

**RSPO PRINCIPLE AND CRITERIA  
PUBLIC SUMMARY REPORT**

- Initial Assessment
- Annual Surveillance Assessment (3)
- Recertification Assessment (Choose an item.)
- Extension of Scope

<b>Client Company Name</b> <b>TSH Resources Berhad</b>
Client 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: 24/04/2022

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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>	Rohana.SHO@tsh.com.my
<b>Telephone</b>	089-912020	<b>Facsimile</b>	089-913000

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>	<ul style="list-style-type: none"> <li>• Determination of the conformity of the client's management system, or parts of it, with audit criteria.</li> <li>• Evaluation of the ability of the management system to ensure the client organization meets applicable statutory, regulatory and contractual requirements.</li> <li>• 70% continuation from 30% of remote assessment</li> </ul>		
<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 3) <input type="checkbox"/> Recertification Assessment (Choose an item.) <input type="checkbox"/> Scope Extension		
<b>Applicable Standards / Normative Reference</b>	RSPO Certification System for P&C and RSPO ISH 2020 <input type="checkbox"/> Choose an item. <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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3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
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

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base / Group Manager / Smallholders)	Location	GPS Coordinates	
		Latitude	Longitude
TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill)	KM 56, Tawau- Kunak Highway, Tawau 91000 Sabah, Malaysia	04° 28' 03.05" N	118° 11' 06.57" E
TSH 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
Maju Sawit Estate - Wakuba Division	Batu 16, Wakuba, Jalan Tawau-Kunak Highway, Sabah, Malaysia	04° 17' 13.25" N	118° 04' 17.54" E

5. Description of Supply Base					
New Planting Development	<input checked="" type="checkbox"/> No (no change in total planted area)		<input type="checkbox"/> Yes (please refer to Principle 7 for details)		
Estate / Smallholders	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Maju Sawit Estate	156.50	2.06	60.44	219.00	71.46
LKSK Estate	930.00	20.30	15.70	966.00	96.27
Landquest Estate	365.00	7.68	61.12	433.80	84.14
Maju Sawit Estate - Wakuba Div.	15.00	-	1.00	16.00	93.75
<b>Total</b>	<b>1,466.50</b>	<b>30.04</b>	<b>138.26</b>	<b>1,634.80</b>	<b>345.62</b>

6. Plantings & Cycle							
Estate / Smallholders	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Maju Sawit Estate	66.00	11.00	11.00	53.50	15.00	90.50	66.00

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LKSK Estate	166.00	-	-	764.00	-	764.00	166.00
Landquest Estate	152.00	67.00	-	146.00	-	213.00	152.00
Maju Sawit Estate - Wakuba Div.	-	3.00	-	12.00	-	15.00	-
<b>Total (ha)</b>	<b>384.00</b>	<b>81.00</b>	<b>11.00</b>	<b>975.50</b>	<b>15.00</b>	<b>1,082.50</b>	<b>384.00</b>

### 7. Summary of Certified Tonnage of FFB (Own Certified Scope)

Estate / Smallholders	Tonnage / year			
	Estimated last year (Aug 20 – Jul 21)	Actual (Jul 20 – Jun 21)		Forecast (Aug 21 – Jul 22)
		Previous license period (Jul 20)	Current license period (Aug 20 – Jun 21)	
Maju Sawit Estate	1,731.84	126.80	1,394.84	2,251.39
LKSK Estate	14,305.52	1,220.91	13,430.00	13,590.25
Landquest Estate	4,161.64	327.78	3,605.62	5,202.05
Maju Sawit Estate - Wakuba Div.	419.10	29.82	328.00	481.97
Volume extension	3,000.00	N/A	N/A	N/A
<b>Total</b>	<b>23,618.10</b>	<b>20,463.77</b>		<b>21,525.66</b>

### 8. Summary of Certified Tonnage of FFB (from other certified unit(s))

Estate / Smallholders	Tonnage / year			
	Estimated last year (Aug 20 – Jul 21)	Actual (Jul 20 – Jun 21)		Forecast (Aug 21 – Jul 22)
		Previous license period (Jul 20)	Current license period (Aug 20 – Jun 21)	
Nil		N/A	N/A	
<b>Total</b>		<b>N/A</b>		

Note: -

### 9. Summary of Non-Certified Tonnage of FFB (outside supplier – excluded from certificate)

Out growers / smallholders	Tonnage / year			
	Estimated last year (Aug 20 – Jul 21)	Actual (Jul 20 – Jun 21)		Forecast (Aug 21 – Jul 22)
		Previous license period (Jul 20)	Current license period (Aug 20 – Jun 21)	
External FFB Suppliers	N/A	23,586.79	267,241.58	N/A

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<b>Total</b>	<b>N/A</b>	<b>290,828.37</b>	<b>N/A</b>
<b>Note: -</b>			

<b>9A. Monthly Records of Certified and Uncertified FFB Received since the last audit</b>				
<b>No.</b>	<b>Month - Year</b>	<b>Volume of FFB from certified supply base (mt)</b>	<b>Volume of FFB from uncertified supply base (mt)</b>	<b>Total FFB/Month (mt)</b>
1	Jul-20	1,705.31	23,586.79	25,292.10
2	Aug-20	1,618.96	21,051.58	22,670.54
3	Sep-20	1,645.37	24,690.96	26,336.33
4	Oct-20	1,775.16	24,751.70	26,526.86
5	Nov-20	1,554.03	23,351.18	24,905.21
6	Dec-20	1,467.25	21,391.43	22,858.68
7	Jan-21	1,602.08	21,298.35	22,900.43
8	Feb-21	2,308.75	22,059.74	24,368.49
9	Mar-21	1,670.82	28,056.61	29,727.43
10	Apr-21	1,644.91	30,820.67	32,465.58
11	May-21	1,585.27	27,543.92	29,129.19
12	Jun-21	1,885.86	22,225.44	24,111.30
<b>TOTAL</b>		<b>20,463.77</b>	<b>290,828.37</b>	<b>311,292.14</b>

<b>10. Summary of Certified Tonnage (not applicable for ISS)</b>			
<b>Estimated last year (Aug 20 – Jul 21)</b>	<b>Actual (Jul 20 – Jun 21)</b>		<b>Forecast (Aug 21 – Jul 22)</b>
	<b>Previous license period (Jul 20)</b>	<b>Current license period (Aug 20 – Jun 21)</b>	
<b>FFB</b>	<b>FFB</b>		<b>FFB</b>
23,618.10 mt	1,705.31 mt	18,758.46 mt	21,525.66 mt
	20,463.77 mt		
<b>CPO (OER: 20.50 %)</b>	<b>CPO (OER: 19.94 %)</b>		<b>CPO (OER: 20.50 %)</b>
4,826.71 mt	340.04 mt	3,740.44 mt	4,412.76 mt
	4,080.48 mt		
<b>PK (KER: 5.50 %)</b>	<b>PK (KER: 5.37 %)</b>		<b>PK (KER: 5.50 %)</b>
1,403.99 mt	91.58 mt	1,007.33 mt	1,183.91 mt
	1,098.91 mt		
<b>Note:</b> Estimated include volume extension FFB = 3,000.00mt; CPO = 600mt; PK = 270.mt			

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<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-20	340.04	91.58
2	Aug-20	322.82	86.94
3	Sep-20	328.09	88.36
4	Oct-20	353.97	95.33
5	Nov-20	309.87	83.45
6	Dec-20	292.57	78.79
7	Jan-21	319.45	86.03
8	Feb-21	460.36	123.98
9	Mar-21	333.17	89.72
10	Apr-21	328.00	88.33
11	May-21	316.10	85.13
12	Jun-21	376.04	101.27
<b>TOTAL</b>		<b>4,080.48</b>	<b>1,098.91</b>

<b>11. Summary of Actual Volume sold</b>					
<b>Current License period (Aug 20 – Jun 21)</b>					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	Others		
<b>CPO (MT)</b>	1,785.43	-	-	-	1,785.43
<b>PK (MT)</b>	418.57	-	-	-	418.57
<b>Credits</b>	-	-	-	-	-
<b>Previous License period (Jul 20)</b>					
<b>CPO (MT)</b>	184.80	-	-	-	184.80
<b>PK (MT)</b>	-	-	-	-	-
<b>Credits</b>	-	-	-	-	-
<b>Note:</b>					
Conventional is RSPO certified material but sold as non-RSPO.					
Remaining certified volume either stored or sold together with uncertified volume.					

<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	A	RSPO_PO1000005884	184.80	-

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2	A	RSPO_PO1000005884	691.79	-
3	A	RSPO_PO1000005884	96.41	-
4	B	RSPO_PO1000006525	-	176.79
5	A	RSPO_PO1000005884	298.59	-
6	B	RSPO_PO1000006525	-	160.11
7	A	RSPO_PO1000005884	358.60	-
8	A	RSPO_PO1000005884	340.04	-
9	B	RSPO_PO1000006525	-	81.67
<b>TOTAL</b>			<b>1,970.23</b>	<b>418.57</b>

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

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

<b>12. Independent Smallholders Certified Tonnage / Volume</b>									
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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
IS-CSPO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
IS-CSPKO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



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

## Section 2: Assessment Process

### Certification Body:

BSI Services Malaysia Sdn. Bhd. (ASI Accreditation Number: ASI-ACC-067)  
Suite 29.01 Level 29, The Gardens North Tower,  
Mid Valley City, Lingkaran Syed Putra,  
59200 Kuala Lumpur, Malaysia.  
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Representative: Nicholas Cheong ([Nicholas.Cheong@bsigroup.com](mailto:Nicholas.Cheong@bsigroup.com))  
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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 13-15 December 2021. The audit programme is included as Section 2.3. Due to the COVID-19 pandemic, this assessment involved a partial remote audit as allowed by RSPO Secretariat – RSPO P&C On-site & Remote Audits dated 24<sup>th</sup> March 2020. The remote audit was conducted on 21-22 June 2021.

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 assessment was conducted on off-site on 10/3/2022. Documented evidences of CAP submitted via email has been verified and confirmed to be sufficient to address the Critical NC raised.

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.

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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.

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**

Assessment Program					
Name (Mill / Supply Base)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Kunak Palm Oil Mill	✓	✓	✓	✓	✓
Maju Sawit Estate	✓	✓	✓	✓	✓
LKSK Estate	✓	✓	✓	✓	✓
Landquest Estate	✓	✓	✓	✓	✓
Maju Sawit Estate - Wakuba Div.	✓	✓	✓	✓	✓

**Tentative Date of Next Visit: July 4, 2022 - July 8, 2022**

**Total Number of Mandays: 12.5**

**2.2 BSI Assessment Team**

Name	Role	Competency
Hafriazhar Mohd. Mokhtar (HMM)	Team Leader	<p><b>Education:</b> Holds a Bachelor of Engineering (Hons.) Chemical Engineering, Univeristy Technology Malaysia</p> <p><b>Work Experience:</b> He has 20 years of working experience in multiple engineering disciplines emphasized on science, technology and sustainability. He acquired many skills from being involved in various industrial environments ranging from construction, plantation and mining before shifted into auditing. In short, his career began as Environmental Officer (2002-2003) in construction, Mill Engineer (2003-2008) in plantation, Project Control Engineer (2008-2011) in mining and Auditor/Client Manager (2011-present) in certifications auditing.</p> <p><b>Training attended:</b> He has completed Social Auditing &amp; SMETA Training, HCV and GIS Training, ISO 45001 LA Training, MSPO LA Training, Endorsed RSPO SCCS LA Training, Endorsed RSPO P&amp;C LA Training, ISO 9001 LA Training, ISO 50001 LA Training, and ISO 14001 LA Training</p> <p><b>Aspect covered in this audit:</b> During this assessment he assessed the aspects of Policy and commitment, Social requirements, contract agreement, human rights, workers' welfare, smallholder welfare, Stakeholder Consultation, Legal Requirements, land &amp; Legal issue and RSPO supply chain requirements</p> <p><b>Language proficiency:</b> Fluent in Bahasa Malaysia and English</p>

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<p>Muhammad Fadzli Masran (MFM)</p>	<p>Team Member</p>	<p><b>Education:</b> Holds a Bachelor Degree in Forestry Science, University Putra Malaysia</p> <p><b>Work Experience:</b> He has more than 10 years working experience in palm oil estate as Assistant Manager managing operations and sustainability implementation experience including workers’ welfare, workers’ occupational, health &amp; safety, environment conservation and protection at buffer areas and continuous improvement management plans. He involved in internal auditing on ISO9001 and ISO14001 standards.</p> <p><b>Training attended:</b> He has completed ISO IMS 9001, 14001, 45001 (OHS 18001) Lead Auditor Course, Endorsed RSPO Lead Auditor Course, MSPO Lead Auditor Course, Endorsed RSPO Supply Chain Certification training course, MSPO Supply Chain Certification System (SCCS) Auditor training Course, CQI and IRCA Certified ISO 9001:2015 Lead Auditor Training Course, HCV and GIS Training and SMETA Requirements Training.</p> <p><b>Aspect covered in this audit</b> During this assessment, he assessed the aspects of Economic management plan, mill best practices, estate best practices, natural and biodiversity conservation, Waste management, GHG, HCV, and RSPO supply chain requirements.</p> <p><b>Language proficiency:</b> Fluent in Bahasa Malaysia and English</p>
<p>Nor Halis Abu Zar (NHA)</p>	<p>Team Member</p>	<p><b>Education:</b> Holds a Bachelor of Science in Plantation Technology and Management, University Technology Mara</p> <p><b>Work Experience:</b> He has 6 years’ experience in Oil Palm Estate Management with Kulim Plantations Sdn. Bhd. The last position held was Assistant Manager. His experience includes the day-to-day estate operations and ensured the implementation of RSPO, ISCC and MSPO certification. He is a qualified Lead Auditor for MSPO and has accumulated more than 400 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia.</p> <p><b>Training attended:</b> He has completed ISO IMS 9001 and 14001 Lead Auditor Course, MSPO 2530:2013 Lead Auditor Course, Endorsed RSPO Lead Auditor Course, ISO 45001 Lead Auditor Course, ISO 9001:2015 Lead Auditor Course, MSPO SCCS Auditor Course and SMETA Requirement Training.</p> <p><b>Aspects covered in this audit:</b> During this assessment, he assessed on the aspects of compliance to environment.</p> <p><b>Language proficiency:</b> Fluent in Bahasa Malaysia and English</p>

**Accompanying Persons:**

Name	Role
Mohd. Razaleigh Mohamad	Observer

**1.3 Assessment Plan**

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

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Partial remote assessment:

Date	Time	Subjects	VKP	HMM	ICT Planned
Tuesday, 08/06/2021	1400 - 1500	Preparatory/test call between client and BSI auditors Communication on document preparation for remote/ICT audit	√	√	Microsoft Teams & WhatsApp
Monday, 21/06/2021  <b>Maju Sawit Estate &amp; LKSK Estate</b>	0900 - 0930	Opening meeting <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>	√	√	Microsoft Teams
	0930 - 1300	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management and estate best practices.		√	Microsoft Teams & WhatsApp
		Assessment and documentation review on legal requirements, natural and biodiversity conservation, wastes management, GHG, HCV, legal requirements, estate best practices, economic management plan, OHS and continual improvement.	√		Microsoft Teams & WhatsApp
	1300 - 1400	Lunch Break			
	1400 - 1630	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management and estate best practices.		√	Microsoft Teams & WhatsApp
		Assessment and documentation review on legal requirements, natural and biodiversity conservation, wastes management, GHG, HCV, legal requirements, estate best practices, economic management plan, OHS and continual improvement.	√		Microsoft Teams & WhatsApp
	1630 - 1700	Interim Closing Briefing	√	√	Microsoft Teams
Tuesday 22/06/2021  <b>Kunak POM &amp; Landquest Estate</b>	0900 - 1300	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management and RSPO SCCS.	√	√	Microsoft Teams & WhatsApp
	1300 - 1400	Lunch Break			
	1400 - 1600	Assessment and documentation review on legal requirements, natural and biodiversity conservation, wastes management, GHG, HCV, legal requirements, estate best practices, economic management plan, OHS and continual improvement.	√	√	Microsoft Teams & WhatsApp
	1600 - 1630	Assessment team discussion	√	√	-
	1630 - 1700	Closing Meeting	√	√	Microsoft Teams

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On-site assessment:

Date	Time	Subjects	HMM	MFM	NHA	MRM
Sunday, 12/12/2021	PM	Audit Team travel to Tawau	✓	✓	✓	✓
Monday, 13/12/2021 Day 1 LKSK Estate & Wakuba Div. (Maju Sawit Estate)	9:00 AM – 9:30 AM	Opening meeting • Opening presentation by audit team leader • Confirmation of assessment scope and finalize audit plan	✓	✓	✓	✓
	9:00 AM – 12:00 PM	Field visit: LKSK Estate & Wakuba Div. Boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	✓	✓	✓	✓
	10:00 AM – 11:00 AM	Meeting with stakeholders (Government, village representatives, smallholders, employee union representatives, vendor etc.)	✓	-	-	-
	12:00 PM – 1:00 PM	Lunch break	✓	✓	✓	✓
	1:00 PM – 4:00 PM	Document Review P1 – P7: LKSK Estate 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.)	✓	✓	✓	✓
	4:00 PM – 4:30 PM	Auditors discussion	✓	✓	✓	✓
	4:30 PM – 5:00 PM	Day 1 Interim Closing Briefing	✓	✓	✓	✓
Tuesday, 14/12/2021 Day 2 Landquest Estate & Maju Sawit Estate	9:00 AM – 10:30 AM	Field visit: Landquest Estate Boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	✓	✓	✓	✓
	10:00 AM – 11:00 AM	Meeting with stakeholders (Government, village representatives, smallholders, employee union representatives, vendor etc.)	✓	-	-	-

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	10:30 AM – 12:00 PM	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.)	✓	✓	✓	✓
	12:00 PM – 1:00 PM	Lunch break & travel to Maju Sawit Estate	✓	✓	✓	✓
	1:00 PM – 2:30 PM	Field visit: Maju Sawit Estate 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.	✓	✓	✓	✓
	2:30 PM – 3:30 PM	Meeting with stakeholders (Government, village representatives, smallholders, employee union representatives, vendor etc.)	✓	-	-	-
	2:30 PM – 4:00 PM	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.)	✓	✓	✓	✓
	4:00 PM – 4:30 PM	Auditors discussion	✓	✓	✓	✓
	4:30 PM – 5:00 PM	Day 2 Interim Closing Briefing	✓	✓	✓	✓
Wednesday, 15/12/2021 Day 3 Kunak Palm Oil Mill	9:00 AM – 10:30 AM	Plant visit: 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, lab, weighbridge, and palm product storage area etc.	✓	✓	✓	✓
	10:00 AM – 11:00 AM	Meeting with stakeholders (Government, village representatives, smallholders, employee union representatives, vendor etc.)	✓	-	-	-

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Date	Time	Subjects	HMM	MFM	NHA	MRM
	10:30 AM – 12:00 PM	Document Review P1 – P7: SOPs, review on management plans, SEIA documents, GHG records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation RSPO SCC general requirements, supply chain for CPO mill, internal audit, management review, sales and purchasing documents, mass balance accounting and other relevant documents and records.	✓	✓	✓	✓
	12:00 PM – 12:30 PM	Auditors discussion & Preparation of audit findings	✓	✓	✓	✓
	12:30 PM – 1:00 PM	Closing Briefing & Presentation of audit findings and recommendation	✓	✓	✓	✓
Thursday, 16/12/2021	AM	Audit Team travel back to KL	✓	✓	✓	✓



### 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?	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 <i>Hak Guna Usaha</i> (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 (<i>peta bidang</i>) 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.	There is no new acquisitions as per the latest TBP 2021.	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.	Complied
Have there been any isolated lapses in implementation of the plan? If yes a <b>Minor</b> non-compliance shall be raised	Although there has been lapses identified at those Indonesia management units but it has been justified as described above and included in ACOP submission.	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. As described above, PT FDB certification was postponed in 2020 and planned to be certified in 2022, while PT MJC (estate), PT MJWP and PT AWB still in process of LUCA approval/finalization and HGU.	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 RaCP Tracker Website link as following: <a href="https://www.rspo.org/certification/remediation-and-compensation/racp-tracker#growerTracker">https://www.rspo.org/certification/remediation-and-compensation/racp-tracker#growerTracker</a> There are 11 management units (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.	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 2020.	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 link as following: <a href="http://www.rspo.org/members/status-of-complaints?keywords=TSH">http://www.rspo.org/members/status-of-complaints?keywords=TSH</a>	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 link as following: <a href="http://www.rspo.org/members/status-of-complaints?keywords=TSH">http://www.rspo.org/members/status-of-complaints?keywords=TSH</a>	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 link as following: <a href="http://www.rspo.org/members/status-of-complaints?keywords=TSH">http://www.rspo.org/members/status-of-complaints?keywords=TSH</a>	Complied

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<p>Did the company conduct internal audit for those uncertified estates against the uncertified management units requirement and covering the RSPO P&amp;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.</p>	<p>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 non-conformities raised being closed accordingly and positive assurance statement been produced.</p>	<p>Complied</p>
<p>Are there any Critical (Major) non-compliance raised against any of the RSPO P&amp;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?</p>	<p>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 non-conformities raised being closed accordingly and positive assurance statement been produced.</p>	<p>Complied</p>
<p>Have there been any stakeholder (including NGO) consultation conducted?</p>	<p>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.</p>	<p>Complied</p>

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

<p><b>Progress of scheme smallholders or outgrowers towards compliance with relevant standards</b></p>		
<p><b>Requirement</b></p>	<p><b>Remarks</b></p>	<p><b>Compliance</b></p>
<p>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.</p>	<p>Not applicable as no scheme smallholder for TSH-Kunak POM.</p>	<p>Complied</p>

**Approved Time Bound Plan**

RSPO Certification of TSH Mills and Supply bases								
Companies	2016	2017	2018	2019	2020	2021	2022	2023
<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>3</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 four (4) Critical, one (1) Minor nonconformities and one (1) Opportunity For Improvement raised. The TSH Plantation Management Sdn Bhd Kunak Palm Oil Mill and Supply Base 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>	2143345-202112-M1	<b>Date Issued</b>	15/12/2021
<b>Due Date</b>	14/03/2022	<b>Date of nonconformity Closure</b>	10/03/2022
<b>Clause &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>	<p>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 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> </ul>		

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	<ul style="list-style-type: none"> <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> <li>- To revised all the employee contract agreement at LKSK to reflects to this Minimum Wage Order 2020.</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>- 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>

Non-conformity			
<b>NCR Ref #</b>	2143345-202112-M2	<b>Date Issued</b>	15/12/2021
<b>Due Date</b>	14/03/2022	<b>Date of nonconformity Closure</b>	10/03/2022
<b>Clause &amp; Category (Critical / Minor)</b>	7.2.6 (Critical)- onsite		
<b>Statement of Nonconformity:</b>	Proper handling of chemicals was not effectively demonstrated.		

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<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> <li>- Returned balance of pure chemical back to store on the of premixed to ensure no balance of pure chemicals are kept at premixed station.</li> </ul>
<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> <li>- 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.</li> </ul>
<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> <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>



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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>- 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>
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Non-conformity			
<b>NCR Ref #</b>	2143345-202112-M3	<b>Date Issued</b>	15/12/2021
<b>Due Date</b>	14/03/2022	<b>Date of nonconformity Closure</b>	10/03/2022
<b>Clause &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, bunded, with perimeter drain and oil trap".		
<b>Corrections:</b>	<ul style="list-style-type: none"> <li>- Servicing of oil trap</li> <li>- Install of secondary containment at POL Store</li> </ul>		
<b>Root Cause Analysis:</b>	<p>Poor POL store service and management of the oil trap.</p> <p>Secondary containment not available at POL Store</p>		
<b>Corrective Actions:</b>	<ul style="list-style-type: none"> <li>- Records of POL store servicing &amp; maintenance of Oil Trap using the TSHR/ENV/F11</li> <li>- Repair of SW Oil trap</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>- Photos of oil trap being serviced and floor being cleaned</li> <li>- Photos of oil trap completely repaired</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>		

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Non-conformity			
<b>NCR Ref #</b>	2143345-202112-M4	<b>Date Issued</b>	15/12/2021
<b>Due Date</b>	14/03/2022	<b>Date of nonconformity Closure</b>	10/03/2022
<b>Clause &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> <li>- Noted during document review, the estate was not conducted the meeting for Safety and Health Committee for 2nd quarter.</li> </ul>		
<b>Corrections:</b>	<ul style="list-style-type: none"> <li>- To purchase the insufficient medicines/oointment – 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> <li>- To conduct the postponed OSH meeting ASAP</li> </ul>		
<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> <li>- 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.</li> </ul>		
<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> <li>- To get verification from Legal PIC for any postponement / cancellation of meeting that related to legal requirement.</li> </ul>		
<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:		

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	<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>
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Non-conformity			
<b>NCR Ref #</b>	2143345-202112-N1	<b>Date Issued</b>	15/12/2021
<b>Due Date</b>	14/03/2022	<b>Date of nonconformity Closure</b>	10/03/2022
<b>Clause &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>		
<b>Corrections:</b>	<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> </ul>		

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	<ul style="list-style-type: none"> <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>
<b>Root Cause Analysis:</b>	<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>
<b>Corrective Actions:</b>	<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>
<b>Assessment Conclusion:</b>	CAP has been accepted. Evidence of CAP effectiveness to be verified in next assessment.

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>

Positive Findings	
PF #	Description
<b>PF 1</b>	Good cooperation among the team.
<b>PF 2</b>	Good document retrieval.
<b>PF 3</b>	Positive feedbacks from interviewed external stakeholders.

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

Non-conformity			
<b>NCR Ref #</b>	1936766-202007-M1	<b>Date Issued</b>	24/07/2020
<b>Due Date</b>	22/10/2020	<b>Date of nonconformity Closure</b>	28/09/2020
<b>Clause &amp; Category (Critical / Minor)</b>	3.8.12 Critical		
<b>Statement of Nonconformity:</b>	Kunak POM Mass Balance recorded negative stocks for CPO and PK as todate (June 2020)		
<b>Requirement Reference:</b>	Record keeping iv) For Mass Balance Module, the mill: 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.		
<b>Objective Evidence:</b>	Records available on balance of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a 3-monthly basis. However, there is negative stocks sighted as at carried forward of -467.58 MT CPO and -623.36 MT PK for June 2020.		
<b>Corrections:</b>	Established new tracking of all certified product which consist of all CSFFB, CSPK, CSPO and non-certified product since Feb'2020 to prevent this issue which is updated monthly and submitted to FFB Admin/ Sales department.		
<b>Root Cause Analysis:</b>	<ol style="list-style-type: none"> <li>1. The stock sold in September 2019 are based on the old contract agreement (Aug'2019) and the last 3-month volume of June~Aug'2019 with the buyer.</li> <li>2. FFB Admin 7 Mill PIC unaware that the volume sold actually using the new volume under the new cut-off of licensed from 23rd Aug'19~22nd Aug'20.</li> </ol>		
<b>Corrective Actions:</b>	All New monthly contract raised by FFB Admin to be verify with the latest volume updated based on 3 monthly-basis prior delivery of certified product which will be updated on monthly basis by Mill Operation and verify by QESH Department. Training has been conducted on Feb'2020 on this process to both FFB Admin & Mill Operation.		
<b>Assessment Conclusion:</b>	<p>Due to very alarming increase of COVID-19 cases in Tawau, Lahad Datu, Kunak and Semporna on the Major NC Closure Visit date on 25/09/2020; TSH Management has issued a memo to control the movement of both internal and external parties from any of TSH Premises at this region. As of that, TSH requested for off-site verification for Major NC Closure to ensure the safety of both parties (BSI &amp; TSH). Since it is still in Movement Control Order Recovery period until 31 December 2020, BSI has accepted the request and remote audit was conducted on 23/09/2020.</p> <p>All the evidences of closing the Major NC were reviewed and interview session were conducted online to the workers. Therefore, the all the Major NC raised were recommended to be closed. Evidence reviewed:</p> <ol style="list-style-type: none"> <li>1. Tracking of monthly CSFFB</li> <li>2. Summary of processed &amp; output of certified &amp; non-certified products</li> <li>3. Tracking of CSPO/CSPK produced VS CSPO/CSPK Sold.</li> </ol>		

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	<p>4. Training conducted in Feb'2020 – KPOM Admin &amp; FFB Admin HQ</p> <p>5. Verification volume to be sold by FFB Admin to QESH department prior contract issuance.</p> <p>The Correction and Corrective Action Plan was deemed sufficient to address the raised non-conformity. Therefore, the Critical Non-Conformity was closed on 28/09/2020.</p>
<b>ASA 3 Assessment Verification:</b>	<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.</p> <p>Based on the Mass Balance Sheet, the volume of CPO and PK has been allocated to both certified and noncertified products.</p> <p>Records available on balance of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a 3-monthly basis.</p> <p>Shipping Announcement records available as per Supply Chain Declaration.</p> <p>The mass balance records were verified and found that there were no negative balance Therefore, the critical non-conformity remains closed.</p>

Non-conformity			
<b>NCR Ref #</b>	1936766-202007-M2	<b>Date Issued</b>	24/07/2020
<b>Due Date</b>	22/10/2020	<b>Date of nonconformity Closure</b>	28/09/2020
<b>Clause &amp; Category (Critical / Minor)</b>	4.1.1 Critical		
<b>Statement of Nonconformity:</b>	The new Human Right Policy is yet to be communicated to all levels of the workforce, operations, FFB suppliers and local communities.		
<b>Requirement Reference:</b>	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.		
<b>Objective Evidence:</b>	The new Human Right Policy signed on 21 July 2020 by Managing Director has includes the clause 6.2.4 prohibit any kind of retaliation against any group of Human Rights Defenders and communicated to all the parties. However, the communication is yet to be conducted to all levels of the workforce, operations, FFB suppliers and local communities.		
<b>Corrections:</b>	<ol style="list-style-type: none"> <li>1. Conduct awareness to internal stakeholders on site.</li> <li>2. Communicate the new policies with the external stakeholders through email/letters.</li> <li>3. Revised &amp; updates the internal &amp; external stakeholders sharing media on TSH Policies for annual refresher training &amp; meeting on 1st September 2020.</li> </ol>		

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<b>Root Cause Analysis:</b>	The HRD policy has only updated on the 21st July. Ample time required to share this policy with both external and internal stakeholders.
<b>Corrective Actions:</b>	All newly revised policy will be pasted at all TSH Communication Board and briefed to all employees during the weekly morning briefing. TSHR – KL in progress in attaching the new policy into the TSH Webmail for external stakeholder beside sharing out the policies through the external stakeholder meeting & emailing out to the stakeholder’s.
<b>Assessment Conclusion:</b>	<p>Due to very alarming increase of COVID-19 cases in Tawau, Lahad Datu, Kunak and Semporna on the Major NC Closure Visit date on 25/09/2020; TSH Management has issued a memo to control the movement of both internal and external parties from any of TSH Premises at this region. As of that, TSH requested for off-site verification for Major NC Closure to ensure the safety of both parties (BSI &amp; TSH). Since it is still in Movement Control Order Recovery period until 31 December 2020, BSI has accepted the request and remote audit was conducted on 23/09/2020.</p> <p>All the evidences of closing the Major NC were reviewed and interview session were conducted online to the workers. Therefore, the all the Major NC raised were recommended to be closed.</p> <p>Evidence reviewed:</p> <ol style="list-style-type: none"> <li>1. HRD awareness briefing to employees on 23/09/2020.</li> <li>2. HRD awareness to external stakeholder through email dated 23/09/2020.</li> <li>3. HRD Policy published in the communication board.</li> </ol> <p>The Correction and Corrective Action Plan was deemed sufficient to address the raised non-conformity. Therefore, the Critical Non-Conformity was closed on 28/09/2020.</p>
<b>ASA 3 Assessment Verification:</b>	<p>TSH Group has established the Human Rights &amp; Responsible Business Practices; ST-POL09-03; Date: 21/7/2020; Signed by Managing Director. The policy refresher training was latest conducted on 23/9/2020 as per records of Training Attendance Form; TSHR/TD/F01; Rev. # 1; Effective Date: 1/3/2016.</p> <p>All operating units have communicated the newly developed Human Rights Policy to all levels of employees. Verified the training and briefing records on the Human Rights Policy for Maju Sawit Estate (16/02/2021), LKSK Estate (18/02/2021) and Landquest Estate (17/02/2021) during the assessment. Therefore, the critical non-conformity remains closed.</p>

Non-conformity			
<b>NCR Ref #</b>	1936766-202007-M3	<b>Date Issued</b>	24/07/2020
<b>Due Date</b>	22/10/2020	<b>Date of nonconformity Closure</b>	28/09/2020
<b>Clause &amp; Category (Critical / Minor)</b>	6.2.2 Critical		
<b>Statement of Nonconformity:</b>	Some of labour law is not complied: 1. Akta Keselamatan Sosial Pekerja 1969		

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	<ol style="list-style-type: none"> <li>2. Minimum Wage Order, 2020</li> <li>3. Immigration Act, 1959/63</li> <li>4. Sabah Labour Ordinance – Permit for Salary Deduction</li> </ol>
<b>Requirement Reference:</b>	<p>Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.</p>
<b>Objective Evidence:</b>	<p>Kunak POM (Minimum Wage Order 2020):</p> <ol style="list-style-type: none"> <li>1. Employee ID: Nurasisa was paid less than actual working days of 18 days on March 2020.</li> </ol> <p>Maju Sawit Estate (Akta Keselamatan Sosial Pekerja 1969):</p> <ol style="list-style-type: none"> <li>2. Mohd Saiful Fadli (Worker Id: 01-0482) has no SOCSO contribution March, April &amp; May 2020.</li> </ol> <p>LKSK Estate (Minimum Wage Order 2020, Akta Keselamatan Sosial Pekerja 1969 and No JTK Permit for Salary Deduction):</p> <ol style="list-style-type: none"> <li>1. Ros Binti Baco (Worker Id: 11-0701) has the work permit for factory worker with TSH Bio-Energy Sdn Bhd but work as loose fruit collector in LKSK Estate. She also has 5 unpaid leave on March during MCO.</li> <li>2. Mufti Khabril Mansyur (Worker Id: 01-1504) has no SOCSO contribution March and April 2020. He also has 5 unpaid leave on March during MCO.</li> <li>3. Mapiati bin Mappiare (Worker Id: 01-0377) has the deduction of store/grocery loan of RM 14.09 (under advance) for month May 2020, with no JTK Permit.</li> <li>4. Sari bin Ahmad (Worker Id: 04-1022) on March &amp; April 2020 deduction of store/grocery RM 42.58 (March 2020) and RM 75.23 (April 2020) (under advance) for month May 2020, with no JTK Permit. He also has 5 unpaid leave on March during MCO.</li> <li>5. Udin bin Rembong (Worker ID: 08-0010) has the deduction of store/grocery RM 1.80 (March 2020) and RM 50.00 (May 2020) (under advance) for month May 2020. He also has 5 unpaid leave on March during MCO.</li> </ol> <p>All Estates:</p> <p>All of workers were having half of their normal rate salary from 01-10th April 2020. However, there is no agreement between the workers and employer on the half salary paid during MCO and no top up from the SOCSO subsidize rate of RM 600/workers to achieve minimum wage of RM1100/month as clarified with JTK Officer Tawau &amp; Kinabatangan.</p> <p>The Correction and Corrective Action Plan was deemed sufficient to address the raised non-conformity. Therefore, the Critical Non-Conformity was closed on 28/09/2020.</p>
<b>Corrections:</b>	<p>Kunak POM (Minimum Wage Order 2020): Back pay for the employees the different amount of RM from her actual pay of RM16.32 in July Pay. Maju Sawit</p>



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	<p>Estate (Akta Keselamatan Sosial Pekerja 1969): HR will backpay all the Socso pay which they relapsed.</p> <p>LKSK Estate (Minimum Wage Order 2020, Akta Keselamatan Sosial Pekerja 1969 and No JTK Permit for Salary Deduction):</p> <ol style="list-style-type: none"> <li>1. Ros Binti Baco (Worker Id: 11-0701) will be transfer back to TSH Bio- Energy.</li> <li>2. Worker’s not paid for 5 days in March 2020 during MCO phase 1 will be back pay in Aug’2020</li> <li>3. The worker’s deductions request under advance for grocery payment’s debt will not be entertained anymore by management. Any third-party payments are solely under the employee’s arrangement.</li> </ol> <p>All Estates:</p> <p>All half month pay deductions of 1st ~ 10th of April will be back pay to the employees in Aug’2020 pay.</p>
<p><b>Root Cause Analysis:</b></p>	<p>Kunak POM (Minimum Wage Order 2020): The workers took 8 consecutive days of U/L causing the system to calculate it as 10 U/L in total inclusive of the O/D. This is because the system is used for both monthly pay rate and daily pay rate and the company policies stated that any consecutive 7 days of U/L will cause O/D to be determined as no pay also. However, the calculations of the system are recalculated by the CC to confirmed the payment. In this case, CC calculation included the policies statement.</p> <p>Maju Sawit Estate (Akta Keselamatan Sosial Pekerja 1969): HR relapsed on the Socso deductions for these 3 months due to the changes from FWCS to Socso type insurance.</p> <p>LKSK Estate (Minimum Wage Order 2020, Akta Keselamatan Sosial Pekerja 1969 and No JTK Permit for Salary Deduction):</p> <ol style="list-style-type: none"> <li>1. During renewal of work permit under LKSK, the quota for that particular job are full and since the Passport still got balance for few years, company decided to register this worker under TSH Bio-Energy.</li> <li>2. Worker’s not paid for 5 days in March 2020 during MCO phase 1 because the employees are all under daily pay rate, so the pay calculations are based on attendance only.</li> <li>3. Advance payment is made based on the employee’s request to pay the balance of their grocery debt to ensure they can make a continuous monthly debt.</li> </ol> <p>All Estates:</p> <p>The payment of half day are conducted based on TSH HR Department understanding of the FAQ of on the movement control order of the ministry of human resources (Volume 3) published by MOHR; Question #3.ii. published on 31st March 2020, but have not made any reference to the Tawau Socso Officer for their confirmation of action. Clearly they’ve misinterpret this FAQ as approval for the payment methods that they’ve conducted.</p>
<p><b>Corrective Actions:</b></p>	<p>Kunak POM (Minimum Wage Order 2020):</p> <p>HR Department to ensure the calculations made by Mill’s CC are based on the monthly payrate which pre-calculate the O/D into the payrate as per the Minimum Wages,2020 calculation.</p> <p>Maju Sawit Estate (Akta Keselamatan Sosial Pekerja 1969):</p>

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	<p>The Socso payment will not relapsed once the registration has been completed and as the auto calculation system will be in place already.</p> <p>LKSK Estate (Minimum Wage Order 2020, Akta Keselamatan Sosial Pekerja 1969 and No JTK Permit for Salary Deduction):</p> <ol style="list-style-type: none"> <li>1. Onwards any renewal of worker's permit to comply to the site registered/business of operation. If there are no quota for that particular worker's in that business site (such as the plantation) the worker's permit will not be renewed at that particular business site but to be continues at where are the quota available.</li> <li>2. Any future deductions to worker's during abnormal situation will be verified with the local / state's relevant authority especially MOHR / relevant state's government department.</li> <li>3. Any third-party payments are solely under the employee's arrangement.</li> </ol> <p>All Estates:</p> <p>Any future deductions / special situation related to worker's salary payment during abnormal situation (such as Pandemic of Covid-19) will be verified with the local / state's relevant authority prior any action taken by HR Department. All communication between HR and relevant Government Department will be recorded as proof of evidence for that issue.</p>
<b>Assessment Conclusion:</b>	<p>Due to very alarming increase of COVID-19 cases in Tawau, Lahad Datu, Kunak and Semporna on the Major NC Closure Visit date on 25/09/2020; TSH Management has issued a memo to control the movement of both internal and external parties from any of TSH Premises at this region. As of that, TSH requested for off-site verification for Major NC Closure to ensure the safety of both parties (BSI &amp; TSH). Since it is still in Movement Control Order Recovery period until 31 December 2020, BSI has accepted the request and remote audit was conducted on 23/09/2020.</p> <p>All the evidences of closing the Major NC were reviewed and interview session were conducted online to the workers. Therefore, the all the Major NC raised were recommended to be closed.</p> <p>Evidence reviewed:</p> <ol style="list-style-type: none"> <li>1. GED Meeting (06 August 2020).</li> <li>2. HR verification on checkroll.</li> <li>3. Reimbursement salary all the workers on August 2020 pay slip. This is also verified through the online interview with the workers on the reimbursement pay received.</li> <li>4. Memo on transfer worker (Ros Binti Baco) to TSH Bio Energy Sdn Bhd effective 30/07/2020.</li> <li>5. Briefing on salary deduction to workers on 04/08/2020 at LKSK Estate.</li> <li>6. Reimbursement of SOCSO contribution to Mohd Saiful and Wawan Saputra from January – June 2020.</li> </ol>

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	<p>The Correction and Corrective Action Plan was deemed sufficient to address the raised non-conformity. Therefore, the Critical Non-Conformity was closed on 28/09/2020.</p>
<b>ASA 3 Assessment Verification:</b>	<p>Employment contracts detailing payments and conditions of employment available to the workers for sample employees sighted as per evidence of equal pay for the same work scope available as per sample sighted as following:</p> <p>Kunak POM:</p> <ul style="list-style-type: none"> <li>- Female employee ID # 10-0744; Post: Mill Compound Cleaner; April 2021 salary: RM 1,100.00</li> <li>- Male employee ID # 02-0995; Post: Apprentice; April 2021 salary: RM 1,258.65</li> </ul> <p>Maju Sawit Estate:</p> <ul style="list-style-type: none"> <li>- Female employee ID # 03-0486; Post: General Worker; May 2021 salary: RM 1,100.06</li> <li>- Male employee ID # 01-0482; Post: Weeder; May 2021 salary: RM 1,100.06</li> </ul> <p>Landquest Estate:</p> <ul style="list-style-type: none"> <li>- Female employee ID # 02-0849; Post: Manurer; May 2021 salary: RM 1,163.52</li> <li>- Male employee ID # 01-0778; Post: Harvester; May 2021 salary: RM 1,425.66</li> </ul> <p>LKSK Estate:</p> <ul style="list-style-type: none"> <li>- Female employee ID # 10-0643; Post: Sprayer; March 2021 salary: RM 1,172.13</li> <li>- Male employee ID # 02-0429; Post: Harvester; March 2021 salary: RM 1,157.71</li> <li>- Female employee ID # 05-1625; Post: Loose Fruit Collector; March 2021 salary: RM 1,208.58</li> <li>- Male employee ID # 02-0942; Post: Harvester; May 2021 salary: RM 1,840.36</li> <li>- Female employee ID # 10-1680; Post: Sprayer; March 2021 salary: RM 1,809.71</li> <li>- Male employee ID # 07-0450; Post: General Worker; March 2021 salary: RM 1,254.13</li> </ul> <p>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>Employment contracts and related documents detailing payments and conditions of employment and payroll documents were verified to be in compliance with all applicable legal laws. Therefore the critical non-conformity remains closed.</p>

<b>Non-conformity</b>			
<b>NCR Ref #</b>	1936766-202007-M4	<b>Date Issued</b>	24/07/2020
<b>Due Date</b>	22/10/2020	<b>Date of nonconformity Closure</b>	28/09/2020
<b>Clause &amp; Category (Critical / Minor)</b>	6.2.4 Critical		

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<b>Statement of Nonconformity:</b>	The housing area for TSH Staff in Kunak POM is not complied with Housing & Amenities Act 1990.
<b>Requirement Reference:</b>	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>	The housing area for TSH Staff in Kunak POM which is RSPO certified area (under Maju Sawit Estate certified Hectarage) has the unauthorized extension and alteration of the original house and unsafe condition where the septic tank and drainage were blocked behind the house. The samples houses are MS5, BS29, BL26, BS49, ML-H3 & BS 11.
<b>Corrections:</b>	Removed all & unauthorized extension.
<b>Root Cause Analysis:</b>	The staff housing audited are managed by different entities of operating units whereby the RSPO P&C are not covered and unable to zone out the housing area as per operation site due to the nature of housing are mixed among all four entities.
<b>Corrective Actions:</b>	Employees to sign the new housing agreement on prohibition of any unauthorized extension and alteration of employer’s provided house.
<b>Assessment Conclusion:</b>	<p>Due to very alarming increase of COVID-19 cases in Tawau, Lahad Datu, Kunak and Semporna on the Major NC Closure Visit date on 25/09/2020; TSH Management has issued a memo to control the movement of both internal and external parties from any of TSH Premises at this region. As of that, TSH requested for off-site verification for Major NC Closure to ensure the safety of both parties (BSI &amp; TSH). Since it is still in Movement Control Order Recovery period until 31 December 2020, BSI has accepted the request and remote audit was conducted on 23/09/2020.</p> <p>All the evidences of closing the Major NC were reviewed and interview session were conducted online to the workers. Therefore, the all the Major NC raised were recommended to be closed.</p> <p>Evidence reviewed:</p> <ol style="list-style-type: none"> <li>1. Extension removal evidence (before and after) for houses no MS5, BS29, BL26, BS49, ML-H3 &amp; BS 11.</li> <li>2. New housing agreement signed for houses no MS5, BS29, BL26, BS49, ML-H3 &amp; BS 11.</li> <li>3. Training for housing standard at KPOM &amp; Maju Sawit Estate on 12/09/2020.</li> </ol> <p>The Correction and Corrective Action Plan was deemed sufficient to address the raised non-conformity. Therefore, the Critical Non-Conformity was closed on 28/09/2020.</p>
<b>ASA 3 Assessment Verification:</b>	Physical verification conducted during the onsite assessment found that Kunak certification unit conducted the bi-weekly housing and facilities inspection as per Housing, Child Care Center, School & Community Hall Inspection Form; Form #

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	<p>TSHR/CL/F14; Effective date: 01/06/2016 latest housing inspection conducted as per sample as following:</p> <ul style="list-style-type: none"> <li>- LKSK Estate; Date: 27/11/2021</li> <li>- Landquest Estate; Date: 11/12/2021</li> <li>- Kunak POM &amp; Maju Sawit Estate; Date: 13/12/2021</li> </ul> <p>There were no complaints of any unsafe conditions by the workers and also verified in the weekly linesite inspection checklist. Therefore the Critical non-conformity remains closed.</p>
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Non-conformity			
<b>NCR Ref #</b>	1936766-202007-M5	<b>Date Issued</b>	24/07/2020
<b>Due Date</b>	22/10/2020	<b>Date of nonconformity Closure</b>	28/09/2020
<b>Clause &amp; Category (Critical / Minor)</b>	7.10.1 Critical		
<b>Statement of Nonconformity:</b>	Found the GHG emissions not accurately reported		
<b>Requirement Reference:</b>	GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimize them are implemented, monitored through the Palm GHG calculator and publicly reported.		
<b>Objective Evidence:</b>	<p>The data that key-in GHG calculation was not accurate as per issuance record sampling in Landquest Estate such as per below:</p> <ul style="list-style-type: none"> <li>a. Data on GML record show 63.55mt as per issuance record however not same as per GHG calculation data.</li> <li>b. The data on Diesel usage in Landquest Estate 72788 L diesel was not same as per GHG calculation data.</li> </ul>		
<b>Corrections:</b>	Re-enter and reverify the data entered into the system.		
<b>Root Cause Analysis:</b>	<p>GHG VER4 System for TSHKPOM had some technical issues since 10th of July. The system has been to be reinstalled and re-enter all FFB supplier's data only in 20th July 2020. Some data key-in not even recorded and unable to verify the data entry before the date of closing. The submission of assessment also takes more than half day due to the error of the system.</p>		
<b>Corrective Actions:</b>	To immediately print and reverify all data prior submission to GHG Secretariat.		
<b>Assessment Conclusion:</b>	<p>Due to very alarming increase of COVID-19 cases in Tawau, Lahad Datu, Kunak and Semporna on the Major NC Closure Visit date on 25/09/2020; TSH Management has issued a memo to control the movement of both internal and external parties from any of TSH Premises at this region. As of that, TSH requested for off-site verification for Major NC Closure to ensure the safety of both parties (BSI &amp; TSH). Since it is still in Movement Control Order Recovery period until 31 December 2020, BSI has accepted the request and remote audit was conducted on 23/09/2020.</p>		

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	<p>All the evidences of closing the Major NC were reviewed and interview session were conducted online to the workers. Therefore, the all the Major NC raised were recommended to be closed.</p> <p>Evidence reviewed: Corrected GHG calculation data.</p> <p>The Correction and Corrective Action Plan was deemed sufficient to address the raised non-conformity. Therefore, the Critical Non-Conformity was closed on 28/09/2020.</p>
<b>ASA 3 Assessment Verification:</b>	<p>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 consumptions mainly from estates activities.</p> <p>Sighted GHG Emission Reduction Plan has been established dated 22/12/2020 with effective date on 01/01/2021. Among objective discussed were:</p> <p>Mill</p> <ul style="list-style-type: none"> <li>• To maintain monthly transportation emission below 10 tonnes CO<sub>2</sub>eq</li> <li>• Maintain GHG Emission at below 400 tonnes CO<sub>2</sub>eq from processing power and outputs</li> <li>• Reduce the GHG emission through work.</li> </ul> <p>Estate</p> <ul style="list-style-type: none"> <li>• To maintain monthly transportation emission below 10 tonnes CO<sub>2</sub>eq</li> <li>• Reduce the GHG emission through work.</li> </ul> <p>The emission value is recorded and calculated through the utilization of RSPO's Palm GHG Calculator ver. 4 which was verified to be accurately reported.</p> <p>GHG emission data keyed in into the Palm GHG Version 4.0 were verified for sampled inputs with the data provided by the mill and estate were found to be accurate. Therefore the Critical Non-conformity remains closed.</p>

Non-conformity			
<b>NCR Ref #</b>	1936766-202007-M6	<b>Date Issued</b>	24/07/2020
<b>Due Date</b>	22/10/2020	<b>Date of nonconformity Closure</b>	28/09/2020
<b>Clause &amp; Category (Critical / Minor)</b>	3.6.1 Critical		
<b>Statement of Nonconformity:</b>	Coverage of risk assessment had not included machinery and equipment brought onto site by service contractor or belonging to KPOM and routine work activities at KPOM was lacking.		
<b>Requirement Reference:</b>	All operations are risk assessed to identify H&S issues. Mitigation plans, and procedures are documented and implemented.		
<b>Objective Evidence:</b>	Kunak POM: 1. Contractor equipment:		

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	<ul style="list-style-type: none"> <li>• Oxygen and acetylene gas cylinders (both empty and filled) found standing upright were not chained to hold them together to a secure post to prevent them from falling.</li> <li>• No flashback spark arrestor was installed at the oxygen and acetylene gas hose connected to each cylinder regulator.</li> <li>• Two sections of the oxygen hose line were joined with connector instead of contractor providing one whole length intact not joint.</li> <li>• All 5-key staff of KPOM interviewed could not recognized the missing safety flashback arrestor.</li> <li>• No checklist was used to inspect the condition of contractor’s machinery and equipment brought onto site.</li> </ul> <p>2. KPOM Equipment:</p> <ul style="list-style-type: none"> <li>• Chipped or broken grinding disc (about 15mm in diameter) found intact to the grinding machine and not reported for replacement by the last user to his supervisor.</li> <li>• Some metal staircase at process areas were installed with anti-slip gripper at steps while some not.</li> </ul> <p>3. Routine activities:</p> <p>The risk assessed in the HIRAC Register had not included inclement weather for activity FFB grading at Loading Ramp and CPO dipstick measurement (ullage) at Storage Tank.</p>
<b>Corrections:</b>	<p>Kunak POM: September’2020</p> <p>1) Contractor equipment:</p> <ul style="list-style-type: none"> <li>• Conduct contractor's pre-inspection of equipment using the Contractor Permit to Work.</li> <li>• Ensure the toolbox meeting conducted before start to work on all site safety's requirements</li> </ul> <p>2) KPOM Equipment:</p> <ul style="list-style-type: none"> <li>• Workshop operator to ensure equipment inspection are recorded and reported.</li> <li>• All workshop equipment will have users log book.</li> <li>• The anti-slip gripper will be installed once the stock available</li> </ul> <p>3) Routine activities:</p> <ul style="list-style-type: none"> <li>• To verify and check the potential risk of weather inclement for these activities at site &amp; revised the HIRADC.</li> </ul>
<b>Root Cause Analysis:</b>	<p>Kunak POM:</p> <p>1) Contractor equipment:</p> <ul style="list-style-type: none"> <li>• Contractor management awareness low among the workers as previous training conducted are focusing on the PTW requirements only which didn't include the contractor’s equipment inspection. The specific training for PTW are more focusing towards the engineer/executive level of which the PIC/owner of site operation and less focusing with the workshop</li> </ul>

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	<p>team/operation mandore of which the person who will work together with the contractors.</p> <ul style="list-style-type: none"> <li>Contractor's pre-inspection equipment not conducted by the Mill's Pic.</li> </ul> <p>2) KPOM Equipment:</p> <ul style="list-style-type: none"> <li>The workshop operators failed to fill in and report unsafe finding based on their monthly "Pemeriksaan Bengkel dan Servis" forms, as the inspection for July yet to be conducted.</li> <li>The anti-slip gripper is installed by progress due to stock liability.</li> </ul> <p>3) Routine activities:</p> <ul style="list-style-type: none"> <li>Didn't identify the hazard as high risk, as normally no activities such as climbing storage tank and grading conducted during raining.</li> </ul>
<b>Corrective Actions:</b>	<p>Kunak POM:</p> <ol style="list-style-type: none"> <li>Contractor equipment: <ul style="list-style-type: none"> <li>The Site PIC listed under the PTW to conduct contractor's site audit during the contractor's work period to ensure the safety of each work process and equipment are not compromised. The new contractors' equipment checklist attached with the PTW will be implemented by 1st September.</li> </ul> </li> <li>KPOM Equipment: <ul style="list-style-type: none"> <li>Workshop operator to conduct weekly (instead of monthly) workshop inspection and recorded into the "Pemeriksaan Bengkel dan Servis" form, and easily identified any unsafe condition of the equipment.</li> <li>The anti-slip gripper wear/tear included in the quarterly OSH Inspection activities.</li> </ul> </li> <li>Routine activities: <p>Included the risk updates in the OSH Committee meeting agenda to easily get any unsafe/potential risk at each and every activity in the operation area based on the committee feedback.</p> </li> </ol>
<b>Assessment Conclusion:</b>	<p>Due to very alarming increase of COVID-19 cases in Tawau, Lahad Datu, Kunak and Semporna on the Major NC Closure Visit date on 25/09/2020; TSH Management has issued a memo to control the movement of both internal and external parties from any of TSH Premises at this region. As of that, TSH requested for off-site verification for Major NC Closure to ensure the safety of both parties (BSI &amp; TSH). Since it is still in Movement Control Order Recovery period until 31 December 2020, BSI has accepted the request and remote audit was conducted on 23/09/2020.</p> <p>All the evidences of closing the Major NC were reviewed and interview session were conducted online to the workers. Therefore, the all the Major NC raised were recommended to be closed.</p> <p>Evidence reviewed:</p> <ol style="list-style-type: none"> <li>Evidence of sterilizer repair job.</li> <li>OSH inspection form Q3 – RSPO audit.</li> <li>Workshop inspection for Aug &amp; Sept 2020.</li> <li>Revised HIRARDC includes bad weather, storm, lighting strike.</li> </ol>



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	<ol style="list-style-type: none"> <li>5. PPE training to workshop workers on 14/09/2020.</li> <li>6. Workshop weekly checklist training on 14/09/2020.</li> <li>7. OSH minutes of meeting format</li> <li>8. OSH slide presentation for mill 2020</li> </ol> <p>The Correction and Corrective Action Plan was deemed sufficient to address the raised non-conformity. Therefore, the Critical Non-Conformity was closed on 28/09/2020.</p>
<b>ASA 3 Assessment Verification:</b>	<p>Physical verification conducted during the onsite assessment found the risks are assessed through the implementation of HIRARC. TSH Plantation have implemented a SOP (Hazard Identification Risk Assessments and Determining Control (HIRADC); Doc Number: TSHR/OSH/SOP01; Doc Date: 01/09/2015) that states the importance of risk assessment through HIRARC.</p> <p><b>Kunak POM</b></p> <ul style="list-style-type: none"> <li>- 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 accident occurs on 15/11/2021 after accident investigation conducted.</li> <li>- 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.</li> <li>- 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.</li> <li>- 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.</li> </ul> <p><b>Maju Sawit Estate</b></p> <ul style="list-style-type: none"> <li>- HIRARC was established in the estate for all operations to assess the risk and hazards associated to them. Latest reviewed was conducted on 01/04/2021. Available for verification were HIRARC for Covid-19 Virus Pandemic and Overall Process.</li> <li>- 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/00/298-2017/052) was available for verification.</li> <li>- The 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/2021-0038.</li> <li>- Latest medical surveillance was conducted on 14/07/2021 for 7 workers by HQ/19/DOC/00/00399. All reports were found fit to work as chemical handlers.</li> </ul>

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	<p>LKSK Estate</p> <ul style="list-style-type: none"> <li>- HIRARC was established in the estate for all operations to assess the risk and hazards associated to them. Available for verification were HIRARC for Covid-19 Virus Pandemic and Overall Process. Latest review was conducted on 01/04/2021.</li> <li>- 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.</li> <li>- The 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/2021-0040.</li> <li>- 2021 Medical Surveillance assessment was conducted for chemical handlers in the estate. The assessment was conducted for 17 workers on 14/07/2021 by OHD with DOSH reg. no. HQ/19/DOC/00/00399 and were all certified fit to work.</li> <li>- The latest Audiometry Test have been conducted by OHD with DOSH reg. no. HQ/19/DOC/00/00399 on 21/09/2021. All workers were found with normal hearing.</li> </ul> <p>Landquest Estate</p> <ul style="list-style-type: none"> <li>- HIRARC was established in the estate for all operations to assess the risk and hazards associated to them. Available for verification were HIRARC for Covid-19 Virus Pandemic and Overall Process. Latest review was conducted on 01/04/2021.</li> <li>- 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.</li> <li>- The 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/2021-039.</li> </ul> <p>There were no complaints of any unsafe conditions by the workers and also verified in the workplace inspection checklist. Therefore the Critical non-conformity remains closed.</p>
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Non-conformity			
<b>NCR Ref #</b>	1936766-202007-N1	<b>Date Issued</b>	24/07/2020
<b>Due Date</b>	Next assessment	<b>Date of nonconformity Closure</b>	13/12/2021
<b>Clause &amp; Category (Critical / Minor)</b>	6.5.3 Minor		
<b>Statement of Nonconformity:</b>	No guideline or mechanism to conduct new mothers needs in Kunak POM and all estates.		

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<b>Requirement Reference:</b>	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.
<b>Objective Evidence:</b>	There is no guideline or mechanism to conduct new mothers needs in Kunak POM and all estates. The assessment done only for breastfeeding mothers' availability.
<b>Corrections:</b>	To create the assessment form for all new mothers to assess the needs of new mothers at both mill & estates.
<b>Root Cause Analysis:</b>	Current system established are only for breastfeeding mothers as we've yet to established overall new mothers' assessment form/program. Practice's now that female workers which come back to work, will reports to MA for health assessment and MA will advise accordingly.
<b>Corrective Actions:</b>	To Implement the programmed based on the assessment needs and all new mothers will need to report to inhouse clinic and assessed by MA once they come back to work.
<b>Assessment Conclusion:</b>	Since this a remote audit, the minor nonconformity is deemed necessary to be assessed on site during the balance onsite assessment that will be conducted in a date has yet to be confirmed.
<b>ASA 3 Assessment Verification:</b>	On-site verification found that the management has identified new mothers via internal memorandum form by Medical Assistant i.e. Notification for Resume Work; Rev. # 00; Effective Date: 1/12/2020 and conducted the consultation via form Pregnancy & New Mother Assessment; Rev. # 00; Effective Date: 1/12/2020. For Kunak POM and Maju Sawit Estate, there are two new mothers resumed back to work on 3/8/2021 and 18/9/2021.  Based on the evidences provided, the CAP verified to be sufficient to address the NC. Hence, Minor NC closed on 13/12/2021.

<b>Non-conformity</b>			
<b>NCR Ref #</b>	1936766-202007-N2	<b>Date Issued</b>	24/07/2020
<b>Due Date</b>	Next assessment	<b>Date of nonconformity Closure</b>	13/12/2021
<b>Clause &amp; Category (Critical / Minor)</b>	7.3.2 Minor		
<b>Statement of Nonconformity:</b>	Found the disposal of waste material inadequately demonstrated as per procedure TSHR/ENV/SOP03; Rev 3; dated 20/02/2020 Waste Management- Scheduled Wastes (Hazardous Waste).		
<b>Requirement Reference:</b>	Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.		
<b>Objective Evidence:</b>	<ol style="list-style-type: none"> <li>1) Found used PPE contaminated with oil been found in rubbish bin in TSH Kunak POM.</li> <li>2) Sighted empty container of lubricant and chemical in old nursery site at Wakuba Estate without proper storage.</li> </ol>		

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	<p>3) In LKSK Estate and Landquest Estate, sighted unused spill kit in storage with remarked SW 408. As per interview with store keeper, they not aware regarding this matter.</p> <p>4) Found contaminated soil with oil was not properly dispose according to SOP in LKSK Estate.</p> <p>Sighted in Landquest Estate the empty container outside store area was not disposed as per procedure accordingly.</p>
<b>Corrections:</b>	<p>1) Conduct SW management training program for each PIC immediately both theoretical &amp; practical.</p> <p>2) SW PIC to conduct refresher awareness to all employees on the type of SW and disposal methods on quarterly basis.</p>
<b>Root Cause Analysis:</b>	<p>1. Employee's awareness still found lacking as there are no verification of understanding has been made previously for the trainee.</p> <p>2. Cleaning of the old chemical stock has been lacking from the field.</p>
<b>Corrective Actions:</b>	<p>Conduct annual SW Management training assessment (verification of understanding) to all trained employees to measure their understanding of SW Management at site.</p>
<b>Assessment Conclusion:</b>	<p>Since this a remote audit, the minor nonconformity is deemed necessary to be assessed on site during the balance onsite assessment that will be conducted in a date has yet to be confirmed.</p>
<b>ASA 3 Assessment Verification:</b>	<p>On-site verification found that the procedure TSHR/ENV/SOP03; Rev 4; dated 01/12/2021 Waste Management- Scheduled Wastes (Hazardous Waste) Management has been established. There containing details relating to: -</p> <ul style="list-style-type: none"> <li>a) Waste identification / disposal plan</li> <li>b) Scheduled waste inventory/inspection checklist</li> <li>c) Return of emptied chemical container</li> <li>d) Environment monitoring records</li> <li>e) SW maintenance records</li> </ul> <p>Sighted E-Swiss Inventory and Disposal records as below: -</p> <p>Kunak POM</p> <ul style="list-style-type: none"> <li>- Inventory of SW record was sighted latest on 12/12/2021 for SW102, SW305, SW306, SW322, SW404, SW408, SW409, and SW410 with file reference number ASSH/TWU(B)31/152/000/027.</li> <li>- Disposal has been made through licensed contractor Lagenda Bumimas Sdn Bhd dated 25/08/2021. Sighted record of disposal for SW102:127Kg SW 305:299Kg and SW306:139.10Kg with reference of consignment note; C000812 and C000813 and C000816.</li> </ul> <p>LKSK Estate</p> <ul style="list-style-type: none"> <li>• Inventory of SW record was sighted latest on 13/12/2021 for SW305, SW408, and SW410 with file reference number ASSH/TWU(B)95/130/100/336.</li> <li>• Disposal has been made through licensed contractor Lagenda Bumimas Sdn Bhd dated 25/08/2021. Sighted record of disposal for SW305:56Kg SW</li> </ul>

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	<p>408:2Kg and SW410:11Kg with reference of consignment note ; C000806 and C000807 and C000808.</p> <p>Landquest Estate</p> <ul style="list-style-type: none"> <li>Inventory of SW record was sighted latest on 14/12/2021 for SW305, and SW410 with file reference number ASSH/TWU(B)95/130/100/335.</li> </ul> <p>Disposal has been made through licensed contractor Lagenda Bumimas Sdn Bhd dated 25/08/2021. Sighted record of disposal for SW305 SW 408:5kg and SW410:17Kg with reference of consignment note; C000809 and C000810</p> <p>Based on the evidences provided, the CAP verified to be sufficient to address the NC. Hence, Minor NC closed on 13/12/2021.</p>
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Non-conformity			
<b>NCR Ref #</b>	1936766-202007-N3	<b>Date Issued</b>	24/07/2020
<b>Due Date</b>	Next assessment	<b>Date of nonconformity Closure</b>	13/12/2021
<b>Clause &amp; Category (Critical / Minor)</b>	2.2.2 Minor		
<b>Statement of Nonconformity:</b>	The below RSPO P&C MYNI 2019 clause requirements were not adequately addressed.		
<b>Requirement Reference:</b>	Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available.		
<b>Objective Evidence:</b>	Legal due diligence for contracted third parties had yet to be conducted by TSH Plantation Management Sdn Bhd.		
<b>Corrections:</b>	Create supplier's evaluation system / form.		
<b>Root Cause Analysis:</b>	Current system didn't have recorded supplier's audit system.		
<b>Corrective Actions:</b>	Implement the system to suppliers as per the agreed in the business code of conducts & enforcement of the TSH Business Codes of Ethics.		
<b>Assessment Conclusion:</b>	Since this a remote audit, the minor nonconformity is deemed necessary to be assessed on site during the balance onsite assessment that will be conducted in a date has yet to be confirmed.		
<b>ASA 3 Assessment Verification:</b>	<p>On-site verification found that the 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:</p> <ul style="list-style-type: none"> <li>Kunak POM: Purchase of Fresh Fruit Bunches (FFB) Agreement; Supplier: Permata Plantation Sdn. Bhd.; Date: 1/1/2019</li> <li>Landquest Estate: Sundry/Petty Contract No.: LQ/01/2019; Land preparation for replanting in Landquest Estate block 93 (41 ha)</li> <li>Maju Sawit Estate: TSH Plantation Management Sdn. Bhd. Sundry/Petty Contract # MS/01/2021; Date: 1/11/2021; Land preparation for replanting in Maju Sawit Estate block 94 (12.50 ha); Contractor: PA Tech Sdn. Bhd.</li> </ul>		

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	<p>- LKSK Estate: Sundry/Petty Contract No.: LKSK/01/2020; Land preparation for replanting in LKSK Estate block 96A (108 ha)</p> <p>Based on the evidences provided, the CAP verified to be sufficient to address the Major NC. Hence, Minor NC closed on 13/12/2021.</p>
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Non-conformity			
<b>NCR Ref #</b>	1936766-202007-N4	<b>Date Issued</b>	24/07/2020
<b>Due Date</b>	Next assessment	<b>Date of nonconformity Closure</b>	13/12/2021
<b>Clause &amp; Category (Critical / Minor)</b>	2.2.3 Minor		
<b>Statement of Nonconformity:</b>	The below RSPO P&C MYNI 2019 clause requirements was not adequately addressed.		
<b>Requirement Reference:</b>	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.		
<b>Objective Evidence:</b>	The above clause requirements were not included to form part of contract document.		
<b>Corrections:</b>	To revised the current contract agreement to include the current business code of ethics and anti-bribery act form.		
<b>Root Cause Analysis:</b>	Current contract agreement come with attached business code of conduct which covered these requirements but no reference has been made in the contract documents as no revision has been conducted into the contract documents.		
<b>Corrective Actions:</b>	Refresher training to be included during the external stakeholder annual meeting.		
<b>Assessment Conclusion:</b>	Since this a remote audit, the minor nonconformity is deemed necessary to be assessed on site during the balance onsite assessment that will be conducted in a date has yet to be confirmed.		
<b>ASA 3 Assessment Verification:</b>	<p>On-site verification found that the 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:</p> <ul style="list-style-type: none"> <li>- Kunak POM: Purchase of Fresh Fruit Bunches (FFB) Agreement; Supplier: Permata Plantation Sdn. Bhd.; Date: 1/1/2019</li> <li>- Landquest Estate: Sundry/Petty Contract No.: LQ/01/2019; Land preparation for replanting in Landquest Estate block 93 (41 ha)</li> <li>- LKSK Estate: Sundry/Petty Contract No.: LKSK/01/2020; Land preparation for replanting in LKSK Estate block 96A (108 ha)</li> </ul> <p>Based on the evidences provided, the CAP verified to be sufficient to address the Major NC. Hence, Minor NC closed on 13/12/2021.</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
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	Open
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### 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 and Supply Base 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.

Stakeholders contacted		
Type of Stakeholder (e.g. Internal, Union, Contractor, Governmental Department, NGO, External, Communities)	Stakeholder name / organization	Means of communication (e.g. face to face interview, email, phone interview, comment from public notice)
Neighbour Estate Representatives	Man Yen Estate	Face to face interview
Gender Committee Representatives	- Estate Office Clerk - Estate Creche Ayah - Estate Cleaner - Mill Chief Clerk	Face to face interview
CLC Teachers	- CLC Pelita Bangsa LKSK Estate - CLC Landquest Estate	Face to face interview
Estate Vendors	- Pemborong Am Suhailah Jaya - Yung Leong Enterprise	Face to face interview
Mill Vendor	- Pekah Sdn. Bhd.	Face to face interview
Mill External FFB Suppliers	- Yap Kam Foh Estate - Woo Yuk Len Estate	Face to face interview
Workers Representatives	- Estate Admin Clerk - Mill Operator - Estate Store Hand	Face to face interview
New Mother	Weighbridge Clerk	Face to face interview



Stakeholders comment	
1	<p><b>Feedbacks:</b> Neighbour Estate</p> <p>No issue in boundary with TSH estate. Have good relationship with the management and staff. Always invited to attend stakeholder meeting or event involving neighbours and local community.</p>
	<p><b>Audit Team verification and response:</b></p> <p>No further issue</p>
2	<p><b>Feedbacks:</b> Gender committee &amp; new mother</p> <p>All women employees in TSH mill and estates entitled for maternity leave of 60 days. New mothers provided with private room in office for breast milk pumping during office hours. Field workers if required can use nursery for estate toddlers for breast feed babies during working hour. New mother also allowed to take time off in case need to attend babies vaccination appointment without annual leave or salary deduction.</p>
	<p><b>Audit Team verification and response:</b></p> <p>No further issue</p>
3	<p><b>Feedbacks:</b> CLC Teachers</p> <p>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></p> <p>No further issue</p>
4	<p><b>Feedbacks:</b> Mill &amp; estate vendors</p> <p>No issue in pricing and payment with both TSH mill and estates. Have long business relationship.</p>
	<p><b>Audit Team verification and response:</b></p> <p>No further issue</p>
5	<p><b>Feedbacks:</b> Mill External FFB Suppliers</p> <p>No issue in FFB grading and payment by TSH mill. TSH Marketing Department from Tawau HQ and Mill management always prompt in FFB purchase agreement renewals on annual basis.</p>
	<p><b>Audit Team verification and response:</b></p> <p>No further issue</p>
6	<p><b>Feedbacks:</b> Workers Representatives</p> <p>No issue with management. If need to discuss anything, management ready to accommodate.</p>
	<p><b>Audit Team verification and response:</b></p> <p>No further issue</p>

List of land owner / user contacted					
Name	Years of ownership / used	Land area (ha)	Agreement (Yes / No)	Agreement base on FPIC (Yes/No)	Compliance on the agreement terms and conditions
Not applicable as the estates have undergone first cycle of replanting.					

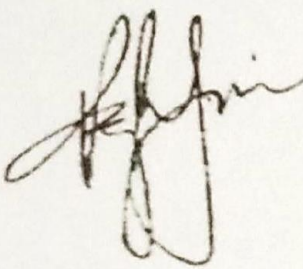
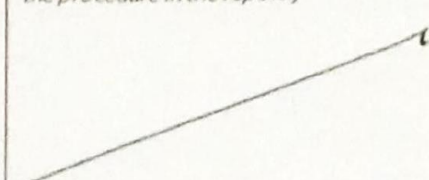

Previous land owner / user comment	
Nil	Feedbacks: N/A
	Audit Team verification and response: N/A

**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.

**Formal Signing-off of Assessment Conclusion and Recommendation**

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 and Supply Base has complied with the Malaysia National Interpretation 2019 of the RSPO P&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 and Supply Base is remain certified.

Report prepared by	Acceptance of Assessment Conclusion
Name: Hafriazhar Mohd. Mokhtar	Name: Thomas Gunik
Company Name: BSI Services Malaysia Sdn. Bhd.	Company Name: TSH Plantation Management Sdn. Bhd.
Title: Client Manager	Title: Mill Manager
Signature: 	Signature: <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>  
Date: 21/3/2022	Date: 23 / 3 / 2022

**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.</p> <p>- 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-2020/">https://www.tsh.com.my/annual-report-2020/</a>.</p> <p>Other documents provided including the following:</p> <ul style="list-style-type: none"> <li>- Sustainability Policy: Strategy &amp; Implementation; ST-POL10-00; Date: 5/9/2017</li> <li>- Human Rights &amp; Responsible Business Practices; ST-POL09-03; Date: 21/7/2020</li> <li>- TSH Resources Berhad Environmental Aspect and Impact Assessment Sheet; TSHR/ENV/F01; Date: 31/1/2019</li> <li>- TSH Resources Berhad List of Significant Aspect; TSHR/ENV/F02; Date: 31/1/2019</li> <li>- TSH Resources Berhad Objective, Target &amp; Program; Rev. # 1; Effective date: 1/1/2021</li> <li>- TSH Resources Berhad Social Continual Improvement Plan (2021 - 2025); Review date: 14/12/2020</li> <li>- Corporate Social Responsibility Plan Year 2021-2025 (Tawau Region); Review date: 14/12/2020</li> </ul>	Complied

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		<ul style="list-style-type: none"> <li>- Standard Operating Procedure Communication, Consultation and Participation; TSHR/SUST/SOP02; Rev. # 03; Date: 19/11/2019</li> <li>- "Polisi Hak Asasi Manusia &amp; Integritas Bisnis" – Date: 21/07/2020</li> <li>- "Polisi Peluang Setara &amp; Diskriminasi" - Date: 16/10/2015</li> <li>- "Polisi Kemampuan Strategi &amp; Implementasi" - Date: 05/09/2017</li> </ul> <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.</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>Request and response from internal &amp; external stakeholders as per sample records of <i>Borang Cadangan &amp; Aduan</i> (Suggestion &amp; Complaint Form); Rev. # 0; Effective date: 19/11/2019 sighted. Sample requests made are as following:</p> <ul style="list-style-type: none"> <li>- Request by customer (TSH-Wilmar Sdn. Bhd.) to provide MSPO certificate; Date: 22/10/2020</li> <li>- Request by customer (LDEO Sdn. Bhd.) to complete and return supplier audit questionnaire form; Date: 31/12/2020</li> <li>- Request by MPOB on biomass usage data; letter ref. # (4) 04/C/P/NKDI430; Date: 13/4/2021</li> </ul>	Complied

		- Request of Census Operation Permission of Housing Occupants Malaysia (Census Malaysia 2020) via face-to-face and drip-off and pick-up (DOPU) during National Recovery Plan (PPN) period from department of Statistics Malaysia; Letter Ref. # JB/BPPD/379/42/2/JLD.6 (63); Date: 21/9/2021	
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>Consultation and communication procedure available in place, TSHR/RSPO/SOP02, Rev. #1. Sighted process flow for communication &amp; consultation also available as reference.</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 questionnaires to stakeholders to seek for any feedbacks. No negative feedbacks received from stakeholders consulted via letters.</p> <p>Nominated official management representative is Mr. Thomas Gunik for Kunak POM as per Letter of Appointment (LOA) dated 1/9/2020, Mr. Alex Petrus for Landquest Estate; LOA date: 3/7/2020, Mr. Srirahayuanto for Maju Sawit Estate; LOA date: 2/1/2020 and Mr. Kong Soon Thau for LKSK Estate; LOA date: 3/7/2020.</p>	Complied
1.1.5	<p>There is a current list of contact and details of stakeholders and their nominated representatives.</p> <p>- Minor compliance -</p>	<p>There is a current list of contact and details of stakeholders and their nominated representatives as per sighted sample records as following:</p> <ul style="list-style-type: none"> <li>- TSH Plantation Management Sdn. Bhd. (Maji Sawit Estate) External Stakeholder List; Date: 2/1/2021</li> <li>- TSH Plantation Sdn. Bhd. (Kunak POM) External Stakeholder Contact Details- FFB Supplier List; Date: 16/3/2021</li> <li>- Landquest Sdn. Bhd. (Landquest Estate) External Stakeholder List; Date: 4/1/2021</li> </ul>	Complied

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		<p>- Ladang LKSK Sdn. Bhd. (LKSK Estate) External Stakeholder List; Date: 14/6/2020</p> <p>Various category of external stakeholders was registered including authorities, local communities, neighbours and vendors etc. There are also internal stakeholders' lists consists of all employees within each operating unit.</p>	
<p><b>Criterion 1.2:</b> The unit of certification commits to ethical conduct in all business operations and transactions.</p>			
1.2.1	<p>A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.</p> <p>- Minor compliance -</p>	<p>TSH established policy on Communication &amp; Consultation and the embedment of Code of Ethics within the Group Human Resource Manual and practice covers all operations in the plantation operation.</p> <p>Elements of ethical conducts and integrity were embedded in all policies including the latest revised policy of Human Rights &amp; Responsible Business Practices; ST-POL09-03; Date: 21/7/2020.</p> <p>Sighted a sample of latest briefing of policies to all mill employees dated on 23/9/2020.</p> <p>The Code of Ethics also included in contracts as per sample sighted for mill Purchase of Fresh Fruit Bunches (FFB) Agreement; Supplier: Permata Plantation Sdn. Bhd.; Date: 1/1/2019.</p>	Complied
1.2.2	<p>A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.</p> <p>- Minor compliance -</p>	<p>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 on 24-26/3/2021 by internal auditors from sustainability team.</p>	Complied
<p><b>Principle 2: Operate legally and respect rights</b></p>			
<p><b>Criterion 2.1:</b> There is compliance with all applicable local, national and ratified international laws and regulations.</p>			

<p>2.1.1</p>	<p><b>(C)</b> The Unit of Certification complies with legal requirements          - Critical (Major) compliance -</p>	<p>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 3 estates had obtained and renewed license and permits as required by the law. The licenses/permit verified among others were:</p> <p>Kunak POM</p> <ul style="list-style-type: none"> <li>- MPOB License; License Number: 508719104000; Processing Capacity: 480,000 Mt FFB; License Validity Period: 01/06/2021 – 31/05/2022.</li> <li>- DOE Compliance Schedule; License Number: 003569; License Validity period: 30/08/2022.</li> <li>- Fire Certificate; Certificate Number: JBPM:SB/7/77/2021; License Validity Period: 23/04/2021 – 22/04/2022.</li> <li>- Scheduled Controlled Goods License (Diesel) permit no. S005032. Permit validity period: 13/11/2021 – 12/11/2024.</li> <li>- Private installation permit no. 2021/00668; Permit Validity Period: 29/04/2021 – 28/04/2022</li> <li>- Permits to employ non -resident workers no. B-006661/24 valid till 14/10/2022</li> </ul> <p>Maju Sawit Estate</p> <ul style="list-style-type: none"> <li>- MPOB License; License Number: 617806002000; Estate Area: 235.22 Ha; License Validity Period: 01/12/2021 – 30/11/2022.</li> <li>- License to Employ Non-Residential Workers (JTK-Sabah); License Number: -006661/24; License Validity Period: 15/10/2021 – 14/10/2022.</li> <li>- Salary deduction permit no. 06(0018)TWU. Validity period 03/07/2020 – 02/07/2022.</li> </ul>	<p>Complied</p>
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		<ul style="list-style-type: none"> <li>- Business license no. KNK/2021/1008 validity period till 31/12/2021</li>   <li>LKSK Estate</li> <li>- MPOB License; License Number: License Number: 503210802000; Estate Area: 966.02 Ha; License Validity Period: 01/09/2021 – 31/08/2022.</li> <li>- MPOB License - Nursery; License Number: 618102111000; License Validity Period: 01/04/2021 – 31/03/2022</li> <li>- License to Employ Non-Residential Workers (JTK-Sabah); License Number: B-000043/28; License Validity Period: 04/10/2021 – 03/10/2022.</li> <li>- Certificate of Eligibility: Air Receiver Tank; Non-Fire Pressure Containers – Registration Number: SB PMT 80288; License Expiry Date: 06/10/22.</li> <li>- Private installation permit no. 44165; Permit Validity Period: 29/05/2021 – 28/05/2022</li> <li>- Scheduled Controlled Goods License (Diesel) permit no. S004259. Permit validity period: 15/06/2021 – 14/06 2024.</li>   <li>Landquest Estate</li> <li>- MPOB License; License Number: 502362102000; Estate Area: 370 Ha; License Validity Period: 01/11/2021 – 31/10/2022</li> <li>- Certificate of Eligibility: Air Receiver Tank; Non-Fire Pressure Containers – Registration Number: SB PMT 80641; License Expiry Date: 09/02/2022.</li> <li>- Scheduled Controlled Goods License (Diesel) permit no. S001628. Permit Validity Period: 01/09/2020 – 31/08/2021</li> </ul>	
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		<ul style="list-style-type: none"> <li>- Private installation permit no. 49353; Permit Validity Period: 29/05/2021 – 28/05/2022</li> <li>- Business license no. SPA/2020/4477. License validity period till 21/12/2021</li> <li>- Salary deduction permit no. 11(0120)TWU. Permit validity period till 08/07/2023</li> </ul>	
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.</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>LKSK Estate</p> <p>The estate clearly demarcated the legal boundary with red colour pole as sighted at field 99 D adjacent with Sabah Forest (Ulu Kalumpang Forest) and 98 E adjacent with Sabah Park (Mt. Wullersdorf Forest).</p> <p>Landquest Estate</p> <p>The estate clearly demarcated the legal boundary with red colour pole. Sighted the boundary marking at field OP96A adjacent with PEKAH Sdn. Bhd.</p> <p>Maju Sawit Estate</p>	Complied

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		The estate clearly demarcated the boundary with red colour pole as sighted at field OP2010 adjacent with KLK Sri Kunak Estate.	
<b>Criterion 2.2: All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.</b>			
2.2.1	A list of contracted parties is maintained. - Minor compliance -	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.	Complied
2.2.2	All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available. - Minor compliance -	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: - Kunak POM: Purchase of Fresh Fruit Bunches (FFB) Agreement; Supplier: Permata Plantation Sdn. Bhd.; Date: 1/1/2019 - Landquest Estate: Sundry/Petty Contract No.: LQ/01/2019; Land preparation for replanting in Landquest Estate block 93 (41 ha) - Maju Sawit Estate: TSH Plantation Management Sdn. Bhd. Sundry/Petty Contract # MS/01/2021; Date: 1/11/2021; Land preparation for replanting in Maju Sawit Estate block 94 (12.50 ha); Contractor: PA Tech Sdn. Bhd. - LKSK Estate: Sundry/Petty Contract No.: LKSK/01/2020; Land preparation for replanting in LKSK Estate block 96A (108 ha)	Complied
2.2.3	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. - Minor compliance -	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: Purchase of Fresh Fruit Bunches (FFB) Agreement; Supplier: Permata Plantation Sdn. Bhd.; Date: 1/1/2019 - Landquest Estate: Sundry/Petty Contract No.: LQ/01/2019; Land preparation for replanting in Landquest Estate block 93 (41 ha)	Complied

		- LKSK Estate: Sundry/Petty Contract No.: LKSK/01/2020; Land preparation for replanting in LKSK Estate block 96A (108 ha)	
<b>Criterion 2.3:</b> All FFB supplies from outside the unit of certification are from legal sources.			
2.3.1	<p><b>(C)</b> 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. The mill also receives diverted crop from other TSH Plantation Mill (due to breakdown or maintenance). The mill also receives non-certified FFB from outsider estates, smallholders and collection centres.</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>Delivery documents to support the delivery of all FFB to the mill.</li> <li>Information of geo-location and address.</li> <li>Total land Area</li> <li>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. Reviewed the List for FFB Supplier List to Danum Collecting Centre, FFB Supplier List to Segama Collecting Centre, FFB Supplier List to Bukit Tajam Collecting Centre, FFB Supplier List to Silam Collecting Centre, FFB Supplier List to Sapang Collecting Centre, FFB Supplier List to Sungai Burung, FFB Supplier List to Sin Onn Tiku Collecting Centre, FFB Supplier List to Tingkat Maju Collecting Centre, FFB Supplier List to Semporna Collecting Centre dated 10/05/2021.</p> <p>In the list stated the Name, RSPO/MSPO cert. no., MPT license no., MPOB License no., Land Title no., Size of land, location/GPS, Person Responsible, Contact no., Email Address and Company address.</p>	Complied

		The mill is in progress to obtain all the GPS location information from the collection centre.	
<b>Principle 3: Optimise productivity, efficiency, positive impacts and resilience</b>			
<b>Criterion 3.1:</b> There is an implemented management plan that aims to achieve long-term economic and financial viability.			
3.1.1	<p><b>(C)</b> A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders.</p> <p>- Critical (Major) compliance -</p>	<p>TSH – Kunak POM</p> <p>A business management plan was available in the “Long Term Project Development &amp; Maintenance Plan (3 Years)” document which was available for verification. The plan included the budget and estimated cost for the next 3 years. Among the areas highlighted in the plan are fixed asset, staff salaries &amp; related costs, labour welfare expenses and administration &amp; general charges. The plan also includes CPO Price forecast, OER, KER, FFB Production and Manufacturing charges among others.</p> <p><u>TSH - Estates</u></p> <p>TSH Resources Berhad operating units have established a Long Term Project Development and Maintenance Plan (3 Years) available for verification. The plan mainly states the projected budget for the years which includes fixed assets, staff salaries &amp; related costs, labour welfare expenses, administration and general charges, mature – upkeep &amp; maintenance, harvesting &amp; collection, FFB projection and Area Projection.</p>	Complied
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>TSH Kunak Supply Base estates have established a long-range replanting programme until FY 2025. Replanting are planned for the fields older than 25 years, non-performance fields (yield) and Ganoderma infected palms. The total Ha for the projected replanting of the 3 estates are as follows :</p>	Complied

Year	Maju Sawit Estate, Ha	LKSK Estate, Ha	Landquest Estate, Ha
2021	0.00	0.00	0.00
2022	12.50	94.00	0.00
2023	0.00	0.00	0.00
2024	16.00	140.00	13.00
2025	16.00	130.00	32.00

For LKSK Estate, originally replanting programme has been postponed due to MCO.

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 Operating Units held a joint management review for the whole certification unit on a yearly basis. Among the matters discussed during the management review are as follows :-</p> <ul style="list-style-type: none"> <li>a. Results of Internal Audit</li> <li>b. Customer Feedback</li> <li>c. Status of preventive and corrective action plans</li> <li>d. Follow Up actions for management reviews</li> <li>e. Changes that could affect the management system</li> <li>f. Recommendations for improvement</li> </ul> <p>The minutes of meeting indicated that Internal Audit findings were each thoroughly examined and the corrective action plan were discussed. The management review meeting dated 22/04/2021 conducted for the whole certification unit was available for verification.</p>	Complied
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<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><b>(C)</b> 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 operating units established continuous improvement plans which were reviewed and documented annually with latest updates are for the year 2021 – 2025 as following:</p> <ul style="list-style-type: none"> <li>- TSH Resources Berhad Social Continual Improvement Plan; Rev. # 0; Effective date: 1/1/2016</li> <li>- TSH Resources Berhad Environment Continual Improvement Plan; Rev. # 0; Effective date: 1/4/2016</li> <li>- TSH Resources Berhad Objective, Target &amp; Program; Rev. # 0; Effective date: 2/1/2019</li> </ul> <p>The plan was implemented to monitor the effectiveness of the mitigation measures. The plan covers the social and environmental objective, target (time frame), program, person responsible and action. The plan was reviewed on annual basis. Latest review was conducted on 14/12/2020.</p> <p>Among social programs established including the following:</p> <ul style="list-style-type: none"> <li>- Education: CLC Establishment</li> <li>- Health care programs campaign</li> <li>- To collaborate with MPOB to train local villagers on GAP/MSPO</li> <li>- Ensure the availability of records of employment of foreign workers</li> </ul> <p>However, issues caused 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. Hence, an OFI has been raised on the matter.</p> <p>On environmental, continual improvement plan has been developed for Kunak POM and Estates. Refer Environment</p>

OFI

		<p>Continual Improvement Plan (2021 – 2025) prepared on 15/12/2020 with effective date on 01/01/2021. Among topics discussed were:</p> <p>Kunak POM</p> <ul style="list-style-type: none"> <li>- To reduce Emission that polluted the air</li> <li>- To improve wastewater treatment</li> <li>- To avoid the infection from the generating of clinical waste</li> <li>- To minimize land pollution through leachate</li> <li>- To improve the collection, segregation, storage and disposal of all schedule waste and domestic waste.</li> </ul> <p>LKSK Estate, Landquest Estate, and Maju Sawit Estate</p> <ul style="list-style-type: none"> <li>- To minimize air pollution</li> <li>- 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>- To minimize the land contamination through the generating of schedule waste</li> <li>- To protect ant Riparian Reserves or gazetted buffer zone from any plantation activities.</li> </ul> <p>Sighted Environmental Aspects and Impacts Evaluation Register for Mill and Estate dated 01/07/2020. Among activities discussed in the operating unit were:</p> <p>Mill</p> <ul style="list-style-type: none"> <li>- Biogas Operation</li> <li>- Effluent</li> <li>- POME</li> <li>- Boiler</li> </ul>	
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		<p>Estate</p> <ul style="list-style-type: none"> <li>- Workshop &amp; Carpentry</li> <li>- In House Clinic</li> <li>- Security, Administration, Utility &amp; Creche' Ayah</li> <li>- Stores (Chemical, SW, General, POL)</li> <li>- Field Operation (Harvesting, Spraying, Replanting etc.)</li> </ul>	
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></p> <p>The RSPO metrics template is awaiting decision/agreement by RSPO and the issue is still being discussed.</p> <p>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.</p> <p>- Minor Compliance -</p>	<p>RSPO metrics template submitted was verified its data to be reflective of raw data sources.</p>	Complied
<p><b>Criterion 3.3:</b> Operating procedures are Appropriately documented, consistently implemented and monitored.</p>			
3.3.1	<p><b>(C)</b> Standard Operating Procedures (SOPs) for the unit of certification are in place.</p> <p>- Critical (Major) compliance -</p>	<p>The mill operations are directed by SOP maintained by the management. Among others relating to; Administration, Store, Maintenance, Biogas, Weighbridge Station, FFB Grading, Production - Crude Palm Oil (CPO) &amp; Palm Kernel (PK), Water Quality Analysis and Effluent Analysis. All documents were available for verification upon request.</p> <p>Similarly, the estates operations are guided by SOP maintained by TSH Plantation.</p>	Complied

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		<p>A master list for all SOPs were available in the TSH Plantation – Document Master List; Rev: No: 09; Effective Date: 05/10/2017. All SOPs were available for verification upon request.</p> <p>Verified the SOPs as below:</p> <ol style="list-style-type: none"> <li>1. TSH Covid 19 Emergency Preparedness and Response Guidelines; Effective 11/04/2020; Rev: 01.</li> <li>2. TSH Staffing &amp; Recruitment; Doc Number: TSHR/HR/SOP01; Effective: 17/08/2015.</li> <li>3. TSH Admin; Doc Number: TSHP/AD/SOP01; Effective Date: 01/11/2018</li> <li>4. TSH Communication. Consultation and Participations; Effective Doc Date: TSHR/SUST/SOP02; Date: 19/11/2019</li> </ol>	
3.3.2	<p>A mechanism to check consistent implementation of procedures is in place.</p> <p>- Minor Compliance -</p>	<p>A mechanism to check was accordance to Mill Advisory, Plantation Advisory and Agronomist inspect and report on the operations on annual basis. There were other audits by Group internal audit and QESH Department to ensure compliance against company policy and procedure with regards to operation, finance as well as safety, health and welfare requirements.</p>	Complied
3.3.3	<p>Records of monitoring and any actions taken are maintained and available.</p> <p>- Minor Compliance -</p>	<p>The monitoring of the SOP implementation was closely made by all levels of the supervisory personnel with records maintained and checked. The records sighted were as follows;</p> <ol style="list-style-type: none"> <li>1. Daily production/work records for the core activities at the estates</li> <li>2. Field cost book,</li> <li>3. Worksite Inspection</li> <li>4. Linesite Inspection</li> <li>5. Chemical consumption record</li> <li>6. Mature/immature field work program</li> </ol>	Complied

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		<p>7. Fertilizer Application,              8. Herbicide Spraying,              9. Harvesting and Collection of FFB.</p> <p>All the above records were kept for a minimum period of 12 months.</p>	
<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>			
<p>3.4.1</p>	<p><b>(C)</b> In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/out-grower scheme, is documented.</p> <p>- Critical (Major) compliance -</p>	<p>No new planting activity at Kunak POM and supply bases. For existing operations, the operating units has conducted the SIA which reported in the Social Impact Assessment (SIA); Oil Palm Plantation of 251 Hectares at Maju Sawit Estate, Wakuba Estate and 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>Identified social impacts been taken action as per established TSH Resources Berhad Social Continual Improvement Plan (2021 - 2025); Review date: 14/12/2020.</p> <p>The operating units has conducted Environmental Aspect Impact Identification and Environmental Impact Evaluation Register as per procedure, refer doc no. TSHR/ENV/SOP04, rev. 1, 01/07/2020. Latest review was conducted on 01/07/2020. All significant impacts were recorded in Significant Impact Register section. Environmental Management Plan has been established base on the significant impact identified.</p> <p>Among activities discussed in the operating unit were:</p> <p>Mill</p> <ul style="list-style-type: none"> <li>- Biogas Operation</li> <li>- Effluent</li> </ul>	<p>Complied</p>

		<ul style="list-style-type: none"> <li>- POME</li> <li>- Boiler</li> </ul> <p>Estate</p> <ul style="list-style-type: none"> <li>- Workshop &amp; Carpentry</li> <li>- In House Clinic</li> <li>- Security, Administration, Utility &amp; Creche' Ayah</li> <li>- Stores (Chemical, SW, General, POL)</li> <li>- Field Operation (Harvesting, Spraying, Replanting etc.)</li> </ul>	
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>Based on the Social Impact Assessment (SIA); Oil Palm Plantation of 251 Hectares at Maju Sawit Estate, Wakuba Estate and Kunak Palm Oil Mill, District of Tawau, Sabah; report prepared by Kiwiheng Environmental Consultants Sdn Bhd; Ref.: KEC-(EV)/18/03; Dated May 2018, actions were established as TSH Resources Berhad Social Continual Improvement Plan (2021 - 2025); Review date: 14/12/2020 for identified social impacts.</p> <p>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, target (time frame), program, person responsible and action. The plan was reviewed on annual basis. Latest review was conducted on 14/12/2020 for LKSK Estate, 29/6/2021 for Landquest Estate and 1/7/2020 for Maju Sawit and Kunak POM.</p> <p>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.</p> <p>The environmental management plan was established base on Environmental Aspect Impact Identification and Environmental</p>	Complied

		<p>Impact Evaluation and documented in Environmental Continual Improvement Plan 2021 – 2025 dated 01/07/2020.</p> <p>The plan was implemented to monitor the effectiveness of the mitigation measures. The plan covers the environmental objective, target (time frame), program, person responsible and action.</p> <p>Among topics discussed were:</p> <p>Kunak POM</p> <ul style="list-style-type: none"> <li>- To reduce Emission that polluted the air</li> <li>- To improve wastewater treatment</li> <li>- To avoid the infection from the generating of clinical waste</li> <li>- To minimize land pollution through leachate</li> <li>- To improve the collection, segregation, storage and disposal of all schedule waste and domestic waste.</li> </ul> <p>LKSK Estate, Landquest Estate, and Maju Sawit Estate</p> <ul style="list-style-type: none"> <li>- To minimize air pollution</li> <li>- 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>- To minimize the land contamination through the generating of schedule waste</li> <li>- To protect ant Riparian Reserves or gazetted buffer zone from any plantation activities.</li> </ul>	
3.4.3	<p><b>(C)</b> The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.</p> <p>- Critical (Major) compliance -</p>	<p>Social Continual Improvement Plan updated 14/12/2020 for year 2016 -2020 and Year 2021 – 2025 has been established to monitor the implementation of management plan. The plan is being reviewed on yearly basis and status of completion will be updated in plan as well.</p>	Complied

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		<p>Sighted in the continual plan of latest plan to enhance the management system regarding COVID-19 where management to keep track and trace related documentation.</p> <p>The environmental management plan was established base on Environmental Aspect Impact Identification and Environmental Impact Evaluation and documented in Environmental Continual Improvement Plan 2021 – 2025 dated 01/07/2020 prepared by Safety, Health, Environment and Quality Manager, and Approved by Sr Estate Manager.</p>	
<b>Criterion 3.5:</b> A system for managing human resources is in place.			
3.5.1	<p>Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable.</p> <p>- Minor Compliance -</p>	<p>The employment procedure established as Staffing &amp; Recruitment SOP; TSHR/HR/SOP01; Rev. # 0; Date: 17/8/2015 and made available to workers.</p>	Complied
3.5.2	<p>Employment procedures are implemented, and records are maintained.</p> <p>- Minor Compliance -</p>	<p>Employment procedures are implemented accordingly where it was learnt that there were two workers absconded on 31/10/2021 at LKSK Estate; 1 worker a Landquest Estate on 13/3/2017 as per sample records sighted maintained at each estate respectively.</p>	Complied
<b>Criterion 3.6:</b> An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.			
3.6.1	<p><b>(C)</b> All operations are risk assessed to identify H&amp;S issues. Mitigation plans and procedures are documented and implemented.</p> <p>- Critical (Major) compliance -</p>	<p>The risks are assessed through the implementation of HIRARC. TSH Plantation have implemented a SOP (Hazard Identification Risk Assessments and Determining Control (HIRADC); Doc Number: TSHR/OSH/SOP01; Doc Date: 01/09/2015) that states the importance of risk assessment through HIRARC.</p> <p>Kunak POM</p>	Complied

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		<ul style="list-style-type: none"> <li>- 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 accident occurs on 15/11/2021 after accident investigation conducted.</li> <li>- 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.</li> <li>- 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.</li> <li>- 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.</li> </ul> <p>Maju Sawit Estate</p> <ul style="list-style-type: none"> <li>- HIRARC was established in the estate for all operations to assess the risk and hazards associated to them. Latest reviewed was conducted on 01/04/2021. Available for verification were HIRARC for Covid-19 Virus Pandemic and Overall Process.</li> <li>- 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:</li> </ul>	
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		<p>HQ/11/ASS/00/298) on 10/10/2017. The CHRA Report (Report Number: HQ/11/ASS/00/298-2017/052) was available for verification.</p> <ul style="list-style-type: none"> <li>- The 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/2021-0038.</li> <li>- Latest medical surveillance was conducted on 14/07/2021 for 7 workers by HQ/19/DOC/00/00399. All reports were found fit to work as chemical handlers.</li> </ul> <p>LKSK Estate</p> <ul style="list-style-type: none"> <li>- HIRARC was established in the estate for all operations to assess the risk and hazards associated to them. Available for verification were HIRARC for Covid-19 Virus Pandemic and Overall Process. Latest review was conducted on 01/04/2021.</li> <li>- 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.</li> <li>- The 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/2021-0040.</li> <li>- 2021 Medical Surveillance assessment was conducted for chemical handlers in the estate. The assessment was conducted for 17 workers on 14/07/2021 by OHD with DOSH reg. no. HQ/19/DOC/00/00399 and were all certified fit to work.</li> </ul>	
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		<ul style="list-style-type: none"> <li>- The latest Audiometry Test have been conducted by OHD with DOSH reg. no. HQ/19/DOC/00/00399 on 21/09/2021. All workers were found with normal hearing.</li> </ul> <p>Landquest Estate</p> <ul style="list-style-type: none"> <li>- HIRARC was established in the estate for all operations to assess the risk and hazards associated to them. Available for verification were HIRARC for Covid-19 Virus Pandemic and Overall Process. Latest review was conducted on 01/04/2021.</li> <li>- 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.</li> <li>- The 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/2021-039.</li> </ul>	
3.6.2	<p><b>(C)</b> The effectiveness of the H&amp;S plan to address health and safety risks to people is monitored.</p> <p>- 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>Kunak POM</p> <ul style="list-style-type: none"> <li>- Medical surveillance was conducted on annually basis for employee involve in handling Chromium/Hexane and welding fumes. Latest surveillance was conducted on 14/07/2021. 22 workers were send for surveillance and found fit to work.</li> </ul>	Non-compliance

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		<ul style="list-style-type: none"> <li>- The mill conducted inspection/monitoring of flammable items on monthly basis and recorded in form TSHR/OSH/F10. Reviewed monitoring records dated 28/11/2021.</li> <li>- The mill conducted inspection/monitoring for fire extinguishers on monthly basis and recorded in the Fire Extinguisher Inspection form, refer TSHR/OSH/F18. Reviewed the monitoring records FY 2021 for fire extinguisher no. FEX/ABC-4/1/14 dated 31/07/2021, 30/08/2021, 30/09/2021, 29/10/2021 and 30/11/2021.</li> <li>- The mill conducted inspection/monitoring for Fume hood on monthly basis and recorded in the Monthly Fume Hood Inspection form, refer TSHR/OSH/F30. Reviewed the monitoring records FY 2021 dated 22/10/2021 and 19/11/2021</li> <li>- The estate conducted inspection/monitoring of hazardous materials and ergonomics on monthly basis. Reviewed the monitoring records for Schedule Waste store, chemical store and Water treatment plant dated 7/11/2021.</li> </ul> <p>LKSK Estate</p> <ul style="list-style-type: none"> <li>- The estate conducted inspection/monitoring for fire extinguishers on monthly basis and recorded in the Fire Extinguisher Inspection form, refer TSHR/OSH/F18. Reviewed the monitoring records FY 2021 dated 08/07/2021, 10/08/2021, 10/09/2021, 12/10/2021 and 10/11/2021.</li> <li>- The estate conducted inspection/monitoring of flammable items (diesel) at diesel skid tank on monthly basis and recorded in form TSHR/OSH/F10. Reviewed monitoring records dated 08/09/2021, 12/10/2021 and 10/11/2021.</li> <li>- The estate conducted inspection/monitoring at workshop on monthly basis and recorded in form TSHR/OSH/F12. Reviewed</li> </ul>	
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		<p>monitoring records dated 17/09/2021, 15/10/2021 and 11/11/2021</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 dated 06/09/2021, 05/10/2021 and 08/11/2021.</li> </ul> <p>Landquest Estate</p> <ul style="list-style-type: none"> <li>- 2021 Medical Surveillance assessment was conducted for chemical handlers in the estate. The assessment was conducted for 15 workers on 14/07/2021 by OHD with DOSH reg. no. HQ/19/DOC/00/00399 and were all certified fit to work.</li> <li>- The estate conducted inspection/monitoring at for farm tractor on daily basis and recorded in "Senarai semak pemeriksaan jentera ladang bulanan. Reviewed monitoring records for vehicle no. SD9237B for the month of December 2021</li> <li>- The estate conducted inspection/monitoring for fire extinguishers on monthly basis and recorded in the Fire Extinguisher Inspection form, refer TSHR/OSH/F18. Reviewed the monitoring records dated 04/12/2021, 03/11/2021 and 04/10/2021</li> <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 was not in the first aid box were Acriflavine lotion.</li> <li>- The estate conducted inspection/monitoring for air compressor on monthly basis and recorded in form TSHR/OSH/F13. Reviewed monitoring records dated 13/12/2021</li> </ul>	
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		<ul style="list-style-type: none"> <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 ant generator set house, the safety signs that indicates high levels of noise was not available.</li> <li>- Noted during document review, the estate was not conducted the meeting for Safety and Health Committee for 2<sup>nd</sup> quarter.</li> </ul> <p>Maju Sawit Estate</p> <ul style="list-style-type: none"> <li>- The estate conducted PPE monitoring on weekly basis. Reviewed the monitoring records for the month of December 2021 for fertiliser applicator, sprayers, Harvesting and store keeper.</li> <li>- The estate conducted inspection/monitoring for fire extinguishers on monthly basis and recorded in the Fire Extinguisher Inspection form, refer TSHR/OSH/F18. Reviewed the monitoring records dated 08/11/2021, 11/10/2021 and 07/09/2021 for equipment no. MS/FE/PP/01, MS/FE/PP/02 and MS/FE/PP/03.</li> <li>- The estate conducted inspection/monitoring of hazardous materials and ergonomics on monthly basis. reviewed the monitoring records for store dated 11/10/2021 and 08/11/2021</li> <li>- The estate conducted inspection/monitoring of flammable items (diesel) at diesel skid tank on monthly basis and recorded in form TSHR/OSH/F10. Reviewed the monitoring records dated 11/10/2021 and 08/11/2021</li> <li>- The estate conducted inspection/monitoring at for farm tractor on daily basis and recorded in "Senarai semak pemeriksaan</li> </ul>	
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		<p>jentera ladang bulanan. Reviewed monitoring records for vehicle no. ST3863N for the month of December 2021.</p> <p>Due to lapses found above, this indicated that the established Safety and Health Plan was not effectively implemented. Hence a Critical NC has been raised on the matter.</p>											
<b>Criterion 3.7:</b> All staff, workers, Scheme Smallholders, out-growers, and contract workers are appropriately trained.													
3.7.1	<p><b>(C)</b> 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>TSH Plantation Operating Units have maintained records of all the trainings that have been conducted which are in accordance with the training plan. The training records were identified to include training topic, date and total no of attendees. Training effectives and evaluation form has been attached to display the level of understanding of the trainees. Verified the training records as below:</p> <p><u>Kunak POM</u></p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>PPE Training</td> <td>25/05/2021</td> </tr> <tr> <td>HIRADC Training</td> <td>16/02/2021</td> </tr> <tr> <td>RSPO SCCS Training</td> <td>10/04/2021</td> </tr> <tr> <td>ERT Team training</td> <td>15/09/2021</td> </tr> </tbody> </table>	Training	Date	PPE Training	25/05/2021	HIRADC Training	16/02/2021	RSPO SCCS Training	10/04/2021	ERT Team training	15/09/2021	Complied
Training	Date												
PPE Training	25/05/2021												
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ERT Team training	15/09/2021												

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		ERT Team training	10/03/2021	
		PPE awareness training	25/05/2021	
		Medical Surveillance briefing	25/10/2021	
		HIRADC training dated	01/11/2021	
		Hearing Conservation training	01/11/2021	
		Chemical Handling training	01/11/2021	
		Safety Data Sheet training	01/11/2021	
		PPE awareness training	01/11/2021	
		<u>Maju Sawit Estate</u>		
		Training	Date	
		Pesticide Training	14/02/2021	
		Complaint & Grievance Training	16/02/2021	
		EPMC, EIA & HCV Training	16/02/2021	
		Hearing Conservation Training	25/05/2021	
		General Maintenance Training	16/02/2021	
		HIRADC Training	16/02/2021	
		OSH Policy Training	25/05/2021	
		Zero Burning Training	16/02/2021	
		<u>LKSK Estate</u>		

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Training	Date
Policy Training	18/02/2021
Complaints & Grievance and Training	18/02/2021
PPE Safety Training	18/02/2021
HIRADC Training	18/02/2021
SDS Training	18/02/2021
Breast feeding Assessment Training	18/02/2021
Safe Handling of Chemical	18/02/2021
HIRADC training	03/12/2021
Integrated Pest Management Training	03/12/2021
HCV and Wildlife Monitoring Training	03/12/2021
Riparian Protection and Zero Burning training	03/12/2021
Fire drill and ERP training	23/11/2021
<u>Landquest Estate</u>	
Training	Date
Social Policies, Complaints & Grievance and Communication Training	17/02/2021
OSH policy, SOP and Work Inspection Training	17/02/2021
Chemical Buy-off Training	17/02/2021

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		HIRADC Training	17/02/2021	
		ERP training dated	17/03/2021	
3.7.3	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. - Minor Compliance -	The mill has identified personnel involve in supply chain as per organisation chart dated 01/03/2021. The mill continuously provided training to all personnel involved in SCCS. Latest SCCS training was conducted on 15/11/2021.		Complied
<b>Criterion 3.8:</b> Supply chain requirement for mills (note: All supply chain requirements are considered as <b>Critical (C)</b> . However it will not contribute to suspension if there is more than 5 non-compliance within a principle)				
3.8.1	Identity Preserved Module 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&C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Mass Balance Module is applicable.	Kunak Palm Oil Mill receives and process both certified and non-certified FFB. The mill uses the Mass Balance module.		Complied
3.8.2	Mass Balance Module 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 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.	Kunak Palm Oil Mill receives and process both certified and non-certified 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



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3.8.3	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&amp;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>	<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" data-bbox="1153 507 1930 657"> <thead> <tr> <th colspan="4">Aug 2021 – July 2022</th> </tr> <tr> <th>Tonnage</th> <th>FFB</th> <th>CPO</th> <th>PK</th> </tr> </thead> <tbody> <tr> <td></td> <td>21,525.655</td> <td>4,412.75</td> <td>1,183.91</td> </tr> </tbody> </table>	Aug 2021 – July 2022				Tonnage	FFB	CPO	PK		21,525.655	4,412.75	1,183.91	Complied
Aug 2021 – July 2022															
Tonnage	FFB	CPO	PK												
	21,525.655	4,412.75	1,183.91												
3.8.4	<p>The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO IT platform.</p>	<p>Company info available through RSPO IT Platform as following:</p> <table border="1" data-bbox="1153 737 1930 986"> <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)														
3.8.5	<p>Documented procedures</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> <ol style="list-style-type: none"> <li>Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> <li>Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> </ol>	<ol style="list-style-type: none"> <li>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.</li> <li>Complete and up to date records and reports were available to demonstrate compliance with the supply chain model</li> </ol>	Complied												

	<ul style="list-style-type: none"> <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>	<p>requirements in the mill. Sustainability Supply Chain Standard Training was latest conducted on 10/4/2021 to personals involved in the supply chain process such as Mill Assistant Managers, Supervisors, Weighbridge Clerks, Auxiliary Polices and Ramp Attendants.</p> <ul style="list-style-type: none"> <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 mill manager.</li> </ul> <p>The Supply Chain SOP have included procedures for receiving and processing certified and non-certified FFBs in the mill.</p>	
3.8.6	<p>Internal Audit</p> <ul style="list-style-type: none"> <li>i) The mill shall have a written procedure to conduct annual internal audit to determine whether the mill: <ul style="list-style-type: none"> <li>a. Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</li> <li>b. Effectively implements and maintains the standard requirements within its organisation.</li> </ul> </li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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 26/3/2021. From the audit report, there were no finding raised and records were maintained accordingly and available for verification.</li> <li>ii) The management review has been done annually to review the internal audit finding done on 22/4/2021 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.</li> </ul>	Complied

<p>3.8.7</p>	<p>Purchasing and Goods In</p> <ul style="list-style-type: none"> <li>i) The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</li> <li>ii) The mill shall inform the CB immediately if there is a projected overproduction of certified tonnage.</li> <li>iii) The mill shall have a mechanism in place for handling non-conforming FFB and/or documents.</li> </ul>	<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> <ul style="list-style-type: none"> <li>i. FFB Supplier: Maju Sawit Estate <ul style="list-style-type: none"> <li>- Delivery Note Number: ES02A2106147248</li> <li>- Delivery Date: 22/6/2021</li> <li>- Vehicle Number: SD611B</li> <li>- Net weight: 4,230 Kg</li> </ul> </li> <li>ii. FFB Supplier: Landquest Estate <ul style="list-style-type: none"> <li>- Delivery Note Number: 149328</li> <li>- Delivery Date: 22/6/2021</li> <li>- Vehicle Number: ST7280Y</li> <li>- Net weight: 12,970 Kg</li> </ul> </li> </ul>	<p>Complied</p>
<p>3.8.8</p>	<p>Sales and Goods Out</p> <p>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> </ul>	<p>Kunak POM has ensured the required information is available in document form. Sampled of Sales Documents as below:</p> <p><u>CSPO</u></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: 17/5/2021</li> </ul>	<p>Complied</p>

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	<ul style="list-style-type: none"> <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> <li>g) The quantity of the products delivered;</li> <li>h) Any related transport documentation;</li> <li>i) A unique identification number.</li> </ul>	<ul style="list-style-type: none"> <li>- RSPO Cert. # RSPO 692556</li> <li>- Product Name: CPO/RSPO MB</li> <li>- Supply Chain Model: Mass Balance</li> <li>- Volume: 39,090 kg</li> </ul> <p><u>CSPK</u></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: 27/2/2021</li> <li>- RSPO Cert. # RSPO 692556</li> <li>- Product Name: PK/RSPO MB</li> <li>- Supply Chain Model: Mass Balance</li> <li>- Volume: 22,600 kg</li> </ul>	
<p>3.8.9</p>	<p><b>Outsourcing Activities</b></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</li> </ul> </li> </ul>	<ol style="list-style-type: none"> <li>1. 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).</li> <li>2. The mill ensures the following: <ul style="list-style-type: none"> <li>- The mill trades CSPO and CSPK with its buyers among</li> </ul> </li> </ol>	<p>Complied</p>

	<p>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.</p> <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>refineries and/or kernel crushing plants. Based on agreements, transporter has no ownership of transported products.</p> <ul style="list-style-type: none"> <li>- 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: <ul style="list-style-type: none"> <li>• CPO Transportation Agreement; Transporter: HMK Transport Sdn. Bhd.; Period: 1/1/2019 -31/12/2021</li> <li>• PK Transportation Agreement; Transporter: Pengangkutan Sri Mediyudusin; Period: 1/1/2019 -31/12/2021</li> </ul> </li> <li>- 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.</li> </ul> <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	Record keeping	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.	Complied

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	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>iv) For Mass Balance Module, the mill:             <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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).</li> </ul> </li> </ul>	<p>All relevant records related to supply chain were available since past 3 years as per SOP for Supply Chain.</p> <p>Based on the Mass Balance Sheet, the volume of CPO and PK has been allocated to both certified and noncertified products.</p> <p>Records available on balance of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a 3-monthly basis.</p> <p>Shipping Announcement records available as per Supply Chain Declaration.</p>										
<p>3.8.13</p>	<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. Previous period under review's average were available for verification as below:</p> <table border="1" data-bbox="1153 1209 1928 1359"> <thead> <tr> <th colspan="3">July 2020 – May 2021</th> </tr> <tr> <th>FFB</th> <th>CPO</th> <th>PK</th> </tr> </thead> <tbody> <tr> <td>17,866.86</td> <td>OER: 18.67 %</td> <td>KER: 5.35 %</td> </tr> </tbody> </table>	July 2020 – May 2021			FFB	CPO	PK	17,866.86	OER: 18.67 %	KER: 5.35 %	<p>Complied</p>
July 2020 – May 2021												
FFB	CPO	PK										
17,866.86	OER: 18.67 %	KER: 5.35 %										

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			3332.48 mt	957.79 mt	
3.8.14	Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.	The facility is using the actual extraction rate and therefore updating of rates is not necessary.			Complied
3.8.15	Processing 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.	Only Mass Balance Supply Chain Module is used in Kunak POM.			Complied
3.8.16	Registration of Transactions 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. 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.	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.			Complied
3.8.17	Claims 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.	RSPO trademark was not use. Nonetheless, the facility is aware with the requirements of the RSPO Rules on Market Communications and Claims.			Complied
<b>General corporate communications</b>					
4.1	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.	Not applicable as no off-product claim made by TSH Kunak POM as to date.			Not Applicable

4.2	In corporate communications a member is allowed to: a. Display its RSPO membership status b. Display the RSPO web address (www.rspo.org) c. State that the member supports the work of the RSPO d. State the member’s history with regard to the RSPO. 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 www.rspo.org’ where the link must lead to the member’s profile page.	Not applicable as no off-product claim made by TSH Kunak POM as to date.	Not Applicable
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 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>	Not applicable as TSH Kunak POM is neither distributors nor wholesalers.	Not Applicable
<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
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.rspo.org">www.rspo.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

	<p>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.</p>	<p>Oil Palm content is 100% CPO and claim as RSPO MB-certified.</p>	<p>Complied</p>
<p><b>Labelling and trademark (MB)</b></p>			
	<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>
<p><b>Messaging (MB)</b></p>			

	<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> <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>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>
<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>			
<p>4.1.1</p>	<p><b>(C)</b> 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. The policy refresher training was latest conducted on 23/9/2020 as per records of Training Attendance Form; TSHR/TD/F01; Rev. # 1; Effective Date: 1/3/2016.</p>	<p>Complied</p>
<p>4.1.2</p>	<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>	<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			
4.2.1	<p><b>(C)</b> The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistle-blowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.</p> <p>- Critical (Major) compliance -</p>	<p>Complaints or grievances received from external stakeholders were handled as per established Communication &amp; Consultation Procedure (TSHR/SUST/SOP02, Rev. No. 2, Dated 1/11/2017).</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>	Complied
4.2.2	<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 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>	Complied
4.2.3	<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>Request and response from internal &amp; external stakeholders as per sample records of <i>Borang Cadangan &amp; Aduan</i> (Suggestion &amp; Complaint Form); Rev. # 0; Effective date: 19/11/2019 sighted. Sample requests made are as following:</p>	Complied

		<ul style="list-style-type: none"> <li>- Request by customer (TSH-Wilmar Sdn. Bhd.) to provide MSPO certificate; Date: 22/10/2020</li> <li>- Request by customer (LDEO Sdn. Bhd.) to complete and return supplier audit questionnaire form; Date: 31/12/2020</li> <li>- Request by MPOB on biomass usage data; letter ref. # (4) 04/C/P/NKDI430; Date: 13/4/2021</li> </ul> <p>All requests were responded back to grievance parties within agreed timeframe as acknowledge in the records.</p>	
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><b>(C)</b> 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> <ul style="list-style-type: none"> <li>- Maju Sawit Estate: Title no. Country Lease 105392989; Register memo no.: 30295293; dated 21/5/2002</li> <li>- Landquest Estate: Title no. Country Lease 125319244; Register memo no.: 30282019; dated 20/7/2000</li> </ul>	Complied

		<p>- LKSK Estate: Title no. Country Lease 105365955; Register memo no.: 30240302; dated 29/6/1994</p> <p>No issues of land dispute issue occur in all estates within Kunak POM certification unit since the last audit.</p>	
4.4.2	<p>Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:</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
4.4.2a	<p>Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making.</p> <p>- Minor compliance -</p>	<p>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
4.4.2b	<p>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.</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</p>	Complied

		maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	
4.4.2c	Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the unit of certification's title, concession or lease on the land. - Minor compliance -	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
4.4.3	<b>(C)</b> 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 -	Maps available for Maju Sawit Estate, Landquest Estate and LKSK Estate with appropriate scales showing estate's boundaries with neighbours. The maps in-line with area specified in individual land titles.	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.  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
4.4.5	<b>(C)</b> 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.	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,	Complied



	- Critical (Major) compliance -	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.	
4.4.6	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.  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
<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	<b>(C)</b> 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 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
4.5.2	<b>(C)</b> 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	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,	Complied

	<p>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>	<p>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>	
4.5.3	<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>	<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
4.5.4	<p>To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.</p> <p>- Minor compliance -</p>	<p>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
4.5.5	<p>Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.</p> <p>- Minor compliance -</p>	<p>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</p>	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.	
4.5.6	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.  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
4.5.7	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.  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
4.5.8	<b>(C)</b> New lands are not acquired in areas inhibited by communities in voluntary isolation. - 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	Complied

		maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	
<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	<b>(C)</b> 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	<b>(C)</b> A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. - 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
4.6.3	Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings. - Minor 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	Complied

		maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	
4.6.4	The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them. - Minor compliance -	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
<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.			
4.7.1	<b>(C)</b> A mutually agreed 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
4.7.2	<b>(C)</b> 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. - 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	Complied

		maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	
4.7.3	Communities that have lost access and rights to land for plantation expansion are given opportunities including employment and supply contracts to benefit from plantation development. - Minor compliance -	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
<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 people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC. - Minor compliance -	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
4.8.2	<b>(C)</b> 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. - 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	Complied

		maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	
4.8.3	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) - Minor 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
4.8.4	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). - Minor 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
<b>Principle 5: Support smallholder inclusion</b>			
<b>Criterion 5.1:</b> The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.			
5.1.1	Current and previous period prices paid for FFB are publicly available and accessible by smallholders. - Minor compliance -	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. The FFB prices were displayed at the weighbridge station at the mill. Reviewed the price for the month of November at RM 958.00 as per	Complied

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		<p>memo dated 02/11/2021December 2021 at RM 1053.00 as per memo dated 02/12/2021.</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>																	
5.1.2	<p><b>(C)</b> 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 in the FFB Visiting Log Book as follows:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Supplier Name</th> </tr> </thead> <tbody> <tr> <td>08/12/2021</td> <td>KK Properties Sdn. Bhd.</td> </tr> <tr> <td>08/12/2021</td> <td>Ideal Setup Sdn. Bhd.</td> </tr> <tr> <td>08/12/2021</td> <td>Ganda Jelita Sdn. Bhd.</td> </tr> <tr> <td>08/12/2021</td> <td>Balung Indah Commodities Sdn. Bhd</td> </tr> <tr> <td>08/12/2021</td> <td>Albert Watson Plantation Sdn. Bhd.</td> </tr> <tr> <td>10/12/2021</td> <td>Ladang Cocoa Tasek Emas (Sabah) Sdn. Bhd.</td> </tr> <tr> <td>10/12/2021</td> <td>Ladang Cocoa Indah (Sabah) Sdn. Bhd.</td> </tr> </tbody> </table>	Date	Supplier Name	08/12/2021	KK Properties Sdn. Bhd.	08/12/2021	Ideal Setup Sdn. Bhd.	08/12/2021	Ganda Jelita Sdn. Bhd.	08/12/2021	Balung Indah Commodities Sdn. Bhd	08/12/2021	Albert Watson Plantation Sdn. Bhd.	10/12/2021	Ladang Cocoa Tasek Emas (Sabah) Sdn. Bhd.	10/12/2021	Ladang Cocoa Indah (Sabah) Sdn. Bhd.	Complied
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5.1.3	<p><b>(C)</b> 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.</p> <p>Other than displaying at weighbridge, Sabahan 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><b>(C)</b> 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>- Critical (Major) compliance -</p>	<p>The FFB Suppliers are not restricted to only send the FFB to Sabahan POM as they are not bound by the contract agreement to send the FFB to Sabahan 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														
5.1.5	<p>Contracts are fair, legal and transparent and have an agreed timeframe.</p> <p>- Minor compliance -</p>	<p>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.</p>	Complied														
5.1.6	<p><b>(C)</b> Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.</p> <p>- Critical (Major) compliance -</p>	<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" data-bbox="1137 1077 1926 1350"> <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 rowspan="2">Pang Yu Lean</td> <td>PI139912</td> <td>11/11/2021</td> <td>KUF02102021</td> <td>15/11/2021</td> </tr> <tr> <td>PI39735</td> <td>08/10/2021</td> <td>KUF02092021</td> <td>13/10/2021</td> </tr> </tbody> </table>	Supplier	P/I no.	Date	Payment Document ref. no.	Date	Pang Yu Lean	PI139912	11/11/2021	KUF02102021	15/11/2021	PI39735	08/10/2021	KUF02092021	13/10/2021	Complied
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		Burahim b. Dukalan	PI39778	08/10/2021	KUF02092 021	13/10/2021	
			PI13995 5	11/11/2021	KUF02102 021	15/11/2021	
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, Metrology Corporation Malaysia Sdn Bhd. The records were:</p> <p><u>Weighbridge A</u></p> <p>Date: 14/12/2020;</p> <p>Certificate Number: B1692515; Reference Number: STW – ATK – 007458; 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><u>Weighbridge B</u></p> <p>Date: 03/08/2020;</p> <p>Certificate Number: B1692323; Reference Number: MCM/STW – ATK – 004131; Maker: Gold Cells INS-708-A (China); 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><b>(C)</b> The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner.</p>	<p>Complaint/Grievance and Suggestion is available in SOP Communication, Consultation and Participation Doc. No.</p>					Complied

	<p>- Critical (Major) compliance -</p>	<p>TSHR/SUST/SOP02 Rev.03 dated 19.11.2019. This procedure is 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>			
<p>5.2.1</p>	<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 smallholders in the Unit of Certification as defined by RSPO P&amp;C 2018 (MYNI 2019). Therefore, this indicator is not applicable.</p>	<p>Not Applicable</p>

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 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 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	<b>(C)</b> 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 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 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	<b>(C)</b> 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

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	- Critical (Major) compliance -	Regular briefing also conducted to all employees as per sample sighted for latest policy training dated on 23/9/2020.	
6.1.2	<p><b>(C)</b> 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>	Verified pays slips 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.	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>	Kunak POM and estates implemented its recruitment based on the company's employment procedure established as Staffing & 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.	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>	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 " <i>Laporan Ibu Mengandung Dari Klinik Ladang</i> "; Form # KIB 201 1/2021 latest Urine Pregnancy Test (UPT) dated 20/10/2021.	Complied
6.1.5	<p><b>(C)</b> 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>	Gender committee available as a combined committee for all operating units within Kunak POM and estates where the committee members responsible to raise awareness, identify and address issues of concern as well as opportunities and improvements for women through various activities and events. Sighted sample minutes of meeting records for gender committee meeting latest conducted on 16/11/2021 in Kunak POM & Maju Sawit Estate and on 10/9/2021 in Landquest Estate. Latest meeting conducted in LKSK Estate was on 9/9/2021.	Complied

<p>6.1.6</p>	<p>There is evidence of equal pay for the same work scope.          - Minor compliance -</p>	<p>Evidence of equal pay for the same work scope available as per sample sighted as following:          Kunak POM:          - Female employee ID # 10-0744; Post: Mill Compound Cleaner; April 2021 salary: RM 1,100.00          - Male employee ID # 02-0995; Post: Apprentice; April 2021 salary: RM 1,258.65          Maju Sawit Estate:          - Female employee ID # 03-0486; Post: General Worker; May 2021 salary: RM 1,100.06          - Male employee ID # 01-0482; Post: Weeder; May 2021 salary: RM 1,100.06          Landquest Estate:          - Female employee ID # 02-0849; Post: Manurer; May 2021 salary: RM 1,163.52          - Male employee ID # 01-0778; Post: Harvester; May 2021 salary: RM 1,425.66          LKSK Estate:          - Female employee ID # 10-0643; Post: Sprayer; March 2021 salary: RM 1,172.13          - Male employee ID # 02-0429; Post: Harvester; March 2021 salary: RM 1,157.71          - Female employee ID # 05-1625; Post: Loose Fruit Collector; March 2021 salary: RM 1,208.58          - Male employee ID # 02-0942; Post: Harvester; May 2021 salary: RM 1,840.36</p>	<p>Complied</p>
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		<ul style="list-style-type: none"> <li>- Female employee ID # 10-1680; Post: Sprayer; March 2021 salary: RM 1,809.71</li> <li>- Male employee ID # 07-0450; Post: General Worker; March 2021 salary: RM 1,254.13</li> </ul>	
<p><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).</p>			
<p>6.2.1</p>	<p><b>(C)</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.</p> <p>- Critical (Major) compliance -</p>	<p>Collective agreements and documentations of pay and conditions available to the workers for sample employees sighted as per indicator 6.1.6 above. Explanation made from time to time upon updates of salary related changes mainly the Minimum Wages Order as per sample sighted for Kunak POM briefing of company's policies and procedures of employment dated on 23/9/2020 by the mill management.</p> <p>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 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>Non-compliance</p>

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		<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>Tawau was included in the list 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 which included Tawau specified in the Schedule to the 2020 Order, 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>	
6.2.2	<p><b>(C)</b> Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.</p> <p>- Critical (Major) compliance -</p>	<p>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.</p>	Complied
6.2.3	<p><b>(C)</b> There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave,</p>	<p>Records of payslip and check-roll documents available to the workers for sample employees sighted as per indicator 6.1.6 above</p>	Complied



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	<p>reasons for dismissal, period of notice and other legal labour requirements.</p> <p>- Critical (Major) compliance -</p>	<p>shown 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>	
6.2.4	<p><b>(C)</b> 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>Kunak certification unit conducted the bi-weekly housing and facilities inspection as per Housing, Child Care Center, School &amp; Community Hall Inspection Form; Form # TSHR/CL/F14; Effective date: 01/06/2016 latest housing inspection conducted as per sample as following:</p> <ul style="list-style-type: none"> <li>- LKSK Estate; Date: 27/11/2021</li> <li>- Landquest Estate; Date: 11/12/2021</li> <li>- Kunak POM &amp; Maju Sawit Estate; Date: 13/12/2021</li> </ul>	Complied
6.2.5	<p>The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance -</p>	<p>The management ensured the access to adequate, sufficient and affordable food by signing a Grocery Store and Canteen Contract Agreement as following:</p> <ul style="list-style-type: none"> <li>- <i>Perjanjian Kontrak Kantin dan Kedai Runcit; Pemborong Am Suhailah Jaya</i> (Senabe Binti Daeng Mangi); 1/1/2021 – 31/12/2021. With LKSK Sdn. Bhd. at LKSK Estate.</li> </ul>	Complied
6.2.6	<p>A DLW is paid to all workers, including piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.</p> <p><b>PROCEDURAL NOTE:</b> STATEMENT FROM THE RSPO STANDARDS STANDING COMMITTEE REGARDING INDICATOR 6.2.6 ON DECENT LIVING WAGE</p> <p>With reference to procedural note of indicator 6.2.6, the RSPO has published a guidance on the DLW calculation in June 2019. The RSPO Secretariat will 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</p>	<p>As of audit date, no DLW established for reference in Sabah. TSH has provided wages for both local and foreign workers based on RSPO Guidance on Calculating Prevailing Wages. All sampled workers receive at least minimum wages on average of RM 1100 to 1300. In addition, the certification unit also have carried out the calculation of prevailing wages and in-kind benefits. It includes food, non-food non-house (NFNH), housing, unexpected events, medical, electricity and water utility for a total gross living wage.</p> <p>In summary, the Prevailing Wages (Housing Basket 2021) are as following:</p>	Complied

<p>benchmarks are developed based on banana, coffee, floriculture, textile, manufacturing, seafood processing and tea industry. The RSPO is in the process of commissioning benchmarks for Malaysia and Indonesia for the palm oil sector and will develop methods to calculate and/or define DLW applicability for all palm oil producing countries in which RSPO members operate).</p> <p><i>Where a GLWC living wage standard (benchmark), or one that 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></p> <p>In the absence of such benchmarks, the RSPO will collaborate with the GLWC and/or local experts on developing oil palm industry benchmarks (Benchmark in this context may include other approaches and/or methods to calculate the applicability of DLW in the country or region in accordance to the RSPO endorsed method for determining a DLW. Local applicability for benchmarks is important and it may differ based on the needs of each locality or country). These benchmarks will be developed in collaboration and consultation with relevant stakeholders such as palm oil industry members, workers' union, authorities and/or relevant organisations.</p> <p><i>For countries where no living wage standard is established, until such time that an RSPO endorsed benchmark for the country is in place, national minimum wages shall be paid to all workers. In addition to the payment of minimum wages, the Unit of Certification (UoC) shall conduct an assessment of the prevailing wages and in-kind benefits provided to workers in the Unit of Certification aligned with the RSPO Guidance for Implementing a Decent Living Wage (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>	<ul style="list-style-type: none"> <li>- Kunak POM &amp; Maju Sawit Estate: RM 1,323.30</li> <li>- Landquest Estate &amp; LKSK Estate: RM 1,116.70</li> </ul>	
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	- Minor compliance -		
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>There are no casual workers hired in Kunak POM and estates. 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><b>(C)</b> 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 recognising 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. Regular briefing also conducted to all employees as per sample sighted for Kunak POM briefing of company's policies and procedures of employment dated on 23/9/2020 by the mill management.</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>A Workers Welfare Committee was established among the workers as representatives for collective agreement with the management. Sighted the minutes of meeting records for latest LKSK Estate Welfare Committee meeting was conducted on 10/11/2021; Meeting Q4/2021; Landquest Estate on 10/9/2021; Maju Sawit Estate &amp; Kunak POM on 9/11/2021 documented and available in national languages. Previous meeting was conducted on 9/9/2021; Meeting Q3/2021. Agenda of meetings included the following:</p> <ul style="list-style-type: none"> <li>- Previous minutes of meeting status</li> <li>- General livelihood condition</li> <li>- Welfare and amenities</li> </ul>	Complied

		<ul style="list-style-type: none"> <li>- Pay rates and benefits</li> <li>- Complains and grievances</li> <li>- Matters arising</li> </ul>	
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>Based on on-site consultation with workers and minutes of meeting records, all employees representatives were freely elected by all workers with no interference by the management.</p>	Complied
<b>Criterion 6.4:</b> Children are not employed or exploited.			
6.4.1	<p>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.</p> <p>- Minor compliance -</p>	<p>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. Child Labour Policy also included in supplier agreements as per sample sighted as following:</p> <ul style="list-style-type: none"> <li>- Kunak POM: Purchase of Fresh Fruit Bunches (FFB) Agreement; Supplier: Permata Plantation Sdn. Bhd.; Date: 1/1/2019</li> <li>- Landquest Estate: Sundry/Petty Contract No.: LQ/01/2019; Land preparation for replanting in Landquest Estate block 93 (41 ha)</li> </ul>	Complied
6.4.2	<p><b>(C)</b> 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.</p> <p>- Critical (Major) compliance -</p>	<p>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.</p>	Complied

6.4.3	<p><b>(C)</b> Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work.</p> <p>- Critical (Major) compliance -</p>	Based on the records of Kunak POM Labour Statistic November 2021, all employees working in the mill aged more than 18 years old. Consultation with employees' representative confirmed that no child labour employed in the mill. No young workers employed in all estates too.	Complied
6.4.4	<p>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.</p> <p>- Minor compliance -</p>	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
<p><b>Criterion 6.5:</b> There is no harassment or abuse in the workplace, and reproductive rights are protected.</p>			
6.5.1	<p><b>(C)</b> A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce.</p> <p>- Critical (Major) compliance -</p>	Kunak POM and estates implemented the company's Sexual Harassment Policy; ST-POL05-02; Date: 15/10/2015; Signed by Managing Director. Regular briefing also conducted to all employees as per sample sighted for Kunak POM briefing of company's policies and procedures of employment dated on 23/9/2020 by the mill management.	Complied
6.5.2	<p><b>(C)</b> A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce.</p> <p>- Critical (Major) compliance -</p>	Kunak POM and estates implemented the company's Reproductive Rights Policy; ST-POL06-02; Date: 15/10/2015; Signed by Managing Director. Regular briefing also conducted to all employees as per sample sighted for Kunak POM briefing of company's policies and procedures of employment dated on 23/9/2020 by the mill management.	Complied
6.5.3	<p>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.</p> <p>- Minor compliance -</p>	The management has identified new mothers via internal memorandum form by Medical Assistant i.e. Notification for Resume Work; Rev. # 00; Effective Date: 1/12/2020 and conducted the consultation via form Pregnancy & New Mother Assessment; Rev. # 00; Effective Date: 1/12/2020. For Kunak POM and Maju Sawit	Complied

		Estate, there are two new mothers resumed back to work on 3/8/2021 and 18/9/2021.	
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 -	No sexual harassment case been report and confirmed through interview with the gender committee members and female workers.	Complied
<b>Criterion 6.6:</b> No forms of forced or trafficked labour are used.			
6.6.1	<b>(C)</b> 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 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> - 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. Each employment contracts were agreed and signed by both employee and employer which confirmed that all work is voluntary and force labour are prohibited.	Complied
6.6.2	<b>(C)</b> Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented. - Critical (Major) compliance -	Kunak POM and estates implemented the company's Special Labour Policy; TSHR/POL/SOP10; Rev # 2; Dated: 26/11/18 in case of any temporary or migrant workers are employed. Records of employment shown no temporary or migrant recruitment take place since last audit hired in Kunak POM and Estates. All employees are permanent employee (for locals) and contracted employee (for foreign workers). All permanent and full-time employment used as	Complied

		the general worker, mandore, staff, etc. based on their employment contract sighted in clause 6.1.6.																					
<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	<p><b>(C)</b> The responsible person(s) for H&amp;S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.</p> <p>- Critical (Major) compliance -</p>	<p>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.</p> <p>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 &amp; safety risk to workers. Verified the OSH Meeting Minutes as below:</p> <table border="1"> <thead> <tr> <th>Operating Units</th> <th>1<sup>st</sup> quarter</th> <th>2<sup>nd</sup> quarter</th> <th>3<sup>rd</sup> quarter</th> <th>4<sup>th</sup> quarter</th> </tr> </thead> <tbody> <tr> <td>Kunak POM &amp; Maju Sawit Estate</td> <td>23/03/2021 1</td> <td>29/06/2021 1</td> <td>30/09/2021 1</td> <td>TBC</td> </tr> <tr> <td>LKSK Estate</td> <td>18/03/2021 1</td> <td>24/06/2021 1</td> <td>23/09/2021 1</td> <td>25/11/2021 1</td> </tr> <tr> <td>Landquest Estate</td> <td>17/03/2021 1</td> <td>Not conducted</td> <td>25/09/2021 1</td> <td></td> </tr> </tbody> </table>	Operating Units	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter	Kunak POM & Maju Sawit Estate	23/03/2021 1	29/06/2021 1	30/09/2021 1	TBC	LKSK Estate	18/03/2021 1	24/06/2021 1	23/09/2021 1	25/11/2021 1	Landquest Estate	17/03/2021 1	Not conducted	25/09/2021 1		Complied
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<p>6.7.2</p>	<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 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>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 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>Trainings related to accident and emergency procedures were verified for operating units as below:</p> <p>Kunak POM &amp; Maju Sawit Estate</p> <ol style="list-style-type: none"> <li>1. Accident and Emergency Training – 24/05/2021</li> <li>2. Emergency Response Plan &amp; Covid-19 Precautions Procedure Training – 15/02/2021</li> </ol> <p>LKSK Estate</p> <ol style="list-style-type: none"> <li>1. Fire drill and ERP training dated 23/11/2021</li> </ol> <p>Landquest Estate</p> <ol style="list-style-type: none"> <li>1. ERP training dated 17/03/2021</li> </ol> <p>First aiders were stationed at all workstation/operations at the mill and estates. The first aiders were responsible for the first aid box at each workstation/operation assigned to them by the management. The first aid box are monitored and frequently replenished to replace used or expired items. The operating units conducted inspection/monitoring for first aid box on monthly basis recorded in First Aid Box Monthly Monitoring, refer form no. TSHR/CL/F19. The first aid box holders were regularly trained, and the training records were available for verification.</p>	<p>Complied</p>
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		<p>TSH Kunak Operating units have established the Total accidents/Incidents with and without lost days records and available for verification.</p> <p><u>Kunak POM</u></p> <ol style="list-style-type: none"> <li>1. The estate management has submitted the JKPP 8 form for the year ending 2020 to the Department of Safety &amp; Health on 20/01/2021. There were 2 accident cases reported for the year in the mill.</li> <li>2. FY 2021, 2 accident cases occur in the mill as follows:             <ol style="list-style-type: none"> <li>a. Accident at Kernel Plant Station on 01/07/2021. JKPP 6 were reported to DOSH on 12/07/2021. Reviewed the accident investigation report dated 02/07/2021.</li> <li>b. Accident at Kernel Plant Station on 15/11/2021. JKPP 6 were reported to DOSH on 16/11/2021. Reviewed the accident investigation report dated 30/11/2021.</li> </ol> </li> </ol> <p><u>Maju Sawit Estate</u></p> <ol style="list-style-type: none"> <li>1. The estate management has submitted the JKPP 8 form for the year ending 2020 to the Department of Safety &amp; Health on 21.01.2021. There were no accident cases reported for the year 2020.</li> <li>2. There were no accident cases reported for the year 2021 as of the audit date.</li> </ol> <p><u>LKSK Estate</u></p> <ol style="list-style-type: none"> <li>1. The state management has submitted the JKPP 8 form for the year 2020 to the Department of Safety &amp; health on 20/01/2021. There were no accident cases reported for the year 2020</li> <li>2. There were no accident cases reported for the year 2021 as of the audit date.</li> </ol>	
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		<p>Landquest Estate</p> <ol style="list-style-type: none"> <li>1. The state management has submitted the JKPP 8 form for the year 2020 to the Department of Safety &amp; health on 20/01/2021. There were no accident cases reported for the year 2020</li> <li>2. There were no accident cases reported for the year 2021 as of to date.</li> </ol>	
<p>6.7.3</p>	<p><b>(C)</b> 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.          - 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. Reviewed the PPE issuance records as follows:          Reviewed the PPE issuance records for laboratory operators, boiler operators, workshop, harvesters and sprayers for employee as follows:          Kunak POM</p> <ol style="list-style-type: none"> <li>1. 05/0286</li> <li>2. PL00117</li> <li>3. 04/0826</li> <li>4. 02/0776</li> <li>5. 02/0973</li> <li>6. 01/0747</li> </ol> <p>LKSK Estate</p> <ol style="list-style-type: none"> <li>1. 08/0040</li> <li>2. 10/0643</li> <li>3. 10/0947</li> <li>4. 10/1680</li> <li>5. 10/0033</li> </ol>	<p>Complied</p>

		<p>6. 03/1295</p> <p>Landquest Estate</p> <ol style="list-style-type: none"> <li>1. 0390</li> <li>2. 0641</li> <li>3. 0566</li> <li>4. 0429</li> </ol> <p>Maju Sawit Estae</p> <ol style="list-style-type: none"> <li>1. 0511</li> <li>2. 0483</li> <li>3. 0394</li> <li>4. 0496</li> </ol> <p>The estate and mill conducted PPE Inspection on weekly basis. Reviewed the PPE inspection records for September, October and November 2021 recorded in PPE Checklist form.</p>	
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 August, September and October 2021 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 August, September and October 2021 for contribution of all employees including staff.</p>	Complied

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		<p>For accident eligible for SOCSO claim, the management submitted application letter with all relevant document to SOCSO. Reviewed accident cases FY 2021 as follows:</p> <ul style="list-style-type: none"> <li>a. Accident at Kernel Plant Station on 01/07/2021. JKPP 6 were reported to DOSH on 12/07/2021. Reviewed the accident investigation report dated 02/07/2021.</li> <li>b. Accident at Kernel Plant Station on 15/11/2021. JKPP 6 were reported to DOSH on 16/11/2021. Reviewed the accident investigation report dated 30/11/2021.</li> </ul>																														
6.7.5	<p>Occupational injuries are recorded using Lost Time Accident (LTA) metrics.            - Minor compliance -</p>	<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 794 1926 1088"> <thead> <tr> <th rowspan="2">TSH Operating Units</th> <th colspan="2">2020</th> <th colspan="2">2021</th> </tr> <tr> <th>Cases</th> <th>Days</th> <th>Cases</th> <th>Days</th> </tr> </thead> <tbody> <tr> <td>Kunak POM</td> <td>2</td> <td>6</td> <td>0</td> <td>0</td> </tr> <tr> <td>Maju Sawit Estate</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>LKSK Estate</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Landquest Estate</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	TSH Operating Units	2020		2021		Cases	Days	Cases	Days	Kunak POM	2	6	0	0	Maju Sawit Estate	0	0	0	0	LKSK Estate	0	0	0	0	Landquest Estate	0	0	0	0	Complied
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<p><b>Criterion 7.1:</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.</p>																																
7.1.1	<p><b>(C)</b> IPM plans are implemented and monitored to ensure effective pest control.            - Critical (Major) compliance -</p>	<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>	Complied																													

		<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> <li>3. Protection of snakes (natural enemies of rats), employees are prohibited to kill snakes.</li> </ol> <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 <i>Tunera subulata</i>, <i>Cassia cobanensis</i>, and <i>Antigonon leptopus</i>.</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><b>(C)</b> 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 for estates to continue use agrochemicals are based on the following manuals</p> <ol style="list-style-type: none"> <li>a) Company's Pest &amp; Disease Management</li> <li>b) IPM Plan and</li> </ol>	Complied

		<p>c) Plantation Operations SOP/Work Instructions.          A chemical register was sighted available that tabulates:          a) the purpose of usage (intended target),          b) hazards signage,          c) trade and generic names as well as the specific targets          d) the correct dosage of agrochemicals to be used.</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. Among the contents are:</p> <table border="1" data-bbox="1137 1010 1928 1157"> <thead> <tr> <th>Application Method</th> <th>A.I of Chemical</th> <th>Application rate</th> </tr> </thead> <tbody> <tr> <td>CKS</td> <td>Amine 720 60%</td> <td>31ml</td> </tr> <tr> <td>CKS</td> <td>Triclopyr - butotyl</td> <td>6ml</td> </tr> </tbody> </table>	Application Method	A.I of Chemical	Application rate	CKS	Amine 720 60%	31ml	CKS	Triclopyr - butotyl	6ml	
Application Method	A.I of Chemical	Application rate										
CKS	Amine 720 60%	31ml										
CKS	Triclopyr - butotyl	6ml										
7.2.2	<p><b>(C)</b> 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>Records of pesticides used and a.i per Ha is monitored monthly in the Pesticide Records Issued Form and Pesticides Master List. The records for the year ending 2021 were available for verification as below:</p> <table border="1" data-bbox="1137 1305 1928 1380"> <thead> <tr> <th>Chemical</th> <th>Volume/ year</th> <th>Active Ingredient</th> <th>A.I / Ha</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Chemical	Volume/ year	Active Ingredient	A.I / Ha					Complied	
Chemical	Volume/ year	Active Ingredient	A.I / Ha									

		BM Cergas	25	Metsulfuron - methyl	2.5	
		BM Glyphosate	1161	Glyphosate - isopropylammonium	1.2	
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>				Complied
7.2.4	<p>There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.</p> <p>- Minor compliance -</p>	<p>There is no prophylactic use of pesticides at all estates visited.</p>				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 by a due diligence process, or when authorised by government authorities for pest outbreaks.</p> <p>The due diligence refers to:</p> <ol style="list-style-type: none"> <li>Judgment of the threat and verify why this is a major threat</li> <li>Why there is no other alternative which can be used</li> <li>Which process was applied to verify why there is no other less hazardous alternative</li> <li>What is the process to limit the negative impacts of the application</li> </ol>	<p>The Chemical Registers for the mill and sampled estates were available for verification. The register showed that only class III &amp; IV pesticides were used at the mill and estates. Paraquat was 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>				Complied

	<p>e) Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.</p> <p>- Minor compliance -</p>		
<p>7.2.6</p>	<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> <ol style="list-style-type: none"> <li>1. Maju Sawit Estate - Pesticide Training: 14/01/2021</li> <li>2. LKSK Estate – PPE, SDS and Safety Training: 18/02/2021</li> <li>3. Landquest Estate - Chemical Training: 17/02/2021</li> </ol> <p>SDS for chemicals were placed in the store. Verification found SDS were UpToDate.</p> <p>Major NC</p> <p>The handling of chemicals was not effectively demonstrated.</p> <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</p>	<p>Non-compliance</p>



		<p>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. Thus, Major NC was raised.</p>	
7.2.7	<p><b>(C)</b> Storage of all pesticides is in accordance with recognised best practices.          - 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> <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>	Complied
7.2.8	<p>All pesticide containers are triple rinsed and punctured before being disposed of and/or handled responsibly if used for other purposes.          - Minor compliance -</p>	<p>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</p>	Complied

		store at each estate visited. Disposal has been postponed due to renewable licence period by the contractor, Newgates Sdn Bhd.	
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>- Critical (Major) compliance -</p>	No aerial spraying for pesticide were done in Kunak Certification unit.	Complied
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>LKSK Estate</p> <p>2021 Medical Surveillance assessment was conducted for chemical handlers in the estate. The assessment was conducted for 17 workers on 14/07/2021 by OHD with DOSH reg. no. HQ/19/DOC/00/00399 and were all certified fit to work.</p> <p>Landquest Estate</p> <p>2021 Medical Surveillance assessment was conducted on 14/07/2021 for chemical handlers in the estate. The assessment was conducted for 15 workers by OHD with DOSH reg. no. HQ/19/DOC/00/00399 and were all certified fit to work.</p> <p>Maju Sawit Estate</p> <p>Latest medical surveillance was conducted on 14/07/2021 for 7 workers by HQ/19/DOC/00/00399. All reports were found fit to work as chemical handlers.</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>	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	Complied

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		<p>medical restrictions and they are offered alternative equivalent work. The SOP were documented as follows:</p> <ol style="list-style-type: none"> <li>1. Reproductive Rights Policy. Refer document no. TSHR/POL/SOP6 rev. 1 dated 21/03/2016. In the SOP stated as follows:             <ol style="list-style-type: none"> <li>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.</li> </ol> </li> <li>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.</li> </ol>	
<p><b>Criterion 7.3:</b> Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.</p>			
<p>7.3.1</p>	<p>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.            - Minor compliance -</p>	<p>Documented waste management plan was available at mill and estates. Among the types of waste identified were scheduled wastes, domestic wastes, and recyclable wastes.            The scheduled wastes were disposed in accordance to EQA regulations, domestic wastes were landfilled in accordance to procedure and recyclable wastes were delivered to recycle wastes vendors.            Continual improvement plan has been developed for Kunak POM and Estates. Refer Section related waste management in the Environment Continual Improvement Plan (2021 – 2025) prepared on 15/12/2020 with effective date on 01/01/2021. Among topics discussed were:            Kunak POM</p> <ul style="list-style-type: none"> <li>• To improve wastewater treatment</li> </ul>	<p>Non-compliance</p>

		<ul style="list-style-type: none"> <li>• To avoid the infection from the generating of clinical waste</li> <li>• To improve the collection, segregation, storage and disposal of all schedule waste and domestic waste.</li> </ul> <p>Estates</p> <ul style="list-style-type: none"> <li>• To minimize the land contamination through the generating of schedule waste</li> </ul> <p>TSH has established SOP for Waste management, refer document no. TSHR/ENV/SOP03, rev. no. 4 dated 01/12/2021.</p> <p>TSH has established waste management plan base on the identification and source of pollutions and documented in Waste Identification and Disposal Plan.</p> <p>The mill and estates has conducted waste identification for all area in mill operation and established waste management plan base on waste identified as per SOP Waste Management, Document Number: TSHR/ENV/SOP03 dated 01/12/2021.</p> <ul style="list-style-type: none"> <li>- Schedule waste – SW102, SW305, SW306, SW322, SW408, SW409, SW410, SW429</li> <li>- Domestic waste – Waste from house, Office, Hall, Religious hoys, process line</li> <li>- Solid Mill Waste – EFB, Decanter Cake, Boiler, Ash, Fibre</li> </ul> <p>Landfill were verified at Lanquest Estate field OP98A found clearly marked with Opening and Closing Date, "Zero Burning" Signboard and barricade with warning tape for safety precautions.</p> <p>Minor NC</p> <p>Domestic waste management and disposal was not effectively implemented.</p> <p>During site visit at Landquest Estate labor quarters found portion of uncollected domestic waste. Sighted last collection of domestic</p>	
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		<p>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".</p> <p>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.</p> <p>During site visit at Maju Sawit Estate Landfill (Under Kunak Mill Management) located at 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".</p> <p>Thus, Minor NC was raised.</p>	
7.3.2	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</p> <p>- Minor compliance -</p>	<p>The procedure TSHR/ENV/SOP03; Rev 4; dated 01/12/2021 Waste Management- Scheduled Wastes (Hazardous Waste) Management has been established. There containing details relating to: -</p>	Complied

		<p>a) Waste identification / disposal plan  b) Scheduled waste inventory/inspection checklist  c) Return of emptied chemical container  d) Environment monitoring records  e) SW maintenance records</p> <p>Sighted E-Swiss Inventory and Disposal records as below: -  Kunak POM</p> <ul style="list-style-type: none"> <li>- Inventory of SW record was sighted latest on 12/12/2021 for SW102, SW305, SW306, SW322, SW404, SW408, SW409, and SW410 with file reference number ASSH/TWU(B)31/152/000/027.</li> <li>- Disposal has been made through licensed contractor Lagenda Bumimas Sdn Bhd dated 25/08/2021. Sighted record of disposal for SW102:127Kg SW 305:299Kg and SW306:139.10Kg with reference of consignment note; C000812 and C000813 and C000816.</li> </ul> <p>LKSK Estate</p> <ul style="list-style-type: none"> <li>• Inventory of SW record was sighted latest on 13/12/2021 for SW305, SW408, and SW410 with file reference number ASSH/TWU(B)95/130/100/336.</li> <li>• Disposal has been made through licensed contractor Lagenda Bumimas Sdn Bhd dated 25/08/2021. Sighted record of disposal for SW305:56Kg SW 408:2Kg and SW410:11Kg with reference of consignment note ; C000806 and C000807 and C000808.</li> </ul> <p>Landquest Estate</p> <ul style="list-style-type: none"> <li>• Inventory of SW record was sighted latest on 14/12/2021 for SW305, and SW410 with file reference number ASSH/TWU(B)95/130/100/335.</li> </ul>	
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		Disposal has been made through licensed contractor Lagenda Bumimas Sdn Bhd dated 25/08/2021. Sighted record of disposal for SW305 SW 408:5kg and SW410:17Kg with reference of consignment note; C000809 and C000810															
7.3.3	The unit of certification does not use open fire for waste disposal. - Minor compliance -	None observed however TSH Resources Bhd. has established Environmental Policy that covers prohibition of use of fire for clearing of land and open burnings (Zero Burning. Refer doc no. TSHR/POL/SPO08 rev no. 1 under clause 7B dated 1/11/2017.  Landfill were verified at Lanquest Estate field OP98A found clearly marked with Opening and Closing Date, "Zero Burning" Signboard and barricade with warning tape for safety precautions. No burning of waste was conducted as per site visit verification and interview.	Complied														
<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.																	
7.4.1	Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts. - Minor compliance -	<p>Among SOP in the TSH Plantation Management Sdn Bhd were established for the Mill and Estates that minimise the environmental impacts was verified as below: -</p> <p>Mill</p> <table border="1"> <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"> <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> </tbody> </table>	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	Complied
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		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Waste Loading Chit</td> <td style="width: 40%;">TSHR/ENV/F07</td> </tr> </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>-</li> <li>• Manuring process flow</li> <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>	Waste Loading Chit	TSHR/ENV/F07	
Waste Loading Chit	TSHR/ENV/F07				
7.4.2	<p>Periodic tissue and soil sampling is carried out by Companies to monitor and manage changes in soil fertility and plant health.</p> <p>- Minor compliance -</p>	<p>LKSK Estate</p> <p>The foliar Sampling conducted on 02/09/2020. Soil sampling conducted on 26/10/2017. Both analyses conducted by Central Laboratory from Borneo Semudera Sdn Bhd.</p> <p>Landquest Estate</p>	Complied		



		<p>The foliar Sampling conducted on 02/10/2020. Soil sampling conducted on 18/09/2021. Both analyses conducted by Central Laboratory from Borneo Semudera Sdn Bhd.</p> <p>As per Proposal For Mitigation Measures (PMM) by Kiwiheng Environmental Consultants Sdn Bhd dated October 2017 stated on detail of soil series.</p> <p>Among sample of series per estate as below:</p> <ul style="list-style-type: none"> <li>• Soil series in Maju Sawit estate was Brantian, Apas and Wullersdrof.</li> <li>• Soil series in Landquest estate was Kinabatangan/Alluvium, Apas, Tinagat and Wullersdorf.</li> <li>• Soil series in LKSK estate was Brantian, Apas, Tinagat, Wullersdorf and Gumpal.</li> </ul>	
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>Mill was discharging their POME through land application at Field OP98B and OP94A Maju Sawit Estate. The Maju Sawit Estate used POME as nutrient recycling strategy. The record available for review, Land Application of POME as per below:</p> <p>November 2021: 18,213 L</p> <p>October 2021: 17,825 L</p> <p>September 2021: 17553 L</p> <p>Reference record as per Daily Effluent Flowmeter Reading Record, Document number: TSHPOM/LB/F25.</p>	Complied

<p>7.4.4</p>	<p>Records of fertiliser inputs are maintained. - Minor compliance -</p>	<p>The records of agronomic and fertilizer recommendation for the year 2021 by Agronomy shown the application date, filed number, dosage applied per palm, type of fertilizer and number of applications. The programme consists of compound and straight fertilizer. Sample of application record for as below:</p> <p><u>Landquest Estate</u></p> <table border="1"> <thead> <tr> <th>Field</th> <th>Type of Fertilizer</th> <th>Dosage, Kg</th> <th>Month Recommended</th> <th>Month Applied</th> </tr> </thead> <tbody> <tr> <td>OP2020</td> <td>RP</td> <td>0.40</td> <td>Jan</td> <td>Jan</td> </tr> <tr> <td>OP2019</td> <td>GML</td> <td>1.00</td> <td>Dec</td> <td>Dec</td> </tr> <tr> <td>OP1996A</td> <td>SOA</td> <td>1.50</td> <td>Oct</td> <td>Oct</td> </tr> </tbody> </table> <p><u>Maju Sawit Estate</u></p> <table border="1"> <thead> <tr> <th>Field</th> <th>Type of Fertilizer</th> <th>Dosage, Kg</th> <th>Month Recommended</th> <th>Month Applied</th> </tr> </thead> <tbody> <tr> <td>OP2018</td> <td>HGFB</td> <td>0.05</td> <td>Feb</td> <td>Feb</td> </tr> <tr> <td>OP1998C</td> <td>RP</td> <td>0.50</td> <td>Jan</td> <td>Jan</td> </tr> <tr> <td>OP96A</td> <td>HGFB</td> <td>0.05</td> <td>Jul</td> <td>Jul</td> </tr> </tbody> </table> <p><u>LKSK Estate</u></p> <table border="1"> <thead> <tr> <th>Field</th> <th>Type of Fertilizer</th> <th>Dosage, Kg</th> <th>Month Recommended</th> <th>Month Applied</th> </tr> </thead> <tbody> <tr> <td>OP2020B</td> <td>NPK Y</td> <td>0.60</td> <td>Jan</td> <td>Jan</td> </tr> <tr> <td>OP1999A</td> <td>SOA</td> <td>1.50</td> <td>May</td> <td>May</td> </tr> <tr> <td>OP1999F</td> <td>MOP</td> <td>1.00</td> <td>Aug</td> <td>Aug</td> </tr> </tbody> </table>	Field	Type of Fertilizer	Dosage, Kg	Month Recommended	Month Applied	OP2020	RP	0.40	Jan	Jan	OP2019	GML	1.00	Dec	Dec	OP1996A	SOA	1.50	Oct	Oct	Field	Type of Fertilizer	Dosage, Kg	Month Recommended	Month Applied	OP2018	HGFB	0.05	Feb	Feb	OP1998C	RP	0.50	Jan	Jan	OP96A	HGFB	0.05	Jul	Jul	Field	Type of Fertilizer	Dosage, Kg	Month Recommended	Month Applied	OP2020B	NPK Y	0.60	Jan	Jan	OP1999A	SOA	1.50	May	May	OP1999F	MOP	1.00	Aug	Aug	<p>Complied</p>
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OP1999F	MOP	1.00	Aug	Aug																																																											

<b>Criterion 7.5: Practices minimise and control erosion and degradation of soils.</b>			
<p>7.5.1</p>	<p><b>(C)</b> Maps identifying marginal and fragile soils, including steep terrain, are available.                      - Critical (Major) compliance -</p>	<p>There was no fragile/marginal soil at all three estates as sighted in their soil maps. The following soil series were present instead:</p> <ul style="list-style-type: none"> <li>• Soil series in Maju Sawit estate was only Brantian, Apas and Wullersdorf.</li> <li>• Soil series in Landquest estate was Kinabatangan/Alluvium, Apas, Tinagat and Wullersdorf.</li> <li>• Soil series in LKSK estate was Brantian, Apas, Tinagat, Wullersdorf and Gumpal.</li> </ul> <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.</p> <p>The SOP clearly stated:</p> <ul style="list-style-type: none"> <li>• No planting on areas with slope of more than 25 degrees.</li> <li>• Soil erosion control by constructing terraces in all sloping areas with bund at regular interval of 20 meters to retain water.</li> <li>• Slopes especially along some roadside to be planted with LCC (<i>Mucuna bracteata</i>).</li> </ul>	<p>Complied</p>
<p>7.5.2</p>	<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.                      - 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 clearly stated:</p> <ul style="list-style-type: none"> <li>• No planting on areas with slope of more than 25 degrees.</li> <li>• Soil erosion control by constructing terraces in all sloping areas with bund at regular interval of 20 meters to retain water.</li> <li>• Slopes especially along some road side to be planted with LCC (<i>Mucuna bracteata</i>).</li> </ul>	<p>Complied</p>

		<p>It was observed that practices to minimize and control erosion and degradation of soils were in place through:</p> <ul style="list-style-type: none"> <li>• Proper stacking of fronds</li> <li>• Avoidance of blanket spraying</li> <li>• Construction terraces</li> <li>• Road maintenance and maintenance of soft vegetation in the interlines.</li> </ul>	
7.5.3	<p>There is no new planting of oil palm on steep terrain.            - Minor compliance -</p>	<p>No new plantings since 2005 except for replanting activity in area less steep terrain.</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.</p> <p>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 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.</p>	Complied
7.6.2	<p>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 -</p>	<p>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: -</p>	Complied

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		<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> <p>This SOP including management of peat soils, acid sulphate soils, Saline soils, Shallow lateritic soils, podzol or similar soils and Sandy soil if any.</p>	
7.6.3	<p>Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure.</p> <p>- Minor compliance -</p>	<p>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</p> <p>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 1<sup>st</sup> Report of the year 2021 (H1-2/2021)</p> <p>Verified through site visit at LKSK Estate for &gt;25 degrees slope area was abounded and fill with cover crop Mucuna Bracteate sp.</p>	Complied
<p><b>Criterion 7.7:</b> No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.</p>			
7.7.1	<p><b>(C)</b> There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.</p> <p>- Critical (Major) compliance -</p>	<p>There were no peat soil and no new planting in TSH Plantation management Sdn Bhd Unit as per latest land statement and interview with management personals.</p>	Not Applicable

7.7.2	<p>Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat.</p> <p><b>PROCEDURAL NOTE:</b></p> <p>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).</p> <p>- Minor compliance -</p>	<p>There were no peat soil and no new planting in TSH Plantation management Sdn Bhd Unit as per latest land statement and interview with management personals.</p>	Not Applicable
7.7.3	<p><b>(C)</b> Subsidence of peat is monitored, documented and minimised.</p> <p>- Critical (Major) compliance -</p>	<p>There were no peat soil and no new planting in TSH Plantation management Sdn Bhd Unit as per latest land statement and interview with management personals.</p>	Not Applicable
7.7.4	<p><b>(C)</b> A documented water and ground cover management programme is in place.</p> <p>- Critical (Major) compliance -</p>	<p>There were no peat soil and no new planting in TSH Plantation management Sdn Bhd Unit as per latest land statement and interview with management personals.</p>	Not Applicable
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 rehabilitated 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>	<p>There were no peat soil and no new planting in TSH Plantation management Sdn Bhd Unit as per latest land statement and interview with management personals.</p>	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>	<p>There were no peat soil and no new planting in TSH Plantation management Sdn Bhd Unit as per latest land statement and interview with management personals.</p>	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 Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat', version 2 (2019) and associated audit guidance.</p> <p>- Critical (Major) compliance -</p>	<p>There were no peat soil and no new planting in TSH Plantation management Sdn Bhd Unit as per latest land statement and interview with management personals.</p>	Not Applicable
<p><b>Criterion 7.8:</b> Practices maintain the quality and availability of surface and groundwater.</p>			
7.8.1	<p>A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following:</p> <ul style="list-style-type: none"> <li>a) The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</li> <li>b) Workers have adequate access to clean water.</li> </ul> <p>- Minor compliance -</p>	<p>A Water management Plan was available and established in the Environmental Continual Improvement Plan (2021-2025). The management plan describes the objectives, targets, programmes, responsibility and actions to be taken. Among the plans included in the water management plan for the certification unit are as below:</p> <ol style="list-style-type: none"> <li>1. Take account of the efficiency of use and renewability of sources.</li> <li>2. To ensure that the use and management of the water by the operation does not result in adverse impacts on the users within the catchment area, including local communities and customary land areas.</li> <li>3. To avoid contamination of surface and ground water through run-off of soil, nutrients or chemicals or as a result of inadequate disposal of waste including POME.</li> </ol>	Complied

		<p>4. To ensure that the plantation activities do not cause adverse impacts to the water sources of local communities, workers and their families.</p> <p>5. No construction of bunds, weirs, dams across the main rivers or waterways passing through the estate.</p> <p>6. To ensure natural waterways not effected by the estate and mill activities.</p> <p>Implementation of the Water Management Plan were verified as below:</p> <p><u>Kunak POM &amp; Maju Sawit Estate</u></p> <p>1. Workers are provided access to clean water via treated water from the mill to the workers quarters. The water is treated at the water treatment plant and channeled to the staffs and workers houses for domestic usage. The water is monitored regularly to ensure the water quality is in accordance with the WHO Drinking Water Quality Standards for Malaysia (DWQS). The latest water quality monitoring test report (RS/CH/2021/0126) dated 24/03/2021 by Rehpro Scientific Sdn Bhd was available for verification. The results indicated that all parameters were within the DWQS Standards.</p> <p>2. Monitoring of water quality at the Sg. Pang Burong passing through the estate is done as well. The estate has placed water sampling points at the upstream (incoming) and downstream (outgoing) and are monitoring the water quality on a 6 months basis. The most recent water sampling report (Report Number: EL/W/0521/211) dated 30/06/2021 by Enfirst Laboratories Sdn Bhd was available for verification.</p> <p><u>LKSK Estate</u></p> <p>1. Workers are provided access to clean water via treated water from the estate. The water is treated at the water treatment</p>	
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		<p>plant and channeled to the staffs and workers houses for domestic usage. The water is monitored regularly to ensure the water quality is in accordance with the WHO Drinking Water Quality Standards for Malaysia. The latest water quality monitoring test report (Report Number: RS/CH/2021/0127) dated 24/03/2021, (Report Number: RS/CH/2021/0348) dated 05/07/2021, and (Report Number: RS/CH/2021/0502) dated 28/09/2021 by Rehpro Scientific Sdn Bhd was available for verification. The results indicated that all parameters were within the DWQS Standards.</p> <p>2. Monitoring of water quality at the Sg. Mantri and Sg. Kalumpang passing through the estate is done as well. The estate has placed water sampling points at the upstream (incoming) and downstream (outgoing) and are monitoring the water quality on a 6 months basis. The most recent water sampling report (Report Number: EL/W/0521/210) dated 30/06/2021 by Kiviheng Environmental Consultants Sdn Bhd was available for verification.</p> <p><u>Landquest Estate</u></p> <p>1. Workers are provided access to clean water via treated water from the estate. The water is treated at the water treatment plant and channeled to the staffs and workers houses for domestic usage. The water is monitored regularly to ensure the water quality is in accordance with the WHO Drinking Water Quality Standards for Malaysia. The latest water quality monitoring test report (Report Number: RS/CH/2021/0501) dated 28/09/2021. The results indicated that all parameters were within the DWQS Standards.</p> <p>2. Monitoring of water quality at the Sg Timbangan passing through the estate is done as well. The estate has placed water sampling points at the upstream (incoming) and downstream</p>	
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		(outgoing) and are monitoring the water quality on a 6 months basis. The most recent water sampling report (Report Number: EL/W/0521/209) dated 30/06/2021 by Kiwiheng Environmental Consultants Sdn Bhd was available for verification.										
7.8.2	<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 rehabilitation of riparian reserves' (April 2017) or applicable National legislation or specific environmental permit. Smallholders may replant existing planted areas provided there is no evidence of environmental deterioration having occurred during the previous cycle.</p> <p>- Critical (Major) compliance -</p>	<p>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. The allocated zones shall be demarcated and left to the nature. Application of agrochemicals such as fertilisers and herbicides is prohibited.</p>	Complied									
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>The mill applies the biological system with 7 ponds and 6 anaerobic digester tanks in series for its treatment of effluent. Final discharge was to land.</p> <p>The quality of discharged effluent was analysed every month and the parameters are pH, BOD, COD, TS, SS, O&amp;G, AN and TN. The Mill submitted quarterly returns to DOE.</p> <p>Regular monitoring was done on monthly basis and every quarterly via Quality Production Data to DOE for compliance. The quarterly reports were sent to DOE accordingly and the last report showed that the BOD. Verified the most recent test report by Rehpro Scientific Sdn Bhd indicated all parameters were within the accepted range.</p> <table border="1" data-bbox="1137 1204 1921 1393"> <thead> <tr> <th>Report Date</th> <th>Report No.</th> <th>BOD (Limit=20)</th> </tr> </thead> <tbody> <tr> <td>10/11/2021</td> <td>RS/CH/2021/0606(B)</td> <td>20</td> </tr> <tr> <td>13/09/2021</td> <td>RS/CH/2021/0497(B)</td> <td>14</td> </tr> </tbody> </table>	Report Date	Report No.	BOD (Limit=20)	10/11/2021	RS/CH/2021/0606(B)	20	13/09/2021	RS/CH/2021/0497(B)	14	Complied
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7.8.4	<p>Mill water use per tonne of FFB is monitored and recorded.          - Minor compliance -</p>	<p>The mill has been monitoring its water usage on daily basis. The water was sourced from Sg Pang Burong – pumped into collection pond. Based on the monthly records, the monthly consumption per MT FFB processed in 2020 and 2021 is as follows:</p> <table border="1" data-bbox="1137 507 1921 667"> <thead> <tr> <th>Year</th> <th>Water Consumption, m<sup>3</sup></th> <th>FFB Processed, MT</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>163,037.70</td> <td>253,978.64</td> </tr> <tr> <td>2021@Nov</td> <td>157,994.29</td> <td>278,840.06</td> </tr> </tbody> </table> <table border="1" data-bbox="1137 715 1921 1353"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="2">Water (m<sup>3</sup>)/MT FFB Processed</th> </tr> <tr> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr><td>January</td><td>0.62</td><td>0.43</td></tr> <tr><td>February</td><td>0.48</td><td>0.46</td></tr> <tr><td>March</td><td>0.48</td><td>0.45</td></tr> <tr><td>April</td><td>0.28</td><td>0.49</td></tr> <tr><td>May</td><td>0.33</td><td>0.44</td></tr> <tr><td>June</td><td>0.25</td><td>0.47</td></tr> <tr><td>July</td><td>0.43</td><td>0.53</td></tr> <tr><td>August</td><td>0.66</td><td>0.60</td></tr> <tr><td>September</td><td>0.83</td><td>0.45</td></tr> <tr><td>October</td><td>0.92</td><td>0.55</td></tr> <tr><td>November</td><td>0.89</td><td>0.47</td></tr> </tbody> </table>	Year	Water Consumption, m <sup>3</sup>	FFB Processed, MT	2020	163,037.70	253,978.64	2021@Nov	157,994.29	278,840.06	Month	Water (m <sup>3</sup> )/MT FFB Processed		2020	2021	January	0.62	0.43	February	0.48	0.46	March	0.48	0.45	April	0.28	0.49	May	0.33	0.44	June	0.25	0.47	July	0.43	0.53	August	0.66	0.60	September	0.83	0.45	October	0.92	0.55	November	0.89	0.47	Complied
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<b>Criterion 7.9:</b> Efficiency of fossil fuel use and the use of renewable energy is optimised																																																		
7.9.1	<p>A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented.</p> <p>- Minor compliance -</p>	<p>The TSH Kunak POM and Supply base consistently monitored their fossil fuel consumption and kept records to get the information about efficient consumption. Among the management plans to improve efficiency generally were:</p> <p>To carry out preventive maintenance of machinery in order to prevent high breakdown hours and making the machines more efficient</p> <p>Continuous education to operators who handle the machinery so that the unnecessary running hours can be minimized.</p> <p>The Diesel usage (Liters) record for 2021 was available for review:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Kunak POM</th> <th>Maju Sawit Estate</th> <th>LKSK Estate</th> <th>Landquest Estate</th> </tr> </thead> <tbody> <tr> <td>Jan 2021</td> <td>4,299.98</td> <td>338</td> <td>13,604</td> <td>5,027</td> </tr> <tr> <td>Feb 2021</td> <td>3,479.85</td> <td>380</td> <td>12,049</td> <td>3,875</td> </tr> <tr> <td>Mar 2021</td> <td>4,477.58</td> <td>651</td> <td>14,811</td> <td>6,368</td> </tr> <tr> <td>Apr 2021</td> <td>4,868.44</td> <td>582</td> <td>13,561</td> <td>5,410</td> </tr> <tr> <td>May 2021</td> <td>4,317.79</td> <td>660</td> <td>12,104</td> <td>6,136</td> </tr> <tr> <td>Jun 2021</td> <td>4,439.79</td> <td>410</td> <td>13,371</td> <td>6,727</td> </tr> <tr> <td>July 2021</td> <td>4,544.30</td> <td>810</td> <td>13,906</td> <td>5,397</td> </tr> <tr> <td>Aug 2021</td> <td>4,657.18</td> <td>880</td> <td>13,912</td> <td>5,863</td> </tr> </tbody> </table>			Month	Kunak POM	Maju Sawit Estate	LKSK Estate	Landquest Estate	Jan 2021	4,299.98	338	13,604	5,027	Feb 2021	3,479.85	380	12,049	3,875	Mar 2021	4,477.58	651	14,811	6,368	Apr 2021	4,868.44	582	13,561	5,410	May 2021	4,317.79	660	12,104	6,136	Jun 2021	4,439.79	410	13,371	6,727	July 2021	4,544.30	810	13,906	5,397	Aug 2021	4,657.18	880	13,912	5,863	Complied
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		Sept 2021	3,376.32	997	12,106	7,277	
		Oct 2021	4,435.71	613	13,636	5,880	
		Nov 2021	4,478.08	743	12,184	5,811	
		Dec 2021	-	-	-	-	
		Total	47,373.88	7,064	145,244	63,771	

**Criterion 7.10:** Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.

7.10.1	<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.</p> <p>- Critical (Major) compliance -</p>	<p>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 consumptions mainly from estates activities.</p> <p>Sighted GHG Emission Reduction Plan has been established dated 22/12/2020 with effective date on 01/01/2021. Among objective discussed were:</p> <p>Mill</p> <ul style="list-style-type: none"> <li>To maintain monthly transportation emission below 10 tonnes CO<sub>2</sub>eq</li> <li>Maintain GHG Emission at below 400 tonnes CO<sub>2</sub>eq from processing power and outputs</li> <li>Reduce the GHG emission through work.</li> </ul> <p>Estate</p> <ul style="list-style-type: none"> <li>To maintain monthly transportation emission below 10 tonnes CO<sub>2</sub>eq</li> <li>Reduce the GHG emission through work.</li> </ul>	Complied
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		The emission value is recorded and calculated through the utilization of RSPO’s Palm GHG Calculator ver. 4 which was verified to be accurately reported.	
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).</p> <p>- Critical (Major) compliance -</p>	Not applicable since no new development by the certification unit.	Not Applicable
7.10.3	<p><b>(C)</b> Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.</p> <p>- Critical (Major) compliance -</p>	<p>No Other significant pollutants were identified in sampling estate. The plan to reduce or minimize the GHG emission has been established and implemented. In general, among the action plans were:</p> <ul style="list-style-type: none"> <li>• To reduce emission that pollutes the air</li> <li>• To prevent CPO spillage or flows that can contaminate the monsoon water drain</li> <li>• To improve the Wastewater treatment</li> <li>• To minimize land pollution through leachate.</li> <li>• Boundary Noise should comply with the required standard by DOE.</li> <li>• To minimize soil erosion in estate areas.</li> </ul> <p>As prescribed under DOE’s Compliance Schedule, the mill is obliged to conduct stack sampling. Below are the verified reports:</p> <p><u>1<sup>st</sup> half 2021</u></p> <ul style="list-style-type: none"> <li>- Report no.: RSSB/STACK/2021-017</li> <li>- Report date: 03/04/2021</li> <li>- Result: Dust: 250.76 mg/m<sup>3</sup> (Boiler 1), CO<sub>2</sub>: 5.80%</li> </ul>	Non-compliance

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		<p><u>2<sup>nd</sup> half 2021</u></p> <ul style="list-style-type: none"> <li>- Report no.: RSSB/STACK/2021-061</li> <li>- Report date: 04/10/2021</li> <li>- Result: Dust: 210.95 mg/m<sup>3</sup> (Boiler 1), CO<sub>2</sub>: 6.90%</li> </ul> <p>For Air Pollution Control System, were in progress. Continuous Emissions Monitoring System (CEMS) which link to the DOE on real time base for Dark smoke emissions was implemented and monitored. Sighted Online Environmental Reporting (OER) has been submitted to DOE on quarterly basis.</p> <p><u>1<sup>st</sup> Quarter 2021</u></p> <ul style="list-style-type: none"> <li>- Date Of monitoring: (January to March)</li> <li>- Particulate matter: 28.00, 28.00 &amp; 31.00 µg/m<sup>3</sup></li> <li>- Limit: 20 µg/m<sup>3</sup></li> </ul> <p><u>2<sup>nd</sup> Quarter 2021</u></p> <ul style="list-style-type: none"> <li>- Report Number: (April to June)</li> <li>- Particulate matter: 35.00, 30.00 &amp; 23.00 45 µg/m<sup>3</sup></li> <li>- Limit: 20 µg/m<sup>3</sup></li> </ul> <p><u>3<sup>rd</sup> Quarter 2021</u></p> <ul style="list-style-type: none"> <li>- Report Number: (July to September)</li> <li>- Particulate matter: 21.00, 50.00 &amp; 14.00 µg/m<sup>3</sup></li> <li>- Limit: 20 µg/m<sup>3</sup></li> </ul> <p>Sighted "Lesen Pelanggaran" No.005191 dated 08/07/2021 with validity until 30/08/2022 with reference number JPLP/PBU/12/005191.</p>	
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		<p>Sighted Environmental Compliance Audit Report with DOE Tracking Number: JAS.SHQ.600-3/1/090(19) dated 14/11/2021 by Third Party R&amp;K Consultancy by Registered DOE Assessor EA0094.</p> <p>Major NC</p> <p>The environmental Continual Improvement Plan were not effectively implemented.</p> <p>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 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".</p>	
<b>Criterion 7.11: Fire is not used for preparing land and is prevented in the managed area</b>			
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 burnings (Zero burning). No open burning was sighted during site verification.</p> <p>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 1<sup>st</sup> 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>For Fire prevention and control, the recommendation has been issued by HCV report in each estate conducted by Kiwiheng Environmental Consultants Sdn Bhd (Jan 2018) such as: -</p>	Complied



		<ul style="list-style-type: none"> <li>• Planting of non-flammable ground cover around the around the border of the estate and road shoulders.</li> <li>• To train and equipped plantation fire team comprising of permanent staff or workers. Latest training was on 17/3/2020 with total 20-person attend</li> <li>• To marked and determined Fire assembly was available in estate</li> <li>• 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> <li>• To build up Fire watch tower. In LKSK Estate, already build fire watch tower located at field 2020B while In Landquest estate, in Field 2018 as per site verification.</li> </ul> <p>Company already identify fire prone areas available under Fire control plan (effective dated: 1/7/2018)</p> <p>Emergency Response Team Organization Charts (ERT) Organization has been established. Training with BOMBA has been attended on 23 &amp; 24/01/2020 by 3 representatives from LKSK Estate.</p>	
7.11.3	<p>The unit of certification engages with adjacent stakeholders on fire prevention and control measures.</p> <p>- Minor compliance -</p>	<p>Management has consulted their stakeholders via correspondence email dated 10/05/2021. Sighted evidence on topic of engagement with adjacent stakeholders on fire prevention and control measures in the slideshow emailed. Management also inform the stakeholder regarding to zero burning policy. This email has been sent to the interested parties such as smallholder, authorities, contractor, and others. No grievance and complaint related fire prevention and control measure recorded.</p>	Complied
<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>			

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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> <p>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.</p> <p>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 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).</p> <p>- Critical (Major) compliance -</p>	<p>HCV report by Kiwiheng Environmental Consultants Sdn Bhd; dated Jan 2018. The report stated type of HCV in estate as detail below:</p> <table border="1" data-bbox="1137 699 1935 1375"> <thead> <tr> <th>Estate</th> <th>HCV</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Maju Sawit Estate (KEC-(EV)/18/07)</td> <td>1.1</td> <td>Mt. Wullersdorf Protection Forest Reserve</td> </tr> <tr> <td>1.2</td> <td>13 RTE species found during assessment (5 mammals and 8 bird)</td> </tr> <tr> <td>1.3</td> <td>6 endemic fauna found during assessment (one mammal, 2 birds and 3 fish)</td> </tr> <tr> <td rowspan="4">LKSK Estate (KEC-(EV)/18/09)</td> <td>1.1</td> <td>Mt. Wullersdorf Protection Forest Reserve and Ulu Kalumpang Protection Forest Reserve</td> </tr> <tr> <td>1.2</td> <td>16 RTE species found during assessment in LKSK</td> </tr> <tr> <td>5</td> <td>Sg Ulu Kalumpang &amp; Sg Mantri used as water consumption.</td> </tr> <tr> <td>6</td> <td>Rumah Merah &amp; Children Cemetery</td> </tr> </tbody> </table>	Estate	HCV	Remarks	Maju Sawit Estate (KEC-(EV)/18/07)	1.1	Mt. Wullersdorf Protection Forest Reserve	1.2	13 RTE species found during assessment (5 mammals and 8 bird)	1.3	6 endemic fauna found during assessment (one mammal, 2 birds and 3 fish)	LKSK Estate (KEC-(EV)/18/09)	1.1	Mt. Wullersdorf Protection Forest Reserve and Ulu Kalumpang Protection Forest Reserve	1.2	16 RTE species found during assessment in LKSK	5	Sg Ulu Kalumpang & Sg Mantri used as water consumption.	6	Rumah Merah & Children Cemetery	Complied
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	6	Rumah Merah & Children Cemetery																				

		Landquest Estate (KEC-(EV)/18/08)	1.1	Mt. Pock Protection Forest Reserve	
			1.2	13 RTE species found during assessment	
			1.3	3 type of endemic mammal, bird and fish were found during assessment	
7.12.3	<i>Indicator is not applicable in Malaysia context</i>	Not applicable.			Not Applicable
7.12.4	<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).</p> <p>- Critical (Major) compliance -</p>	<p>The management has established HCV monitoring program and documented in Environmental Continuous Improvement Plan 2021 - 2025. Latest review was conducted 22/12/2020 with effective date on 01/01/2021. Among the plans established as follows:</p> <ul style="list-style-type: none"> <li>• Provide 10 meter buffer zone along the shared boundary with Protection Forest Reserve</li> <li>• 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>• To initiate and implement workshops and seminars related to Biodiversity Conservation and environment awareness</li> <li>• Develop and implement a management and monitoring plan that should reduce the damage to riparian during replanting exercise</li> <li>• Develop a plantation fire risk and control plan</li> <li>• Mapping the boundaries of riparian area and buffer zone also demarcated on the ground.</li> <li>• Detection of interesting or strange flora and all sightings of wildlife should be entered in a log book.</li> </ul>			Complied

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		<p>LKSK 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 December 2021. Report of HCV monitoring by internal has been conducted on 2<sup>nd</sup> 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 1<sup>st</sup> Half 2021 dated 21/05/2021 by Kiwiheng Environmental Consultants Sdn Bhd.</p>	
7.12.5	<p>Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peat land and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.</p> <p>- Minor compliance -</p>	<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
7.12.6	<p>All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.</p> <p>- Minor compliance -</p>	<p>The management has established HCV monitoring program and documented in Environmental Continuous Improvement Plan 2021 - 2025. The estate continues to monitor the animal species at the HCV area. The wildlife sighting was summarizing on monthly basis. Reviewed the summary report for the month of October, November, and December 2021.</p> <p>LKSK Estate  Wildlife monitoring was conducted twice a year. Latest review was conducted on 2<sup>nd</sup> Half 2021 dated 03/11/2021. Among the wildlife observed during the monitoring were monkey, hawk, white stork, butterfly, and insects.</p>	Complied

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		Landquest Estate Wildlife monitoring was conducted twice a year. Latest review was conducted on 1 <sup>st</sup> Half 2021 dated 21/05/2021. Among the wildlife observed during the monitoring were monkey, hawk, white stork, butterfly, and insects.	
7.12.7	The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan. - Minor compliance -	The monitoring was done monthly and reported 6 monthly bases to sustainability department. Latest monitoring was on November 2021. The monitoring result been fed back to management plan accordingly.	Complied
7.12.8	<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. - Critical (Major) compliance -	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.	Complied

**Appendix B: GHG Reporting Executive Summary**

The GHG emissions that were produced in **2020** for **Kunak Palm Oil Mill** and supply base was calculated using the PalmGHG Calculator version 4.0.1. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

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

The summary of the Net GHG emitted in **2020** for **Kunak Palm Oil Mill** and supply base are as following:

Emission per product	tCO <sub>2</sub> e/tProduct
CPO	0.16
PKO	0.16

Extraction	%
OER	19.37
KER	5.19

Production	t/yr
FFB Process	445,269.53
CPO Produced	86,256.79
PKO Produced	0

Land Use	Ha
OP Planted Area	1,478.50
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	20.04
<b>Total</b>	<b>1,498.54</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	9431.21	0.32	0	0	0	0	9431.21	0.32
CO <sub>2</sub> Emission from fertilizer	1640.32	0.06	0	0	0	0	1640.32	0.06
NO <sub>2</sub> Emission	2613.62	0.09	0	0	0	0	2613.62	0.09
Fuel Consumption	399.29	0.01	0	0	0	0	399.29	0.01
Peat Oxidation	0	0	0	0	0	0	0	0
<b>Sink</b>								
Crop Sequestration	-10457.05	-0.35	0	0	0	0	-10457.05	-0.35
Conservation Sequestration	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3627.4</b>	<b>0.12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3627.4</b>	<b>0.12</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	11293.41	0.03
Fuel Consumption	235.78	0
Grid Electricity Utilization	0	0
<b>Credit</b>		
Export of Grid Electricity	-2.43	0
Sales of PKS	-43910.24	-0.1
Sales of EFB	-2110.92	0
<b>Total</b>	<b>-34494.4</b>	<b>-0.08</b>

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

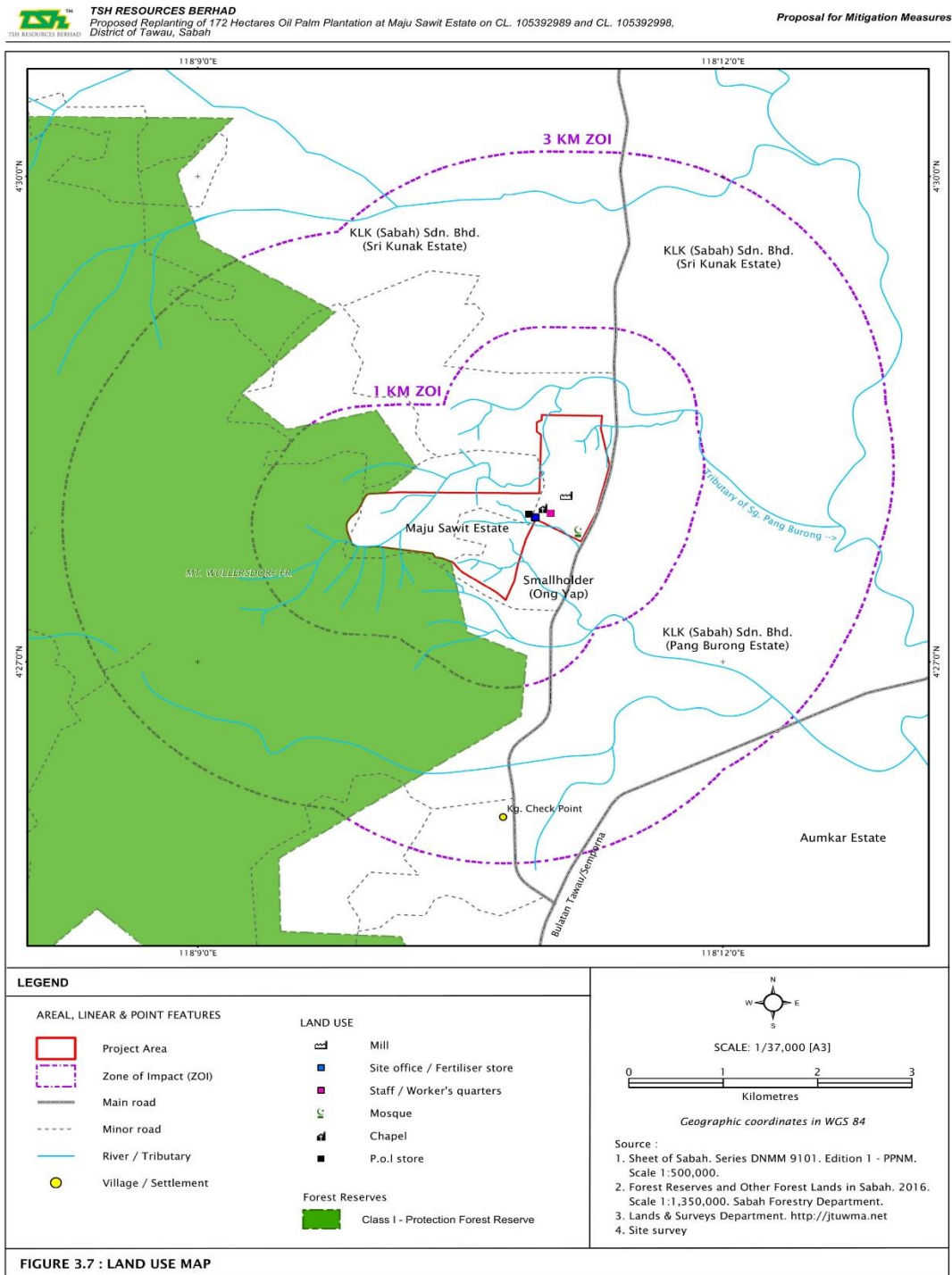
Emissions	tCO <sub>2</sub> e
PK from own mill	-6524.66
PK from other source	0
Fuel Consumptions	0
<b>Total Crusher emissions</b>	<b>0</b>

\*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) (%)	30
Divert to methane captured (energy generation) (%)	70

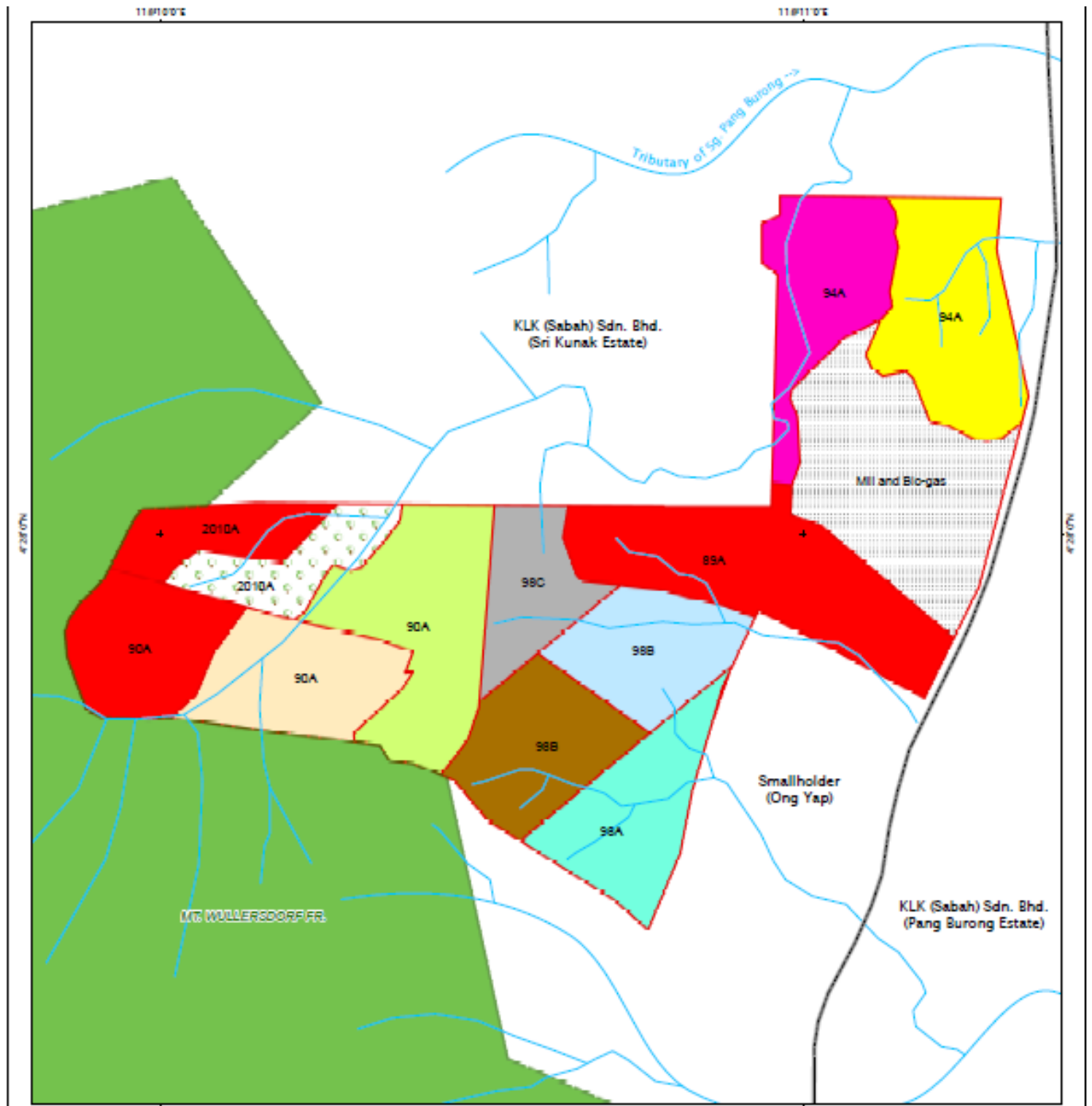
**Appendix C: Location Map of Certification Unit and Supply bases**



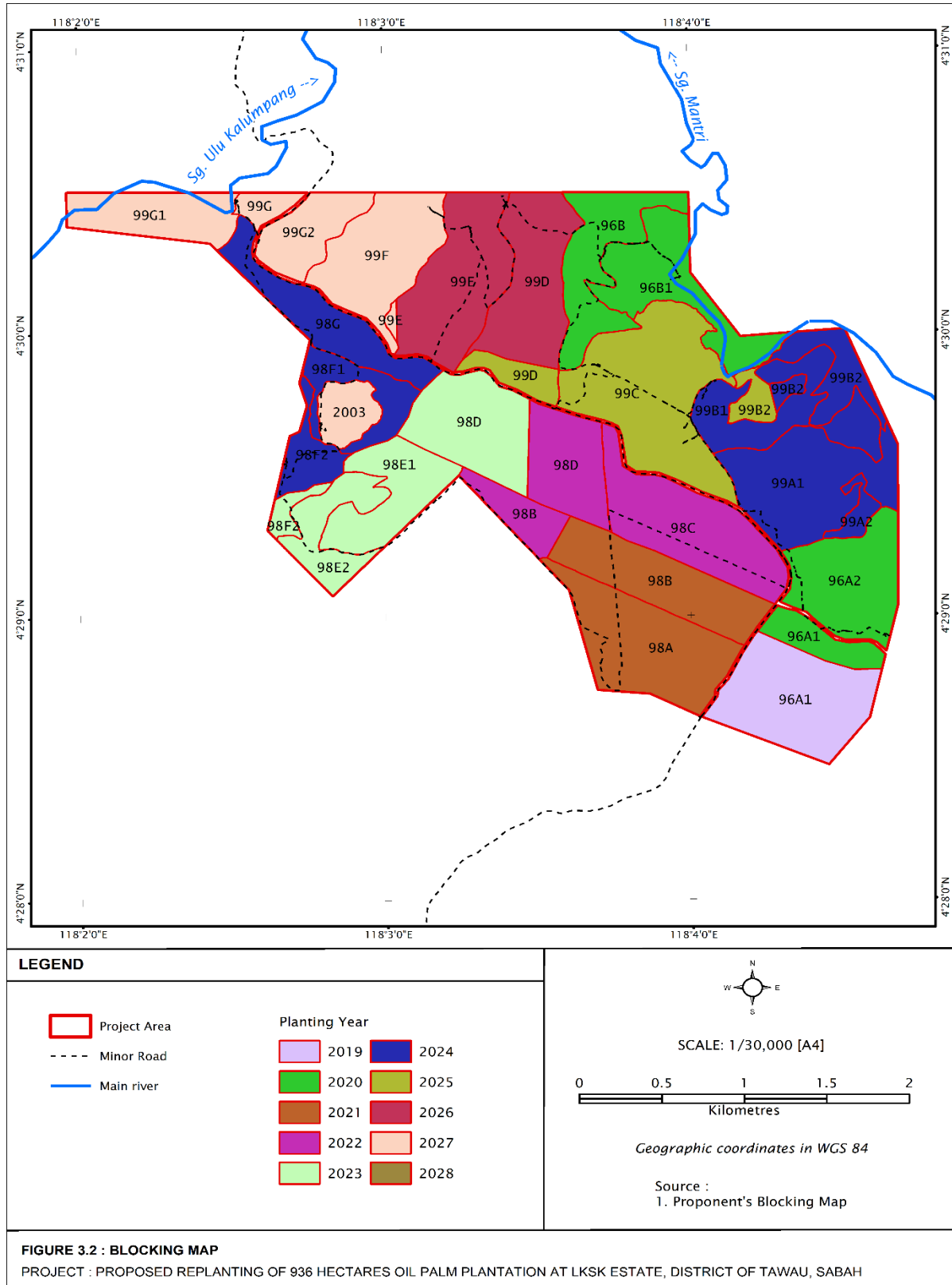


**Appendix D: Estate Field Map**

Maju Sawit Estate



**LKSK Estate**

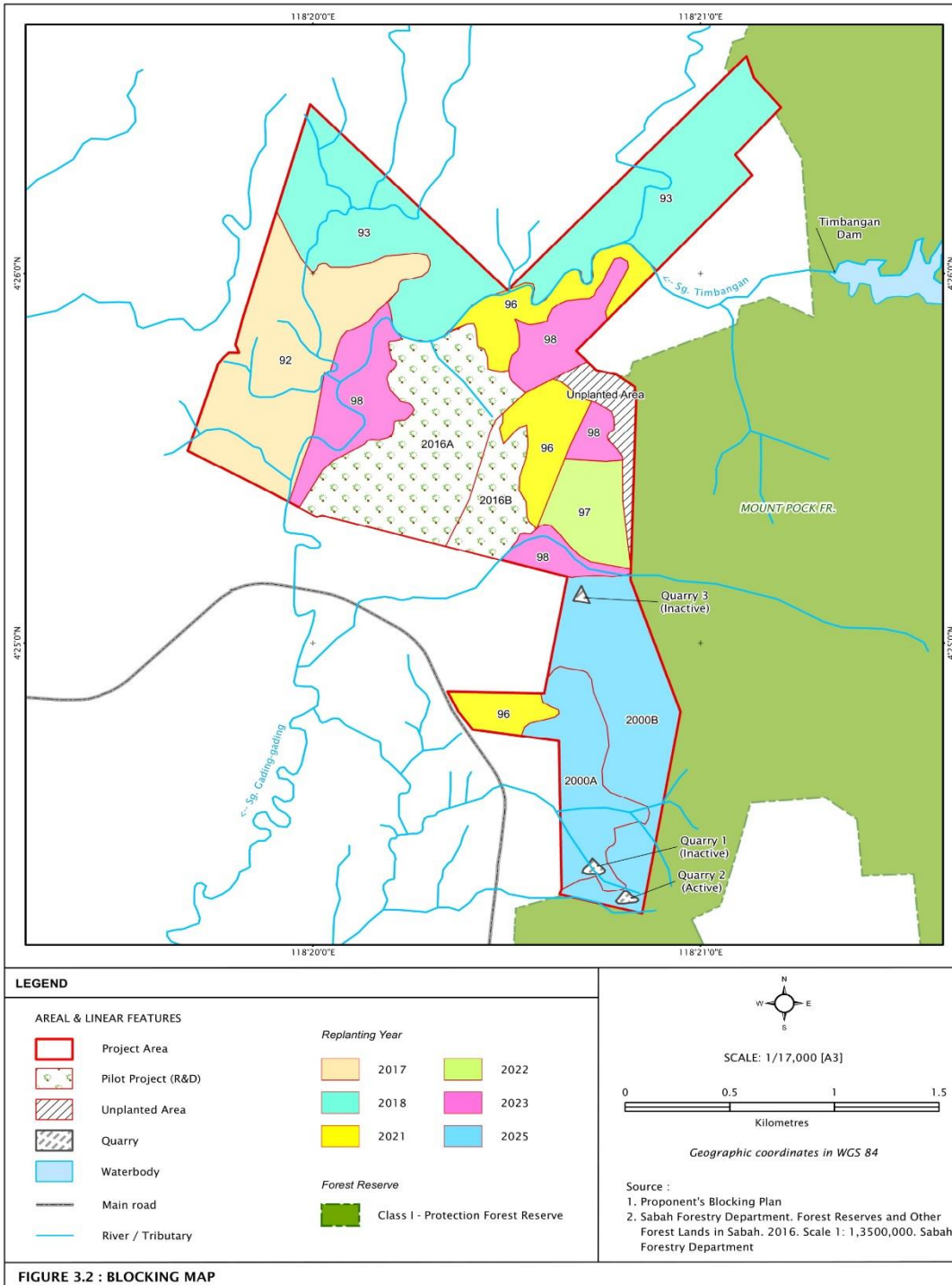


Landquest Estate

**TSH RESOURCES BERHAD**

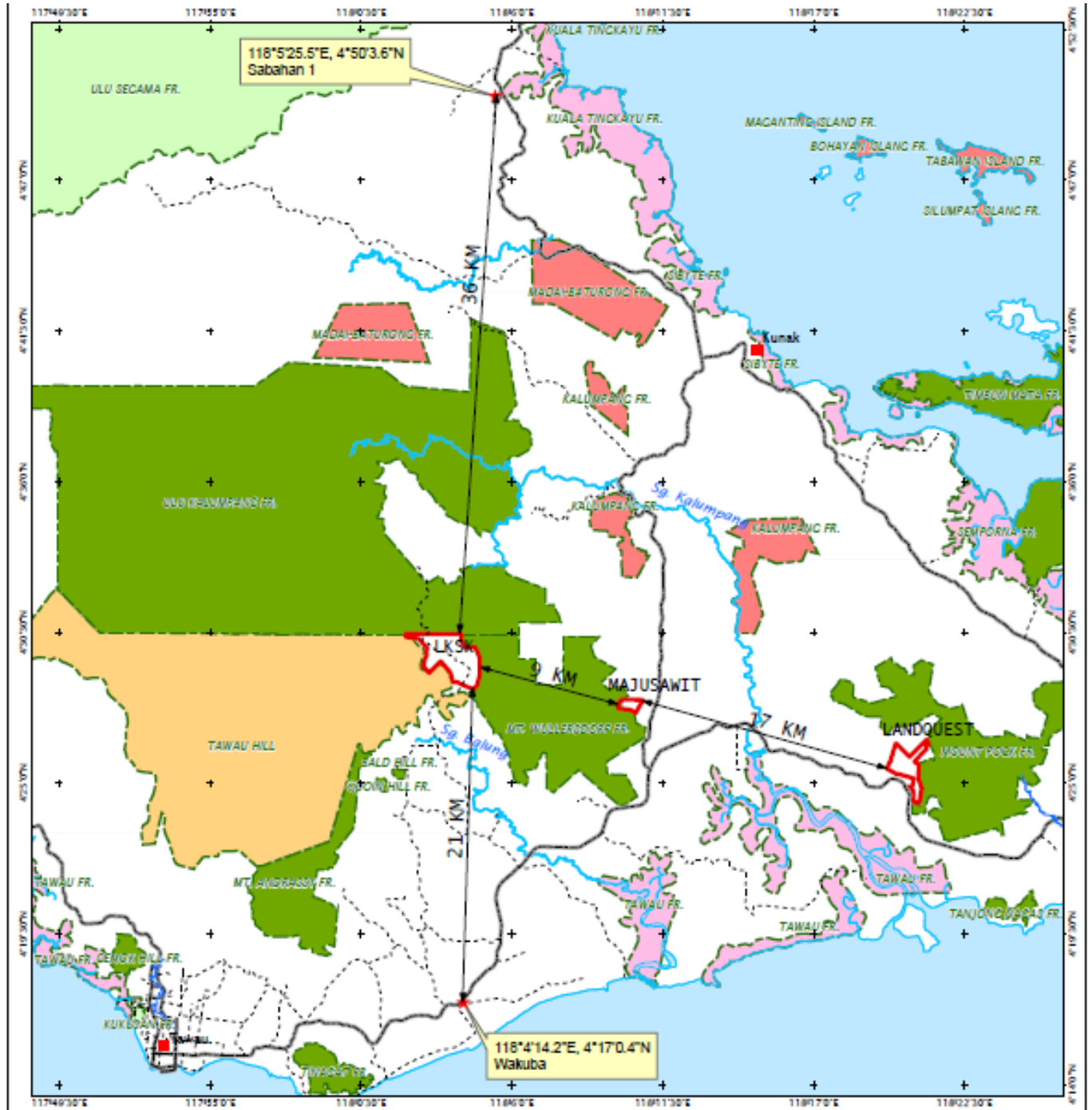
Proposed Replanting of 370 Hectares Oil Palm Plantation at Landquest Estate on CL. 125319244, District of Semporna, Sabah

Proposal for Mitigation Measures



**FIGURE 3.2 : BLOCKING MAP**

Maju Sawit Estate – Wakuba Division





**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