewed, and she has explained the objective establishment of the committee. Latest meeting has been done in February 2022 and main issues is communication of the policy and procedure, routine medical check up for pregnant women. There is no prohibition by the management to organise any meeting or activities for the committee and there is specific budget has been allocated for any activities</p> <p><b>Audit Team verification and response:</b> The management are aware with the important of the committee as one of the channel for communication for women workers. The management commit to give their support on activities and plan for the committee.</p>
2	<p><b>Feedbacks: Contractor</b> All the contractor confirmed that the management and POM maintained good relationships with them and aware with policy and procedure of TSH Plantation Berhad. It has been confirmed that payment has been made in timely manner as per payment term stated in the contract agreement. One of the contractor requests for any contractor entering estate will not require to do RTK test for COVID 19 since incurred cost for the contractor.</p> <p><b>Audit Team verification and response:</b> The management for both estate and POM will try to maintain good relationship with local surrounding and to ensure that disseminate all information requested, communication of the policy and procedure. Estate management responded for the request where unable to full fill the request since it is SOPs that has been practiced in both POM and estate as precaution to avoid any COVID 19 cases.</p>
3	<p><b>Feedbacks: CLC Teachers</b> TSH have good commitment in providing facilities for continuous learning for children of estate workers mainly foreigners. CLC facilities well maintained and no issue to support and assist CLC programs.</p> <p><b>Audit Team verification and response:</b> No further issue</p>
4	<p><b>Feedback : Man Yen Estate</b> Estate representative has been interviewed and base on interview, he are aware about RSPO certification and internal policy and procedure that has been communicated through stakeholder consultation in March 2022. There is no issues of land since clear demarcation has been established by the estate.</p> <p><b>Audit Team verification and response:</b> The management for both estate and POM will try to maintain good relationship with local surrounding and to ensure that disseminate all information requested, communication of the policy and procedure.</p>

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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
Not applicable as the estates have undergone first cycle of replanting.					

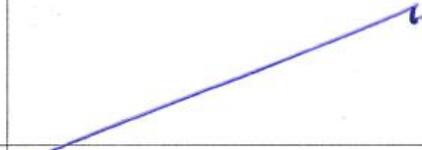
Previous land owner / user comment	
<b>Nil</b>	<b>Feedbacks: N/A</b>
	<b>Audit Team verification and response: N/A</b>

### 3.5 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 is appropriate. Based on the results of this audit, it is concluded that TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill) has complied with the Malaysia National Interpretation 2019 of the RSPO P&amp;C 2018 and audit criteria identified within the audit report. It is deemed that the management system has achieved its intended outcomes. Therefore, it is recommended that TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill) is remain certified.</p>	
<b>Report prepared by</b>	<b>Acceptance of Assessment Conclusion</b>
<b>Name: Muhamad Naquiuddin Mazeli</b>	<b>Name: Thomas Gunik</b>
<b>Company Name: BSI Services (M) Sdn Bhd</b>	<b>Company Name: TSH Kunak Palm Oil Mill</b>
<b>Title: Lead Auditor</b>	<b>Title: Mill Manager</b>
<p><b>Signature:</b></p> 	<p><b>Signature:</b></p> <p><i>(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.)</i></p> 
<b>Date: 8/9/2022</b>	<b>Date: 9 / 9 / 2022</b>

**Appendix A: Summary of Findings**

Criterion / Indicator	Assessment Findings	Compliance
<b>Principle 1: Behave ethically and transparently</b>		
<b>Criterion 1.1:</b> 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><b>(C)</b> Documents that are specified in the RSPO P&amp;C are made available to the public.            - Critical (Major) compliance -</p> <p>General publicly documents sighted available such as the Annual Report 2019 accessible for downloading its softcopy version from company's website:  <a href="https://www.tsh.com.my/annual-report-2021/">https://www.tsh.com.my/annual-report-2021/</a>.</p> <p>Other documents provided including the following:</p> <ul style="list-style-type: none"> <li>a) Sustainability Policy: Strategy &amp; Implementation; ST-POL10-00; Date: 5/9/2017</li> <li>b) Human Rights &amp; Responsible Business Practices; ST-POL09-03; Date: 21/7/2020</li> <li>c) TSH Resources Berhad Environmental Aspect and Impact Assessment Sheet; TSHR/ENV/F01; Date: 31/1/2019</li> <li>d) TSH Resources Berhad List of Significant Aspect; TSHR/ENV/F02; Date: 31/1/2019</li> <li>e) TSH Resources Berhad Objective, Target &amp; Program; Rev. # 1; Effective date: 1/1/2021</li> <li>f) TSH Resources Berhad Social Continual Improvement Plan (2021 - 2025); Review date: 14/12/2020</li> <li>g) Corporate Social Responsibility Plan Year 2021-2025 (Tawau Region); Review date: 14/12/2020</li> </ul> <p>Standard Operating Procedure Communication, Consultation and Participation; TSHR/SUST/SOP02; Rev. # 03; Date: 19/11/2019</p>	Complied

		<p>a) "Polisi Hak Asasi Manusia &amp; Integritas Bisnis" – Date: 21/07/2020</p> <p>b) "Polisi Peluang Setara &amp; Diskriminasi" - Date: 16/10/2015</p> <p>c) "Polisi Kemampuan Strategi &amp; Implementasi" - Date: 05/09/2017</p> <p>Other publicly available documents were sighted and available with details as reported in each indicator of related criterion.</p>	
1.1.2	<p>Information is provided in appropriate languages and accessible to relevant stakeholders.</p> <p>- Minor compliance -</p>	<p>Due to Covid-19 pandemic and movement control orders enforced by the government, the stakeholder consultation meeting was cancelled as per letter of notification dated 10/5/2021. Consultation was made through distribution of company's sustainable policies and procedures including questionnaires to stakeholders to seek for any feedbacks. Sighted the acknowledgement of received of information with no negative feedbacks received from stakeholders consulted via letters. There is plan conduct stakeholder consultation for Tawau region and Sabahan 1 Estate in July 2022.</p>	Complied
1.1.3	<p><b>(C)</b> Records of requests for information and responses are maintained.</p> <p>- Critical (Major) compliance -</p>	<p>There is no information request has been received as per audit period. Latest information request is in April 2021 from MPOB for biomass usage data.</p>	Complied
1.1.4	<p><b>(C)</b> Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative.</p> <p>- Critical (Major) compliance -</p>	<p>Communication of the procedure has been done through email due to pandemic COVID 19 and sighted cancellation of meeting memo dated 10/05/2021 that has been signed by Mr William Tan Aik Kiong. The memo has been provided with other document related such as previous minutes meeting conducted in year 2019, stakeholders booklet, suggestion and complaint book, flow chart for information request, business codes of ethics and verification acceptance form.</p>	Complied
1.1.5	<p>There is a current list of contact and details of stakeholders and their nominated representatives.</p>	<p>List of stakeholders maintained for all operating units and documented in the document "External stakeholders contact</p>	Complied

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	- Minor compliance -	details" updated on annual basis. The stakeholders list categorizes into different category such as neighboring estate/plant, services provider, government agencies, contractor, product customer and etc. For Kunak POM and Maju Sawit Estate, stakeholders updated on 23/05/2022 while for LKSK Estate updated on 14/06/2022 and for Sabahan 1 Estate, it has been updated on 01/02/2022.	
<b>Criterion 1.2:</b> 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 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.  Elements of ethical conducts and integrity were embedded in all policies including the latest revised policy of Human Rights & Responsible Business Practices; ST-POL09-03; Date: 21/7/2020.	Complied
1.2.2	A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice. - Minor compliance -	Monitoring conducted by the management of operating units with assistance from Sustainability Team for the implementation of the policy and overall ethical business practice within TSH group. Sighted the records of Internal Audit Report; TSHR/QD/F09; Rev. # 1; Effective date: 26/8/2019 for the latest internal audit conducted for Kunak POM and all estates on 14-16/03/2022 by internal auditors from sustainability team. There is no issue on ethical conduct raised during the internal audit.	Complied
<b>Principle 2: Operate legally and respect rights</b>			
<b>Criterion 2.1:</b> There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	<b>(C)</b> The Unit of Certification complies with legal requirements - Critical (Major) compliance -	TSH Kunak Certification Unit continued to comply with all legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and TSH Group Sustainability Department. The Mill and the 4 estates had obtained	Complied

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		<p>and renewed license and permits as required by the law. The licenses/permit verified among others were:</p> <p><b>Landquest estate</b></p> <p>Lesen Bagi Pemasangan Persendirian (Siries no: 55126) available for Landquest Sdn Bhd valid until 28/5/2023.</p> <p>License from JTK for wages deduction (JTKSBH/PMT/113/2021/0234) valid from 9/7/2021 until 8/7/2023</p> <p>MPOB license for Landquest estate, 502362102000 (370 ha) valid from 1/11/2021 until 31/10/2022.</p> <p>Air Receiver Tank license (PMT-SB/22 52765) from DOSH, SB PMT 80641 valid until 16/9/2023.</p> <p>License from KPDNHEP, refer to license KPDNHEP.SPN.600-1/7/2016/28(P) for Diesel 12,000 litre valid from 27/8/2021 until 26/8/2022.</p> <p><b>LKSK Estate</b></p> <p>License from KPDNHEP, refer to license KPDNHEP.TWU 900-3/1/10-2022PK for RON 95- 50 liter/day valid from 15/2/2022 until 14/2/2023.</p> <p>MPOB license for LKSK estate, 503210802000 (966.02 ha) valid from 1/09/2021 until 31/08/2022.</p> <p>License from JTK for hired foreigner (Indonesia;69) valid from 4/10/2021 until 3/10/2022.</p> <p>License from JTK for Permit Pendahuluan Gaji (600-1/2/15/87(06/TWU/2020-0189) valid from 3/7/2020 until 2/7/2022.</p> <p>Air Receiver Tank license from DOSH, SB PMT 80288 valid until 6/10/2022.</p>	
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		<p>TSH Kunak POM License from MPOB 508719104000 valid from 1/6/2022 until 31/5/2023. BOMBA Fire Certificate (JBPM: SB/7/77/2021) as per series 321200 Valid from 23/4/2021 until 22/4/2022. License from KPDNHEP (PPDNHEP.TWU 900-3/1/16-2005P) for 18,000L for Diesel valid from 13/11/2021 – 12/11/2024 JTK license for woman working at night was available dated valid until 2/7/2022 referred 600-1/2/15/87(05/TWU/2020-0188) Calibration of weighbridge dated 27/12/2021 from De Metrology Sdn Bhd SB PMT 1500 (cert PMT-SB/21 44298) for vertical steriliser was valid until 3/9/2022</p> <p>Maju Sawit Estate MPOB license covered 235.22 ha under license no 617806002000 valid from 1/12/2021 until 30/11/2022. License from KPDNHEP (PPDNHEP.TWU 900-3/1/16-2005P) for 18,000L for Diesel valid from 13/11/2021 – 12/11/2024 License to Employ Non-Residential Workers (JTK-Sabah); License Number: -006661/24; License Validity Period: 15/10/2021 – 14/10/2022. Salary deduction permit no. 06(0018)TWU. Validity period 03/07/2020 – 02/07/2022.</p> <p>Sabahan 1 Estate</p>	
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		<p>MPOB license covered 84.17 ha under license no 617854002000 valid from 1/01/2021 until 31/12/2022.</p> <p>JTK license from JTK for hired foreigner (Indonesia;72) valid from 15/10/2021 until 14/10/2022.</p> <p>JTK License for wages deduction for electricity, insurance, PTPTN was available (JTKSBH/PMT/113/2021/0227) and valid from 6/7/2021 – 5/7/2023.</p> <p>License from KPDNHEP (KPDNHEP.SPN.600-1/7/2015/10(P) for 20,000L for Diesel valid from 27/08/2021 – 26/08/2022</p>	
2.1.2	<p>A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations.</p> <p>- Minor compliance -</p>	<p>TSH Resources Berhad has established Standard Operating Procedure to ensure legal compliance documented in Legal and Other Requirements. Refer document no. TSHR/SUST/SOP04, rev. no. 2 dated 01/11/2017 under section 8. Procedure subsection B. Track Changes and Implementation.</p> <p>As stated in the SOP established, yearly or whenever changes made, responsible HOD of every department shall monitor any changes thru the respective website/ memo latest publish by authority bodies. Latest updated was on May 2022 with included Min wages 2022 and OSHA Act 1994 (Amendment 2022).</p>	Complied
2.1.3	<p>Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.</p> <p>- Minor compliance -</p>	<p>The operating units has established maps for boundary marking and available for review. The estates conducted boundary stone monitoring on monthly basis and recorded in form TSHP/OPE/F39.</p> <p>Landquest estate</p> <p>Field 2000A and smallholder Benggali,</p> <p>2000A and klk ladang Pinang</p> <p>2017 and Izin Jaya estate</p> <p>LKSK estate</p> <p>Field P98D hutan sabah park</p>	Complied

		<p>P99G wullersdorf forest  Maju Sawit Estate  Bukit Tajam with field 2018A</p> <p>Wakuba div.  Field 97A boundaries with smallholder Hj Ponreng</p> <p>Sabahan 1 Estate  Field P93A and Verterinar Sabah  Resintech Sdn Bhd and with P20B  P20A and main road</p>	
<p><b>Criterion 2.2:</b> All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.</p>			
2.2.1	<p>A list of contracted parties is maintained.  - Minor compliance -</p>	<p>Kunak POM and its supply base maintain list of all contracted parties. The list was available in the stakeholder list provided as per indicator 1.1.5 above.</p>	Complied
2.2.2	<p>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 -</p>	<p>Contractors Contract Agreement was available for verification for all contracted parties with the mill and estates. The contracts contain specific clause on meeting applicable legal requirements. Verified the sampled contract agreement as following:  Landquest estate: No contractor available in estate  LKSK estate: No contractor available in estate  Kunak POM: for transportation under HMK Transport Sdn Bhd for CPO valid from 1/1/2019 until 31/12/2022  Sabahan 1 estate: No contractor available in estate</p>	Complied

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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>Contractors Contract Agreement was available for verification for all contracted parties with the mill and estates. The contracts contain specific clause disallowing child, forced and trafficked labour. Verified the sampled contract agreement as following:          Kunak POM: Transportation CPO from mill to refineries Agreement.          Supplier: HMK Transport Sdn. Bhd.; Date: 1/1/2019</p>	Complied
<p><b>Criterion 2.3:</b> All FFB supplies from outside the unit of certification are from legal sources.</p>			
2.3.1	<p>© For all directly sourced FFB, the mill requires:</p> <ul style="list-style-type: none"> <li>• Information on geo-location of FFB origins</li> <li>• Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder</li> <li>• One or more supporting documents for claims</li> <li>• Valid MPOB license</li> </ul> <p>- Critical (Major) compliance -</p>	<p>TSH Kunak POM receives certified FFB from their own supply bases which is TSH Plantation Management Sdn Bhd (Maju Sawit Estate), TSH Holdings Sdn Bhd (Wakuba Estate), LKSK Estate and Landquest Estate. This mill will accept Sabahan 1 estate starting July 2022.</p> <p>For the outside crop from non-certified suppliers, Kunak POM has the following information available for verification:</p> <ol style="list-style-type: none"> <li>1. Delivery documents to support the delivery of all FFB to the mill.</li> <li>2. Information of geo-location and address.</li> <li>3. Total land Area</li> <li>4. Valid MPOB License.</li> </ol>	Complied
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 Indicator2.3.1.</p> <p>- Minor compliance -</p>	<p>The mill has established FFB Supplier List to Collecting Centre, smallholder and smallgrower.</p>	Complied
<p><b>Principle 3: Optimise productivity, efficiency, positive impacts and resilience</b></p>			
<p><b>Criterion 3.1:</b> There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>			
3.1.1	<p>© A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders.</p>	<p>Kunak Palm Oil Mill has a business plan prepared annually in the form of year budget and the projection for 3 years prepared as</p>	Complied

	<p>- Critical (Major) compliance -</p>	<p>guidance for future planning. The business plan among others contains;</p> <ul style="list-style-type: none"> <li>a) FFB yield &amp; CPO production forecast</li> <li>b) Extraction Ratios – OER / KER,</li> <li>c) Cost of production</li> <li>d) EVIT running accounts</li> <li>e) CAPEX - capital expenditure mainly for buildings, furniture and others asset related expenses.</li> </ul> <p>Similarly, all the 4 estates audited possessed a similar budget format. Inclusive there is also a 3-year budget/forecast financial plan 2022-2024 allocating categories among others;</p> <ul style="list-style-type: none"> <li>a) Crop yielding area</li> <li>b) Mature cost</li> <li>c) General charges/upkeep/collection/depreciation</li> <li>d) Cost/ha &amp; cost /mt FFB</li> <li>e) CAPEX</li> </ul> <p>Separately the cost of immature areas is also shown which among others comprises of the following items;</p> <ul style="list-style-type: none"> <li>a) Labour statement / Allocation of wages / Labour benefit summary</li> <li>b) Yield statement oil palm</li> <li>c) Summary of vehicle and running schedule / Job allocation for vehicles</li> <li>d) Summary of workshop running schedule</li> <li>e) Summary of budget</li> <li>f) Summary of general charges / CAPEX</li> </ul>	
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		<p>Kunak POM and supply base have established and implemented its commitment to a long term sustainability and financial viability through an operating expenditure /capital expenditure planning. The mill has a budget for financial year Jan - Dec comprises of the following components;</p> <ul style="list-style-type: none"> <li>a) Crop processed with anticipated extraction ratios including a 3-year forecast.</li> <li>b) Cost components include the following             <ul style="list-style-type: none"> <li>i) General charges statement                 <ul style="list-style-type: none"> <li>- General charges</li> <li>- Cost of supervision/Cost of labour</li> <li>- Cost of other</li> <li>- Cost of RSPO/MSPO &amp; Other Management system</li> </ul> </li> <li>ii) Capital expenditure statement                 <ul style="list-style-type: none"> <li>- Building, utilities, welfare</li> <li>- Plant &amp; machinery</li> <li>- Office equipment</li> <li>- Furniture &amp; fittings</li> <li>- Electrical installation</li> </ul> </li> <li>iii) Plant /Mill inclusive of processing /dispatch cost</li> </ul> </li> </ul> <p>The five years planning horizon 2022-2024 is available Similarly, the estates possessed a similar budget format. Inclusive is a 3-year budget/forecast financial plan 2022-2024 allocating categories among others;</p> <ul style="list-style-type: none"> <li>a) Crop yielding area</li> <li>b) Mature cost</li> </ul>	
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- c) General charges/upkeep/collection/depreciation
- d) Cost/ha & cost /mt FFB
- e) CAPEX

Separately the cost of immature areas is also shown which among others comprises of the following items;

- a) Labour statement / Allocation of wages / Labour Overhead
- b) Yield statement oil palm
- c) Summary of vehicle running schedule / job allocation
- d) Summary of workshop running schedule
- e) Summary of budget
- f) Summary of general charges/CAPEX

The main key areas of the projections are as follows. There are figures excluded for reason of confidentiality.

<b>Estates</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Mature Ha	-	-	-
Immature Ha	-	-	-
FFB/Mt - Landquest	6558	7452	8395
FFB/Mt - Sabahan 1	163	210	270
FFB/Mt - LKSK	16850	49574	49721
FFB/Mt-Maju Sawit	2291	2291	2291
Cost FFB (RM/mt)	-	-	-
Cost (RM/ha)	-	-	-

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		<table border="1"> <tr> <td>Kunak POM</td> <td>2022</td> <td>2023</td> <td>2024</td> </tr> <tr> <td>Operating Cost</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total Gen Charges</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Grand total</td> <td>10.37M</td> <td>10.42M</td> <td>10.49M</td> </tr> <tr> <td>Unit Cost RM/FFB</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>FFB (mt)</td> <td>480K</td> <td>480K</td> <td>480K</td> </tr> <tr> <td>OER %</td> <td>19.50</td> <td>19.50</td> <td>19.50</td> </tr> <tr> <td>CPK %</td> <td>5.25</td> <td>5.25</td> <td>5.25</td> </tr> </table> <p>Lower crop in Sabahan 1 Estate in view of newly matured field and replanting program for P93A (14ha).</p>	Kunak POM	2022	2023	2024	Operating Cost	-	-	-	Total Gen Charges	-	-	-	Grand total	10.37M	10.42M	10.49M	Unit Cost RM/FFB	-	-	-	FFB (mt)	480K	480K	480K	OER %	19.50	19.50	19.50	CPK %	5.25	5.25	5.25	
Kunak POM	2022	2023	2024																																
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3.1.2	<p>An annual replanting programme projected for a minimum of five years with yearly review, is available.</p> <p>- Minor compliance -</p>	<p>The replanting program for the 4 estates is compiled as follows. The program is re viewable on an annual basis which is subject for amendment where deemed necessary by the higher management. All figures in hectares otherwise stated.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Maju S</th> <th>L/quest</th> <th>LKSK</th> <th>Sabahan 1</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>12.5</td> <td>0</td> <td>94</td> <td>14</td> </tr> <tr> <td>2023</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2024</td> <td>16</td> <td>13</td> <td>140</td> <td>0</td> </tr> <tr> <td>2025</td> <td>16</td> <td>32</td> <td>130</td> <td>0</td> </tr> <tr> <td>2026</td> <td>16</td> <td>25</td> <td>127</td> <td>0</td> </tr> </tbody> </table>	Year	Maju S	L/quest	LKSK	Sabahan 1	2022	12.5	0	94	14	2023	0	0	0	0	2024	16	13	140	0	2025	16	32	130	0	2026	16	25	127	0	Complied		
Year	Maju S	L/quest	LKSK	Sabahan 1																															
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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>TSH Kunak CU OU held a joint management review for the whole certification unit on a yearly basis. The minutes of meeting was established for all relevant meeting. Among others the agenda discussed were:</p> <ul style="list-style-type: none"> <li>a) Internal audit findings</li> <li>b) Stakeholders feedback,</li> <li>c) complaint and grievance</li> <li>d) Status of preventive and corrective actions</li> <li>e) Changes that could affect the management system</li> <li>f) Recommendation for improvement</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 5%;"></th> <th style="width: 20%;">Estate/Mill</th> <th style="width: 40%;">Date of meeting</th> <th style="width: 35%;">Attendees</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>HQ / All OU</td> <td style="text-align: center;">22/04/2021</td> <td style="text-align: center;">15</td> </tr> <tr> <td style="text-align: center;">2</td> <td>HQ / All OU</td> <td style="text-align: center;">Scheduled 28/06/2022</td> <td style="text-align: center;">-</td> </tr> </tbody> </table> <p>Minutes of meeting and letter of invitation dated 22/04/2021 were sighted and verified.</p>		Estate/Mill	Date of meeting	Attendees	1	HQ / All OU	22/04/2021	15	2	HQ / All OU	Scheduled 28/06/2022	-	Complied
	Estate/Mill	Date of meeting	Attendees												
1	HQ / All OU	22/04/2021	15												
2	HQ / All OU	Scheduled 28/06/2022	-												
<p><b>Criterion 3.2:</b> 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>															

<p>3.2.1</p>	<p>© 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>- Critical (Major) compliance -</p>	<p>The CU on environmental has developed a continual improvement plan for Kunak POM and Estates. Refer Environment Continual Improvement Plan (2022 – 2026) prepared with the assistance and guide from QESH Department effective 01/01/2016 and reviewed annually latest being 06/01/2022. Among topics discussed were:</p> <p>Kunak Palm Oil Mill;</p> <ul style="list-style-type: none"> <li>a) To reduce Emission that polluted the air</li> <li>b) To improve wastewater treatment</li> <li>c) To avoid the infection from the generating of clinical waste</li> <li>d) To minimize land pollution through leachate</li> <li>e) To improve the collection, segregation, storage and disposal of all scheduled waste and domestic waste.</li> </ul> <p>LKSK / Landquest / Sabahan 1 / Maju Sawit Estates;-</p> <ul style="list-style-type: none"> <li>a) To minimize air pollution</li> <li>b) To promote the biodiversity present in the field are safe from being poisoned or killed the proliferation of beneficial soil, flora and fauna</li> <li>c) To minimize the land contamination through the generating of scheduled waste</li> <li>d) To protect ant riparian reserves or gazetted buffer zone from any plantation activities.</li> </ul> <p>The Environmental Aspects and Impacts Evaluation Register for Mill and Estate dated 06/01/2022. Among activities discussed in the operating unit were:</p> <p>Mill - Biogas Operation - Effluent - POME - Boiler.</p>	<p>Complied</p>
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Estate - Workshop & Carpentry, In House Clinic, Security, Administration, Utility & Creche' Ayah, Stores (Chemical, SW, General, POL) - Field Operation (Harvesting, Spraying, Replanting etc.)

Among others the continual improvement plans in the OU as follows;

		Kunak POM		Details
	Date	Activities	Description	
1	2022	Environmental	Installation of ESP (VORSEP) 1.6M	
		Landquest Estate		Details
1	2022	Environmental	Individual dust bins for each houses	
2	2022	Welfare	Expansion of surau for bigger capacity	
3	2022	Environmental	Recycling program - separation.	
4	2022	Welfare	Badminton court - upgrading	
		LSKS Estate		Details
1	2022	Social	Construction - football spectators seats	
2	2022	Social	Upgrading of school toilet.	
		Maju Sawit /Sabahan 1		Details
1	2022	Nil	Nil	

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3.2.2	<p>As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the [RSPO metrics template].</p> <p><b>PROCEDURAL NOTE:</b>          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>RSPO metrics template submitted to the auditors. The data was checked and verified its data to be reflective of the raw data sources.</p>	Complied						
<b>Criterion 3.3: Operating procedures are Appropriately documented, consistently implemented and monitored.</b>									
3.3.1	<p>Standard Operating Procedures (SOPs) for the unit of certification are in place.          - Critical (Major) compliance -</p>	<p>Kunak Palm Oil Mill operations are guided by SOP established by the management. The documents among others are related to;</p> <ul style="list-style-type: none"> <li>a) Administration and Labour Overhead</li> <li>b) Store and facilities,</li> <li>c) Mill maintenance</li> <li>d) Biogas Plant Operations,</li> <li>e) Weighbridge Station, FFB Grading, Ramp</li> <li>f) Production - Crude Palm Oil (CPO) &amp; Palm Kernel (PK),</li> <li>g) Water Quality Analysis and Effluent Analysis.</li> </ul> <p>All documents were available for verification upon request. Similarly, the estates agricultural operations are guided by SOP maintained by TSH Plantation. All SOP are established dated 01/07/2016 and reviewed where changes are made.</p> <table border="1" data-bbox="1160 1294 1789 1378"> <thead> <tr> <th></th> <th>SOP ref</th> <th>Areas/Operations - Procedure</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>TSHP/OPE/SOP01</td> <td>Land clearing /Preparation</td> </tr> </tbody> </table>		SOP ref	Areas/Operations - Procedure	1	TSHP/OPE/SOP01	Land clearing /Preparation	Complied
	SOP ref	Areas/Operations - Procedure							
1	TSHP/OPE/SOP01	Land clearing /Preparation							

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		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">2</td> <td style="width: 35%;">TSHP/OPE/SOP02</td> <td style="width: 60%;">Nursery Procedure</td> </tr> <tr> <td style="text-align: center;">3</td> <td>TSHP/OPE/SOP03</td> <td>Cover crop Manuring</td> </tr> <tr> <td style="text-align: center;">4</td> <td>TSHP/OPE/SOP04</td> <td>Planting / Supplies</td> </tr> <tr> <td style="text-align: center;">5</td> <td>TSHP/OPE/SOP05</td> <td>Weeding</td> </tr> <tr> <td style="text-align: center;">6</td> <td>TSHP/OPE/SOP06</td> <td>Pruning / Sanitation</td> </tr> <tr> <td style="text-align: center;">7</td> <td>TSHP/OPE/SOP07</td> <td>FFB Harvesting / Collection</td> </tr> <tr> <td style="text-align: center;">8</td> <td>TSHP/OPE/SOP08</td> <td>Manuring</td> </tr> <tr> <td style="text-align: center;">9</td> <td>TSHP/OPE/SOP09</td> <td>Ablation</td> </tr> <tr> <td style="text-align: center;">10</td> <td>TSHP/OPE/SOP10</td> <td>Replanting</td> </tr> </table> <p>In addition there was also a master list for all SOP for TSH Plantation – The Document Master List Rev No 09 with effective 05/10/2021 reviewed among others as shown below;</p> <ul style="list-style-type: none"> <li>a) TSH Covid 19 Emergency Preparedness and Response Guidelines dated 11/04/2020 rev 01.</li> <li>b) TSH Staffing &amp; Recruitment ref TSHR/HR/SOP01 dated 17/08/2015.</li> <li>c) TSH Administration ref TSHP/AD/SOP01 dated 01/11/2018</li> <li>d) TSH Communication Consultation and Participation ref TSHR/SUST/SOP02 dated 19/11/2019.</li> </ul> <p>All SOP were sighted and verified.</p>	2	TSHP/OPE/SOP02	Nursery Procedure	3	TSHP/OPE/SOP03	Cover crop Manuring	4	TSHP/OPE/SOP04	Planting / Supplies	5	TSHP/OPE/SOP05	Weeding	6	TSHP/OPE/SOP06	Pruning / Sanitation	7	TSHP/OPE/SOP07	FFB Harvesting / Collection	8	TSHP/OPE/SOP08	Manuring	9	TSHP/OPE/SOP09	Ablation	10	TSHP/OPE/SOP10	Replanting	
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3.3.2	A mechanism to check consistent implementation of procedures is in place. - Minor Compliance -	The mechanism to check was accordance to the guidelines stated in the SOP to ensure compliance against company policy and procedure with regards to operation, finance as well as safety, health and welfare requirements. Among others the practices adopted by the management as given below;	Complied																											

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		<ul style="list-style-type: none"> <li>a) Directors / Gen Manager Mill &amp; Estate / Sr Estate Manager</li> <li>b) Agronomist inspect /report on the operations annually.</li> <li>c) Audits by Group internal audit</li> <li>d) QESH Department</li> <li>e) Legislative visit by JTK/DOE/DOSH etc.</li> </ul>	
3.3.3	Records of monitoring and any actions taken are maintained and available. - Minor Compliance -	<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"> <li>a) Daily production/work records for estates activities</li> <li>b) Field cost book /Monthly accounts</li> <li>c) Worksite Inspection / Line site Inspection</li> <li>d) Chemical consumption record</li> <li>e) Mature/immature field work program</li> <li>f) Fertilizer Application and program</li> <li>g) Chemical spraying and monitoring</li> <li>h) Harvesting and Collection of FFB.</li> <li>i) ESH meetings records / JKKP8 submission</li> </ul> <p>All the above records were kept for a minimum period of 12 months.</p>	Complied
<p><b>Criterion 3.4:</b> 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.</p>			
3.4.1	© 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.	There is no new planting activities at Kunak POM supply bases. For existing operations, the operating units had conducted the SIA which reported in the Social Impact Assessment (SIA) among others to cover the following;	Complied

	<p>- Critical (Major) compliance -</p>	<p>a) Oil Palm Plantation (total 1576 ha Planted area) at Maju Sawit Estate, Landquest, LKSK, Sabahan 1 Estates, Kunak Palm Oil Mill, District of Tawau, Sabah; report prepared by Kiwiheng Environmental Consultants Sdn Bhd ref KEC(EV)/18/03 dated May 2018.</p> <p>b) Identified social impacts been taken action as per established TSH Resources Berhad Social Continual Improvement Plan (2022 - 2026) review date: 06/01/2022.</p> <p>The operating units has conducted Environmental Aspect Impact Identification and Environmental Impact Evaluation Register as per procedure ref doc no. TSHR/ENV/SOP04, rev. 1, latest review on 06/01/2022.</p> <p>a) All significant impacts were recorded in Significant Impact Register section.</p> <p>b) The Environmental Management Plan has been established base on the significant impact identified.</p> <p>c) Among activities discussed in the operating unit were: Mill - Biogas Operation - Effluent / Boiler and Estate - Workshop &amp; Carpentry - In House Clinic - Security, Administration, Utility &amp; Creche' Ayah - Stores (Chemical, SW, General, POL) - Field Operation (Harvesting, Spraying, Replanting etc</p> <p>There is no change of current practices required to mitigate negative effects based on identified impacts for both the mill and estates. However the mill and estates have conducted periodical review on the aspects and impacts identified and evaluated as registered.</p> <p>The mill and estates has continuously implemented its annual programs that were established as part of its individual Pollution</p>	
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		Prevention Plan. Managers and Assistant Managers of mill and estates were identified as PIC.	
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>The CU has established both Social /Environmental Impact Assessment (SIA) for the oil palm plantation (total 1576 ha Planted area) at Maju Sawit Estate, Landquest, LKSK, Sabahan 1 Estates and Kunak Palm Oil Mill, District of Tawau, Sabah. The report prepared by Kiwiheng Environmental Consultants Sdn Bhd ref KEC(EV)/18/03 dated May 2018.</p> <p>a) The actions and management were established as TSH Resources Berhad Social Continual Improvement Plan (2022 - 2026) with review date 06/01/2022 for identified social impacts.</p> <p>b) The implemented plan included with monitoring of effectiveness of mitigation action for negative impacts and promotion of positive impacts. The plan covers the environmental objective therein describing the objectives, category, action, frequency, person in charge and monitoring period.</p> <p>In addition TSH has conducted Environmental Aspect Impact Identification and Environmental Impact Evaluation as per procedure, refer doc no. TSHR/ENV/SOP04, rev. 1, 01/07/2020. The environmental management plan was established based on Environmental Aspect Impact Identification and Environmental. Among others as the management plan as summarized below:</p> <p>a) To ensure compliance to SOP and legal requirement regarding social (appointment of PIC/Committee to handle social matters, communication on policies/SOP on social to relevant stakeholders, monitoring of pay and agreement of workers and contractor's workers and to maintain housing and facilities provided to workers).</p>	Non-compliance

b) To contribute to local communities development

The input are gathered from the meeting minutes of the following;

- a) Gender Committee, workers committee,
- b) Monthly QESH inspection and training
- c) Safety Meeting / Workplace inspection
- d) Complaint & Request from internal /external stakeholders and muster briefing).
- e) Stakeholders meeting -  
Among the issues dated 11/04/2019 with the stakeholders include:
  - i. Distribution of stakeholder booklet
  - ii. Complaint form and procedure
  - iii. Suggestion procedures and forms
  - iv. Business Of Ethics
  - v. CSR to the neighbouring communities
  - vi. Safety and speed limits with the areas/vicinity

Kunak POM			Details
	Date	Activities	Description
1	2022	Environmental	Installation of ESP (VORSEP) 1.6M
Landquest Estate			
1	2022	Environmental	Individual dust bins for each houses
2	2022	Welfare	Expansion of surau to expand capacity

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3	2022	Environmental	Recycling program - separation.
4	2022	Welfare	Badminton court - upgrading
		LSKS Estate	
1	2022	Social	Construction - football spectators seats
2	2022	Social	Upgrading of school toilet.
		Maju Sawit /Sabahan 1	
1	2022	Nil	Nil

However, Workers welfare committee, Jawatankuasa Kebajikan has been established for operating units as alternative for trade union and meeting conducted as of the channel to discuss any issues related to social, OSH and environment.

Latest meeting for Landquest Estate conducted on 21/12/2022 and 24/03/2022, Sabahan 01 Estate on 06/12/2021, while for Maju Sawit and Kunak POM, welfare meeting conducted latest on 14/06/2022. Several issues has been raised during the meeting such as road repair, housing repair, sport activities.

Social impact assessment management plan established in the document "social continual improvement plan" (Tawau Region) for all estates and Kunak POM effective date 01/01/2016 revision #0 for the period of 20212025. However, issues that has been raised

		<p>in the welfare committee meeting has not been included management plan.</p>																									
<p>3.4.3</p>	<p>© The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.          - Critical (Major) compliance -</p>	<p>The Social and Environmental Continual Improvement Plan updated 06/01/2022 for year 2022 -2026 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. The Social/Environmental Action Plan available for each units were available having information i.e issues, management plan, PIC and time frame. The input are gathered from the meeting minutes of the following;</p> <ul style="list-style-type: none"> <li>f) Gender Committee, workers committee,</li> <li>g) Monthly QESH inspection and training</li> <li>h) Safety Meeting / Workplace inspection</li> <li>i) Complaint &amp; Request from internal /external stakeholders and muster briefing).</li> <li>a) Stakeholders meeting</li> </ul> <table border="1" data-bbox="1173 991 1807 1272"> <thead> <tr> <th></th> <th>OU</th> <th>Review</th> <th>Updates</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>KPOM</td> <td>01/01/2022</td> <td>Nil - No new operations</td> </tr> <tr> <td>2</td> <td>LSKS</td> <td>06/01/2022</td> <td>Nil - No new operations</td> </tr> <tr> <td>3</td> <td>L/Quest</td> <td>06/01/2022</td> <td>Nil - No new operations</td> </tr> <tr> <td>4</td> <td>Maju Sawit</td> <td>06/01/2022</td> <td>Nil - No new operations</td> </tr> <tr> <td>5</td> <td>Sabahan 1</td> <td>06/01/2022</td> <td>Nil - No new operations</td> </tr> </tbody> </table> <p>Sighted in the continual plan of latest plan to enhance the management system regarding COVID-19 where management to</p>		OU	Review	Updates	1	KPOM	01/01/2022	Nil - No new operations	2	LSKS	06/01/2022	Nil - No new operations	3	L/Quest	06/01/2022	Nil - No new operations	4	Maju Sawit	06/01/2022	Nil - No new operations	5	Sabahan 1	06/01/2022	Nil - No new operations	<p>Complied</p>
	OU	Review	Updates																								
1	KPOM	01/01/2022	Nil - No new operations																								
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		keep track and trace related documentation. The environmental management plan was established base on Environmental Aspect Impact Identification and Environmental Impact Evaluation and documented in Environmental Continual Improvement Plan 2022 – 2026 updated 06/01/2022 prepared by Safety, Health, Environment and Quality Manager, and Approved by Sr Estate Manager.	
<b>Criterion 3.5:</b> A system for managing human resources is in place.			
3.5.1	Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable. - Minor Compliance -	The employment procedure established as Staffing & Recruitment SOP; TSHR/HR/SOP01; Rev. # 0; Date: 17/8/2015 and made available to workers. For termination it is documented in Group Human Resources Manual; Date: 01/07/2008.	Complied
3.5.2	Employment procedures are implemented, and records are maintained. - Minor Compliance -	2 samples of recruitment done in year taken in 2022 in Kunak POM which has been recruited as lab attendance workers ID; #01/1082 and and vertical sterilizer operator workers ID# 00/1083. Borang permohonan perkerjaan (TSHPOM/AD/F02), Surat Perjaniajn Perkerja; employment contract and orientation acknowledgement form (TSHR/TD/F02) and compliance with the SOPs .	Complied
<b>Criterion 3.6:</b> An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.			
3.6.1	© All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented. - Critical (Major) compliance -	Landquest Estate Noise risk assessment conducted on 23/6/2021 by Rehpro Scientific Sdn Bhd. The report can refer RSSB/NOISE/2021-039. For recommendation was available for Grasscutting, mini tractor and others. The management already taken action such as to send the genset operator and grass cutter operator for audiometric test dated on 21/9/2021 and result showed normal hearing record. This audiometric test conducted by DAB OH Sdn Bhd.	Complied

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		<p>Chemical Health Risk Assessment was conducted in the estate as per USECHH Regulations 2000 to assess the risk associated with hazardous chemicals used in the estate. The assessment was conducted by DAB OH Sdn Bhd (DOSH Registration: HQ/11/ASS/00/298) on 10/10/2017. The CHRA Report (Report Number: HQ/11/ASS/00/298-2017/050) was available for verification.</p> <p>LKSK Estate</p> <p>HIRARC for estate was available covered all activities in estate included water treatment plant and Genset house reviewed date 1/12/2021.</p> <p>Noise Risk Assessment conducted by REHPRO Scientific Sdn Bhd (RSSB/CORR/21/07/21 dated 21/7/2021). As per report there are 2 area need for action plan due to high decibel.</p> <p>Chemical Health Risk Assessment was conducted in the estate as per USECHH Regulations 2000 to assess the risk associated with hazardous chemicals used in the estate. The assessment was conducted by DAB OH Sdn Bhd (DOSH Registration: HQ/11/ASS/00/298) on 11/10/2017. The CHRA Report (Report Number: HQ/11/ASS/00/298-2017/052) was available for verification. Chemical registered updated as per SB/18/04/122199 dated 1/7/2016 nd no new chemical as per verification.</p> <p>Kunak POM</p> <p>HIRARC was established in the mill for all operations to assess the risk and hazards associated to them. Latest review was conducted on 20/11/2021 with changes in Kernel Plant operation due to</p>	
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		<p>accident occurs on 15/11/2021 after accident investigation conducted.</p> <p>Chemical Health Risk Assessment was conducted in the estate as per USECHH Regulations 2000 to assess the risk associated with hazardous chemicals used in the mill. The assessment was conducted by Rehpro Scientific Sdn Bhd (DOSH Registration: HQ/11/ASS/00/290) on 16/06/2017. The CHRA Report (Report Number: RSSB/CHRA/2017-010) was available for verification.</p> <p>The Noise Risk Assessment was conducted in compliance with the Occupational Safety &amp; Health (Noise Exposure) Regulations 2019 at the mill by Rehpro Scientific Sdn Bhd on 11/02/2020. The NRA Report (Report Number: RSSB/NOISE/2020-008) was available for verification.</p> <p>Additional Noise Risk Assessment (NRA) was conducted on 24/06/2021 by assessor with DOSH reg. no. HQ/19/PEB/00/00032. Refer report no. RSSB/NOISE/2021- 0042.</p> <p>DOSH visit latest was on 16/6/2022 by Inspector DOSH Mr Sudirman Bin Anwar. From the latest inspection there are no abnormal condition during witness.</p> <p>Sabahan 1 Estate</p> <p>Chemical Hazard Risk Assessment (CHRA) conducted by REHPRO SCIENTIFIC SDN BHD (Ref. No. HQ/11/ASS/00/290-2019/010) dated 20/3/2019. This covered maintenance gang, storekeeper and others. Medical surveillance conducted yearly basis and the management last conducted was on 15/7/2021 with total 4</p>	
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		<p>workers and result showed all fit to work with the chemical. The medical surveillance conducted at DAB OH Sdn Bhd by OHD doctor (HQ/19/DOC/00/0039).</p> <p>Noise Risk Assessment (SB/19/04/133637) dated 22/6/2021 conducted by REHPRO SCIENTIFIC SDN BHD. This assessment covered tractor driver and grass cutter operator. The report also produce noise mapping and verification on the implementation verified as per site visit at genset house and others. The Audiometric test conducted at DAB OH Sdn Bhd dated 21/9/2021 and result showed no workers have abnormal audiogram and standard threshold shift. All workers was having normal hearing result.</p> <p>HIRARC for estate was available covered all activities in estate included water treatment plant and Genset house reviewed date 1/12/2021.</p>	
3.6.2	<p>© The effectiveness of the H&amp;S plan to address health and safety risks to people is monitored.          - Critical (Major) compliance -</p>	<p>The operating units has established Safety and Health plan and documented in the Continuous Improvement of OSH Performance and Management System. In the plan stated the activities/programs, Premise, Frequency, Person In-Charge and monitoring period.</p> <p>Reviewed the implementation of the management plan as follows:</p> <p>Landquest Estate</p> <p>The medical surveillance conducted on 14/7/2021 at DAB OH Sdn Bhd, there are 15 workers total been sent and result showed that fit to work with chemical.</p> <p>The management already taken action such as to send the genset operator and grass cutter operator for audiometric test dated on</p>	Complied

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		<p>21/9/2021 and result showed normal hearing record. This audiometric test conducted by DAB OH Sdn Bhd.</p> <p>LKSK Estate</p> <p>The audiometric test already conducted on 21/9/2021 by DAB OH Sdn Bhd. From the audiometric test report the result showed 6 with normal hearing.</p> <p>The medical surveillance conducted on 14/7/2021 at DAB OH Sdn Bhd, there are 17 workers total been sent and result showed that fit to work with chemical.</p> <p>Kunak POM</p> <p>Medical surveillance conducted on 14/7/2021 at DAB OH Sdn Bhd with total 14 person included Lab operator. From the report there are 1 person unfit to work with chemical. The workers already change to the other work (non chemical) dated 21/8/2021.</p> <p>Sabahan 1 Estate</p> <p>The Audiometric test conducted at DAB OH Sdn Bhd dated 21/9/2021 and result showed no workers have abnormal audiogram and standard threshold shift. All workers was having normal hearing result.</p> <p>Medical surveillance conducted yearly basis and the management last conducted was on 15/7/2021 with total 4 workers and result showed all fit to work with the chemical. The medical surveillance conducted at DAB OH Sdn Bhd by OHD doctor (HQ/19/DOC/00/0039). The result showed all fit to work with chemical.</p>	
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**Criterion 3.7:** All staff, workers, Scheme Smallholders, out-growers, and contract workers are appropriately trained.

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3.7.1	<p>© 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&amp;C, in a form they understand, and which includes assessments of training.</p> <p>- Critical (Major) compliance -</p>	<p>A training programme was developed and available in the TSH Training Matrix Mill &amp; Estate. The trainings were sighted to have included Gender Specific Training and involves staffs and workers. The training program mentions the target group, frequency and planned date. Covid-19 training and briefings documents were also available for the mill and estates.</p>	Complied
3.7.2	<p>Records of training are maintained.</p> <p>- Minor Compliance -</p>	<p>Landquest Estate</p> <p>Training on first aid and CPR conducted on 17/3/2022 and attended by all first aider.</p> <p>Fire fighting training conducted on 14/6/2022 attended by 10 workers.</p> <p>PPE training conducted on 12/5/2022, attended by 15 workers</p> <p>Hearing conservation training conducted by DAB OH Sdn Bhd on 21/9/2021 attended by 10 workers that affected.</p> <p>Riparian protection and zero burning training dated 6/4/2022 attended by 5 workers.</p> <p>Violence and sexual harassment training conducted by Pn. Sutera on 24/3/2022, attended by 9 workers.</p> <p>HIRARC training conducted by Pn. Rohana on 10/2/2022 attended by OSH committee at Landquest estate office.</p> <p>Safe handling of chemical dated 4/2/2022 conducted by office staff attended by 7 workers.</p> <p>LKSK Estate</p> <p>Scheduled waste training and regulation conducted on 10/5/2022 attended by 10 workers.</p> <p>Environment impact Assessment training dated 31/3/2022 attended by 12 workers.</p>	Complied

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		<p>Environmental Policy, SOP &amp; work instruction training dated 10/5/2022 attended by 9 workers.</p> <p>Integrated Pest Management (IPM) Training dated 31/3/2022</p> <p>HCV &amp; Wildlife Monitoring Training dated 10/5/2022</p> <p>Kunak POM</p> <p>Hearing conservation training dated 18/6/2022 attended by 20 person and previously was conducted on 1/6/2022 attended by 13 person.</p> <p>HIRARC training and SOP training dated 17&amp;18/6/2022 attended by 17 person</p> <p>Confined space training conducted on 2/4/2022 and attended by 14 person.</p> <p>Environmental Policy and SOP training dated 2/6/2022 and also EPMC committee training conducted on 2/6/2022 attended by 5 person.</p> <p>Violence and Sexual harassment training conducted 15/6/2022 attended 31 person.</p> <p>Policy of company been briefing to the all workers attended by all workers dated 1/6/2022</p> <p>Social Policies, complaints and Grivances training conducted on 18/6/2022.</p> <p>Maju sawit estate</p> <p>Spraying and PPE Training was conducted dated 18/6/2022</p> <p>SOP training on safety and work safety dated 7/3/2022</p>	
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		<p>HIRARC training and SOP training dated 17&amp;18/6/2022 attended by 17 person Violence and Sexual harassment training conducted 15/6/2022 attended 31 person.</p> <p>Policy of company been briefing to the all workers attended by all workers dated 1/6/2022</p> <p>Sabahan 1 Estate</p> <p>Chemical handling training &amp; SDS training dated 9/5/2022</p> <p>Safety by process training record dated 13/4/2022</p> <p>HIRARC and safety training dated 13/4/2022</p> <p>Hearing conservation training dated 13/4/2022</p> <p>Waste Management Plan training dated 15/3/2022</p>	
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 mill has identified personnel involve in supply chain as per organization chart dated 01/03/2021. The mill continuously provided training to all personnel involved in SCCS. Latest SCCS training was conducted on 17/6/2022.</p>	Complied
<p><b>Criterion 3.8:</b> Supply chain requirement for mills (note: All supply chain requirements are considered as <b>Critical</b> ©. However it will not contribute to suspension if there is more than 5 non-compliance within a principle)</p>			
3.8.1	<p>Identity Preserved Module</p> <p>A mill is deemed to be Identity Preserved (IP) if the FFB processed by the mill are sourced from plantations/estates that are certified against the RSPO Principles and Criteria (RSPO P&amp;C), or against the Group Certification scheme.</p> <p>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 process certified and uncertified FFB</p>	<p>Kunak Palm Oil Mill receives and process both certified and non-certified FFB. The mill uses the Mass Balance module.</p>	Complied

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	without physically separating them, then only Mass Balance Module is applicable.											
3.8.2	<p><b>Mass Balance Module</b></p> <p>A mill is deemed to be Mass Balance (MB) if the mill process FFB from both RSPO certified and uncertified plantations/estates. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3<sup>rd</sup> 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>	Kunak Palm Oil Mill receives and process both certified and noncertified FFB. Therefore, it uses the Mass Balance supply chain system and module. The sources of certified and non-certified FFB received by the mill, the implementation of processing controls and sales of RSPO certified products were verified during the assessment.	Complied									
3.8.3	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. 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.	<p>The estimated tonnage of CPO and PK products that could be potentially produced by the mill was available in the Mill's management plan and provided during the assessment. Forecasts were available as below:</p> <table border="1" style="margin-left: 20px;"> <tr> <td colspan="3">Forecast (Aug 22 – Jul 23)</td> </tr> <tr> <td>FFB</td> <td>CPO</td> <td>PK</td> </tr> <tr> <td>21,037.48 mt</td> <td>3,941.37 mt</td> <td>1,127.26 mt</td> </tr> </table>	Forecast (Aug 22 – Jul 23)			FFB	CPO	PK	21,037.48 mt	3,941.37 mt	1,127.26 mt	Complied
Forecast (Aug 22 – Jul 23)												
FFB	CPO	PK										
21,037.48 mt	3,941.37 mt	1,127.26 mt										
3.8.4	The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO IT platform.	<p>Company info available through RSPO IT Platform as following:</p> <table border="1" style="margin-left: 20px;"> <tr> <td>Company Name</td> <td>TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill)</td> </tr> <tr> <td>Member ID</td> <td>RSPO_PO1000007786</td> </tr> <tr> <td>RSPO Membership Number</td> <td>1-0173-14-000-00 (TSH Resources Berhad)</td> </tr> </table>	Company Name	TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill)	Member ID	RSPO_PO1000007786	RSPO Membership Number	1-0173-14-000-00 (TSH Resources Berhad)	Complied			
Company Name	TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill)											
Member ID	RSPO_PO1000007786											
RSPO Membership Number	1-0173-14-000-00 (TSH Resources Berhad)											

<p>3.8.5</p>	<p><b>Documented procedures</b></p> <p>The mill shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ul style="list-style-type: none"> <li>a) Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> <li>b) Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> <li>c) Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the mill's procedures for the implementation of this standard.</li> <li>d) The mill shall have documented procedures for receiving and processing certified and non-certified FFBs including ensuring no contamination in the IP mill.</li> </ul>	<ul style="list-style-type: none"> <li>a. A revised SOP on Supply Chain, Doc. No.: TSHR/SUST/SOP05, Rev. No. 5 dated 20/02/20 was available for verification. The scope of the Mass Balance Model procedure in POM covers the entire supply chain activities and record data from the intake of certified and non-certified raw material till the delivery of certified and non-certified products and the implementation of the supply chain module requirements throughout the process. This procedure is developed and revised based on the RSPO P&amp;C 2018 - Supply Chain Requirements for Mills. No changes from the previous assessment.</li> <li>b. Complete and up to date records and reports were available to demonstrate compliance with the supply chain model requirements in the mill. Sustainability Supply Chain Standard Training was latest conducted on 17/6/2022 to personals involved in the supply chain process such as Mill Assistant Managers, Supervisors, Weighbridge Clerks, Auxiliary Polices and Ramp Attendants.</li> <li>c. The mill 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. The mill manager has appointed Beche Sahibe as the Person in Charge for Supply Chain to ensure the SCCS is implemented accordingly as stated in appointment letter dated 14/3/2018 undersigned by the Asst General Manager. No changes from previous assessment.</li> </ul> <p>The Supply Chain SOP have included procedures for receiving and processing certified and non-certified FFBs in the mill.</p>	<p>Non-compliance</p>
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		<p>From the standard procedure for supply chain (TSHR/SUST/SOP05) Rev No; 5 dated 20/2/2020 under B. Miller Traceability, CSFFB stated</p> <p>The WAT for CSFFB shall be retained and separated with the designated label or stamp which stated both supply chain model and certificate number.</p> <p>However found from the weighbridge ticket from Landquest estate, Maju Sawit estate and Wakuba div was not stamp with supply chain model and certificate number thus Major NC been raised.</p>	
3.8.6	<p>Internal Audit</p> <p>i) The mill shall have a written procedure to conduct annual internal audit to determine whether the mill:</p> <p>a. Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <p>b. Effectively implements and maintains the standard requirements within its organisation.</p> <p>ii) 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 least annually. The mill shall maintain the internal audit records and reports.</p>	<p>i. Internal Audit Procedures were available referred document TSHR/QD/SOP03 Rev: 3 dated 26/9/2019. As per verification Internal Audit plan, the internal audit was conduct using RSPO P&amp;C 2018. The latest internal audit for Supply Chain was carried out on 14-16/3/2022. From the audit report, there were no finding raised and records were maintained accordingly and available for verification.</p> <p>ii. The management review has been done annually to review the internal audit finding will be done on 28/6/2022 at TSH HQ Meeting room at Tawau. The meeting covered issues such as review of previous meeting, Audit results, nonconformities and corrective actions, customer feedbacks, compliances, any changes internal and external, opportunities of improvement and any other business.</p>	Complied
3.8.7	<p>Purchasing and Goods In</p> <p>i) The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p> <p>ii) The mill shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>Incoming FFB for both certified and non-certified are 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 since last audit.</p> <p>Sampled own certified FFB received as following:</p>	Complied

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	<p>iii) The mill shall have a mechanism in place for handling non-conforming FFB and/or documents.</p>	<p>External FFB            FFB Supplier: Muis Melewar Plantations Sdn Bhd            SAP no: ML03A211229107            Ticket No: 429107            Delivery Date: 4/12/2021            Vehicle Number: ST158X            Net weight: 20,580 Kg</p> <p>FFB Supplier: Atur Jadi Sdn Bhd            SAP no: ML03A211128941            Ticket No: 428941            Delivery Date: 30/11/2021            Vehicle Number: ST6391F            Net weight: 11,380 Kg</p> <p>FFB Supplier: TSH Semporna Collecting Centre            SAP no: ML03A210924401            Ticket No: 424401            Delivery Date: 29/0/2021            Vehicle Number: VDW8168            Net weight: 25,800 Kg</p> <p>Internal FFB            FFB Supplier: Ladang Maju Sawit            SAP no: ML03A220335814</p>	
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		<p>Ticket No: 435814          Delivery Date: 7/3/2022          Vehicle Number: SD611B          Net weight: 1570 Kg</p> <p>FFB Supplier: Landquest Sdn Bhd          SAP no: ML03A220335848          Ticket No: 435848          Delivery Date: 8/3/2022          Vehicle Number: SS6416N          Net weight: 11,420 Kg</p>	
<p>3.8.8</p>	<p><b>Sales and Goods Out</b>          The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form. The information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation):</p> <ul style="list-style-type: none"> <li>a) The name and address of the buyer;</li> <li>b) The name and address of the seller;</li> <li>c) The loading or shipment / delivery date;</li> <li>d) The date on which the documents were issued;</li> <li>e) RSPO certificate number;</li> <li>f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations);</li> </ul>	<p>Kunak POM has ensured the required information is available in document form. Sampled of Sales Documents as below:</p> <p>CSPO</p> <ul style="list-style-type: none"> <li>- Buyer: TSH-Wilmar Sdn Bhd, KM 1, Jalan Kampung Kunak Jaya, 91207, Kunak, Sabah, Malaysia</li> <li>- Seller: TSH Kunak Palm Oil Mill, Mile 41, Tawau-Kunak Highway, Tawau, Sabah</li> <li>- Shipping date: 23-04-2022</li> <li>- ticket no: 77260</li> <li>- RSPO Cert. # RSPO 692556</li> <li>- Product Name: CPO/RSPO MB</li> <li>- Supply Chain Model: Mass Balance</li> <li>- Volume: 38,770 kg</li> </ul>	<p>Complied</p>

	<ul style="list-style-type: none"> <li>g) The quantity of the products delivered;</li> <li>h) Any related transport documentation;</li> <li>i) A unique identification number.</li> </ul>	<p>CSPK</p> <ul style="list-style-type: none"> <li>- Buyer: Lahad Datu Edible Oils Sdn Bhd (KCP), MDLD1089, Jalan Raya 6, Taman Public Villa, Sabah, 91100 Lahad Datu, Sabah, Malaysia</li> <li>- Seller: TSH Kunak Palm Oil Mill, Mile 41, Tawau-Kunak Highway, Tawau, Sabah</li> <li>- Shipping date: 16/4/2022</li> <li>- Ticket no: 77203</li> <li>- RSPO Cert. # RSPO 692556</li> <li>- Product Name: PK/RSPO MB</li> <li>- Supply Chain Model: Mass Balance</li> <li>- Volume: 32,490 kg</li> </ul>	
<p>3.8.9</p>	<p>Outsourcing Activities</p> <ul style="list-style-type: none"> <li>i) The mill shall not outsource its milling activities. In cases where he mill outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO Supply Chain Certification</li> <li>ii) The mill shall ensure the following: <ul style="list-style-type: none"> <li>a) The mill has legal ownership of all input material to be included in outsourced processes</li> <li>b) The mill 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 mill to ensure that certification body (CB) has access to the outsourcing contractor or operation if an audit is deemed necessary.</li> </ul> </li> </ul>	<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 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) &amp; D2 (After CPO Filling Process).</p> <p>The mill ensures the following:  The mill trades CSPO and CSPK with its buyers among refineries and/or kernel crushing plants. Based on agreements, transporter has no ownership of transported products.  The contract for both CSPO and CSPK were including delivery, hence requiring outsource process i.e. transportation. Sighted the recent outsourcing of transport as per following:</p>	<p>Complied</p>

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	<p>c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p> <p>d) The mill 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 all information, when this is announced in advance.</p>	<p>CPO Transportation Agreement; Transporter: HMK Transport Sdn. Bhd.; Period: 1/1/2019 -31/12/2022</p> <ul style="list-style-type: none"> <li>• PK Transportation was using TSH transportation.</li> </ul> <p>Written documented procedures was established; Supply Chain; Doc. # TSHR/SUST/SOP05; Rev: 05; dated 20/02/20 with Mass Balance (MB) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB.</p> <p>Both 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>	
3.8.10	The mill shall record the names and contact details of all contractors used for the physical handling of RSPO certified oil palm products.	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.	Complied
3.8.11	The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.	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.	Complied
3.8.12	<p>Record keeping</p> <p>i) The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements.</p> <p>ii) Retention times for all records and reports shall be a minimum of two (2) years and shall comply with relevant legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.</p>	<p>Kunak 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>All relevant records related to supply chain were available since past 3 years as per SOP for Supply Chain. This stated under E. Resource Management.</p> <p>Based on the Mass Balance Sheet, the volume of CPO and PK has been allocated to both certified and noncertified products.</p>	Complied

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	<p>iii) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.</p> <p>iv) For Mass Balance Module, the mill:</p> <p>a) 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.</p> <p>b) All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock).</p>	<p>Records available on balance of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a 3-monthly basis.</p>	
3.8.13	<p><b>Extraction Rate</b></p> <p>The oil extraction rate (OER) and the kernel extraction rate (KER) shall be applied to provide a reliable estimate of the amount of certified CPO and PK from the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently.</p>	<p>Conversion factor of CPO and PK production is depending on the actual OER and KER. The record as per public summary report.</p>	Complied
3.8.14	<p>Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.</p>	<p>The facility is using the actual extraction rate and therefore updating of rates is not necessary.</p>	Complied
3.8.15	<p><b>Processing</b></p> <p>For Identity Preserved Module, the mill 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 products, including during transport and storage to strive for 100% separation.</p>	<p>Only Mass Balance Supply Chain Module is used in Kunak POM.</p>	Complied

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3.8.16	<p>Registration of Transactions</p> <p>i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date.</p> <p>ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform.</p>	<p>Shipping Announcement records available as per Supply Chain Declaration. The registration of PalmTrace was carried out by the HQ Sales Department based in Tawau. All transactions were registered accordingly in the PalmTrace. Based on the announcement summary, all the registrations were found to be in order. Based on the accounting (Mass Balance Allocation Sheet), the removal of volumes was done correctly when the products were sold as conventional. Sampling as per below:-</p> <p>Product type: CPO  Transaction ID: TR-d9ab4990-7bdc  Transaction Status: Announced  Creation Date: 26/04/2022  Product delivery: 23/04/2022</p>	Complied
3.8.17	<p>Claims</p> <p>The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.</p>	<p>RSPO trademark was not use. Nonetheless, the facility is aware with the requirements of the RSPO Rules on Market Communications and Claims</p>	Complied
<b>General corporate communications</b>			
4.1	<p>A corporate communication is one made by any RSPO member that highlights its membership of the RSPO and/or its commitment to the principles of the RSPO. Corporate communication is an 'off-product' claim.</p>	<p>Not applicable as no off-product claim made by TSH Kunak POM as to date.</p>	Not Applicable
4.2	<p>In corporate communications a member is allowed to:</p> <p>a. Display its RSPO membership status</p> <p>b. Display the RSPO web address (<a href="http://www.rspo.org">www.rspo.org</a>)</p> <p>c. State that the member supports the work of the RSPO</p>	<p>Not applicable as no off-product claim made by TSH Kunak POM as to date.</p>	Not Applicable

	<p>d. State the member’s history with regard to the RSPO.</p> <p>e. Use the RSPO trademark to promote its membership of the RSPO. Additionally, where an RSPO member displays the RSPO trademark in digital format this must be accompanied by the text ‘Check our progress at <a href="http://www.rspo.org">www.rspo.org</a>’ where the link must lead to the member’s profile page.</p>		
4.3	In corporate communications RSPO members must not make any statement that may lead consumers to believe that RSPO membership by itself implies the selling of RSPO-certified oil palm products.	Not applicable as no off-product claim made by TSH Kunak POM as to date.	Not Applicable
4.4	Members must ensure that all communication is consistent, clear and cannot mislead consumers or other stakeholders as to the certified content of oil palm products in the member’s own products.	Not applicable as no off-product claim made by TSH Kunak POM as to date.	Not Applicable
4.5	Members are not allowed to use the RSPO corporate logo as shown in the RSPO Rules on Market Communications & Claims document. This is for the sole use of the RSPO secretariat.	Not applicable as no off-product claim made by TSH Kunak POM as to date.	Not Applicable
<b>Business to business communications</b>			
5.1	Business to Business communication relates to RSPO members in the supply chain selling to and/or communicating with other organizations in the supply chain about the use of certified sustainable oil palm products.	Business to business communication is demonstrated via shipping documentation and sales contract to the next supply chain actor or buyer.	Complied
5.2	When confirming the sale of certified oil palm products, members must adhere to the requirements of the RSPO SCCS. This includes stating the supply chain model and certificate number under which the claim is being made.	The requirements of the RSPO SCCS are adhered to and was verified from the sampled weighbridge tickets of the sales of CPO.	Complied
5.3	<p>Where a distributor or wholesaler takes title to products containing certified sustainable oil palm products, the requirements of the RSPO SCCS can follow either of two options:</p> <p>a. If the distributor or wholesaler holds only a Distributor license, it may only communicate RSPO-certified oil palm products by linking the</p>	Not applicable as TSH Kunak POM is neither distributors nor wholesalers.	Not Applicable

	<p>product to the manufacturer using the manufacturer’s SCCS certificate number. This covers both brand and own brand products. However, in the case of own brand products it is essential that customers are aware that the product has been made on behalf of the distributor or wholesaler, with specific evidence either through on-pack claims or documentation.</p> <p>b. If the distributor or wholesaler is supply chain-certified they should follow the requirements outlined in section 5.2.</p>		
<b>Business to consumer communication</b>			
6.1	Only RSPO members that have supply chain certification are allowed to make business to consumer claims about the certified sustainable oil palm products contained within product(s), which are known as ‘product-specific’ claims. Product-specific claims are voluntary.	Not Applicable as the facility does not involve with consumer end product.	Not Applicable
6.2	Only RSPO members who have supply chain certification are authorised to use the RSPO trademark and/or RSPO label, with the exception of RSPO Credits and of retailers in accordance with 6.8 below.	Not Applicable as the facility does not involve with consumer end product.	Not Applicable
6.3	When on-pack claims on RSPO-certified sustainable oil palm products are used, the RSPO trademark and associated identification number must be present.	Not Applicable as the facility does not involve with consumer end product.	Not Applicable
6.4	Business to consumer communication shall not include information about the claimant’s RSPO membership status.	Not Applicable as the facility does not involve with consumer end product.	Not Applicable
6.5	Members shall not communicate to consumers’ information about their suppliers’ RSPO membership status.	Not Applicable as the facility does not involve with consumer end product.	Not Applicable
6.6	Use of the RSPO trademark is restricted to claims about RSPO-certified sustainable palm oil products and it is not authorised for use in relation to any other ingredient.	Not Applicable as the facility does not involve with consumer end product.	Not Applicable

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6.7	Use of any other trademark or logo to highlight the presence of RSPO-certified sustainable oil palm products is an unauthorised product-specific claim.	Not Applicable as the facility does not involve with consumer end product.	Not Applicable
6.8	RSPO members who are retailers or food service companies can apply for an RSPO trademark license for use in business to consumer communications, provided they can demonstrate the validity of these claims to an RSPO-accredited certification body (CB). This will be undertaken via a remote audit, prior to the trademark use, during which the retailer or food service company will need to demonstrate that the use of the trademark is in compliance with the rules contained within this document and that the claim itself can be supported through a certified supply chain. Any other palm oil claims, including those highlighting the absence of palm oil, must be highlighted to the CB during the audit to ensure that all claims comply with the requirements of these rules. The CB will confirm the outcome of these audits, to be conducted annually, to RSPO who may continue to grant a trademark license or withdraw permission based upon the audit findings. This is in keeping with the rules applying to RSPO supply chain certified members. The guidance document for audits is available on <a href="http://www.rsपो.org">www.rsपो.org</a> .	Not Applicable as the facility does not involve with consumer end product.	Not Applicable
<b>MODULE B – MASS BALANCE SPECIFIC RULES</b>			
<b>Minimum Mass Balance content</b>			
	95% or above of the oil palm content must be RSPO MB-certified.	Oil palm content is 100% CPO and claim as either RSPO MB-certified or conventional.	Complied
	Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for moving to fully certified oil palm must be in place, in accordance with the requirements of the RSPO SCCS. In addition, the non-certified volume must be covered by equivalent volume of RSPO Credits.	Oil Palm content is 100% CPO and claim as RSPO MB-certified.	Complied

<b>Labelling and trademark (MB)</b>			
	<p>Members are allowed to use the RSPO label in one of the following ways:</p> <ul style="list-style-type: none"> <li>Surrounded by the text: 'Certified sustainable palm oil'.</li> <li>The RSPO label MUST contain the tag 'MIXED'. The tag MIXED designates oil palm products sourced under the Mass Balance (MB) supply chain system, which administratively balances inputs and outputs of certain palm oil volumes. The tag 'MIXED' on a product does not guarantee that the product itself contains the certified material; some or all of it may reside in a product that does not carry a claim.</li> <li>The RSPO label can also include the statement: '[The palm oil contained in this product] contributes to the production of certified sustainable palm oil'.</li> <li>Wherever the RSPO trademark is displayed, the applicable trademark license number must be shown immediately under or next to the trademark or the 'statement'. Font must be Calibri, font size must be at least 4 pt (1.4 mm or 0.06 inch).</li> <li>In on-pack communications, the RSPO trademark can be printed anywhere on the pack. Further guidance on use of the trademark is provided in the RSPO Trademark License Terms and Conditions and in Annex 1 of the Rules on Market Communications &amp; Claims document.</li> </ul>	<p>Kunak POM does not use RSPO label in its product (CPO &amp; PK). This was verified through the company website and interview with the management personals.</p>	<p>Complied</p>
<b>Messaging (MB)</b>			
	<p>Messaging ALLOWED in storytelling in product-related communications includes:</p> <ul style="list-style-type: none"> <li>[Oil palm products]/[palm oil]/[palm kernel oil] from RSPO-certified mills and plantations were mixed with non-certified oil palm products in the supply chain.</li> </ul>	<p>Kunak POM does not use RSPO label in its product (CPO &amp; PK). This was verified through the company website and interview with the management personals.</p>	<p>Complied</p>

	<ul style="list-style-type: none"> <li>The volume of [oil palm products][palm oil]/[palm kernel oil] in this product reflects an equivalent volume of palm oil or palm kernel oil produced by RSPO certified mills and plantations.</li> </ul> <p>In off-product communications, reference to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown in company records is allowed.</p> <p>Messaging NOT ALLOWED in storytelling in product-related communications:</p> <ul style="list-style-type: none"> <li>Anything that can lead consumers to believe that RSPO-certified palm products are (certified to be) part of the product.</li> </ul>		
<p><b>Principle 4: Respect community and human rights and deliver benefits</b></p>			
<p><b>Criterion 4.1:</b> The unit of Certification respects human rights, which includes respecting the rights of Human Rights Defenders.</p>			
4.1.1	<p>© A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.</p> <p>- Critical (Major) compliance -</p>	<p>TSH Group has established the Human Rights &amp; Responsible Business Practices; ST-POL09-03; Date: 21/7/2020; Signed by Managing Director.</p> <p>Training of the policy sighted as below            Kunak POM; Date: 01/06/2022 by Puan Rohana            Maju Sawit Estate; 10/01/2022 by Puan Rohana</p>	Complied
4.1.2	<p>The unit of certification does not instigate violence or use any form of harassment in their operations.</p> <p>- Minor compliance -</p>	<p>Consultation with stakeholders shown no evidence that the unit of certification instigate violence or use any form of harassment in their operations.</p>	Complied
<p><b>Criterion 4.2:</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties</p>			
4.2.1	<p>© 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-</p>	<p>Complaints or grievances received from external stakeholders were handled as per established Communication &amp; Consultation Procedure (TSHR/SUST/SOP02, Rev. No. 3, Dated 19/11/2019).</p>	Complied

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	<p>blowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.</p> <p>- Critical (Major) compliance -</p>	<p>Mechanisms use including direct consultation meeting and/or Free Prior Informed Consent (FPIC) if necessary.</p> <p>For internal stakeholders, complaints or grievances handled as per established Employee Grievance Procedure (TSHR/HR/SOP06, Rev. No. 0, Dated 12/1/2016). The procedure developed to ensure the effectiveness of administration and implementation of Employee Grievances Policy to achieve conformity with the required qualifications and conduct in a manner that is uniform and consistent with the objectives and vision of the company. Time frame to resolve the grievances was clearly stated in the grievance process flow which is within 1 month</p>	
<p>4.2.2</p>	<p>Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties.</p> <p>- Minor compliance -</p>	<p>The procedures available as per documented Standard Operating Procedure Communication, Consultation and Participation; TSHR/SUST/SOP02; Rev. # 03; Effective Date: 19/11/2019. Various communications implemented through forms, letters and emails of consultation in place of meeting that was unable to be conducted due to COVID-19 MCO as per sample sighted as following:</p> <p>Email dated on 10/05/2021, 23/7/2020 and 8/11/2020 to all external stakeholders on cancellation of stakeholder meeting and sending of previous minutes of meeting, feedbacks form, stakeholder booklet, flowchart of suggestion and complaint process</p>	<p>Complied</p>
<p>4.2.3</p>	<p>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.</p> <p>- Minor compliance -</p>	<p>All records for suggestion and complaint recorded in the form "Borang cadangan &amp; aduan" dated 19/11/2019.</p> <p>For LKSK Estate, latest complaint received on 16/02/2022 and 27/05/2022 and both related to housing repair. Sighted that progress of grievances has been informed to the workers and acceptance of works done.</p>	<p>Complied</p>

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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 for Legal, Customary Rights and Compensation; TSHR/SUST/SOP03; Rev. # 2; Date: 1/11/17.</p> <p>Consultation with relevant stakeholders on-site found no conflict that requires resolution mechanism with the option of access to independent legal and technical advice or a third-party mediator.</p>	Complied								
<p><b>Criterion 4.3:</b> 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>TSH Resources Berhad has participated in a Strategic Collaboration Outreach of Kunak District’s National Covid-19 Immunisation Program (PICK) with Kunak POM in food supply of all participants on 31/7/2021. The strategic collaboration involved the Ministry of Health, Sabah State Government.</p>	Complied								
<p><b>Criterion 4.4:</b> 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>© Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents Related to the history of land tenure and the actual legal or customary use of the land are available.</p> <p>- Critical (Major) compliance -</p>	<p>Documents showing legal ownership i.e. land title sighted available as per samples as following:</p> <ol style="list-style-type: none"> <li>1. Maju Sawit Estate: Title no. Country Lease 105392989; Register memo no.: 30295293; dated 21/5/2002</li> <li>2. Landquest Estate: Title no. Country Lease 125319244; Register memo no.: 30282019; dated 20/7/2000</li> <li>3. LKSK Estate: Title no. Country Lease 105365955; Register memo no.: 30240302; dated 29/6/1994</li> <li>4. Sabahan 1 Estate, total 7 land title sighted. Details as per below</li> </ol> <table border="1" data-bbox="1305 1198 1760 1391"> <thead> <tr> <th>Land title no.</th> <th>Hectarage (Ha)</th> </tr> </thead> <tbody> <tr> <td>245337197</td> <td>5.94</td> </tr> <tr> <td>245337188</td> <td>5.93</td> </tr> <tr> <td>245331160</td> <td>6.90</td> </tr> </tbody> </table>	Land title no.	Hectarage (Ha)	245337197	5.94	245337188	5.93	245331160	6.90	Complied
Land title no.	Hectarage (Ha)										
245337197	5.94										
245337188	5.93										
245331160	6.90										

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			<table border="1"> <tr> <td>245337204</td> <td>5.90</td> </tr> <tr> <td>245339191</td> <td>6.22</td> </tr> <tr> <td>245337151</td> <td>6.91</td> </tr> <tr> <td>245338587</td> <td>84.17</td> </tr> </table>	245337204	5.90	245339191	6.22	245337151	6.91	245338587	84.17	
245337204	5.90											
245339191	6.22											
245337151	6.91											
245338587	84.17											
		No issues of land dispute issue occur in all estates within Kunak POM certification unit since the last audit. It also has been confirmed through interview with local communities and neighbouring estate. Clear demarcation of the boundary for each operating unit has been established.										
4.4.2	Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:	There is no land dispute recorded. This was verified through stakeholders' consultation.		Complied								
4.4.2a	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. - Minor compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation.		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 -	There is no land dispute recorded. This was verified through stakeholders' consultation.		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	There is no land dispute recorded. This was verified through stakeholders' consultation.		Complied								

	status of their land at the expiry of the unit of certification's title, concession or lease on the land. - Minor compliance -		
4.4.3	© 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). - Critical (Major) compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation.	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 -	There is no land dispute recorded. This was verified through stakeholders' consultation.	Complied
4.4.5	© 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. - Critical (Major) compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation.	Complied
4.4.6	There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties. - Minor compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation.	Complied
<b>Criterion 4.5:</b> 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	© Documents showing identification and assessment of demonstrable legal, customary and user rights are available. - Critical (Major) compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation.  In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and	Complied

		distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	
4.5.2	<p>© 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.</p> <p>- Critical (Major) compliance -</p>	There is no land dispute recorded. This was verified through stakeholders' consultation. Not applicable	Not Applicable
4.5.3	<p>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 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>	There is no land dispute recorded. This was verified through stakeholders' consultation. Not applicable	Not Applicable
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>	There is no land dispute recorded. This was verified through stakeholders' consultation. Not applicable	Not Applicable
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>	There is no land dispute recorded. This was verified through stakeholders' consultation. Not applicable	Not Applicable

	- Minor compliance -		
4.5.6	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. - Minor compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation. Not applicable	Not Applicable
4.5.7	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. - Minor compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation. Not applicable	Not Applicable
4.5.8	© New lands are not acquired in areas inhabited by communities in voluntary isolation. - Critical (Major) compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation. Not applicable	Not Applicable
<b>Criterion 4.6:</b> 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	© A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place. - Critical (Major) compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation.  In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	Complied
4.6.2	© A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented,	There is no land dispute recorded. This was verified through stakeholders' consultation.	Complied

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	<p>monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation.</p> <p>- Critical (Major) compliance -</p>	<p>In case of any, the process will be based on the established Legal, Customary Rights &amp; Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	
4.6.3	<p>Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings.</p> <p>- Minor compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights &amp; Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
4.6.4	<p>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.</p> <p>- Minor compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights &amp; Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
<p><b>Criterion 4.7:</b> 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.</p>			
4.7.1	<p>© A mutually agreed procedure for identifying people entitled to compensation is in place.</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p>	Complied

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	- Critical (Major) compliance -	In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	
4.7.2	<p>© A mutually agreed procedure for calculating and distributing fair and gender-equal 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.</p> <p>- Critical (Major) compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights &amp; Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
4.7.3	<p>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.</p> <p>- Minor compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights &amp; Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
<b>Criterion 4.8:</b> 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	There is no land dispute recorded. This was verified through stakeholders' consultation.	Complied

	<p>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.</p> <p>- Minor compliance -</p>	<p>In case of any, the process will be based on the established Legal, Customary Rights &amp; Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	
4.8.2	<p>© 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>- Critical (Major) compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation. Not applicable</p>	Not Applicable
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>There is no land dispute recorded. This was verified through stakeholders' consultation. Not applicable</p>	Not Applicable
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>There is no land dispute recorded. This was verified through stakeholders' consultation. Not applicable</p>	Not Applicable
<p><b>Principle 5: Support smallholder inclusion</b></p>			
<p><b>Criterion 5.1:</b> The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.</p>			

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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 FFB prices available and calculated based on MPOB price and average monthly price for the region. The FFB admin will updated the FFB prices to the mill on monthly basis.</p> <p>The FFB prices were displayed at the weighbridge station at the mill. Reviewed the price for the month of</p> <p>April 2022 at RM 1268.00 as per memo dated 5/5/2022</p> <p>May 2022 at RM 1277.00 as per memo dated 7/6/2022.</p> <p>Other than displaying at weighbridge, Kunak POM provided the current and previous period prices paid for FFB in the Final FFB Statement to external FFB suppliers.</p>	Complied
5.1.2	<p>© 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>- Critical (Major) compliance -</p>	<p>The certification units explain the FFB pricing to the FFB supplier during personnel meeting with the supplier. Reviewed the meeting records as follows:</p> <p>10/5/2021 by TSH Resource Berhad and stakeholder attended by 19 included smallholder, outgrower and others.</p>	Complied
5.1.3	<p>© 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>- Critical (Major) compliance -</p>	<p>Current and previous FFB prices available and calculated based on MPOB price and average monthly price for the region. The FFB admin will updated the FFB prices to the mill on monthly basis.</p> <p>The FFB prices were displayed at the weighbridge station at the mill. Other than displaying at weighbridge, TSH Kunak POM provided the current and previous period prices paid for FFB in the Final FFB Statement to external FFB suppliers</p>	Complied
5.1.4	<p>© 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>The FFB Suppliers are not restricted to only send the FFB to Kunak POM as they are not bound by the contract agreement to send the FFB to Kunak Mill. Therefore, they are not involved in any decision making process of the mill not does the mill assist in the financing of the smallholders.</p>	Complied

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	- Critical (Major) compliance -																											
5.1.5	Contracts are fair, legal and transparent and have an agreed timeframe. - Minor compliance -	Not all FFB Suppliers have a contract with TSH Kunak POM as they are not obligated to send their FFB to Kunak POM and have the right to choose where they wish to sell their FFB to. Nevertheless TSH Kunak POM has a written agreement with this FFB Suppliers stating the terms and conditions, prices and agreed timeframe of payment to the FFB suppliers. The agreement were available for verification and was deemed to be fair, legal and transparent.	Complied																									
5.1.6	© Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given. - Critical (Major) compliance -	<p>Agreed payments were made in a timely manner and FFB Sale Statement specifying price, weight, advance deductions and interim payment (if applicable) amount paid, payee bank and beneficiary bank were available for verification.</p> <p>Reviewed the sampled payment for the month of November 2021 as follows:</p> <table border="1"> <thead> <tr> <th>Supplier</th> <th>P/I no.</th> <th>Date</th> <th>Payment Document ref. no.</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Jinka Bharu Holdeings Sdn Bhd</td> <td>PI41100</td> <td>13/6/2022</td> <td>49xxxxx8</td> <td>15/6/2022</td> </tr> <tr> <td>Onngiap PlantationSdn Bhd</td> <td>PI41168</td> <td>13/6/2022</td> <td>32xxxxx12</td> <td>15/6/2022</td> </tr> <tr> <td>Muis Melewar Planatation Sdn Bhd</td> <td>PI40993</td> <td>13/5/2022</td> <td>3xxxxxx1</td> <td>17/5/2022</td> </tr> <tr> <td>Teck Seng Plantations Sdn Bhd</td> <td>PI41039</td> <td>12/5/2022</td> <td>1xxxxxx2</td> <td>17/5/2022</td> </tr> </tbody> </table>	Supplier	P/I no.	Date	Payment Document ref. no.	Date	Jinka Bharu Holdeings Sdn Bhd	PI41100	13/6/2022	49xxxxx8	15/6/2022	Onngiap PlantationSdn Bhd	PI41168	13/6/2022	32xxxxx12	15/6/2022	Muis Melewar Planatation Sdn Bhd	PI40993	13/5/2022	3xxxxxx1	17/5/2022	Teck Seng Plantations Sdn Bhd	PI41039	12/5/2022	1xxxxxx2	17/5/2022	Complied
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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>- Minor compliance -</p>	<p>Records showed that weighing equipment were verified by a 3rd party, De Metrology Sdn Bhd. The records were:</p> <p>Weighbridge A  Date: 27/12/2021;  Certificate Number: A004993;  Maker: Mettler Toledo Ind 780;  Capacity Limit: 60,000 kgs;  Remarks: This weighbridge has been tested passed and is eligible for commercial use.</p> <p>Weighbridge B  Date: 6/08/2021;  Certificate Number:A004932  Maker: Gold Cells INS-708-A  Capacity Limit: 60,000 kgs;  Remarks: This weighbridge has been tested passed and is eligible for commercial use.</p>	Complied
5.1.8	<p>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.</p> <p>- Minor compliance -</p>	<p>All the Independent Smallholders that supply FFB to Kunak POM are not RSPO certified therefore this indicator is not applicable.</p>	Not Applicable
5.1.9	<p>© The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner.</p> <p>- Critical (Major) compliance -</p>	<p>Complaint/Grievance and Suggestion is available in SOP Communication, Consultation and Participation Doc. No. TSHR/SUST/SOP02 Rev.03 dated 19.11.2019. This procedure is</p>	Complied

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		<p>applicable to all employees and stakeholders who wish to lodge a complaint or grievance.</p> <ul style="list-style-type: none"> <li>- Complainant fill in the form "Borang Cadangan dan Aduan" and then deposit it in Suggestion Box or give it to Person in Charge (PIC) on site. The procedure also provides a mechanism for addressing complaints received, and accords protection and confidentiality to complainant.</li> <li>- The PIC shall investigate complaint and provide solution within 20 working days or based on due date given owing to certain circumstances.</li> <li>- If the issue is settled and complainant is satisfied with the solution given, the form will be given back to complainant to verify and sign the form as a proof of complaint has been completed and settled.</li> </ul> <p>If the complainant is dissatisfied with the solution given and need advice from Government Agencies / NGO or related third party, the TSH Manager / HOD shall forward the issues to these parties. The third party involved shall inform in writing to complainant and HOD/ Manager their findings and recommendations. Once the complaints are settled and complainant is satisfied, the complainant shall verify and closed the complaint.</p>	
<p><b>Criterion 5.2:</b> The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.</p>			
5.2.1	<p>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.</p> <p>- Minor compliance -</p>	<p>Not applicable since there is no Scheme Smallholders supplying to the mill.</p> <p>There are no Scheme smallholders in the Unit of Certification as defined by RSPO P&amp;C 2018 (MYNI 2019). Therefore, this indicator is not applicable.</p>	Not Applicable

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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 specific elements of RSPO certification (including the RSPO Independent Smallholder Standard or RISS). - Minor compliance -	Not applicable since there is no Scheme Smallholders supplying to the mill. There are no Scheme smallholders in the Unit of Certification as defined by RSPO P&C 2018 (MYNI 2019). Therefore, this indicator is not applicable.	Not Applicable
5.2.3	Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production. - Minor compliance -	Not applicable since there is no Scheme Smallholders supplying to the mill. There are no Scheme smallholders in the Unit of Certification as defined by RSPO P&C 2018 (MYNI 2019). Therefore, this indicator is not applicable.	Not Applicable
5.2.4	© Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. - Critical (Major) compliance -	Not applicable since there is no Scheme Smallholders supplying to the mill. There are no Scheme smallholders in the Unit of Certification as defined by RSPO P&C 2018 (MYNI 2019). Therefore, this indicator is not applicable.	Not Applicable
5.2.5	The unit of certification regularly reviews and publicly reports on the progress of the Smallholder support programme. - Minor compliance -	Not applicable since there is no Scheme Smallholders supplying to the mill. There are no Scheme smallholders in the Unit of Certification as defined by RSPO P&C 2018 (MYNI 2019). Therefore, this indicator is not applicable.	Not Applicable
<b>Principle 6: Respect workers' rights and conditions</b>			
<b>Criterion 6.1:</b> Any form of discrimination is prohibited.			
6.1.1	© 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.	Kunak POM and estates implemented the company's Equal Opportunity & Discrimination; ST-POL03-02; Date: 15/10/2015 as part of TSHR/POL/SOP03 procedures; Signed by Managing Director.	Complied

	- Critical (Major) compliance -		
6.1.2	<p>© Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for foreign workers.</p> <p>- Critical (Major) compliance -</p>	<p>Verified pays lips and master name list found that the company has recruited male and female workers, local and foreign workers. They were treated equally without any discrimination. Interviewed with the female and male workers confirmed that they were allowed to transfer to other work stations if they found they are unfit for the job.</p>	Complied
6.1.3	<p>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.</p> <p>- Minor compliance -</p>	<p>Kunak POM and estates implemented its recruitment based on the company's employment procedure established as Staffing &amp; Recruitment SOP; TSHR/HR/SOP01; Rev. # 0; Date: 17/8/2015. Sighted sample advertisements and records of new employee's recruitments as well as promotion of exiting employees confirmed that it was based on skills, capabilities, qualities and medical fitness necessary.</p>	Complied
6.1.4	<p>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.</p> <p>- Minor compliance -</p>	<p>Management has conducted the In-House Quarterly Pregnancy Test for Sprayer and Manurer by Medical Assistant for both Kunak POM and Maju Sawit Estate with latest completed as per "Laporan Ibu Mengandung Dari Klinik Ladang"; Form # KIB 201</p>	Complied
6.1.5	<p>© A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.</p> <p>- Critical (Major) compliance -</p>	<p>Gender committee meeting for Landquest Estate conducted on 23/03/2022 and 16/06/2022 with attendance of all women workers. Issues that has been discussed is related to women issues, activities and others Sighted activities that has been conducted such as sukaneka, volleyball match and Zumba dance.</p> <p>While for LKSK Estate, gender committee conducted on 17/05/2022 attendance on 9 women workers. There is no issues raised and communication of the policy conducted during the meeting.</p> <p>Gender committee for both KPOM and Maju Sawit conducted on 14/06/2022 attended by 9 women workers and for Sabahan 01 Estate, gender committee meeting has been done on 06/12/2021.</p>	Complied

		There is no meeting has been conducted in year 2022 due to restructuring of management in Sabahan 01 Estate and closure of Sabahan POM.	
6.1.6	There is evidence of equal pay for the same work scope. - Minor compliance -	As per verification made through documentation and interview, it has been confirmed that all workers has been paid equally for the same work scope.	Complied
<b>Criterion 6.2:</b> 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	© 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. - Critical (Major) compliance -	Details of pay and conditions of employment are stated and documented in the Employment Agreement given to all workers and staff in TSH Kunak POM Certification Unit. The documents are prepared in dual-language, i.e. English and another language that the worker is conversant in (either Indonesia or Philippine). The contract stipulates terms of conditions of service such position, period of employment, types of work, responsibilities of employer, responsibilities of employee, salary payable, working hours, annual leave, sick leave and public holidays, mutual termination of contract, facilities, etc. The documents are signed by the Human Resources Manager and the worker.	Complied
6.2.2	© 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. - Critical (Major) compliance -	Employment contracts detailing payments and conditions of employment available to the workers for sample employees sighted as per indicator 6.1.6 above. Regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with Sabah Labour Ordinance and Minimum Wages Order. Sample of employment contract sighted Landquest Estate e. 02-0823	Complied

		<ul style="list-style-type: none"> <li>f. 02-0914</li> <li>g. 02-0761</li> <li>h. 02-0813</li>   <li>LKSK Estate</li> <li>  e. 01-1504</li> <li>  f. 07-1637</li> <li>  g. 11-1825</li> <li>  h. 01-1662</li>   <li>Maju Sawit Estate</li> <li>  d. 01-0199</li> <li>  e. 03-0486</li> <li>  f. 01-0496</li>   <li>Kunak POM</li> <li>  e. 03/0978</li> <li>  f. 05/0345</li> <li>  g. 05/1038</li> <li>  h. 02/1070</li>   <li>Sabah 01 Estate</li> <li>  d. 0444</li> <li>  e. 0493</li> <li>  f. 0521</li> </ul>	
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6.2.3	<p>© 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>- Critical (Major) compliance -</p>	<p>TSH Kunak POM monitored working hours base on punch card system for all employee with 8 hours of total working hours. Total hours of overtime will be summarised and extract to the check roll summary and key in into Lintramax system.</p> <p>There is no deduction for all employees in TSH Kunak POM except employee provident fund and SOCSO. Sample has been taken for payment May, June and September 2021.</p> <p>For leave application, all employees need to submit their application in to the management 7 days before using "leave application form". Sample verified for workers requested for unpaid leave on June 2021 for personal issues.</p>	Complied
6.2.4	<p>© 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>- Critical (Major) compliance -</p>	<p>Line inspection sighted in the document title Borang Pemeriksaan Perumahan, Dewan Komuniti Pusat Jagaan Kanak-Kanak &amp; Sekolah on weekly basis. Latest inspection done for LKSK done on 11/06/2022 remarks as all complied. While for KPOM and Maju Estate, sample for 3 months taken which Is March, April and May 2022. Latest inspection done 11/05/2022, 17/05/2022 and 25/05/2022.</p> <p><b>Major NC</b></p> <p>Line inspection checklist format is available and documented in the "Borang Pemeriksaan Perumahan, Dewan Komuniti Pusat Jagaan Kanak-Kanak &amp; Sekolah". As per checklist, line site inspection needs to be conducted for specific parameters in-line with applicable requirements of Workers Minimum Housing and Amenities Standard Act 1990</p> <p>For Kunak POM and Maju Estate, sample for 3 months taken which is March, April and May 2022 which latest inspection done 11/05/2022, 17/05/2022 and 25/05/2022. As per stated in the</p>	Non-compliance

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		inspection records, there is no issues and comply with the parameter set. However, it was observed during the site visit that bushes, trees and plant has not been properly managed that may attract mosquitoes breeding and causing discomfort to the occupant. This is not inline with the housing inspection conducted.											
6.2.5	The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food. - Minor compliance -	There was sundry shop nearby the estates and mill area. Besides, the estates and mill were located nearby to the town and the workers can access to town by own/ public transport. Site visit to the housing area found that workers are allowed plant/ farm vegetable at the housing area. Interviewed with the workers informed that they have no issue to access to foods and goods.	Complied										
6.2.6	A DLW is paid to all workers, including piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours. <b>PROCEDURAL NOTE:</b> STATEMENT FROM THE RSPO STANDARDS STANDING COMMITTEE REGARDING INDICATOR 6.2.6 ON DECENT LIVING WAGE 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 endeavour 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 (As of September 2019, GLWC has developed national benchmarks in Bangladesh, Belize, Brazil, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Ethiopia, Ghana, Guatemala, India, Kenya, Malawi, Mexico, Nicaragua, Pakistan, South Africa, Sri Lanka, Uganda and Vietnam 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). <i>Where a GLWC living wage standard (benchmark), or one that fulfils 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>	Decent living wages calculated for all operating units base on the accommodation, facilities and amenities provided to the workers. This include housing, cost of housing maintenance, electricity and water consumption/house/year. Details for each operating units as per below <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>OU</th> <th>DLW</th> </tr> </thead> <tbody> <tr> <td>Landquest Estate</td> <td>2,826.36</td> </tr> <tr> <td>LKSK Estate</td> <td>2,657.71</td> </tr> <tr> <td>Kunak POM/ Maju Sawit Estate</td> <td>2,620.72</td> </tr> <tr> <td>Sabahan 01 Estate</td> <td>3,061.70</td> </tr> </tbody> </table>	OU	DLW	Landquest Estate	2,826.36	LKSK Estate	2,657.71	Kunak POM/ Maju Sawit Estate	2,620.72	Sabahan 01 Estate	3,061.70	Complied
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	<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 (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).</i></p> <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"> <li>• Updated assessment on prevailing wages and in-kind benefits</li> <li>• There is annual progress on the implementation of living wages</li> <li>• 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</li> <li>• 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.</li> </ul> <p>- Minor compliance -</p>		
6.2.7	<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>Not applicable since there is no casual, temporary and day labour sighted. All employees are permanent employee (for locals) and contracted employee (for foreign workers). All permanent and full-time employment used as the general worker, mandore, staff, etc. based on their employment contract sighted in clause 6.2.2.</p>	Complied

<p><b>Criterion 6.3:</b> 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.</p>			
6.3.1	<p>© 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.</p> <p>- Critical (Major) compliance -</p>	<p>A statement on recognizing freedom of association was published in the Freedom of Association Policy; ST-POL04-02; Date: 15/10/2015; Signed by both Managing Director. The policy stated that the management will respect the right of employees to join any association freely.</p>	Complied
6.3.2	<p>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.</p> <p>- Minor compliance -</p>	<p>There is no union for Landquest Estate but the management has taken initiative to established Persatuan Kebajikan as commitment to ensure workers welfare has been taken care. Latest meeting for Landquest Estate conducted on 21/12/2022 and 24/03/2022 with attendance both management and employee representative. Issues that has been discussed during the meeting such as water shortage issues, main road repair, additional table for school and to invite workers representative from each block of workers housing. While for Maju Sawit and Kunak POM, welfare meeting conducted latest on 14/06/2022 with attendance both representative. Issues discussed such as house repair, annual sport activities, and water shortages.</p>	Complied
6.3.3	<p>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.</p> <p>- Minor compliance -</p>	<p>Seen the record of appointment letters of the workers' committee found that the management only issued the appointment letter based on the result of election by the workers. The appointment letters dated 15/02/2022 were sighted. Interviewed with the workers' representatives confirmed that they were elected among the workers. No interference from management.</p>	Complied
<p><b>Criterion 6.4:</b> Children are not employed or exploited.</p>			

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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. - Minor compliance -	A formal policy for the protection of children, including prohibition of child labour was in place as Child Labour Policy; ST-POL07-02; Date: 15/10/2015; Signed by Managing Director.	Complied
6.4.2	© 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. - Critical (Major) compliance -	Records of employee master lists for sampled estates and mill within Kunak POM and estates shown the birth date of them that indicated the minimum age requirements are met. The documented Guidelines on Procedure of Recruitment, Selection, Hiring, Promotion, Retirement and Termination has specified the screening verification procedure which able to be done via HR computer system which will trigger alarm if underage worker data keyed-in the database.	Complied
6.4.3	© Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work. - Critical (Major) compliance -	There are no young persons has been employed where all workers is above than 18 years old.	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 -	As per sample Balung Indah Commodities Sdn. Bhd Purchase of Fresh Fruit Bunchses (FFB) Agreement; Date: 1/7/2020 which included the Business Codes of Ethics containing "no child labour" as per Child Labour Policy; TSHR/POL/SOP07; Dated 16/10/2015.	Complied
<b>Criterion 6.5:</b> There is no harassment or abuse in the workplace, and reproductive rights are protected.			
6.5.1	© A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce. - Critical (Major) compliance -	Kunak POM and estates implemented the company's Sexual Harassment Policy; ST-POL05-02; Date: 15/10/2015; Signed by Managing Director. Communication of the policy as per below <u>Landquest Estate</u> Staff: 24/03/2022	Complied

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		Workers: 24/03/2022  Sabahan 01 Estate communication of the policy conducted on 08/02/2022 to all workers.	
6.5.2	© A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce. - Critical (Major) compliance -	Kunak POM and estates implemented the company's Reproductive Rights Policy; ST-POL06-02; Date: 15/10/2015; Signed by Managing Director.	Complied
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 -	There is no new mother in Landquest Estate, LKSK and Maju Sawit Estate. While for Kunak POM, there is 2 new mother identified which are Puan Noor Fazillah Abdul Karim and Fatmawati Sulaiman. Assessment conduct and recorded in document "Pregnancy and new mother" assessment date: 01/12/2020. There is no special request and need recorded and confirm through the interview with the new mother itself.	Complied
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 -	Complaints or grievances received from external stakeholders were handled as per established Communication & Consultation Procedure (TSHR/SUST/SOP02, Rev. No. 3, Dated 19/11/2019). Mechanisms use including direct consultation meeting and/or Free Prior Informed Consent (FPIC) if necessary.  For internal stakeholders, complaints or grievances handled as per established Employee Grievance Procedure (TSHR/HR/SOP06, Rev. No. 0, Dated 12/1/2016). The procedure developed to ensure the effectiveness of administration and implementation of Employee Grievances Policy to achieve conformity with the required qualifications and conduct in a manner that is uniform and consistent with the objectives and vision of the company. Time frame to resolve the grievances was clearly stated in the grievance process flow which is within 1 month	Complied

Criterion 6.6: No forms of forced or trafficked labour are used.														
6.6.1	<p>© All workers have entered into employment voluntarily and the following are prohibited:</p> <ul style="list-style-type: none"> <li>Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes)</li> <li>Charging the workers for recruitment fees.</li> <li>Contract substitution</li> <li>Involuntary overtime</li> <li>Lack of freedom of workers to resign</li> <li>Penalty for termination of employment</li> <li>Debt bondage</li> <li>Withholding of wages</li> </ul> <p>- Critical (Major) compliance -</p>	<p>Sample of new workers for recruitment taken in year 2019 for 10 workers where it has been arranged by the agent appointed by human resources department which are Agensi Pekerjaan Anika and Agensi JR Resources. Total cost incurred has been outline in workers expenses cost document number HRD/WR/20191101/KPOM, HRD/WP/20200103/KPOM, HRD/WP/202005/02/KPOM, HRD/WP/20200301/KPOM.</p> <p>Details of cost incurred as per below</p> <table border="1"> <thead> <tr> <th>Cost</th> <th>Total (RM)</th> </tr> </thead> <tbody> <tr> <td>Accommodation</td> <td>185</td> </tr> <tr> <td>Transport Fee</td> <td>300</td> </tr> <tr> <td>Special pass (3x)</td> <td>300</td> </tr> <tr> <td>JP Visa</td> <td>500</td> </tr> <tr> <td>Agency Fee</td> <td>200</td> </tr> </tbody> </table> <p>Base on 10 workers pay slips sighted that deduction has been made to the workers since 2019 until the day of audit total RM60/day for the cost of recruitment. It has been confirmed that recruitment fee has been charged to workers through interview with human resources department and the workers itself.</p> <p>Deduction for RM60/person/ workers total up RM600 has been practices by all operating units as guarantee for permit renewal of workers. As per interview with human resources department, if the worker resigns before the permit expiry, total pro rate of balance</p>	Cost	Total (RM)	Accommodation	185	Transport Fee	300	Special pass (3x)	300	JP Visa	500	Agency Fee	200
Cost	Total (RM)													
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		month RM50/month will be charged to the workers. Sample has been taken for 10 workers. Hence, Major nonconformities has been raised.	
6.6.2	© Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented. - Critical (Major) compliance -	Specific labour policy in the policy title " Special labour policy" document TSHR/POL/SOP (12) signed by Group executive director, Mr William Tan Aik Kiong. Total numbers of foreign workers as per below Landquest Estate: 36 workers Maju Sawit Estate: 10 workers (Indonesian)	Complied
<b>Criterion 6.7:</b> The unit of certification ensures that the working environment under its control is safe and without undue risk to health.			
6.7.1	© 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. - Critical (Major) compliance -	The respective Operating Unit have appointed their Assistant Manager as the responsible person and chairman for Safety and Health Committee and their Field Conductor/ Admin Exec as Secretary of the Committee. They have also appointed other management staffs and workers to be representatives in the committee. The OSH Committee chart for each operating units were available. Regular OSH meetings were conducted with representatives from the management and the workers to address all issues related to safety and health in the mill and estate. The latest OSH Meeting Minutes was available for verification. The quarterly HSE Meeting Minutes adequately covers health, safety and welfare matters which includes details of effectiveness monitoring and review on health & safety risk to workers. Verified the OSH Meeting Minutes as below:  Landquest estate OSH meeting conducted on 24/3/2022 (SHE/2022/01) and previously was on 21/12/2021(SHE/2021/04). The workplace	Complied

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		<p>inspection was conducted before the OSH meeting conducted. The record was available as per verification.</p> <p>LKSK estate          OSH meeting conducted on 26/5/2022 (OSH/2022/02) and previously was on 31/03/2022(OSH/2022/01). The workplace inspection was conducted before the OSH meeting conducted. The record was available as per verification. No accident for year 2021.</p> <p>Kunak POM and Maju Sawit estate          OSH meeting conducted on 14/6/2022 (OSH/2022/02) and previously was on 29/03/2022(OSH/2022/01). This OSH meeting conducted combined between Kunak Pom and Maju Sawit estate. The workplace inspection was conducted before the OSH meeting conducted. The record was available as per verification. No accident for year 2021. The OSH chart have been updated 10/3/2022. OSH appointment letter sampling on Pn Muhmin dated 1/11/2017 and En Sri Rahayu Wanto dated 27/11/2020</p> <p>Sabahan 1 Estate          OSH meeting (OSH/2021/4) dated 15/12/2021, (OSH/2022/01) dated 15/3/2022 and (OSH/2022/02) dated 15/6/2022.          Workplace inspection          Sampling appointment letter for OSH dated 15/3/2022 for Yusrita Tajuddin</p>	
6.7.2	<p>Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the</p>	<p>The Emergency Preparedness and Response Procedures; Doc Number (TSHR/OSH/SOP06); Rev No: 01; Effective Date: 04/07/2016 were available to guide the management on the</p>	Complied

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	<p>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>responses and plans to handle emergencies. The procedures include plans and procedures for emergency incidences such as fire outbreak, oil/chemical spillage, effluent overflow and accident. An emergency response team have been created in the mill and estates to combat the incidences mentioned above. Regular trainings and drills are conducted for the team to handle emergencies.</p> <p>The training has been conducted by management as per below:-</p> <p><u>Landquest Estate</u></p> <p>Training on fire fighting record dated 14/6/2022 attended by 10 workers. Trainers by Arshad (Field Conductor)</p> <p>First aid Training conducted on 17/3/2022 by Arshad attended by First aider with total 7 person. Basic Occupational First aid and AED training conducted by the third party CERT Academy dated 10-11/9/2020 at EPP Conference Room and Mill Area. from the certificate the certificate valid until 9/9/2023.</p> <p>First aid inspection record was available dated 7/6/2022 and previously was on 5/5/2022.</p> <p>Sabahan 1 estate</p> <p>First aid training and accident SOP training conducted by Pn Rohana dated 25/01/2022.</p> <p>ERP training and accident plan training conducted on 25/1/2022.</p> <p>Chemical handling training</p> <p>For accident record was followed as per NADOPOD as per below record:-</p> <p>Landquest Estate;- No accident record for 2021, JKPP 8 report already been send on 28/1/2022 for 2021 to DOSH.</p>	
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		<p>POM; There are 4 record accident happen for year 2021 with total 68 total lost days. The JKPP 8 already submit to DOSH on 27/1/2022</p> <p>Maju Sawit estate and wakuba div:- JKPP 8 submit on 28/1/2022 with total 0 accident on the previous year record. The total hour work was 42280 hour and total workers only 14 person.</p> <p>Sabahn 1 Estate:- No record of accident for year 2021 as per verification under JKPP 8 that been send to DOSH on 26/1/2022.</p>	
6.7.3	<p>© 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>- Critical (Major) compliance -</p>	<p>The management provide appropriate PPE to the employee's base on the job type. The PPE given as per HIRARC and Standard Operating Procedure. The estate and mill conducted PPE Inspection on weekly basis. Reviewed the PPE inspection records for January, March 2022 recorded in PPE Checklist form.</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>Medical care is provided to all the employees. Reviewed on workers profile records found that all workers are covered by the accident insurances.</p> <p>Local and foreign workers covered by SOCSO or Perkeso (Pertubuhan Keselamatan Sosial). Reviewed the form 8A, "Jadual Caruman" for December 2021, February and April 2022 for contribution of all employees including staff.</p> <p>For local workers, they were also covered with Employment Insurance Scheme. Reviewed the SIP form, "Jadual Caruman" for December 2021, February and April 2022 for contribution of all employees including staff.</p>	Complied

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6.7.5	Occupational injuries are recorded using Lost Time Accident (LTA) metrics. - Minor compliance -	<p>TSH Kunak Operating units have established the Total accidents / Incidents with and without lost days records and available for verification as below:</p> <table border="1" data-bbox="1137 475 1924 847"> <thead> <tr> <th rowspan="2">TSH Operating Unit</th> <th colspan="2">2021</th> <th colspan="2">2022</th> </tr> <tr> <th>Cases</th> <th>LTA</th> <th>Cases</th> <th>LTA</th> </tr> </thead> <tbody> <tr> <td>Landquest</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>LKSK</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Maju</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Sabahan 1</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Kunak POM</td> <td>4</td> <td>6.8</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	TSH Operating Unit	2021		2022		Cases	LTA	Cases	LTA	Landquest	0	0	0	0	LKSK	0	0	0	0	Maju	0	0	0	0	Sabahan 1	0	0	0	0	Kunak POM	4	6.8	0	0	Complied
TSH Operating Unit	2021			2022																																	
	Cases	LTA	Cases	LTA																																	
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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	© IPM plans are implemented and monitored to ensure effective pest control. - Critical (Major) compliance -	<p>All the three estates in the TSH Kunak Certification Unit continued to implement Integrated Pest Management (IPM). The estates continued to manage pests, disease, weeds and invasive introduced species using appropriate IPM techniques guided by the Pest &amp; Disease Management (P&amp;D-SOP04-03; Rev 03; dated 01/01/2019). The IPM program among others involved the following practices;</p> <ol style="list-style-type: none"> <li>1. Pheromone traps were used to control <i>Oryctes rhinoceros</i> beetles instead of spraying Cypermethrin at 0.05% every two weeks.</li> <li>2. Proliferation of eagles to be actively encouraged in estates as they are predators of rats (an important pest of palm oil fruit) by establishing nests.</li> </ol>	Complied
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		<p>3. Protection of snakes (natural enemies of rats), employees are prohibited to kill snakes.</p> <p>Further research into effective methods for the management of key pests and diseases (Ganoderma and Oryctes), concentrating on cultural practices, refining action thresholds and improving the safety and effectiveness of chemical methods of control via improvement of standard operating procedures by R&amp;D team.</p>	
7.1.2	<p>Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented.</p> <p>- Minor compliance -</p>	<p>This is not practiced in the estates visited. None of species were referenced in the Global Invasive Species Database and CABI.org are used in the management of IPM.</p> <p>Plant species were used for IPM such as Tunera subulata, Cassia cobanensis, and Antigonon leptopus.</p>	Complied
7.1.3	<p>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.</p> <p>- Minor compliance -</p>	<p>The management does not use fire as pest control as per site visit at replanting area, interview, and document verification.</p>	Complied
<p><b>Criterion 7.2:</b> Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.</p>			
7.2.1	<p>© Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised.</p> <p>- Critical (Major) compliance -</p>	<p>Justification of pesticides usage was demonstrated in the IPM Plans; Table 4.0; Justification for Insecticides, Fungicide and Rodenticide usage. The table is divided into type of pest control, Active Ingredient of Chemical, Recommended Rate &amp; Application and Justification for using the pesticides.</p> <p>The justification of herbicide usage was demonstrated in the Improvement plans where the estate has mentioned the intention to reduce the usage of chemicals and to only use Class 3 and above chemicals in their operations. The table is divided into type of application, Active Ingredient of Chemical, Recommended Rate &amp; Application and Justification for using the pesticides.</p>	Complied

<p>7.2.2</p>	<p>© 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.          - Critical (Major) compliance -</p>	<p>Landquest Estate</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Chemical</th> <th>Active ingredient</th> <th>AI/ha</th> </tr> </thead> <tbody> <tr> <td rowspan="3">2021</td> <td>Sentry</td> <td>Glyphosate</td> <td>0.22</td> </tr> <tr> <td>Sikor</td> <td>Difenoconazole</td> <td>0.23</td> </tr> <tr> <td>BM Cergas</td> <td>Metsulfuron</td> <td>0.02</td> </tr> <tr> <td rowspan="3">2022</td> <td>Tras 15</td> <td>Glufosinate</td> <td>1.76</td> </tr> <tr> <td>BM Tricalon</td> <td>Triclopyr</td> <td>0.07</td> </tr> <tr> <td>Krush</td> <td>Glyphosate</td> <td>0.22</td> </tr> </tbody> </table> <p>LKSK Estate</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Chemical</th> <th>Active ingredient</th> <th>AI/ha</th> </tr> </thead> <tbody> <tr> <td rowspan="3">2021</td> <td>BM Glyphosate</td> <td>Glyphosate</td> <td>0.10</td> </tr> <tr> <td>BM Cergas</td> <td>Metsulfuron</td> <td>0.13</td> </tr> <tr> <td>Sentinel</td> <td>Glufosinate</td> <td>1.25</td> </tr> <tr> <td rowspan="2">2022</td> <td>BM Glyphosate</td> <td>Glyphosate</td> <td>0.10</td> </tr> <tr> <td>Kenfuran</td> <td>clethodium</td> <td>0.04</td> </tr> </tbody> </table> <p>Sabahan 1 Estate</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Chemical</th> <th>Active ingredient</th> <th>AI/ha</th> </tr> </thead> <tbody> <tr> <td rowspan="2">2021</td> <td>Bufos</td> <td>Glufosinate</td> <td>0.11</td> </tr> <tr> <td>Dewana</td> <td>Glyphosate</td> <td>0.21</td> </tr> </tbody> </table>	Year	Chemical	Active ingredient	AI/ha	2021	Sentry	Glyphosate	0.22	Sikor	Difenoconazole	0.23	BM Cergas	Metsulfuron	0.02	2022	Tras 15	Glufosinate	1.76	BM Tricalon	Triclopyr	0.07	Krush	Glyphosate	0.22	Year	Chemical	Active ingredient	AI/ha	2021	BM Glyphosate	Glyphosate	0.10	BM Cergas	Metsulfuron	0.13	Sentinel	Glufosinate	1.25	2022	BM Glyphosate	Glyphosate	0.10	Kenfuran	clethodium	0.04	Year	Chemical	Active ingredient	AI/ha	2021	Bufos	Glufosinate	0.11	Dewana	Glyphosate	0.21	<p>Complied</p>
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		2022	Amine 720	2,4-Dimethylammonium	0.98										
			Comet	Triclopyr-butotyl	0.23										
7.2.3	<p><b>(C)</b> Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.</p> <p>- Critical (Major) compliance -</p>	<p>The estates have implemented an Integrated Pest Management Plan and a Continuous Improvement Plan where they have stated the intention to reduce the usage of chemical through implementation of Integrated Pest Management Plan.</p> <p>Sighted during the site visit at the estate, the establishment of barn owl box at immature areas as well as placed at strategic areas.</p> <p>Paraquat was eliminated. In its place, alternatives such as Glyphosate is used instead.</p> <p>There also planted beneficial plant as per detail below:-</p> <table border="1"> <thead> <tr> <th>Block</th> <th>Type of beneficial plan</th> <th>Intensity update</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>Tunera, Antigonan and Cassia</td> <td>0.2km</td> </tr> <tr> <td>2021</td> <td>Tunera, Antigonan and Cassia</td> <td>0.4km</td> </tr> </tbody> </table> <p>For other control, sampling on rat control by using eagle in estate, the management establish nesting for encouraged the eagle.</p> <p>Using pheromone trap were used to control Oryctes rhinoceros beetle instead using cypermethrin every two weeks.</p>				Block	Type of beneficial plan	Intensity update	2019	Tunera, Antigonan and Cassia	0.2km	2021	Tunera, Antigonan and Cassia	0.4km	Complied
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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>	There is no prophylactic use of pesticides at all estates visited.				Complied									
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</p>	The Chemical Registers for the mill and sampled estates were available for verification. The register showed that only class III & IV pesticides were used at the mill and estates. Paraquat was				Complied									

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	<p>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"> <li>a) Judgment of the threat and verify why this is a major threat</li> <li>b) Why there is no other alternative which can be used</li> <li>c) Which process was applied to verify why there is no other less hazardous alternative</li> <li>d) What is the process to limit the negative impacts of the application</li> <li>e) Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.</li> </ul> <p>- Minor compliance -</p>	<p>eliminated. In its place, less hazardous alternatives such as Glyphosate was used instead.</p> <p>The usage of agrochemicals that belongs to Class 1A and 1B (that include Paraquat) were prohibited as documented in TSHP/OSH/WI01; Rev No: 0; Dated 06.04.201.</p>	
7.2.6	<p><b>(C)</b> 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>- Critical (Major) compliance -</p>	<p>Pesticide operators are given training on the safe handling and application of the pesticides. Suitable personal protective equipment's and application equipment provided to the operators based on the PPE issuance forms.</p> <p>Regular updates on the knowledge about the activity were conducted through sampled the training conducted for pesticide handlers as below: -</p> <p>Sabahan 1 Estate;- chemical handling training &amp; SDS training dated 9/5/2022 safety by process training record dated 13/4/2022</p>	Complied
7.2.7	<p><b>(C)</b> Storage of all pesticides is in accordance with recognised best practices.</p> <p>- Critical (Major) compliance -</p>	<p>At all visited estates the storage of pesticides for use was in accordance with recognized best practices, namely, as per Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and its Regulations. Their chemical stores were inspected, and the following were noted.</p>	Complied

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		<ul style="list-style-type: none"> <li>• All stores were secured under lock and key with restricted access. Provision of ventilation fan.</li> <li>• Display of Safety Pictorial poster, namely the required PPE</li> <li>• Pesticides were separated by class.</li> <li>• Concrete cemented floor, bund wall and provision of sump pond.</li> <li>• Storekeeper was trained in the handling of all pesticides.</li> <li>• SDS leaflets were available at all pesticide stores.</li> </ul> <p>With the exception of some 20-liter empty agrochemical containers being recycled for holding premixed pesticides for onward delivery to field, the rest of the empty chemical containers were triple rinsed, pierced and stored in dedicated store in accordance to procedure TSHR/ENV/W101 dated 1.11.2017. They were not use for other purpose. They were and being disposed to Newgate Industries (Borneo), a Ministry of Agriculture Registered Waste Collector for empty plastic containers.</p>	
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.</p> <p>- Minor compliance -</p>	<p>All pesticide containers were triple rinsed, its bottom punctured and disposed to DOE Registered contractor, Newgates Sdn Bhd as recycle waste on 17/04/2019. All empty chemical container that has been triple rinsed and punctured were store Non-Schedule waste store at each estate visited. Disposal has been postponed due to renewable license period by the contractor, Newgates Sdn Bhd. The latest update they will collect on 28/6/2022 as per email dated 23/6/2022.</p>	Complied
7.2.9	<p><b>(C)</b> 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>No aerial spraying for pesticide were done in Kunak Certification unit.</p>	Complied

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	- Critical (Major) compliance -		
7.2.10	<p><b>(C)</b> Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.</p> <p>- Critical (Major) compliance -</p>	<p>Landquest Estate</p> <p>The medical surveillance conducted on 14/7/2021 at DAB OH Sdn Bhd, there are 15 workers total been sent and result showed that fit to work with chemical.</p> <p>The management already taken action such as to send the genset operator and grass cutter operator for audiometric test dated on 21/9/2021 and result showed normal hearing record. This audiometric test conducted by DAB OH Sdn Bhd.</p> <p>LKSK Estate</p> <p>The audiometric test already conducted on 21/9/2021 by DAB OH Sdn Bhd. From the audiometric test report the result showed 6 with normal hearing.</p> <p>The medical surveillance conducted on 14/7/2021 at DAB OH Sdn Bhd, there are 17 workers total been sent and result showed that fit to work with chemical.</p> <p>Kunak POM</p> <p>The audiometric test already conducted on 10/12/2021 by DAB OH Sdn Bhd. From the audiometric test report the result showed 51 with normal hearing.</p>	Complied
7.2.11	<p><b>(C)</b> 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>- Critical (Major) compliance -</p>	<p>TSH Resource Berhad has established Standard Operating to ensure 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. The SOP were documented as follows:</p> <p>1. Reproductive Rights Policy. Refer document no. TSHR/POL/SOP6 rev. 1 dated 21/03/2016. In the SOP stated as follows:</p>	Complied

		<p>a. Not permit pregnant employees or breast feeding employees to handle any type of chemicals which pose threat to such employee and/or her child.</p> <p>2. Child Labour. Refer document no. TSHR/POL/SOP7 rev. 1 dated 20/02/2020. In the SOP stated as follows:          The company is strongly against the use of children for works and is fully committed in eradicating the occurrence of child labour in its workforce within its group and other companies.</p>													
<b>Criterion 7.3:</b> Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.															
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>Kunak Palm Oil Mill and all the 4 estates had identified all wastes and sources of pollution. The Waste Management Action Plan 2022 were established to mitigate and control the identified wastes and source of pollution. The most significant environmental receptors for the estates and mill operations were:</p> <table border="1" data-bbox="1144 922 1912 1254"> <thead> <tr> <th></th> <th>Receptor</th> <th>Sources</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Air</td> <td>Sources from boiler stack (smoke and particulate), vehicle &amp; generator (smoke and gases), anaerobic processes (ETP, EFB dumping)- GHG</td> </tr> <tr> <td>2</td> <td>Water</td> <td>Cleaning water/run-off/process station waters (hydro-cyclone /sterilizer condensate/clarification waste) &amp; boiler quenching water and blow down</td> </tr> <tr> <td>3</td> <td>Land</td> <td>Scheduled waste, clinical waste, Industrial waste, domestic waste and industrial/process waste.</td> </tr> </tbody> </table> <p>All waste and pollution are identified and documented in the Waste Management Plan and Pollution Prevention Plan Financial Year</p>		Receptor	Sources	1	Air	Sources from boiler stack (smoke and particulate), vehicle & generator (smoke and gases), anaerobic processes (ETP, EFB dumping)- GHG	2	Water	Cleaning water/run-off/process station waters (hydro-cyclone /sterilizer condensate/clarification waste) & boiler quenching water and blow down	3	Land	Scheduled waste, clinical waste, Industrial waste, domestic waste and industrial/process waste.	Complied
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2022. The waste generated from the mill/estates operations as shown below:

	Type of waste	Details
1	Scheduled waste	Spent IPA, hexane, filter, lubricants, hydraulic oil, grease, used batteries
2	Domestic waste	rubbish from the mill/estate complex and employees' quarters
3	Industrial waste	Fiber, palm kernel shell, boiler ash, scrap iron
4	Sewage	Sewage from housing/office complex

The pollution identified from the mill/estates activities:

	Type of waste	Details
1	Black smoke	Emission from Boilers/vehicles/engines
2	Odor & gases	Activities from the effluent treatment
3	Leakage of lubricant	Storage & vehicle maintenance

<p>7.3.2</p>	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.          - Minor compliance -</p>	<p>In Kunak POM and the estates in the CU, The procedure TSHR/ENV/SOP03 dated 04/7/16 Waste Management - Scheduled Wastes (Hazardous Waste) Management has been established. Therein containing details relating to;</p> <ul style="list-style-type: none"> <li>vi. Waste identification / disposal plan</li> <li>vii. Scheduled waste inventory/inspection checklist</li> <li>viii. Return of emptied chemical container</li> <li>ix. Environment monitoring records</li> <li>x. SW maintenance records</li> </ul> <p>e) Collection is made by M/s Lagenda Bumimas Sdn Bhd a DOE licensed contractor.</p> <p>f) Interview with staffs and workers i.e. storekeepers and chemical mixer were trained and they had understood the hazards involved and how the chemicals should be used and disposed in a safe manner.</p> <p>g) Among the identified wastes include empty chemical containers including pesticides containers. Empty pesticides containers were washed at washing station prior to disposal.</p> <p>h) Disposals were carried out in compliance with relevant regulation of scheduled waste. Inventory and consignment documents verified for confirmation of proper management and disposal.</p> <table border="1" data-bbox="1144 1182 1919 1364"> <thead> <tr> <th>Estate</th> <th>Date</th> <th>SW409</th> <th>SW410</th> <th>SW305</th> <th>SW408</th> <th>-</th> <th>-</th> </tr> </thead> <tbody> <tr> <td>L/Quest</td> <td>19/1/22</td> <td>-</td> <td>0.014</td> <td>0.063</td> <td>0.006</td> <td>-</td> <td>-</td> </tr> <tr> <td>L/Quest</td> <td>25/8/21</td> <td>-</td> <td>0.017</td> <td>0.180</td> <td>0.005</td> <td>-</td> <td>-</td> </tr> <tr> <td>Sabh1</td> <td>19/1/22</td> <td>-</td> <td>0.001</td> <td>0.250</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Estate	Date	SW409	SW410	SW305	SW408	-	-	L/Quest	19/1/22	-	0.014	0.063	0.006	-	-	L/Quest	25/8/21	-	0.017	0.180	0.005	-	-	Sabh1	19/1/22	-	0.001	0.250	-	-	-	<p>Complied</p>
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7.3.3	The unit of certification does not use open fire for waste disposal. - Minor compliance -	TSH Resources Bhd. has established Environmental Policy that covers prohibition of use of fire for clearing of land and open burnings (Zero Burning ref doc no. TSHR/POL/SPO08 rev no. 1 under clause 7B dated 1/11/2017. As advocated, the estates practiced zero burning. In the replants visited during the audit in	Complied																																																																																																		

		<p>the estates, it was evident that all palms were felled, shredded, windrowed and left to decompose. There was no evidence that fire had been used to prepare land for replanting in the estate. No fire was used for waste disposal.</p>																	
<p><b>Criterion 7.4:</b> Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>																			
<p>7.4.1</p>	<p>Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.          - Minor compliance -</p>	<p>Among SOP in the TSH Plantation Management Sdn Bhd were established for the Mill and Estates that minimize the environmental impacts was verified and no changes from the previous audit as below: -</p> <p>Mill</p> <table border="1" data-bbox="1137 735 1926 935"> <thead> <tr> <th>SOP</th> <th>Reference Number</th> </tr> </thead> <tbody> <tr> <td>Air Pollution Management</td> <td>TSHR/ENV/SOP06</td> </tr> <tr> <td>Environment Monitoring Record</td> <td>TSHR/ENV/F09</td> </tr> <tr> <td>Schedule Waste Store Maintenance Record</td> <td>TSHR/ENV/F11</td> </tr> </tbody> </table> <p>Estates</p> <table border="1" data-bbox="1137 986 1926 1185"> <thead> <tr> <th>SOP</th> <th>Reference Number</th> </tr> </thead> <tbody> <tr> <td>Water Management</td> <td>TSHR/ENV/SOP02</td> </tr> <tr> <td>Waste Management</td> <td>TSHR/ENV/SOP 03</td> </tr> <tr> <td>Waste Loading Chit</td> <td>TSHR/ENV/F07</td> </tr> </tbody> </table> <p>Among details in the SOP in TSH were SOP to manage soil fertility to optimise yield and minimise environmental impacts documented in SOP Manuring. Refer document no. TSHP/OPE/SOP08 dated 01/07/2016 rev 0. Therein containing information on the following: -</p> <ul style="list-style-type: none"> <li>• Manuring process flow</li> </ul>	SOP	Reference Number	Air Pollution Management	TSHR/ENV/SOP06	Environment Monitoring Record	TSHR/ENV/F09	Schedule Waste Store Maintenance Record	TSHR/ENV/F11	SOP	Reference Number	Water Management	TSHR/ENV/SOP02	Waste Management	TSHR/ENV/SOP 03	Waste Loading Chit	TSHR/ENV/F07	<p>Complied</p>
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		<ul style="list-style-type: none"> <li>• Manuring for mature and immature palms</li> <li>• Fertilizer type/timing of application/placement</li> <li>• Supervision/Assessment</li> </ul> <p>Other than that, SOP regarding to soil management can be referred Operation Estate (TSHP/OPE/SOP01) Land Clearing&amp; Preparation and (TSHP/OPE/SOP10) Replanting procedure. Therein containing information on the following: -</p> <ul style="list-style-type: none"> <li>• Peat Soils</li> <li>• Acid Sulphate Soils</li> <li>• Saline Soils</li> <li>• Shallow Lateritic Soils</li> <li>• Podzol Or Similar Soils</li> <li>• Sandy Soil.</li> </ul>	
<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>Landquest estate          The soil analysis conducted on 22/5/2020 referred CL/S/2020/20. This been conducted by Borneo Samudera Sdn Bhd.          For foliar sampling conducted on 4/9/2021(CL/F/2021/288). This under sample LQ/97/LSU(A)/28Aug2021          Maju Sawit estate (included Wakuba Div.)          The foliar analysis conducted on 2/9/2021 referred CL/F/2021/171 conducted by Borneo Samudera Sdn Bhd. There is also soil analysis conducted on 21/10/2021 (CL/S/2021/95). From the analysis organic matter result showed 0.88% and 0.82%. No peat soil in sampling estate.          Sabahan 1 estate          The foliar analysis conducted on 8/12/2020 conducted by Borneo Samudera Sdn Bhd. There is also soil analysis conducted on</p>	<p>Complied</p>

		8/12/2021. From the analysis organic matter result showed 1.50% and 1.41%. No peat soil in sampling estate.																							
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>In Maju sawit estate, implement for POME (BOD&lt;20) land application at 98B. the record was available as per below:-</p> <table border="1" data-bbox="1137 517 1924 815"> <thead> <tr> <th>Month</th> <th>POME (liter)</th> </tr> </thead> <tbody> <tr> <td>January 2022</td> <td>16855</td> </tr> <tr> <td>February 2022</td> <td>13960</td> </tr> <tr> <td>March 2022</td> <td>15942</td> </tr> <tr> <td>April 2022</td> <td>16792</td> </tr> <tr> <td>May 2022</td> <td>16924</td> </tr> </tbody> </table> <p>As per verification in Sabahan 1 estate, they are using POME in field P18A for land application using furrow system.</p> <table border="1" data-bbox="1137 896 1924 1147"> <thead> <tr> <th>Month</th> <th>POME (liter)</th> </tr> </thead> <tbody> <tr> <td>January 2022</td> <td>3696</td> </tr> <tr> <td>February 2022</td> <td>3891.5</td> </tr> <tr> <td>March 2022</td> <td>4287</td> </tr> <tr> <td>April 2022</td> <td>4541</td> </tr> </tbody> </table>	Month	POME (liter)	January 2022	16855	February 2022	13960	March 2022	15942	April 2022	16792	May 2022	16924	Month	POME (liter)	January 2022	3696	February 2022	3891.5	March 2022	4287	April 2022	4541	Complied
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7.4.4	<p>Records of fertiliser inputs are maintained.</p> <p>- Minor compliance -</p>	<p>The records of agronomic and fertilizer recommendation for the year 2021/22 by Agronomy shown the application date, filed number, dosage applied per palm, type of fertilizer and number of applications. The programmed consists of compound and straight fertilizer. Sample of application record for as below:</p> <table border="1" data-bbox="1137 539 1928 820"> <thead> <tr> <th>Field</th> <th>Type of fertiliser</th> <th>Dosage</th> <th>Recommended</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td rowspan="2">2018 (11ha)</td> <td>SOA</td> <td>1.30</td> <td>Feb 21</td> <td>17/2/2021</td> </tr> <tr> <td>HGFB</td> <td>0.05</td> <td>Feb 21</td> <td>17/2/2021</td> </tr> <tr> <td rowspan="2">98C (6ha)</td> <td>RP</td> <td>0.5</td> <td>Jan 21</td> <td>20/2/2021</td> </tr> <tr> <td>MOP</td> <td>1.00</td> <td>Jan 21</td> <td>20/2/2021</td> </tr> </tbody> </table> <p>Sabahan 1 Estate</p> <table border="1" data-bbox="1137 911 1928 1192"> <thead> <tr> <th>Field</th> <th>Type of fertiliser</th> <th>Dosage</th> <th>Recommended</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td rowspan="2">2020A (19ha)</td> <td>SOA</td> <td>1.20</td> <td>Mar 22</td> <td>11/4/2022</td> </tr> <tr> <td>MOP</td> <td>0.7</td> <td>Mar 22</td> <td>11/4/2022</td> </tr> <tr> <td rowspan="2">2019A (24ha)</td> <td>HGFB</td> <td>0.1</td> <td>Mar 22</td> <td>20/4/2022</td> </tr> <tr> <td>GML</td> <td>3.0</td> <td>April 22</td> <td>11/5/2022</td> </tr> </tbody> </table>	Field	Type of fertiliser	Dosage	Recommended	Actual	2018 (11ha)	SOA	1.30	Feb 21	17/2/2021	HGFB	0.05	Feb 21	17/2/2021	98C (6ha)	RP	0.5	Jan 21	20/2/2021	MOP	1.00	Jan 21	20/2/2021	Field	Type of fertiliser	Dosage	Recommended	Actual	2020A (19ha)	SOA	1.20	Mar 22	11/4/2022	MOP	0.7	Mar 22	11/4/2022	2019A (24ha)	HGFB	0.1	Mar 22	20/4/2022	GML	3.0	April 22	11/5/2022	Complied
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<p><b>Criterion 7.5:</b> Practices minimise and control erosion and degradation of soils.</p>																																																	
7.5.1	<p><b>(C)</b> Maps identifying marginal and fragile soils, including steep terrain, are available.</p> <p>- Critical (Major) compliance -</p>	<p>There was no fragile/marginal soil at all 4 estates as sighted in their soil maps. Description of the soil characteristics such as texture, depth, drainage, parent material and key aspect for management</p>	Complied																																														

		<p>was also available. The soil series in the estates were classified as follows:</p> <table border="1" data-bbox="1144 435 1883 715"> <thead> <tr> <th></th> <th>Maju Sawit</th> <th>Landquest</th> <th>LKSK</th> <th>Sabahan 1</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>K/btangan</td> <td>K/btangan</td> <td>Brantian,</td> <td>K/btangan</td> </tr> <tr> <td>2</td> <td>Brantian</td> <td>Apas,</td> <td>Apas, .</td> <td>Rumidi</td> </tr> <tr> <td>3</td> <td>Alluvium</td> <td>Tinagat</td> <td>Tinagat,</td> <td>Alluvium</td> </tr> <tr> <td>4</td> <td>Apas</td> <td>Wullersdorf</td> <td>Wullersdorf</td> <td>Mudstone</td> </tr> <tr> <td>5</td> <td>Wullersdorf</td> <td>Alluvium</td> <td>Gumpal.</td> <td>-</td> </tr> </tbody> </table> <p>There were no other problem soils (e.g. podzols and acid sulphate soils) on the CU.</p>		Maju Sawit	Landquest	LKSK	Sabahan 1	1	K/btangan	K/btangan	Brantian,	K/btangan	2	Brantian	Apas,	Apas, .	Rumidi	3	Alluvium	Tinagat	Tinagat,	Alluvium	4	Apas	Wullersdorf	Wullersdorf	Mudstone	5	Wullersdorf	Alluvium	Gumpal.	-	
	Maju Sawit	Landquest	LKSK	Sabahan 1																													
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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>The management strategy for plantings on slopes is available in Land Clearing &amp; Preparation SOP Doc No. TSHP/OPE/SOP01 Rev 0 effective date 01/07/2016. The SOP among others described the following;</p> <ul style="list-style-type: none"> <li>a) No planting on areas with slope of more than 25 degrees.</li> <li>b) Soil erosion controlled by construction of terraces in all sloping areas. Inclusive is bund at regular interval of 20 meters to retain water.</li> <li>c) Slopes especially along selective points of road side to be planted with LCC (mucuna bracteata).</li> </ul> <p>It was observed that practices to minimize and control erosion and degradation of soils were in place through the following practices</p> <ul style="list-style-type: none"> <li>a) SOP guided stacking of fronds</li> <li>b) Avoidance of blanket spraying</li> <li>c) Construction of terraces</li> <li>d) Road maintenance</li> </ul>	Complied																														

		<p>e) Growth of soft vegetation in the interlines.          The slope maps for the titled ha adopted by the management with details as follows:</p> <table border="1" data-bbox="1146 483 1825 715"> <thead> <tr> <th></th> <th>Topography</th> <th>LKSK</th> <th>MSE</th> <th>SBE 1</th> <th>LQE</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>&lt;15</td> <td>93.10</td> <td>97.20</td> <td>100</td> <td>86.3</td> </tr> <tr> <td>2</td> <td>15-25</td> <td>6.40</td> <td>2.70</td> <td>0</td> <td>11.90</td> </tr> <tr> <td>3</td> <td>&gt;25</td> <td>0.50</td> <td>0.10</td> <td>0</td> <td>1.80</td> </tr> <tr> <td></td> <td>Total</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table>		Topography	LKSK	MSE	SBE 1	LQE	1	<15	93.10	97.20	100	86.3	2	15-25	6.40	2.70	0	11.90	3	>25	0.50	0.10	0	1.80		Total	100%	100%	100%	100%	
	Topography	LKSK	MSE	SBE 1	LQE																												
1	<15	93.10	97.20	100	86.3																												
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3	>25	0.50	0.10	0	1.80																												
	Total	100%	100%	100%	100%																												
7.5.3	<p>There is no new planting of oil palm on steep terrain.          - Minor compliance -</p>	<p>There were no new plantings in all estates in the CU. This is verified through the field visits and ha statement including interviews with the employees. This compliance being addressed in the "Slope and River Protection" ref TSHP/OPE/SOP01 - replanting /land clearing guidelines. Slope of &gt;25 degree to be excluded from any new plantation development and replanting program. For slope &lt;25 degree the existing crop all vegetative shall be maintained accordingly.</p>	Complied																														
<p><b>Criterion 7.6:</b> 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><b>(C)</b> 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.          - Critical (Major) compliance -</p>	<p>Maps identifying marginal and fragile soil, including steep terrain were available for verification as per High Conservation Value (HCV) Assessment, Oil Palm Plantation of 936 hectares at LKSK Estate, District of Tawau, Sabah. Refer report ref. no. KEC/EV/18/09 dated January 2018.           Fertiliser application for the estates is made through recommendation by the Agronomist. The recommendation was based on annual leaf analysis. The estates, soil fertility was</p>	Complied																														

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		maintained as per the SOPs through the management been managed by recycling of biomass like frond stacking, water management in low lying areas, maintenance of soft weeds, leguminous cover crops, and Nephrolepis biserrata in the interline and terrace areas.	
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 -	No fragile soil in sample estate. There is no extensive planting on marginal and fragile soil in all estate during audit, however management establish the standard operating procedure regarding to soil management can be referred to: - <ul style="list-style-type: none"> <li>• Operation Estate (TSHP/OPE/SOP01)</li> <li>• Land Clearing &amp; Preparation (TSHP/OPE/SOP10)</li> <li>• Replanting procedure.</li> </ul> This SOP including management of peat soils, acid sulphate soils, Saline soils, Shallow lateritic soils, podzol or similar soils and Sandy soil if any.	Complied
7.6.3	Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure. - Minor compliance -	Soil Survey been available under Yield/Foliar nutrient/Soils/fertilizing Record. This include soil analysis result, foliar analysis result, Soil type and fertilizer application record. All the three estates had also implemented prevention of soil erosion measures such as construction of moisture conservation pits in steep slope areas. Cover crops were observed to be in place as the CU management had generally encouraged the establishment of soft growth. Visits to the site found that significant areas of the ground were covered with Nephrolepis Biserrata. Most slopes had well established Mucuna bracteate  Sighted Environmental Compliance Report "Proposed Replanting of 936 Ha Oil Palm Plantation at LKSK Estate, District of Tawau, Sabah" dated 20/05/2021 by Kiwiheng Environmental Consultant Sdn Bhd	Complied

		with report reference number JPAS/PP/TWU/600-1/11/1/291 for 1 <sup>st</sup> Report of the year 2021 (H1-2/2021).										
<b>Criterion 7.7:</b> No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.												
7.7.1	<b>(C)</b> There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas. - Critical (Major) compliance -	The auditor verified there is no peat soil and no new planting in TSH Plantation estates. Hence, this criteria is not applicable.	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. <b>PROCEDURAL NOTE:</b> 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 -	The auditor verified there is no peat soil and no new planting in TSH Plantation estates. Hence, this criteria is not applicable.	Not Applicable									
7.7.3	<b>(C)</b> Subsidence of peat is monitored, documented and minimised. - Critical (Major) compliance -	The auditor verified there is no peat soil and no new planting in TSH Plantation estates. Hence, this criteria is not applicable.	Not Applicable									
7.7.4	<b>(C)</b> A documented water and ground cover management programme is in place. - Critical (Major) compliance -	The water and ground cover management programme is documented in the TSH estates agricultural operations SOP. All SOP are established dated 01/07/2016 and reviewed where changes are made. Procedures in relation as follows; <table border="1" data-bbox="1144 1091 1774 1230"> <thead> <tr> <th></th> <th>SOP ref</th> <th>Areas/Operations - Procedure</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>TSHP/OPE/SOP01</td> <td>Land clearing /Preparation</td> </tr> <tr> <td>2</td> <td>TSHP/OPE/SOP10</td> <td>Replanting</td> </tr> </tbody> </table> Individual estates and mill had their respective water management plan mainly to monitor among others the following; a) Monitor the quality of main water inlet/outlet for pollutants from estate's operations.		SOP ref	Areas/Operations - Procedure	1	TSHP/OPE/SOP01	Land clearing /Preparation	2	TSHP/OPE/SOP10	Replanting	Not Applicable
	SOP ref	Areas/Operations - Procedure										
1	TSHP/OPE/SOP01	Land clearing /Preparation										
2	TSHP/OPE/SOP10	Replanting										

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		<ul style="list-style-type: none"> <li>b) Contingency during water shortage.</li> <li>c) Field water management - side pit construction</li> <li>d) Adequate field drains</li> <li>e) Reuse/recycle waste water.</li> </ul>	
7.7.5	<p><b>(C)</b> 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 reABHilitated with natural vegetation.</p> <p>This is subject to transitional (5 years: 2019 to 2024) arrangement stated in the Drainability Assessment Procedure.</p> <p>Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition.</p> <p>- Critical (Major) compliance -</p>	The auditor verified there is no peat soil and no new planting in TSH Plantation estates. Hence, this criteria is not applicable.	Not Applicable
7.7.6	<p><b>(C)</b> 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.</p> <p>- Critical (Major) compliance -</p>	The auditor verified there is no peat soil and no new planting in TSH Plantation estates. Hence, this criteria is not applicable.	Not Applicable
7.7.7	<p><b>(C)</b> 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 ReABHilitation of Natural Vegetation</p>	The auditor verified there is no peat soil and no new planting in TSH Plantation estates. Hence, this criteria is not applicable.	Not Applicable

	<p>Associated with Oil Palm Cultivation on Peat', version 2 (2019) and associated audit guidance.</p> <p>- Critical (Major) compliance -</p>																																				
<p><b>Criterion 7.8:</b> Practices maintain the quality and availability of surface and groundwater.</p>																																					
<p>7.8.1</p>	<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>a) The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</p> <p>b) Workers have adequate access to clean water.</p> <p>- Minor compliance -</p>	<p>The management has established the Water Management Plan – captured under the <i>Environment Continual Improvement Plan 2021-2025</i>. Therein containing the following details;</p> <table border="1" data-bbox="1135 639 1935 1378"> <thead> <tr> <th></th> <th>Objective</th> <th>Target</th> <th>Program</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Efficiency use of sources</td> <td>Continual practice</td> <td>Usage of flow meter rainfall data</td> <td>Mill QA/ Est Exec</td> </tr> <tr> <td>2</td> <td>ensure no adverse impacts within catchment area</td> <td>Continual practice</td> <td>Water quality sampling /analysis</td> <td>Mill QA</td> </tr> <tr> <td>3</td> <td>Avoid contamination of surface and ground water</td> <td>Continual practice</td> <td rowspan="2">Avoid contamination of POME &amp; plantation activities at gazette area</td> <td>Mill Manager</td> </tr> <tr> <td>4</td> <td>To ensure no adverse impacts from plantation activities</td> <td>Continual practice</td> <td>Estate Exec</td> </tr> <tr> <td>5</td> <td>No construction of bund/weirs/ dams across main waterways</td> <td>Continual practice</td> <td>To demarcate river location on estate map &amp; no construction of bund /weirs/dams</td> <td>Estate Exec</td> </tr> <tr> <td>6</td> <td>To ensure natural water ways not</td> <td>Continual practice</td> <td>Monitoring of stream water</td> <td>Estate/ Mill Manager</td> </tr> </tbody> </table>		Objective	Target	Program	PIC	1	Efficiency use of sources	Continual practice	Usage of flow meter rainfall data	Mill QA/ Est Exec	2	ensure no adverse impacts within catchment area	Continual practice	Water quality sampling /analysis	Mill QA	3	Avoid contamination of surface and ground water	Continual practice	Avoid contamination of POME & plantation activities at gazette area	Mill Manager	4	To ensure no adverse impacts from plantation activities	Continual practice	Estate Exec	5	No construction of bund/weirs/ dams across main waterways	Continual practice	To demarcate river location on estate map & no construction of bund /weirs/dams	Estate Exec	6	To ensure natural water ways not	Continual practice	Monitoring of stream water	Estate/ Mill Manager	<p>Complied</p>
	Objective	Target	Program	PIC																																	
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		affected by estate/mill activities		quality performed periodically																			
	7	Water conservation plan to maximize water efficiency all type of water bodies to be conserved such as rain water, lake water, mineral water, river water	Continual practice	Conduct rain water harvesting for house and operation Systematic drainage /bund to remove excess water Planting of LCC on terrace fringes. Construction of terraces , appropriate frond stacking methods	Estate Manager Estate Manager Estate Manager																		
The management has conducted review on 06/01/2022 with action to be taken indicated therein. Workers are provided with clean water through respective water source in the estate for domestic use upon treatment.																							
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<p>7.8.2</p>	<p><b>(C)</b> 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 reABHilitation 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 environmental deterioration having occurred during the previous cycle.</p> <p>- Critical (Major) compliance -</p>	<p>The management of riparian zone is guided by the TSHR/ENV/SOP02; Rev No:03 effective date 20/02/2020. The width of riparian zone has been defined in the procedure as directed by Environmental Protection Department Sabah. The estates continued to protect the water courses, including maintaining and restoring appropriate riparian buffer zones along the natural waterways. The estates adopted the existing SDP policy to maintain the buffer by restricting agrochemical application and left undeveloped during replanting. Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. The buffer zones established are as follows:</p> <table border="1" data-bbox="1153 758 1892 901"> <thead> <tr> <th></th> <th>River width</th> <th>Buffer zone</th> <th></th> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>&gt; 40 m</td> <td>50 m</td> <td>4</td> <td>&gt;3 - 20 m</td> <td>20 m</td> </tr> <tr> <td>2</td> <td>&gt; 20 - 40 m</td> <td>40 m</td> <td>5</td> <td>&lt; 3 m</td> <td>5 m</td> </tr> </tbody> </table> <p>The signboards were displayed accordingly at the site where applicable. During the field visit there was no spraying activities or signs left in such an area. The buffer zones identified at the estates are as follows:</p> <table border="1" data-bbox="1160 1069 1814 1348"> <thead> <tr> <th></th> <th>Estate</th> <th>Buffer zone area</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Landquest</td> <td>Sg Gading / Sg Timbangan</td> </tr> <tr> <td>2</td> <td>LKSK</td> <td>Sg Mantri</td> </tr> <tr> <td>3</td> <td>Sabahan 1</td> <td>Sg Dagang - P20B</td> </tr> <tr> <td>4</td> <td>Maju Sawit</td> <td>Mill water catchment / Sg Pang Burong</td> </tr> <tr> <td>5</td> <td>KPOM</td> <td>Mill water catchment / Sg Pang Burong</td> </tr> </tbody> </table>		River width	Buffer zone		River width	Buffer zone	1	> 40 m	50 m	4	>3 - 20 m	20 m	2	> 20 - 40 m	40 m	5	< 3 m	5 m		Estate	Buffer zone area	1	Landquest	Sg Gading / Sg Timbangan	2	LKSK	Sg Mantri	3	Sabahan 1	Sg Dagang - P20B	4	Maju Sawit	Mill water catchment / Sg Pang Burong	5	KPOM	Mill water catchment / Sg Pang Burong	<p>Complied</p>
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		<p>The sampling sites taken as follows. There were no issues on the water quality. Variation if any is investigated as per the SOP.</p> <p>Among others management plan taken:</p> <ul style="list-style-type: none"> <li>a) Regular inspection at buffer/HCV areas</li> <li>b) Monitor water from surrounding areas</li> <li>c) Track, measure and report all activities around river</li> <li>d) Train and educate workers.</li> </ul> <table border="1" data-bbox="1182 655 1839 890"> <thead> <tr> <th></th> <th>Estate</th> <th>Sampling Points</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Landquest</td> <td>P2000A - 03/03/22</td> <td>2x /year</td> </tr> <tr> <td>2</td> <td>LKSK</td> <td>Sg Mantri - P 99G</td> <td>2x /year</td> </tr> <tr> <td>3</td> <td>Sabahan 1</td> <td>Sg Dagang P-2020B</td> <td>monthly</td> </tr> <tr> <td>4</td> <td>KPOM</td> <td>Sg Pang Burong</td> <td>monthly</td> </tr> </tbody> </table> <p>Analysis made in REHPRO SCIENTIFIC Sdn Bhd. Samples are taken from the mill and estates for detection of any pollution arising from the mill and estates activities. Water samples from the intake point are taken for phosphate and nitrate analysis for detection of fertilizer application effect to the water courses.</p> <p>Among others parameters as shown below:</p> <ul style="list-style-type: none"> <li>a) Landquest Estate/LKSK Estate - Results for samples dated 03/03/2022 and 03/03/2022 respectively were sighted within the standard/specification.</li> <li>b) Kunak POM and host estate Maju Sawit - Analysis dated 01/03/2022 for both river and drinking water (quarterly were sighted and verified.</li> </ul>		Estate	Sampling Points	Frequency	1	Landquest	P2000A - 03/03/22	2x /year	2	LKSK	Sg Mantri - P 99G	2x /year	3	Sabahan 1	Sg Dagang P-2020B	monthly	4	KPOM	Sg Pang Burong	monthly	
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		<p>c) Sabahan 1 Estate - Water drinking sampling and water analysis from Sg Dagang are handled prior by the mill management.</p> <table border="1" data-bbox="1205 440 1861 624"> <thead> <tr> <th></th> <th>Parameter</th> <th>Standard</th> <th></th> <th>Parameter</th> <th>Standard</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>pH</td> <td>6-9</td> <td>4</td> <td>SS</td> <td>50</td> </tr> <tr> <td>2</td> <td>BOD</td> <td>3</td> <td>5</td> <td>AN</td> <td>0.3</td> </tr> <tr> <td>3</td> <td>COD</td> <td>25</td> <td>6</td> <td>DO</td> <td>5-7</td> </tr> </tbody> </table> <table border="1" data-bbox="1205 676 1861 903"> <thead> <tr> <th></th> <th>parameter</th> <th>Standard</th> <th></th> <th>Parameter</th> <th>standard</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Aldrin</td> <td>0.02 ppb</td> <td>5</td> <td>Heptachlor</td> <td>0.05 ppb</td> </tr> <tr> <td>2</td> <td>Dieldrin</td> <td>0.02 ppb</td> <td>6</td> <td>lindane</td> <td>2 ppb</td> </tr> <tr> <td>3</td> <td>t-DDT</td> <td>0.1 ppb</td> <td>7</td> <td>endosulfan</td> <td>10 ppb</td> </tr> <tr> <td>4</td> <td>BHC</td> <td>2 ppb</td> <td>8</td> <td>Chlordane</td> <td>0.08 ppb</td> </tr> </tbody> </table> <p>The role will be taken by the estate management beginning July 2022.</p>		Parameter	Standard		Parameter	Standard	1	pH	6-9	4	SS	50	2	BOD	3	5	AN	0.3	3	COD	25	6	DO	5-7		parameter	Standard		Parameter	standard	1	Aldrin	0.02 ppb	5	Heptachlor	0.05 ppb	2	Dieldrin	0.02 ppb	6	lindane	2 ppb	3	t-DDT	0.1 ppb	7	endosulfan	10 ppb	4	BHC	2 ppb	8	Chlordane	0.08 ppb	
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7.8.3	<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>Based on Jadual Pematuhan KPOM disposed effluent through water discharge. Sighted quarterly report has been submitted to DOE (license no 003569) 01/07/2021 - 30/06/2022) by quarterly basis. Latest submission for to DOE on Mac 22 for period Jan - Mac 2021. Among others the indicators are:</p> <table border="1" data-bbox="1144 1193 1809 1377"> <thead> <tr> <th></th> <th></th> <th>STD</th> <th>05/1/22</th> <th>04/2/22</th> <th>01/3/22</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>pH</td> <td>5-9</td> <td>8.24</td> <td>8.07</td> <td>7.90</td> </tr> <tr> <td>2</td> <td>BOD mg/l</td> <td>20</td> <td>13</td> <td>20</td> <td>19</td> </tr> <tr> <td>3</td> <td>A Nitrogen</td> <td>150</td> <td>30</td> <td>24</td> <td>20</td> </tr> </tbody> </table>			STD	05/1/22	04/2/22	01/3/22	1	pH	5-9	8.24	8.07	7.90	2	BOD mg/l	20	13	20	19	3	A Nitrogen	150	30	24	20	Complied																														
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7.8.4	Mill water use per tonne of FFB is monitored and recorded. - Minor compliance -	<p>The mill processing water are obtained from water catchment adjacent to the mill complex main source from the Sg Pang Burong and being treated. The water usage monitoring is made on a monthly basis. The usage in 2021 is as follows;</p> <table border="1"> <thead> <tr> <th>No</th> <th>Month</th> <th>Water/mt</th> <th>FFB /mt</th> <th>Water /FFB</th> </tr> </thead> <tbody> <tr><td>1</td><td>Jan</td><td>9197</td><td>21546</td><td>0.43</td></tr> <tr><td>2</td><td>Feb</td><td>10216</td><td>22121</td><td>0.46</td></tr> <tr><td>3</td><td>Mac</td><td>12794</td><td>28373</td><td>0.45</td></tr> <tr><td>4</td><td>Apr</td><td>16068</td><td>32466</td><td>0.49</td></tr> <tr><td>5</td><td>May</td><td>12793</td><td>29129</td><td>0.44</td></tr> <tr><td>6</td><td>Jun</td><td>13087</td><td>27937</td><td>0.47</td></tr> <tr><td>7</td><td>July</td><td>13100</td><td>24589</td><td>0.53</td></tr> <tr><td>8</td><td>Aug</td><td>13996</td><td>23419</td><td>0.60</td></tr> <tr><td>9</td><td>Sep</td><td>9943</td><td>22082</td><td>0.45</td></tr> <tr><td>10</td><td>Oct</td><td>12646</td><td>23046</td><td>0.55</td></tr> <tr><td>11</td><td>Nov</td><td>11325</td><td>24132</td><td>0.47</td></tr> <tr><td>12</td><td>Dec</td><td>12389</td><td>24680</td><td>0.50</td></tr> <tr><td></td><td>Total</td><td>147554</td><td>303520</td><td>0.48</td></tr> </tbody> </table>				No	Month	Water/mt	FFB /mt	Water /FFB	1	Jan	9197	21546	0.43	2	Feb	10216	22121	0.46	3	Mac	12794	28373	0.45	4	Apr	16068	32466	0.49	5	May	12793	29129	0.44	6	Jun	13087	27937	0.47	7	July	13100	24589	0.53	8	Aug	13996	23419	0.60	9	Sep	9943	22082	0.45	10	Oct	12646	23046	0.55	11	Nov	11325	24132	0.47	12	Dec	12389	24680	0.50		Total	147554	303520	0.48	Complied
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		<p>A slightly higher water usage noted, due to the proportionate reduction in volume of FFB being processed. There were variations of performance. Probable factors are linked to rainy days, significant boiler water rinsing/discharging for maintenance etc.</p>																	
<p><b>Criterion 7.9:</b> Efficiency of fossil fuel use and the use of renewable energy is optimised</p>																			
<p>7.9.1</p>	<p>A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented. - Minor compliance -</p>	<p>A plan for improving the efficiency of the use of fossil fuels is in place and has been incorporated into the Environmental Aspect and Impact activities report 2022. The document was reviewed/updated on Jan 2022. The Environment Management Plan for efficiency of fossil fuel usage are detailed below:</p> <table border="1" data-bbox="1155 770 1917 1305"> <thead> <tr> <th></th> <th>Target</th> <th>Objective</th> <th>Action plan</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Backhoe tractor</td> <td>To reduce fossil fuel (diesel) consumption from company-owned vehicles and fuel using mobile equipment</td> <td>To ensure the vehicle engine is turn off during idle time To record vehicle activity which consume fuel</td> </tr> <tr> <td>2</td> <td>Van / Supervisory vehicle</td> <td>To reduce fossil fuel (diesel) consumption from company-owned vehicles and fuel using mobile equipment</td> <td>To record vehicle activity in order to eliminate waste activity which consume fuel. To turn off vehicle engine during idle time.</td> </tr> <tr> <td>3</td> <td>Electrical supply</td> <td>To reduce reliance on gen-sets for power supply</td> <td>Utilization of SESB sources</td> </tr> </tbody> </table>		Target	Objective	Action plan	1	Backhoe tractor	To reduce fossil fuel (diesel) consumption from company-owned vehicles and fuel using mobile equipment	To ensure the vehicle engine is turn off during idle time To record vehicle activity which consume fuel	2	Van / Supervisory vehicle	To reduce fossil fuel (diesel) consumption from company-owned vehicles and fuel using mobile equipment	To record vehicle activity in order to eliminate waste activity which consume fuel. To turn off vehicle engine during idle time.	3	Electrical supply	To reduce reliance on gen-sets for power supply	Utilization of SESB sources	<p>Complied</p>
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The utilization of fossil fuel in 2021 is being monitored with records shown as diesel litre /FFB mt below:

Mth	MSE	LKSK	SBE 1	LQE	KPOM
Jan	3.96	3.83	30.80	19.13	0.20
Feb	3.16	4.21	23.50	14.98	0.16
Mac	3.90	4.94	13.10	18.61	0.16
Apr	3.10	3.53	6.30	14.57	0.15
May	4.00	1.69	11.20	18.05	0.15
Jun	2.40	3.09	6.70	19.46	0.16
July	7.00	3.86	10.70	19.31	0.18
Aug	7.80	3.86	16.30	19.79	0.20
Sep	8.80	2.73	13.10	19.77	0.15
Oct	5.20	3.38	14.90	16.02	0.19
Nov	4.80	2.83	15.90	15.73	0.19
Dec	4.70	2.88	13.90	17.85	0.21
	7064	315582	43225	69848	52457

The estates and mill record and monitor the diesel utilization over the running hours of gen-set and other vehicles running.

Performance variation in view of several factors i.e.

- a) Infrastructure of estates,
- b) Community size / no of gen-sets,
- c) No. of vehicles / age of machine.
- d) Weather interference / crop production volume

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		<p>There is no opportunity for the estates to capitalize the utilization of fibre/shell produced from the mill as part of their energy production in replacement of fossil fuel with the current technology limitation. Among others effort to reduce diesel usage includes the following;</p> <ul style="list-style-type: none"> <li>a) By maintenance of the boiler &amp; machinery to ensure at optimum level,</li> <li>b) to monitor diesel usage,</li> <li>c) provide training to workers regarding reduce fuel and diesel usage for boiler</li> </ul>	
<p><b>Criterion 7.10:</b> Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.</p>			
<p>7.10.1</p>	<p><b>(C)</b> 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. - Critical (Major) compliance -</p>	<p>The main sources of GHG emission identified were methane (CH) emission through POME treatment and boiler stack from the mill. Other less significant GHG emissions identified including CO, SO<sub>2</sub> and NO<sub>2</sub> from various sources including fossil fuel, chemical and fertilizer consumption mainly from estates activities.</p> <p>The GHG Emission Reduction Plan has been established on 22/12/2020 with effective date on 06/01/2022.</p> <p>The objectives discussed among others were</p> <ul style="list-style-type: none"> <li>a) Mill - to maintain monthly transportation emission below 10 tonnes CO<sub>2</sub>eq</li> <li>b) Maintain GHG Emission at below 400 tonnes CO<sub>2</sub>eq from processing power and outputs</li> <li>c) Reduce the GHG emission through work.</li> <li>d) Estate - to maintain monthly transportation emission below 10 tonnes CO<sub>2</sub>eq</li> </ul>	<p>Complied</p>

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		<p>e) To reduce the GHG emission through work.  The emission value is recorded and calculated through the utilization of RSPO’s Palm GHG Calculator ver. 4 which was verified accurately reported.</p>																													
7.10.2	<p><b>(C)</b> Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions 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).  - Critical (Major) compliance -</p>	<p>The CU has calculated the GHG using RSPO Palm GHG calculator and the calculation option used is Option 1. There is no new development within the CU estates.</p>	Complied																												
7.10.3	<p><b>(C)</b> Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.  - Critical (Major) compliance -</p>	<p>The management plan for the estate/mill significant impact has been illustrated in the Environment Continual Improvement Plan 2022-2026. Therein compiling the objectives, target, programs, PIC and timeline. Among others the management plan for the estates as shown below</p> <table border="1"> <thead> <tr> <th></th> <th>Objective</th> <th>Target</th> <th>Program</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>To minimise air pollution</td> <td>Continual</td> <td>Practice zero burning</td> <td>Mgr</td> </tr> <tr> <td rowspan="2">2</td> <td rowspan="2">Promote biodiversity safe from being poisoned/killed</td> <td>Continual</td> <td>To avoid banned chemical</td> <td></td> </tr> <tr> <td>Continual</td> <td>Implement IPM</td> <td>Mgr</td> </tr> <tr> <td>3</td> <td>To minimise land contamination through SW generation.</td> <td>Continual</td> <td>Manage and proper disposal to licensed buyer</td> <td>Mgr</td> </tr> <tr> <td>4</td> <td>Protect riparian zone /buffer zone</td> <td>Continual</td> <td>Avoid any activities at gazetted area</td> <td>Exec</td> </tr> </tbody> </table>		Objective	Target	Program	PIC	1	To minimise air pollution	Continual	Practice zero burning	Mgr	2	Promote biodiversity safe from being poisoned/killed	Continual	To avoid banned chemical		Continual	Implement IPM	Mgr	3	To minimise land contamination through SW generation.	Continual	Manage and proper disposal to licensed buyer	Mgr	4	Protect riparian zone /buffer zone	Continual	Avoid any activities at gazetted area	Exec	Complied
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4	Protect riparian zone /buffer zone	Continual	Avoid any activities at gazetted area	Exec																											

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5	Minimise erosion	Continual	Identify high slope area demarcate on map to exclude from any activities	Mgr
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Similarly the mill adopted a management plan having details as shown below;

	Objective	Target	Program	PIC
1	To reduce emission polluting the air	2019	Monitor boiler smoke density and upgrade boiler technology	Mgr
2	To prevent CPO spillage contaminating the water drain	Continual	Identify and modify drainage flow	Mgr
3	To improve management of SW & Domestic waste	Continual	To have competent person on SW management	Mgr
4	To improve waste water treatment	Continual	To have competent officer in POME treatment	Exec
5	Boundary noise to comply with DOE std	Continual	To measure boundary noise for compliance	Mgr
6	Maintain GHG emission at below 400 mt CO2eq from	Continual	To split the monitoring energy use for process and domestic use.	Envn PIC

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		processing power and outputs		Monitor rate of GHG release from the chimney.	Prod Engineer													
<p>Among others the significant environmental receptors for the estates and mill operations were:</p>																		
<table border="1"> <thead> <tr> <th data-bbox="1120 595 1189 671"></th> <th data-bbox="1189 595 1384 671">Environmental Receptors</th> <th data-bbox="1384 595 1939 671">Source</th> </tr> </thead> <tbody> <tr> <td data-bbox="1120 671 1189 807">1</td> <td data-bbox="1189 671 1384 807">Air</td> <td data-bbox="1384 671 1939 807">Air emissions –from boiler stack (smoke &amp; particulate), vehicle &amp; generator (smoke and gases). GHG emission from anaerobic processes (ETP, EFB dumping).</td> </tr> <tr> <td data-bbox="1120 807 1189 943">2</td> <td data-bbox="1189 807 1384 943">Water</td> <td data-bbox="1384 807 1939 943">Water discharges – Cleaning water/run-off/process station waters (hydro cyclone/sterilizer condensate/clarification waste) &amp; boiler quenching water and blow down</td> </tr> <tr> <td data-bbox="1120 943 1189 1045">3</td> <td data-bbox="1189 943 1384 1045">land</td> <td data-bbox="1384 943 1939 1045">Land – Scheduled waste, domestic waste and industrial / process waste. Clinical wastes – generated from clinics.</td> </tr> </tbody> </table>								Environmental Receptors	Source	1	Air	Air emissions –from boiler stack (smoke & particulate), vehicle & generator (smoke and gases). GHG emission from anaerobic processes (ETP, EFB dumping).	2	Water	Water discharges – Cleaning water/run-off/process station waters (hydro cyclone/sterilizer condensate/clarification waste) & boiler quenching water and blow down	3	land	Land – Scheduled waste, domestic waste and industrial / process waste. Clinical wastes – generated from clinics.
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<p>Kunak Mill conducted boiler stack sampling for each of the boiler stack. Results were within the acceptable limit. The mill was also equipped with a Continuous Emission Monitoring System (CEMS). The audit team has verified the condition of the CEMS was found to be in functional condition. Data from the stack is connected online to DOE’s office. Boiler smoke emission data are within the DOE limit. Among of action has been taken by CU were:</p> <p>a) Scheduled wastes for the OU in the CU were disposed through Lagenda Bumimas Sdn Bhd.</p>																		

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		<p>b) Domestic wastes are disposed to respective estates landfills thrice/twice weekly accumulated at designated area located far from housing complexes and waterways for other estates in the CU.</p> <p>Full compliance to zero burning practice</p>	
<b>Criterion 7.11:</b> Fire is not used for preparing land and is prevented in the managed area			
7.11.1	<p><b>(C)</b> Land for new planting or replanting is not prepared by burning.</p> <p>- Critical (Major) compliance -</p>	<p>As per Environmental Policy dated 16/10/2015, under Doc No. TSHR/POL/SOP08; Rev No. 01; dated 1/11/2017 stated explicitly prohibit the use of fire for the clearing of land and open burning (Zero burning). No open burning was sighted during site verification. Sighted Environmental Compliance Report "Proposed Replanting of 936 Ha Oil Palm Plantation at LKSK Estate, District of Tawau, Sabah" dated 20/05/2021 by Kiwiheng Environmental Consultant Sdn Bhd with report reference number JPAS/PP/TWU/600-1/11/1/291 for 1st Report of the year 2021 (H1-2/2021).</p>	Complied
7.11.2	<p>The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification.</p> <p>- Minor compliance -</p>	<p>TSH has established a fire prevention and control describing the recommendation as issued by HCV report in each estate made by M/s by Kiwiheng Environmental Consultants Sdn Bhd (Jan 2018) among others:</p> <ul style="list-style-type: none"> <li>a) Planting of non-flammable ground cover around the around the border of the estate and road shoulders.</li> <li>b) To train and equip plantation fire team comprising of permanent staff or workers.</li> <li>c) To mark and determine Fire assembly points which has been established in all estates and mill.</li> <li>d) To prepare mobile water tankers with pumps, fire extinguisher and have vehicle access to permanent water supply points such as streams, ponds and rivers</li> </ul>	Complied

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		<p>e) To build up Fire watch tower. In LKSK Estate has a unit of fire watch tower located at field 2020B. Likewise in Landquest estate available in Field 2018 as per site verification.</p> <p>The management has also identified fire prone areas available under Fire control plan (effective dated: 1/7/2018). This includes the formation of Emergency Response Team Organization with Charts (ERT) Organization being established. Training in relation to fire prevention and control in the CU has been established as shown below;</p> <table border="1" data-bbox="1160 667 1895 949"> <thead> <tr> <th></th> <th>Estate/Mill</th> <th>Date</th> <th>Attendees</th> <th>Date</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>LKSK</td> <td>03/6/22</td> <td>9</td> <td>-</td> <td>-</td> </tr> <tr> <td>2</td> <td>Maju Sawit</td> <td>24/1/22</td> <td>11</td> <td>19/5/22</td> <td>10</td> </tr> <tr> <td>3</td> <td>Landquest</td> <td>14/6/22</td> <td>Entire</td> <td>06/4/22</td> <td>Entire</td> </tr> <tr> <td>4</td> <td>Sabahan 1</td> <td>17/1/22</td> <td>Entire</td> <td>16/03/22</td> <td>Entire</td> </tr> <tr> <td>5</td> <td>Kunak POM</td> <td>1/12/21</td> <td>Entire</td> <td>15/6/22</td> <td>Entire</td> </tr> </tbody> </table> <p>Records were sighted and verified.</p>		Estate/Mill	Date	Attendees	Date	Attendees	1	LKSK	03/6/22	9	-	-	2	Maju Sawit	24/1/22	11	19/5/22	10	3	Landquest	14/6/22	Entire	06/4/22	Entire	4	Sabahan 1	17/1/22	Entire	16/03/22	Entire	5	Kunak POM	1/12/21	Entire	15/6/22	Entire	
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4	Sabahan 1	17/1/22	Entire	16/03/22	Entire																																		
5	Kunak POM	1/12/21	Entire	15/6/22	Entire																																		
7.11.3	<p>The unit of certification engages with adjacent stakeholders on fire prevention and control measures.</p> <p>- Minor compliance -</p>	<p>The management has consulted their stakeholders via correspondence email dated 10/05/2021 on the deferment of meetings in 2020 and 2021 in view of the MCO restriction. The earlier meeting dated 11/04/2019 attended by 44 participants including the adjacent stakeholders among others M/s;</p> <ul style="list-style-type: none"> <li>i. Sri Tanjung / Koh Poh Jaya</li> <li>ii. BT CC / Metun / Long Heng</li> <li>iii. Sri Tanjung Mesra Sdn Bhd</li> <li>iv. KLK Ldg Pinang</li> </ul>	Complied																																				

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		<p>The evidences sighted on subjects in relation to fire prevention and control measures among others includes;</p> <ul style="list-style-type: none"> <li>a) topic of engagement with adjacent stakeholders on fire prevention and control measures in the slideshow.</li> <li>b) Stakeholders were also informed on the TSH Zero Burning policy. This email has been posted to other interested parties such as smallholder, authorities, contractor, and others.</li> <li>c) There were no records of grievance and complaint related fire prevention and control measure.</li> </ul> <p>The forthcoming meeting has been scheduled in July 2022.</p>	
<p><b>Criterion 7.12:</b> 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.</p>			
7.12.1	<p><b>(C)</b> 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>- Critical (Major) compliance -</p>	<p>No land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018 within Kunak POM certification unit.</p>	Complied
7.12.2	<p><b>(C)</b> HCVs, HCS forests and other conservation areas are identified as follows:</p> <ul style="list-style-type: none"> <li>a) 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.</li> <li>b) 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</li> </ul>	<p>The audit findings have confirmed that there is no new planting (refer 7.3.1 to 7.4.2) affecting present HCV and primary forest. Hence the current HCV assessment of the estates remains valid.</p> <p>The HCV assessment for the estates was conducted and compiled by <i>M/s Kiwiheng Environmental Consultants Sdn Bhd</i> K Kinabalu on Jan 2018 ref no KEC-(EV)/18/06, 18/07, 18/08 and 18/09. The reports therein contained information relating to HCV identification</p>	Complied

	<p>stakeholder consultation and take into account wider landscape-level considerations.</p> <p><b>PROCEDURAL NOTE:</b>          Requirement is further clarified under the Interpretation of Indicator 7.12.2 and Annex 5 (approved by BOG on 12 June 2019).          - Critical (Major) compliance -</p>	<p>and management. The details of the findings among others as summarised below.</p> <ul style="list-style-type: none"> <li>a) Overview of HCV assessment</li> <li>b) Description of assessment area             <ul style="list-style-type: none"> <li>- Landscape context</li> <li>- biodiversity &amp; conservation values</li> <li>- ecosystem service / social &amp; cultural values</li> </ul> </li> <li>c) HCV criteria &amp; application to agriculture             <ul style="list-style-type: none"> <li>- Visual observation &amp; supporting information</li> <li>- Wildlife in plantation</li> <li>- decision on HCV status</li> </ul> </li> <li>d) HCV management / Monitoring.</li> </ul> <p>The report is given in details to provide the existence of HCV, complete with photo and description The conservation and management of such identified areas are also detailed therein. The HCV areas presence as identified by the Estates within the CU are given below;</p> <table border="1" data-bbox="1151 1070 1939 1337"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">HCV</th> <th rowspan="2">Description</th> <th colspan="4">Estate</th> </tr> <tr> <th>Maju S</th> <th>L/quest</th> <th>LKSK</th> <th>Sabahan 1</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1.2</td> <td>Threatened &amp; Endangered Species</td> <td>/</td> <td>/</td> <td>/</td> <td>/</td> </tr> <tr> <td>2</td> <td>1.3</td> <td>Endemism</td> <td>/</td> <td>/</td> <td>/</td> <td></td> </tr> <tr> <td>3</td> <td>4.2</td> <td>Areas critical to soil erosion/sedimentation</td> <td>/</td> <td>/</td> <td>/</td> <td>/</td> </tr> </tbody> </table>		HCV	Description	Estate				Maju S	L/quest	LKSK	Sabahan 1	1	1.2	Threatened & Endangered Species	/	/	/	/	2	1.3	Endemism	/	/	/		3	4.2	Areas critical to soil erosion/sedimentation	/	/	/	/	
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<p>7.12.3 <i>Indicator is not applicable in Malaysia context</i></p>		<p>Note: The HCV assessment has been reviewed on 24/09/2019 among others removal of "rumah merah" in LKSK from the HCV list. In summary LKSK had only 1 HCV 6 i.e. children cemetery located within the vicinity of the workers housing complex.</p>				<p>Not Applicable</p>																									
<p>7.12.4</p>	<p><b>(C)</b> 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). - Critical (Major) compliance -</p>	<p>The management has established HCV monitoring program and documented in Environmental Continuous Improvement Plan 2022 - 2026. Latest review was made 06/01/2022. Among others the plans established as follows:</p> <ul style="list-style-type: none"> <li>a) Provide 10 meter buffer zone along the shared boundary with Protection Forest Reserve</li> <li>b) Create riparian reserve on both sides of river and its tributaries with width adhering to minimum size required by Department of Irrigation and drainage (DID), 3m-5m buffer, 3m – 20m – 20m buffer.</li> <li>c) to initiate and implement workshops and seminars related to Biodiversity Conservation and environment awareness</li> </ul>				<p>Complied</p>																									

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		<p>d) Develop and implement a management and monitoring plan that should reduce the damage to riparian during replanting exercise</p> <p>e) Develop a plantation fire risk and control plan</p> <p>f) Mapping the boundaries of riparian area and buffer zone also demarcated on the ground.</p> <p>g) Detection of interesting or strange flora and all sightings of wildlife should be entered in a log book.</p> <p>LKSK Estate The monitoring was conducted monthly by the operating units and twice a year by the HQ level. Refer HCV Monitoring Form last conducted of month of December 2021. Report of HCV monitoring by internal has been conducted on 2nd Half 2021 dated 03/11/2021 by Kiwiheng Environmental Consultants Sdn Bhd.</p> <p>Landquest Estate The monitoring was conducted monthly by the operating units and twice a year by the HQ level. Refer HCV Monitoring Form las conducted of month of May 2021. Report of HCV monitoring by internal has been conducted on 1st Half 2021 dated 21/05/2021 by Kiwiheng Environmental Consultants Sdn Bhd.</p>	
<p>7.12.5</p>	<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>	<p>There was no rights of local communities been identified in HCV areas, HCS forest after 15 November 2018, peat land and other conservation areas. The HCV Assessment report indicated that there is no threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations. There is only common bird, presence of wild boar and monkeys occasionally sighted. The appropriate measures that are expected to maintain and/or enhance them were implemented through an action plan reviewed in Jan 2022.</p>	<p>Complied</p>
<p>7.12.6</p>	<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</p>	<p>The management has established HCV monitoring program and documented in Environmental Continuous Improvement Plan 2022 - 2026. The estate continues to monitor the animal species at the</p>	<p>Complied</p>

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	<p>place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.</p> <p>- Minor compliance -</p>	<p>HCV area. The wildlife sighting was summarizing on monthly basis. Reviewed the summary report for the month of October, November, and December 2021. LKSK Estate Wildlife monitoring was conducted twice a year. Latest review was conducted on 2nd Half 2021 dated 03/11/2021. Among the wildlife observed during the monitoring were monkey, hawk, white stork, butterfly, and insects.</p> <p>Landquest Estate Wildlife monitoring was conducted twice a year. Latest review was conducted on 1st Half 2021 dated 21/05/2021. Among the wildlife observed during the monitoring were monkey, hawk, white stork, butterfly, and insects.</p>	
7.12.7	<p>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.</p> <p>- Minor compliance -</p>	<p>LKSK Estate - There is HCV 6 present in the estate "Children Cemetery" as mentioned in the assessment report (by M/s Kiwiheng Environmental Consultants Sdn Bhd K Kinabalu on Jan 2018). The assessment recommended monitoring;</p> <p>a) The cemetery to be inspected to ensure it is not vandalized or that it is not vandalized or become a place for unhealthy illegal</p> <p>There is no record of monitoring of HCV except for wildlife monitoring as sighted in the records latest being 13/6-15/6/2022</p> <p><b><i>As such an NCR AB 01 of 2022 is raised.</i></b></p>	Non-compliance
7.12.8	<p><b>(C)</b> 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.</p> <p>- Critical (Major) compliance -</p>	<p>No land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018 within Kunak POM certification unit.</p>	Complied

**Appendix B: GHG Reporting Executive Summary**

The GHG emissions that were produced in **2021** for **TSH Kunak POM** and supply base was calculated using the PalmGHG Calculator version 4. 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 **2021** for **TSH Kunak POM** and supply base are as following:

Emission per product	tCO <sub>2</sub> e/tProduct
CPO	-0.11
PKO	0

Extraction	%
OER	18.67
KER	5.43

Production	t/yr
FFB Process	303,612.33
CPO Produced	56689.47
PKO Produced	0

Land Use	Ha
OP Planted Area	1466.00
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	24.18
<b>Total</b>	<b>1490.18</b>

**Summary of Field Emission and Sink**

	Own Crop*		Group		3 <sup>rd</sup> Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB
<b>Emission</b>								
Land Conversion	1,223.17	0.06	0	0	0	0	1,223.17	0.06
CO <sub>2</sub> Emission from fertilizer	950.61	0.05	0	0	0	0	950.61	0.05
NO <sub>2</sub> Emission	814.04	0.04	0	0	0	0	814.04	0.04
Fuel Consumption	485.85	0.03	0	0	0	0	485.85	0.03
Peat Oxidation	0	0	0	0	0	0	0	0
<b>Sink</b>								
Crop Sequestration	0	0	0	0	0	0	0	0
Conservation Sequestration	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3,473.67</b>	<b>0.18</b>	0	0	<b>1,155.61</b>	0	<b>4,629.28</b>	<b>0.18</b>

*\*Note: Includes both estates and smallholders*

**Summary of Mill Emission and Credit**

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emission</b>		
POME	8,411.37	0.03
Fuel Consumption	163.67	0.00
Grid Electricity Utilization	0.00	0.00
<b>Credit</b>		
Export of Grid Electricity	0.00	0.00
Sales of PKS	-21,078.20	-0.07
Sales of EFB	0.00	0.00
<b>Total</b>	<b>-12,503.16</b>	<b>-0.04</b>

**Summary of Kernel Crusher Emission and Credit (if applicable)**

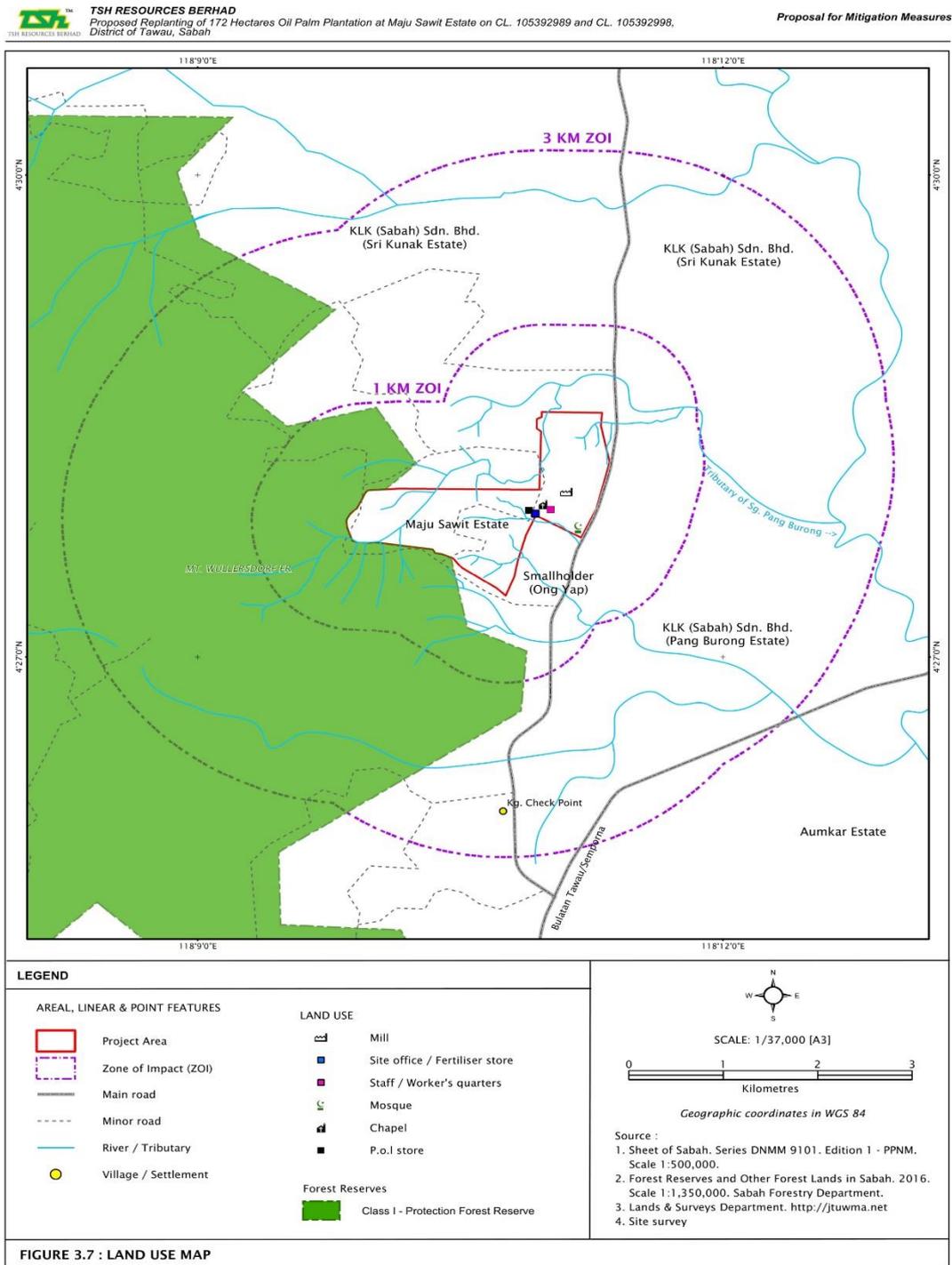
Emissions	tCO <sub>2</sub> e
PK from own mill	0.00
PK from other source	0.00
Fuel Consumptions	0.00
<b>Total Crusher emissions</b>	<b>0.00</b>

\*This mill has no kernel crusher operation.

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

<b>POME Diverted to Anaerobic Digestion:</b>	
Divert to anaerobic pond (%)	0
Divert to methane captured (flaring) (%)	0
Divert to methane captured (energy generation) (%)	100

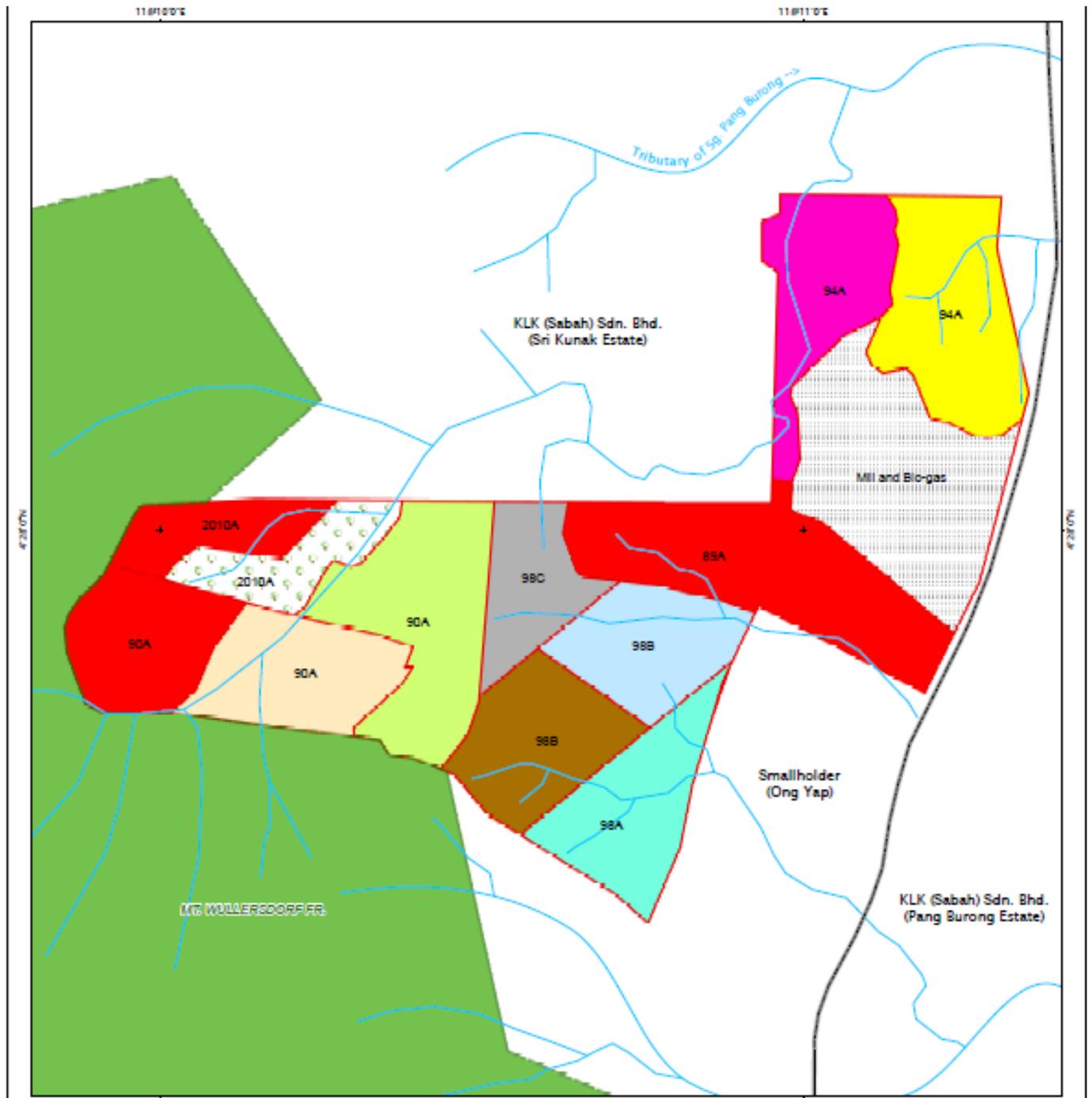
**Appendix C: Location Map of Certification Unit and Supply bases**



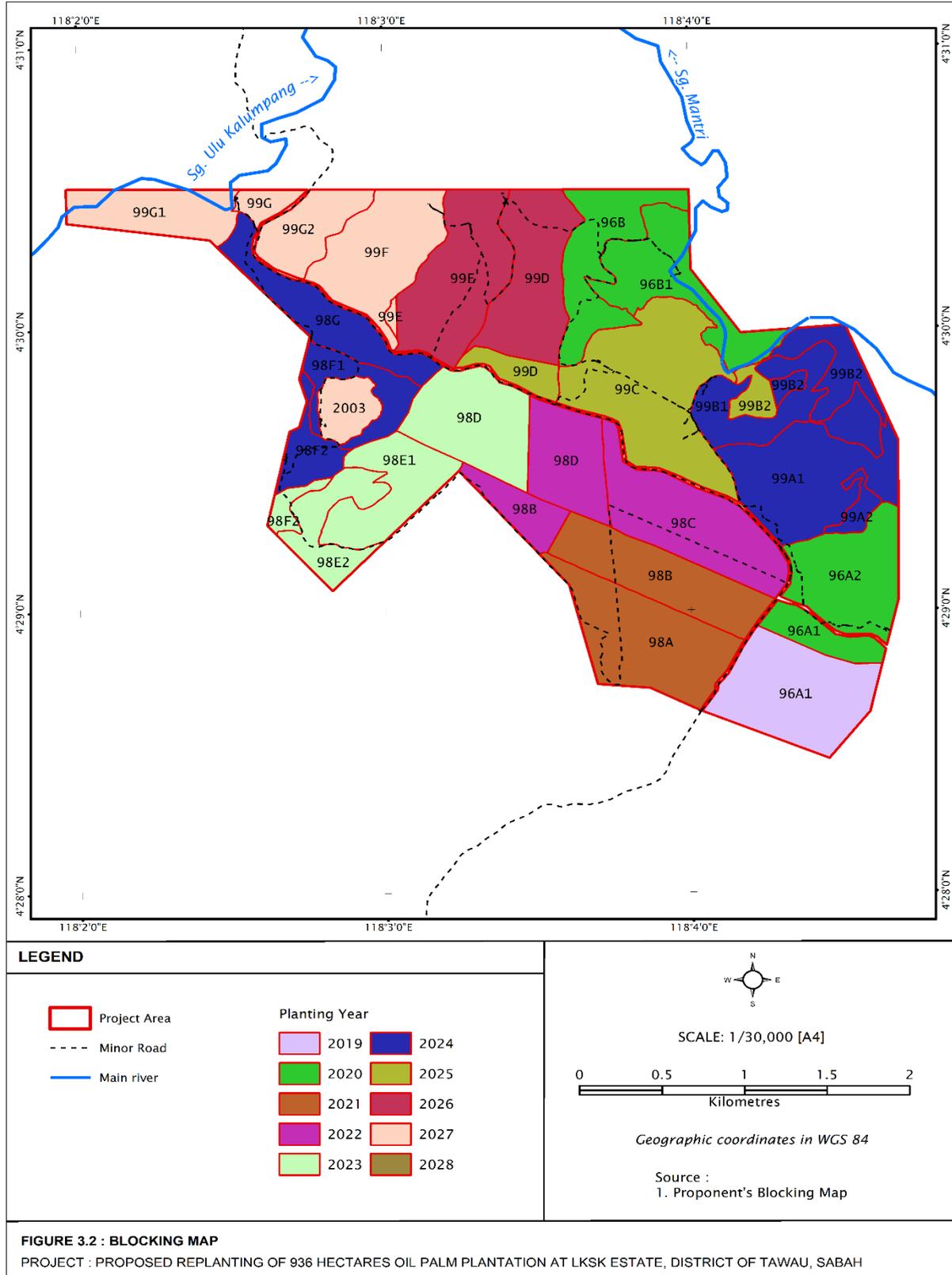
**FIGURE 3.7 : LAND USE MAP**

**Appendix D: Estate Field Map**

Maju Sawit Estate



**LKSK Estate**

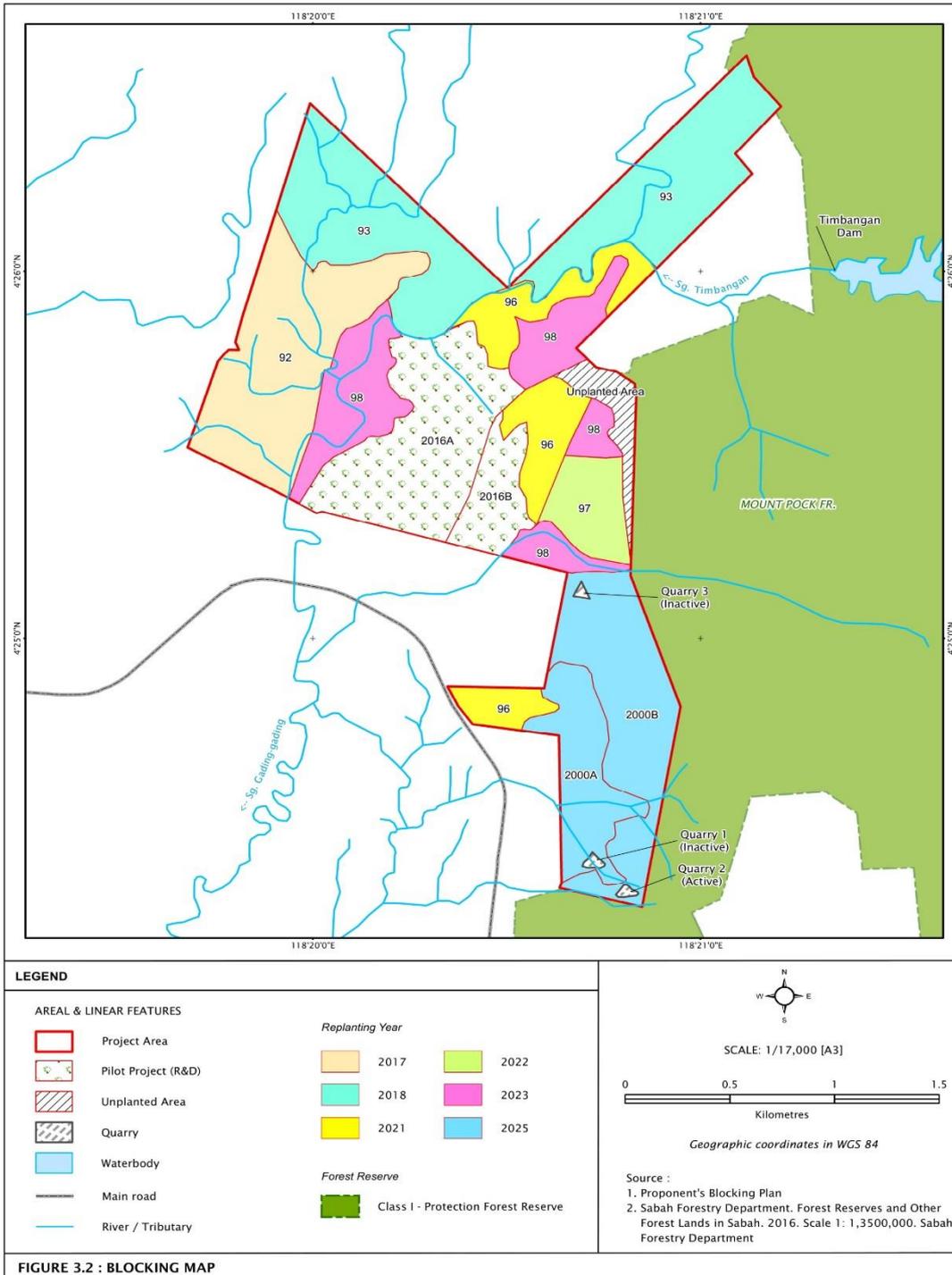


Landquest Estate

**TSH** TSH RESOURCES BERHAD

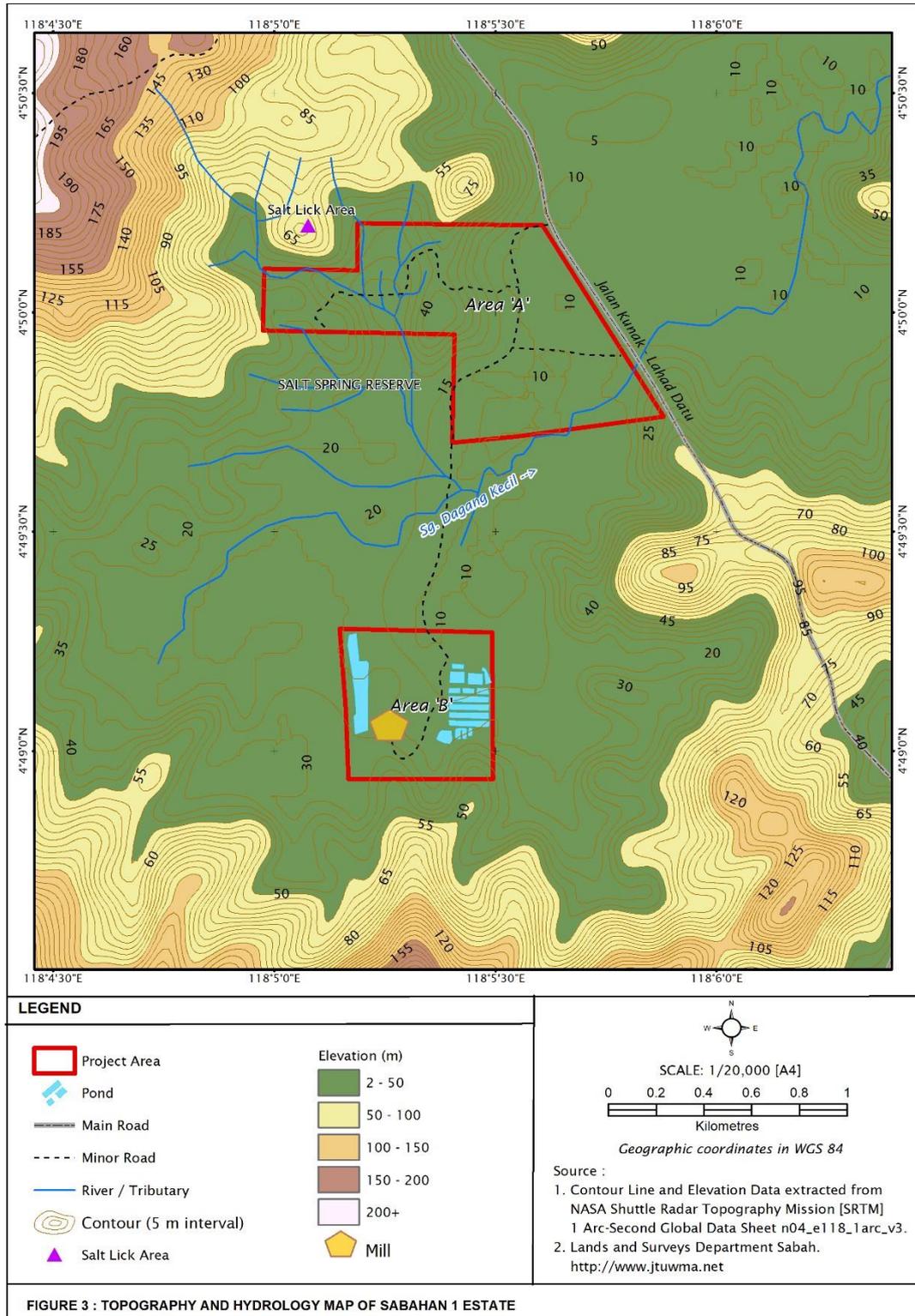
Proposed Replanting of 370 Hectares Oil Palm Plantation at Landquest Estate on CL. 125319244, District of Semporna, Sabah

Proposal for Mitigation Measures



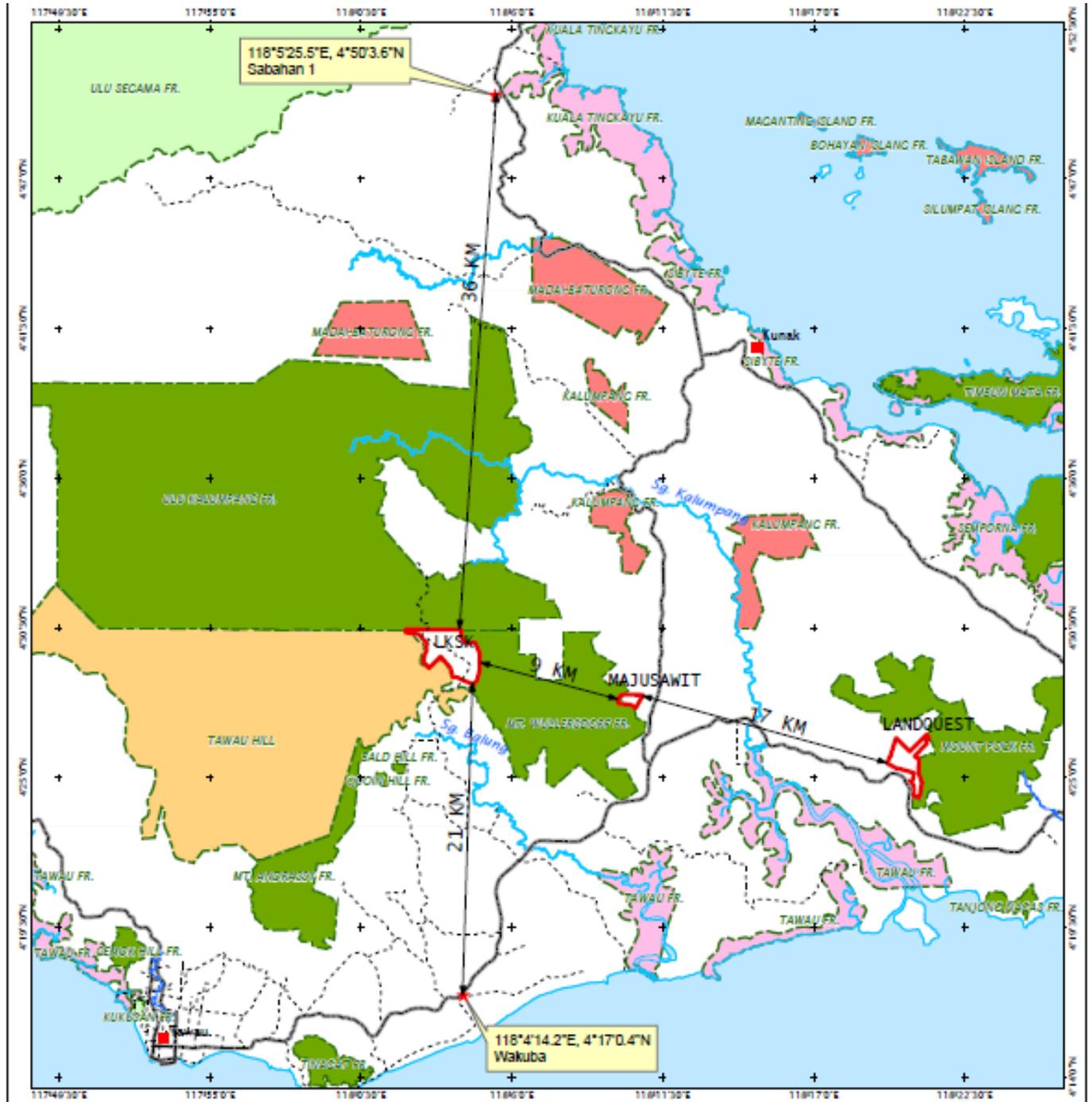
**FIGURE 3.2 : BLOCKING MAP**

**Sabahan 1 Estate**



**FIGURE 3 : TOPOGRAPHY AND HYDROLOGY MAP OF SABAHAN 1 ESTATE**

Wakuba Estate





## Appendix F: 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
ISS	Independent Smallholder Standard
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