

**RSPO PRINCIPLE AND CRITERIA  
PUBLIC SUMMARY REPORT**

- Initial Assessment
- Annual Surveillance Assessment (ASA 1)
- Recertification Assessment
- Extension of Scope

<b>Client Company name (Parent Company): TSH Resources Berhad</b>
Client company Address: Menara TSH, No. 8, Jalan Semantan Damansara Heights 50490 Kuala Lumpur Malaysia
Certification Unit: <b>TSH Plantation Sdn Bhd Sabahan Palm Oil Mill</b>  Location of Certification Unit: KM 38, Lahad Datu-Kunak Highway 91007 Sabah, Malaysia

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## Section 1: Scope of the Certification 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		
<b>Palm Oil Mill / Group Manager / Estate (Certification Unit)</b>	TSH Plantation Sdn Bhd – Sabahan Palm Oil Mill		
<b>Location / Address</b>	KM 38, Lahad Datu-Kunak Highway 91007 Sabah, Malaysia		
<b>Website</b>	www.tsh.com.my		
<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 712309	<b>Date of First Certification</b>	08/10/2019
		<b>Certificate Start Date</b>	08/10/2019
		<b>Certificate Expiry Date</b>	07/10/2024
<b>Scope of Certification</b>	Palm oil and Palm Kernel Production		
<b>Visit Objectives</b>	The objective of the assessment was to conduct assessment of the existing certification to ensure the elements of the proposed scope of registration and the requirements of the management standard are effectively addressed by the organisation's management system.		
<b>Applicable Standards</b>	<input type="checkbox"/> RSPO P&C 2018 with supply chain Module <input type="checkbox"/> Identity Preserved <input type="checkbox"/> Mass Balance <input checked="" type="checkbox"/> Malaysian National Interpretation 2019 for RSPO P&C 2018 with supply chain Module <input type="checkbox"/> Identity Preserved <input checked="" type="checkbox"/> Mass Balance		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSP0/2018/08	MSP0 - MS 2530 Part 3	Rehpro Certification Sdn Bhd	06.10.2024
MSP0/2018/08	MSP0 - MS 2530 Part 4	Rehpro Certification Sdn Bhd	06.10.2024

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4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location	GPS Coordinates	
		Latitude	Longitude
Sabahan POM	KM 38, Lahad Datu-Kunak Highway, 91007 Sabah, Malaysia	4°49'08.50"N	118°05'31.10"E
Sabahan Estate	KM 38, Lahad Datu-Kunak Highway, 91007 Sabah, Malaysia	4°49'08.50"N	118°05'31.10"E

5. Description of Supply Base					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Sabahan Estate	98	0	24	122	80.33
<b>Total</b>	98	0	24	122	80.33

6. Plantings & Cycle							
Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Sabahan Estate	84	0	0	0	14	14	84
<b>Total (ha)</b>	84	0	0	0	14	14	84

7. Certified Tonnage of FFB (Own Certified Scope)				
Estate	Tonnage / year			
	Estimated (Oct 2019 – Sept 2020)	Actual (Oct 2019 – Jun 2020)		Forecast (Oct 2020 – Sept 2021)
		<i>Previous license period (NA)</i>	<i>Current license period (Oct 19 – June 20)</i>	
Sabahan Estate	1,060	-	301.35	280
<b>Total</b>	<b>1,060</b>		<b>301.35</b>	<b>280</b>

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8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *				
Estate	Tonnage / year			
	Estimated (Oct 2019 – Sept 2020)	Actual (Oct 2019 – Jun 2020)		Forecast (Oct 2020 – Sept 2021)
	Nil	<i>Previous license period (NA)</i>	<i>Current license period (Oct 19 – June 20)</i>	Nil
Gomantang Estate RSPO 652155		-	244.43	
<b>Total</b>	<b>0</b>	<b>244.43</b>		<b>0</b>

9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable				
Independent FFB Supplier	Tonnage / year			
	Estimated (Oct 2019 – Sept 2020)	Actual (Oct 2019 – Jun 2020)		Forecast (Oct 2020 – Sept 2021)
		<i>Previous license period (NA)</i>	<i>Current license period (Oct 19 – June 20)</i>	
Dealers, Smallholders & Other Suppliers.	144,000.00	-	102,440.73	144,000.00
<b>Total</b>				

10. Certified Tonnage				
	Estimated (Oct 2019 – Sept 2020)	Actual (Oct 2019 – Jun 2020)		Forecast (Oct 2020 – Sept 2021)
	FFB	FFB		FFB
<b>Mill Capacity: 60 MT/hr</b>	1060	<i>Previous license period (NA)</i>	<i>Current license period (Oct 19 – June 20)</i>	280
		0	545.78	
<b>SCC Model: MB</b>	<b>CPO (OER: 20.5%)</b>	<b>CPO (OER: 19.26%)</b>		<b>CPO (OER: 20.5%)</b>
	217.3	0	105.12	57.40
	<b>PK (KER: 5.5%)</b>	<b>PK (KER: 5.35%)</b>		<b>PK (KER: 5.5%)</b>
58.3	0	29.20	15.40	

<b>11. Actual Sold Volume (CPO)</b>					
<b>Current License period</b>					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	Others		
CPO (MT)	99.98	0	0	0	99.98
<b>Previous License period</b>					
CPO (MT)	NA	0	0	0	0

<b>12. Actual Sold Volume (PK)</b>					
<b>Current License period</b>					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	Others		
PK (MT)	0	0	0	0	0
<b>Previous License period</b>					
PK (MT)	NA	0	0	0	0

<b>13. Actual Group certification Claims</b>		
	Credit	Physical Volume (MT)
IS-CSPO	0	0
IS-CSPKO	0	0
IS-CSPKE	0	0

## Section 2: Assessment Process

### Certification Body:

BSI Services Malaysia Sdn. Bhd. (ASI Accreditation Number: ASI-ACC-067)  
Suite 29.01 Level 29, The Gardens North Tower,  
Mid Valley City, Lingkaran Syed Putra,  
59200 Kuala Lumpur, Malaysia.  
Tel +60 (3) 9212 9638 Fax +60 (3) 9212 9639  
Representative: Nicholas Cheong ([Nicholas.Cheong@bsigroup.com](mailto:Nicholas.Cheong@bsigroup.com))  
Website: [www.bsigroup.com](http://www.bsigroup.com)

BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 180 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Jakarta and Australia which involve in RSPO Certification Program.

### 2.1 Assessment Methodology, Programme, Site Visits

The on-site annual surveillance assessment (ASA) 1 was conducted from 27<sup>th</sup> July 2020 to 30<sup>th</sup> July 2020. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the estate. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The Major NC close out assessment was conducted on 08<sup>th</sup> October 2020 remotely due to high Covid-19 cases in the site's region. The audit programs are included in Section 2.3.

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

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estate of its supply base.

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

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.



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

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

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

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

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

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

Assessment Program					
Name (Mill / Supply Base)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Sabahan POM	√	√	√	√	√
Sabahan Estate	√	√	√	√	√

**Tentative Date of Next Visit:** July 26, 2021 - July 29, 2021

**Total No. of Mandays:** 10 Mandays

**2.2 BSI Assessment Team:**

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Vijay Kanna Pakirisamy	Trainee Auditor Lead	He holds a bachelor’s degree in Agribusiness Science Management with Honours from University Utara Malaysia in 2010. He gained his working exposure in the plantation sector, serving as an Assistant Manager with KL Kepong and IOI Plantations and as a Sr. Assistant Manager with United Plantations Berhad. Throughout his 10 year tenure in the oil palm industry, he has been part of the operations team that implements standards within the estate such as RSPO, MSPO, ISCC and FINWATCH. He has completed ISO IMS 9001, 14001, 45001(OHS 18001) Lead Auditor Course in November

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		2019, endorsed RSPO P&C Lead Auditor Course in October 2019 and endorsed MSPO Lead Auditor Course in November 2019. During this assessment, he assessed on the aspects of Occupational, Health & Safety and estate best practises. He is fluent in Bahasa Malaysia and English languages
Hafriazhar Mohd Mokhtar	Team Member	Hafriazhar Mohd. Mokhtar is a Chemical Engineer by qualification. He has more than five years of direct work experience in the upstream processes of palm oil within the plantation industry. He is a qualified Lead Auditor for CDM, ISO 14001, ISO 50001 and ISO 9001 and has accumulated more than 500 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia and Thailand. He has been trained in the RSPO P&C and SCCS standards and recently completed his RSPO P&C Lead Assessor training and has been involved in RSPO audits within Malaysia, Papua New Guinea, Solomon Islands and Gabon. During assessment, he covered the legal issues, social issues, worker’s welfare and stakeholder consultation. He is fluent in Bahasa Malaysia and English languages
Valence Shem	Team Member	He holds Bachelor Degree in Industrial Technology, graduated from University of Science Malaysia in 1998 and has 9 years working experience in oil palm plantation industry. He has been in the management system auditing line since 2009 for various standards such as ISO 140001, RSPO P&C, RSPO SCCS and SMETA. He completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012 and MSPO Awareness Training in 2014. He had been involved in RSPO auditing since 2009 in various companies in Malaysia. During this assessment, he assessed on the aspects of legal, environmental & biodiversity, agriculture best practices and the supply chain element. Able to communicate in Bahasa Malaysia and English.

**Accompanying Persons:**

Name	Role
N/A	

**2.3 Assessment Plan**

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

Date	Time	Subjects	VKP	VS	HMM
Sunday, 26/07/2020	1720 - 2015	Travel from KL to Tawau and check in Borneo Royal Hotel, Tawau.	√	√	√
Monday, 27/07/2020	0600 - 0830	Travel from Tawau to Sabahan POM	√	√	√
	0830 - 0900	Opening Meeting: - Opening Presentation by Audit Team Leader. - Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation).	√	√	√
	0900 - 1230	<b>TSH Sabahan POM</b>  Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, Lab, weighbridge and palm product storage area, etc.  Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	√	√
	1230 - 1330	Lunch	√	√	√
	1330 - 1700	<b>TSH Sabahan POM</b>  Document Review P1 – P7: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation.	√	√	√
	1700 - 1730	Interim Closing Briefing	√	√	√
	Tuesday 28/07/2020	0830- 1230	<b>TSH Sabahan POM</b> Continue documentation review/site visit.	√	√
	1230 - 1330	Lunch	√	√	√

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Date	Time	Subjects	VKP	VS	HMM
	1330 – 1700	RSPO SCCS general requirements, internal audit, management review, sales and purchasing documents, mass balance accounting and other relevant documents and records.  Previous land owner/ user interview	-	√	√
	1700 – 1730	Interim Closing Briefing	√	√	√
Wednesday 29/07/2020	0830-1230	<b>Sabahan Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.  Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	√	√
	1230 – 1330	Lunch	√	√	√
	1330 – 1700	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.)	√	√	√
	1700 – 1730	Interim Closing Briefing	√	√	√
Thursday 30/07/2020	0830-1000	<b>Sabahan Estate</b> Continue documentation review/site visit.	√	√	√
	1000 – 1030	Verify any outstanding issues & Preparation for closing meeting	√	√	√
	1030 – 1100	Closing meeting	√	√	√
	1100 – 1300	Travel from site to Tawau Airport	√	√	√

Date	Time	Subjects	VKP	VS	HMM
	1505 - 1740	Travel from Tawau to KL	√	√	√

### Section 3: Assessment Findings

#### 3.1 Normative requirement applied for this assessment:

- TSH Plantations Sdn Bhd Multiple Management Units / Time Bound Plan
- RSPO Principle and Criteria (P&C) 2018 for the Production of Sustainable Palm Oil
- RSPO Group Certification Standard 2016
- Malaysia National Interpretation 2019 for RSPO P&C 2018
- Independent Smallholder Standard 2019

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

Requirement	Assessment	Compliance
Does the plan include all current subsidiaries, estates and mills that is under the control of the holding company?	<p>The time bound plan includes all operating units in Malaysia and Indonesia.</p> <p>Since joining RSPO as a processor and trader on 17.11.2014, TSH Resources Bhd. (hereinafter referred to as TSH) has developed its Sustainable Palm Policy as in the Roundtable of Sustainable Palm Oil (RSPO) Manual; Doc. no.: TSHR/RSPO; Rev. no.: 1; dated 12/6/2016.</p> <p>For Malaysia operations, Lahad Datu POM and Supply Bases were first certified in 2017. Kunak POM and its Supply Bases were RSPO certified in 2018 and Sabahan POM and its Supply Base were certified in 2019. RT plantations Sdn Bhd is proposed to be certified in 2020 ensuring all Malaysian to be RSPO Certified.</p> <p>For Indonesia operations, PT Sarana Prima Multi Niaga Palm Oil Mill, has been certified since May 2016 while PT Andalas Agro Industri was certified in 2019. The plan was also to certify the rest of operating units complex in Indonesia on annual basis from 2019 onwards.</p>	Yes
Have all the estates and mills certified within five years after obtaining RSPO membership?	Certifications of all estates and mills within TSH group were in progress since obtaining of membership in May 2016. TSH Resources is expected to achieve 100% RSPO Certification in 2021.	Yes

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<p>Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three-year from the date of acquisition. Certification plan for the new acquisition shall be available.</p>	<p>As of the date of the report being produced there were no new acquisitions by TSH Resources Bhd.</p>	<p>Yes</p>
<p>Have there been any changes to the time-bound plan since the last audit (both new acquisition and existing)? If yes, justification is required. Is this consistent with the ACOP reporting?</p>	<p>No changes or deviation for the existing TBP as the progress for certification for the remaining units are still in progress. There are no new acquisition for TSH Resources.  This is consistent with the latest ACOP reporting available in the RSPO Annual Communications of Progress 2019 Report.</p>	<p>Yes</p>
<p>Have there been any isolated lapses in implementation of the plan? If yes a <b>Minor</b> non-compliance shall be raised</p>	<p>No lapses. During the assessment it was reported to the assessment team that the process for certification for the uncertified units is in progress.</p>	<p>Yes</p>
<p>Have there been any fundamental failure (e.g. unable to justify delay in planning the assessments) to proceed with implementation of the plan? If yes a <b>Major</b> non-compliance shall be raised</p>	<p>No fundamental failures to proceed with the plans were reported.</p>	<p>Yes</p>
<b>Un-Certified Units or Holdings</b>		
<p>No replacement after dates defined in NIs Criterion 7.3:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO P&amp;C criterion 7.3.</li> </ul>	<p>Internal TSH competent personnel conducted Biodiversity assessment &amp; HCV identification.  The objective of the assessment is having additional ground check on the existing identified HCV area done on 2007 in order to be detailed and accurate in database and mapping. Based on the report and evidence from on-site visit as of the audit date, no replacement were done after dates defined in NIs Criterion 7.3.</p>	<p>Yes</p>
<p>Any new plantings since January 1<sup>st</sup> 2010 shall comply with the RSPO New Plantings Procedure.</p>	<p>No new plantings since 2005 except for replanting activity.</p>	<p>Yes</p>
<p>Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&amp;C criteria 2.2, 6.4, 7.5 and 7.6.</p>	<p>As of the date of the report being produced, there is no any comment by stakeholder that could be taken action by TSH.  Further details please refer to the RSPO Complaints Website: <a href="http://www.rspo.org/members/status-of-complaints?keywords=TSH">http://www.rspo.org/members/status-of-complaints?keywords=TSH</a>  TSH has been submitted a total of 11 LUCA for 11 management units with potential liability. 1 LUCA</p>	<p>Yes</p>

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	review ongoing, 9 requiring clarification, 1 completed review and 11 requiring concept note as per tracker: <a href="https://www.rspo.org/certification/remediation-and-compensation/racp-tracker">https://www.rspo.org/certification/remediation-and-compensation/racp-tracker</a>	
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3.	As of the date of the report being produced, there is no any comment by stakeholder that could be taken action by TSH. For further details please refer to the RSPO Complaints Website: <a href="http://www.rspo.org/members/status-of-complaints?keywords=TSH">http://www.rspo.org/members/status-of-complaints?keywords=TSH</a>	Yes
Any Legal non- compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1	Legal compliances are being monitored through internal audits and rectified in accordance with the organisation's SOP. A personal responsible for ensuring compliances towards legal issues is appointed in each operating units.	Yes
Did the company conduct internal audit against the uncertified management units requirement? If yes, a positive assurance statement shall be available.	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.	Yes
Have there been any stakeholder (including NGO) consultation conducted?	Stakeholder Consultations are conducted regularly to include workers, suppliers, contractors, NGO's, Government Bodies Neighbouring estates and smallholders.  Stakeholder comments are recorded in the Stakeholder Meeting Minutes. No negative comments were obtained from the stakeholder. Suggestion and recommendation from stakeholders were taken into consideration.	Yes

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

<b>Progress of scheme smallholders or outgrowers towards compliance with relevant standards</b>		
<b>Requirement</b>	<b>Remarks</b>	<b>Compliance</b>
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification?  OFI shall be raised if after one year where 100% of the scheme smallholders and scheme outgrowers are not in compliance, a minor NC after two years, and a major NC if this requirement is not met after three years.	Sabahan POM receives FFB from Sabahan Estate, FFB Collection Centres and Smallholders. There are no Scheme smallholders or Scheme outgrowers under TSH Sabahan POM.	Not Applicable

### 3.4 Details of Nonconformities

The nonconformities are listed below. The findings summary of the assessment by criteria are listed in Appendix A.

During this Assessment there were Three (3) Major (Critical) ; One (1) Minor (Non-Critical) nonconformities and Two (2) Opportunity For Improvement raised. The Sabahan POM 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 Major Nonconformities 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>	1937885-202007-M1	<b>Clause &amp; Category (Major / Minor)</b>	6.2.3 Major (Critical)	
<b>Date Issued</b>	30/07/2020	<b>Due Date</b>	27/10/2020	
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	08/10/2020	
<b>Statement of Nonconformity:</b>	There is evidence of legal non-compliance of requirements under legal permits.			
<b>Requirement Reference:</b>	There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.			
<b>Objective Evidence:</b>	Based on the Female Night Work Permit; Serial # 600-1/2/15/87(05/TWU/2018-069); Validity period 05.04.2018 – 05.04.2020, the requirements were found not in compliance on conditions # 1.1, # 1.3 and # 1.6 for Sabahan Palm Oil Mill employees as following:			
	Permit Condition	Non-compliance	Employee ID	Evidence
	# 1.1	Workers' written consent not obtained for work at night exceed 10pm	# 01/0528; Station: Weighbridge	June 2020 Time and Attendance Report: - Thursday 11/6/2020 Clock out time: 23:00
			# 01-0645; Station: Weighbridge	June 2020 Time and Attendance Report: - Tuesday 16/6/2020 Clock out time: 23:10; - Wednesday 1/7/2020 Clock out time: 01:00
# 1.3	Female employees free-of-work (rest)	Employee # 03-0050; Station: Press Plant	June 2020 Time and Attendance Report:	



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		period less than consecutive 11 hours		<ul style="list-style-type: none"> <li>- Wednesday 3/6/2020 Clock out time: 21:50 to Thursday 4/6/2020 Clock in time: 07:00 Hours duration (gap): 9 hrs &amp; 10 minutes</li> </ul>
			Employee # 04-0691; Station: Loading Ramp	June 2020 Time and Attendance Report: <ul style="list-style-type: none"> <li>- Monday 29/6/2020 Clock out time: 04:00 to Monday 29/6/2020 Clock in time: 09:51 Hours duration (gap): 5 hrs &amp; 51 minutes</li> </ul>
			Employee # 04-0687; Station: Tippler	June 2020 Time and Attendance Report: <ul style="list-style-type: none"> <li>- Monday 15/6/2020 Clock out time: 04:00 to Monday 15/6/2020 Clock in time: 09:51 Hours duration (gap): 5 hrs &amp; 51 minutes;</li> <li>- Monday 29/6/2020 Clock out time: 04:00 to Monday 29/6/2020 Clock in time: 09:59 Hours duration (gap): 5 hrs &amp; 59 minutes</li> </ul>
	# 1.6	Shift allowance not paid at rate agreed by female employees	<ul style="list-style-type: none"> <li>- # 01/0528; Station: Weighbridge</li> <li>- # 01-0645; Station: Weighbridge</li> </ul>	Pay slip sample for June 2020 indicated no shift allowance although there was evidence of work exceed 10pm
<b>Corrections:</b>	<ol style="list-style-type: none"> <li>1. To back pay the night shift allowance to these weighbridge clerk for that particular's month- Aug' 2020.</li> <li>2. Female workers only work on day shift during off day to ensure the 11 hours rest time are provided – Aug' 2020.</li> </ol>			
<b>Root Cause Analysis:</b>	<ol style="list-style-type: none"> <li>1. Weighbridge workers working time are scheduled until 10pm. Only during MCO they need to wait for FFB truck driver for delivery due to traffic control issues.</li> <li>2. Press plant, Loading Ramp &amp; Tippler worker – working night shift on off day (pre-set on Sunday) &amp; then change shift to day shift on Monday.</li> </ol>			
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>1. All weighbridge clerk for SPOM will signed the working at night agreement – Aug' 2020.</li> <li>2. Shift scheduled to be reviewed for female workers to prevent any non-compliances towards the Female Night Work Permit's conditions – Aug' 2020.</li> </ol>			
<b>Assessment Conclusion:</b>	On site Major NC verification was not able to be conducted due to Movement Control Order in Sabah. Major NC verification was conducted via documentation review, photos, video recordings and interview.			
	Evidence verified:			

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	<ol style="list-style-type: none"> <li>1. The back pay for the night shift allowance has been paid in August 2020 salary. Sighted the payment included in the pay slip for workers with employment ID 01-0528, 01-0530, 01-0645.</li> <li>2. Interview with female worker’s representative with employment ID 01-0528 and 04-0691 shows the satisfactory understanding on the requirement for female workers work at night based on the Female Night Work Permit.</li> <li>3. The mill management has conducted a briefing for Female Night Work on 12.08.2020.</li> <li>4. The mill has established Female Workers Work Schedule dated 12.08.2020. In the schedule also stated that the female workers working at night shift are not allowed to work during rest day and changed shift.</li> <li>5. The weighbridge clerks has signed the working at night agreement on 19.08.2020. In the agreement stated that the clerks agreed to work at night shift base on the scheduled established by the mill management.</li> </ol> <p>Based on the above evidence, the major NC is closed effectively on 08.10.2020. Continuous implementation will be further verified in the next assessment.</p>
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Non-conformity			
<b>NCR Ref #</b>	1937885-202007-M2	<b>Clause &amp; Category (Major / Minor)</b>	2.3.1 Major (Critical)
<b>Date Issued</b>	30/07/2020	<b>Due Date</b>	27/10/2020
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	08/10/2020
<b>Statement of Nonconformity:</b>	Evidence of the ownership status or the right/ claim to the land, or valid use of land by the grower/ smallholder was not available.		
<b>Requirement Reference:</b>	For all directly sourced FFB, the mill requires: <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>		
<b>Objective Evidence:</b>	A list of all directly sourced FFB is available. It has the information about names of the suppliers, MPOB License number, geo-location, address and hectarage. So far there were 45 suppliers registered. However, the evidence to show the status of the third party FFB suppliers land ownership for example Land Application (LA), letter from Land & Survey Department, Surat Tuai Rumah/ Ketua Kampung, letter from Jabatan Kemajuan Orang Asli (JAKOA) (for Peninsular), Temporary Occupation Lease (TOL), Provisional Lease or Alienated Land was not available for verification. Apart from that, only 9 of the 45 suppliers’ geo-location of FFB origin has been obtained.		
<b>Corrections:</b>	Create supplier’s evaluation system / form, audit methods & scheduled of audit to the FFB Supplier’s site of operation / estate. This supplier evaluation system/form will get all the relevant information from FFB supplier’s during the FFB Admin Site Visit and verified by the FFB Supplier’s themselves. This form basically the site audit information records. - 5th September 2020.		

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<b>Root Cause Analysis:</b>	Current system, the verification of all legal ownership of the land are made through the MPOB license as the MPOB are the department that issued the MPOB License for all FFB producer's and millers, whereby all legal documents included land ownership (with true copy stamp) are provided to the MPOB annually prior renewal of their MPOB License. Therefore the Mill is with the impression that if the MPOB License is valid therefore legal ownership of land have been validated by MPOB.
<b>Corrective Actions:</b>	Planned for annual audit for listed TSH FFB Suppliers using this form will be conducted by the FFB Admin Sales Department– 5th September 2020
<b>Assessment Conclusion:</b>	<p>On site Major NC verification was not able to be conducted due to Movement Control Order in Sabah. Major NC verification was conducted via documentation review, photos, video recordings and interview.</p> <p>Evidence verified:</p> <ol style="list-style-type: none"> <li>1. The company has established an audit form which covers details such as Supplier Information, Management System, Environmental Approach and Social Approach.</li> <li>2. The Quality Assurance for Sabahan Mill representing the FFB Admin Department has conducted the audit for sampled FFB Suppliers as follows:             <ol style="list-style-type: none"> <li>a. Bayu Stabil Sdn. Bhd. dated 14.09.2020</li> <li>b. Kakuma Sdn. Bhd. dated 14.09.2020</li> <li>c. Resintech Holdings Sdn. Bhd. dated 14.09.2020</li> <li>d. Velocity Gain Sdn. Bhd. dated 14.09.2020</li> </ol> </li> <li>3. The FFB Admin Department has established "Schedule Of Audit For FFB Supplier's Sabahan Palm Oil Mill.</li> </ol> <p>Based on the above evidence, the major NC is closed effectively on 08.10.2020. Continuous implementation will be further verified in the next assessment.</p>

Non-conformity			
<b>NCR Ref #</b>	1937885-202007-M3	<b>Clause &amp; Category (Major / Minor)</b>	2.1.1 Major (Critical)
<b>Date Issued</b>	30/07/2020	<b>Due Date</b>	27/10/2020
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	08/10/2020
<b>Statement of Nonconformity:</b>	The compliance of the DOE's compliance schedule was not adequately demonstrated.		
<b>Requirement Reference:</b>	The Unit of Certification complies with legal requirements.		
<b>Objective Evidence:</b>	The mill is discharging its effluent through land irrigation at the estate. Based on site visit, it was found that one of the pipeline connections (saddle clamp joining 6" pipe and 2" pipe) was disconnected which has caused the effluent spilled to the environment. This is not in line with the DOE's <i>Jadual Pematuhan</i> (compliance schedule), license #004525, Clause 9 which reads " <i>Sebarang limpahan effluent daripada Kawasan pelupusan effluen</i> (pengairan tanah) tidak dibenarkan berlaku" (Any spillage from effluent land irrigation is not allowed). Apart from that, the other pipeline connections could not be located due to covered by overgrown weeds. Therefore, it was hard to conclude that the disconnection was an isolated case.		

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<b>Corrections:</b>	Immediately repair the disconnected joints during findings to prevent continuous spillage into the environment.
<b>Root Cause Analysis:</b>	Wear & tear on the connection parts causing it to be disconnected at joins and no regular inspection has been conducted at these connections.
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>1. Regular inspection by the workers to the land irrigation site on weekly basis based on effluent discharge schedule to the land irrigation site – Aug'2020.</li> <li>2. Demarcation of the connecting pipelines for land irrigation for easy identification &amp; maintenance of site – Aug'2020</li> <li>3. Records of inspection will be reviewed during EPMC Meeting – Sept'2020</li> </ol>
<b>Assessment Conclusion:</b>	<p>On site Major NC verification was not able to be conducted due to Movement Control Order in Sabah. Major NC verification was conducted via documentation review, photos, video recordings and interview.</p> <p>Evidence verified:</p> <ol style="list-style-type: none"> <li>1. Sighted the records for the immediate repair the disconnected joints conducted on 27.07.2020.</li> <li>2. The mill has conducted weekly inspection for the land irrigation site. Sighted the inspection records dated 05.08.2020, 10.08.2020, 17.08.2020, 24.08.2020, 08.09.2020, 12.09.2020 and 21.09.2020.</li> <li>3. The records of weekly inspection for the land irrigation site was discussed in the Environmental Performance Monitoring records. Sighted the minutes meeting conducted on 14.09.2020.</li> <li>4. The mill has demarcated all the connecting pipelines for land irrigation. Sighted the demarcation for connection no. 9, 22,23, 26, 31, 32, 45, 47, 48, 49, 51, 52, 55, 56, 58, 60, 61 and 65.</li> </ol> <p>Based on the above evidence, the major NC is closed effectively on 08.10.2020. Continuous implementation will be further verified in the next assessment.</p>

<b>Non-conformity</b>			
<b>NCR Ref #</b>	1937885-202007-N1	<b>Clause &amp; Category (Major / Minor)</b>	7.3.1 (Minor)
<b>Date Issued</b>	30/07/2020	<b>Due Date</b>	Next Surveillance Audit
<b>Closed (Yes / No)</b>	No	<b>Date of nonconformity Closure</b>	Next Surveillance Audit
<b>Statement of Nonconformity:</b>	The waste management plan was not consistently 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>	<ol style="list-style-type: none"> <li>1. Sabahan POM has established its waste management plan for spent chemical generated from laboratory. It was stated in the plan that the spent chemicals shall be disposed through the DOE licensed collector. However, the current practice is by returning the chemical to the mill process line.</li> <li>2. The current disposal practice for contaminated lubricants filter is by handing over to the third-party vendors who were assigned to carry out the machinery maintenance service</li> </ol>		

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	at the mill's premise. However, there is no information whether or not those vendors are licensed to collect the contaminated filters.
<b>Corrections:</b>	<ol style="list-style-type: none"> <li>To disposed back SW 322 as per standard methods which is to the License SW Contractor's as per 6 monthlies scheduled – Dec' 2020</li> <li>To disposed back the oil filter as SW410 to License SW contractor – Dec' 2020</li> </ol>
<b>Root Cause Analysis:</b>	<ol style="list-style-type: none"> <li>Spent Solvent chemical - due to mixed with small amount of hexan which by discussion with the SW collector, contained zero hexane due to evaporation rate. After discussion in the Environmental Performance Monitoring Committee (EPMC) Meeting, since the volume of CPO disposed of are much higher and it can be recycled into the system, the decision is to return the tested CPO into the system. No changes in the waste management plan, as the plan for waste characterization are to be conducted in 2019, but not found any suitable laboratory to conduct it in Sabah. Lapses in management to follow up this plan of action.</li> <li>Used oil filter are requested by the supplier as part of their servicing program (any filter their replace for company, they will bring back to their site) and contractor have their own system of reuse of filter waste as verified, they do have their own oil collection system for used oil and disposal of both used oil collected (SW305/306) and contaminated filter (SW410) through the certified SW Contractor are shared on their 6 monthly of e-consignment note records. The supplier made their own segregation of SW through dismantling of the filter by removing metal (shell &amp; spring) from the filter set. This can achieve results which; <ul style="list-style-type: none"> <li>reducing the amount of SW disposed of as SW410 (SW landfill)</li> <li>Saving the precious metal from being disposed as SW and can be recycle</li> <li>Can press the dismantled contaminated filter and produce more SW 305/306 for recovery process at SW recovery facilities.</li> </ul> </li> </ol>
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>Records all inventory on monthly basis through the eSwis system of DOE effective July'2020 for 6monthly disposal as scheduled and didn't exceed the 180days in storage requirements. To ensure no changes for on-site SW management system until the SW Management Plan has been revised &amp; approved by Top Management. Cepswam Officer to trained the Env PIC at site for SW Management and Inventory and ensure all SW to be collected by the Licenses SW Collector &amp; Contractor – Lagenda Bumimas.</li> <li>Ensure no changes of the site legal compliances processes until all necessary verification has been conducted &amp; the SW management plan has been revised. Cepswam Officer to trained the Env PIC at site and Store PIC on the requirements for contractor's/supplier's SW license to be provided and pre-approval from Top Management prior disposal. PIC to ensure all SW will be disposed of as SW410 to the license SW collector and Contractor – Lagenda Bumimas.</li> </ol>
<b>Assessment Conclusion:</b>	As this is Minor Non-Conformity, the effectiveness of implementation will be verified during next assessment.

<b>Opportunity for Improvements</b>	
<b>OFI #</b>	<b>Description</b>
1937885-202007-I1	Potential social aspects/issues related to availability of residence and/or visiting medical practitioner on site could be assessed further for better establishment of management plan.
<b>Opportunity for Improvements</b>	
<b>OFI #</b>	<b>Description</b>

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1937885-202007-I2	Implementation of workers' housing bi-weekly inspection within operating units using the Housing, Community Hall, Nursery & School Inspection Form; Ref. # TSHP/CL/F14; Rev. # 1; Effective date: 01.08.2016 could be improve further to reflect specific conditions and/or situation of whole or specific area/building/house.
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Positive Findings	
PF #	Description
PF 1	Good commitment and corporation from the management.
PF 2	Positive feedbacks from internal and external stakeholders.
PF 3	Well maintained labour quarters.
PF 4	Generally well implementation of Good Agricultural Practices (GAP).
PF 5	Good housekeeping at the Sabahan POM.

### 3.4.1 Status of Nonconformities Previously Identified and Observations

Non-conformity			
<b>NCR Ref #</b>	1791856-201905-M1	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 6.5.1 Major
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	29/07/2019
<b>Statement of Nonconformity:</b>	The allowance entitlement is not paid accordingly.		
<b>Requirement Reference:</b>	Documentation of pay and conditions shall be available.		
<b>Objective Evidence:</b>	Gatekeeper worker (Selamat Bin Taggi) ID No: 01-0493, has not received RM 5/day for 24 working days as gatekeeper allowance in May 2019 pay slip. Reference is made for the memo on the allowance distribution on 20.03.2019, where he is entitled for the allowance.		
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>1. Refresher Training to Chief Clerk, Staff, Assistant Manager &amp; workers on their incentive rights and pay calculation.</li> <li>2. Ensure worker/mandore/gang leader will check their check roll monthly and initials at their check-roll prior approval by AM/MM.</li> </ol>		
<b>Assessment Conclusion:</b>	<p><u>ASA1 verification:</u></p> <p>Documentations of pay and conditions including pay slips and work agreements are available to the workers in national languages (Bahasa Malaysia) for sample workers as following:</p> <p>Sabahan POM employees:</p> <ul style="list-style-type: none"> <li>- Employee # 01/0528; Post: Weighbridge Clerk; Date joined: 27/11/2013; Nationality: Malaysia</li> <li>- Employee # 01-0645; Post: Weighbridge Clerk; Date joined: 10/3/2016; Nationality: Malaysia</li> </ul>		

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	<ul style="list-style-type: none"> <li>- Employee # 05-0712; Post: Security; Date joined: 31/10/2019; Nationality: Indonesia</li> <li>- Employee # 05-0723; Post: Security; Date joined: 2/2/2020; Nationality: Malaysia</li> <li>- Employee # 02-0600; Post: Apprentice; Date joined: 1/4/2015; Nationality: Malaysia</li> <li>- Employee # 03-0571; Post: Mandore; Date joined: 11/11/2014; Nationality: Philippines</li> <li>- Employee # 03-0592; Post: Loading Ramp; Date joined: 4/3/2015; Nationality: Indonesia</li> <li>- Employee # 03-0050; Post: Press Plant; Date joined: 31/10/2019; Nationality: Indonesia</li> <li>- Employee # 04-0691; Post: Loading Ramp; Date joined: 2/1/2018; Nationality: Malaysia</li> <li>- Employee # 04-0687; Post: Tippler; Date joined: 12/10/2017; Nationality: Malaysia</li> </ul> <p>Sabahan Estate employees:</p> <ul style="list-style-type: none"> <li>- Employee # 0360; Post: Manuring/Sprayer; Date joined: 3/5/2010; Nationality: Indonesia</li> <li>- Employee # 0407; Post: Driver; Date joined: 1/5/2013; Nationality: Indonesia</li> <li>- Employee # 0213; Post: Manuring/Sprayer; Date joined: 1/1/2009; Nationality: Indonesia</li> <li>- Employee # 0507; Post: Harvester; Date joined: 2/2/2017; Nationality: Indonesia</li> <li>- Employee # 0493; Post: Gatekeeper; Date joined: 9/1/2019; Nationality: Indonesia</li> </ul> <p>Explanations were given during the induction briefing for newly employed workers. Specific briefing session were conducted to all existing workers in case of any changes and/or updates of requirements in pay and conditions as per sample explanation latest conducted during Workers Welfare Committee meeting on 17.06.2020.</p> <p>It was confirmed that the corrective action plan was implemented effectively hence Major NC remained close.</p>
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Non-conformity			
<b>NCR Ref #</b>	1791856-201905-N1	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 4.7.5 Minor
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	30/07/2020
<b>Statement of Nonconformity:</b>	The implementation of procedure was not consistent.		
<b>Requirement Reference:</b>	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall		



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	be available at worksites. Records of all accidents shall be kept and periodically reviewed.
<b>Objective Evidence:</b>	<ol style="list-style-type: none"> <li>In Sabahan Mill, JKPP 7 dated 4 May 2018 not recorded under JKPP 8 for FY 2018.</li> <li>In Sabahan Estate, during site verification on chemical Store found the spill kit not available.</li> </ol>
<b>Corrective Actions:</b>	Revised the LTI Tracking system to include the notification of JKPP 7 Recording.
<b>Assessment Conclusion:</b>	<p><u>ASA1 verification:</u></p> <p>During the NCR closure visit conducted on 29 July 2020 at TSH Sabahan Estate, it was found that the correction and corrective action has been implemented effectively for the Minor NC.</p> <p>Document verified:</p> <ol style="list-style-type: none"> <li>JKPP 7 Form</li> <li>JKPP 8 Form (JKPP 7, poisoning &amp; diseases were included)</li> </ol> <p>Site Visit Verification</p> <ol style="list-style-type: none"> <li>Chemical Store, Scheduled Waste Store &amp; Lubricant Store were equipped with spill kits.</li> </ol> <p>The evidence of corrective action was found to be adequate to demonstrate effective implementation. Thus, the minor NCR is satisfactorily closed out.</p>

Non-conformity			
<b>NCR Ref #</b>	1791856-201905-N2	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 4.1.2 Minor
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	30/07/2020
<b>Statement of Nonconformity:</b>	The coverage of identification of Environmental Aspects / Impacts for Mill was not adequately addressed.		
<b>Requirement Reference:</b>	A mechanism to check consistent implementation of procedures shall be in place.		
<b>Objective Evidence:</b>	<ol style="list-style-type: none"> <li>The Environmental Aspect and Impact Assessment Sheet last reviewed on 8th August 2018 has insufficiently identified activity on process-based approach.</li> <li>The EAIA Register did not identify the positive impact to environment the by-product (backwash water) exiting from the Water Filtration System.</li> </ol>		
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>Revised the current EAIA register format to ensure its compliance to ISO14001 requirements of evaluating the positive and negative impacts of all mill activities.</li> <li>Annually review the EAIA register and include new process/activity should it be available.</li> </ol>		
<b>Assessment Conclusion:</b>	<p><u>ASA1 verification:</u></p> <p>The new assessment form [TSHR/ENV/F01, dated 1/7/2020] is now process-based approach.</p> <p>Backwash water from the Water Filtration System has been identified and assessed for environmental impact. The evidence of corrective action was found</p>		



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	to be adequate to demonstrate effective implementation. Thus, the minor NCR is satisfactorily closed out.
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Opportunity for Improvement	
OFI#	Description
OFI 1	NIL

### 3.4.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Major / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
1791856-201905-M1	Major	6.5.1	28/06/2019	Closed out on 29/07/2019
1791856-201905-N1	Minor	4.7.5	28/06/2019	Closed out on 30/07/2020
1791856-201905-N2	Minor	4.1.2	28/06/2019	Closed out on 30/07/2020
1937885-202007-M1	Major (Critical)	6.2.3	30/07/2020	Closed out on 08/10/2020
1937885-202007-M2	Major (Critical)	2.3.1	30/07/2020	Closed out on 08/10/2020
1937885-202007-M3	Major (Critical)	2.1.1	30/07/2020	Closed out on 08/10/2020
1937885-202007-N1	Minor	7.3.1	30/07/2020	"Open"

### 3.5 Stakeholders and previous land owner / user consultation

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

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

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

List of Stakeholders contacted	
<b>Internal Stakeholders</b>	<b>Union/Contractors</b> Memaju Industries Sdn Bhd

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<ol style="list-style-type: none"> <li>Workers’ representatives (Indonesian, Malaysian and Philippine).</li> <li>Gender Committee (Mill and Estate)</li> </ol>	<p>Syarikat Lian Soon Transport World Trans Centre</p>
<p><b>Government Departments</b>          Jabatan Alam Sekitar (Tawau)          Environmental Protection Department (EPD – Kota Kinabalu)</p>	<p><b>NGO</b>          No complaint by NGO for Sabahan POM’s certification unit. Therefore, NGO was not contacted.</p>

Stakeholders comment	
<p><b>1</b></p>	<p><b>Feedbacks:</b>            FFB Suppliers – sometimes very high FFB weight difference between estate’s weight and mill’s weight up to 300kg per load – once reached more than 2mt per month</p> <p><b>Management Responses:</b>            FFB weight reconciliation were made every month with all FFB suppliers prior to payment. No records of complaints received so far.</p> <p><b>Audit Team Findings:</b>            Reconciliation records shown FFB shortages among suppliers are minimal around 50-150kg per load with some loads even shown plus weight. No evidence of complaint received by the mill on shortages as well. No further issue.</p>
<p><b>2</b></p>	<p><b>Feedbacks:</b>            JTK Kinabatangan Officer – no issues and/or complaints received on Sabahan POM and estates so far. Company maintained good compliance on workers permitting requirements.</p> <p><b>Management Responses:</b>            Positive comments noted.</p> <p><b>Audit Team Findings:</b>            No further issue</p>
<p><b>3</b></p>	<p><b>Feedbacks:</b>            Neighbour Estates - No any issue relevant to operation and/or boundaries. Have long stand relationship as oil palm growers within same area.</p> <p><b>Management Responses:</b>            Positive comments noted.</p> <p><b>Audit Team Findings:</b>            No further issue.</p>
<p><b>4</b></p>	<p><b>Feedbacks:</b>            Mill Vendor: No issue in products supply pricing and payment. Has long business relationship with company for more than 10 years.</p> <p><b>Management Responses:</b>            Positive comments noted.</p> <p><b>Audit Team Findings:</b></p>

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	No further issue.
<b>5</b>	<b>Feedbacks:</b> Estate Dresser – medical facilities sufficiently available although the dresser room is quite small. Management fully supportive on ensuring sufficient medical supplies for workers.
	<b>Management Responses:</b> Positive comments noted.
	<b>Audit Team Findings:</b> No further issue.

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
Mohd Rafeal Ancheta Hj	13	84.17	Yes	Yes	Yes
Standard Chartered Bank	9				
Peter Lo Fen TeT	2	5.90	Yes	Yes	Yes
Law Mak Law & Sons Sdn Bhd	6				
Liew Ping Plantations Sdn Bhd	14				
Chin Piang Kiew	2	6.90	Yes	Yes	Yes
Law Mak Law & Sons Sdn Bhd	6				
Liew Ping Plantations Sdn Bhd	14				
Chang Siew Kiau	2	6.91	Yes	Yes	Yes
Law Mak Law & Sons Sdn Bhd	6				
Liew Ping Plantations Sdn Bhd	14				
Ruse Bt Bahar	2	6.22	Yes	Yes	Yes
Law Mak Law & Sons Sdn Bhd	6				
Liew Ping Plantations Sdn Bhd	14				
Chin Lee Wah	2	5.93	Yes	Yes	Yes
Law Mak Law & Sons Sdn Bhd	6				



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Liew Ping Plantations Sdn Bhd	14				
Chia Kui Kong	8	5.99	Yes	Yes	Yes
Law Mak Law & Sons Sdn Bhd	6				
Liew Ping Plantations Sdn Bhd	6				
Sabah Bank Berhad	8				

Previous land owner / user comment	
Liew Ping Plantations Sdn Bhd	<b>Feedbacks:</b> No feedbacks received.
	<b>Management Responses:</b> None
	<b>Audit Team Findings:</b> None

**3.6 Impartiality and conflict of interest**

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

Formal Signing-off of Assessment Conclusion and Recommendation	
<p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that Sabahan POM and Supply Bases has complied with the RSPO P&amp;C Certification Standard 2018, MYNI 2019 and audit criteria identified within the audit report. It is deemed that the management system continues to achieve its intended outcomes. Therefore, it is recommended that the certification of Sabahan POM and Supply Base is continued.</p>	
<p><b>Report prepared by</b></p> <p><b>Name:</b> VIJAY KANNA PAKIRISAMY</p> <p><b>Company Name:</b> BSI SERVICES (M) SDN BHD</p> <p><b>Title:</b> CLIENT MANAGER</p> <p><b>Signature:</b></p> 	<p><b>Acceptance of Assessment Conclusion</b></p> <p><b>Name:</b> HERMAN DARWIS</p> <p><b>Company Name:</b> TSH SABAHAN PALM OIL MILL</p> <p><b>Title:</b> Act. MILL MANAGER</p> <p><b>Signature:</b></p> <p><i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i></p>  <p><b>Date:</b> 30.10.2020</p>

<b>Date: 19.10.2020</b>	<b>Date:</b>

**Appendix A: Summary of Findings**

Criterion / Indicator	Assessment Findings	Compliance	
<b>Principle 1: Behave ethically and transparently</b>			
<b>Criterion 1.1:</b> The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	<p><b>(C)</b> Documents that are specified in the RSPO P&amp;C are made available to the public.</p> <p>- Critical (Major) compliance -</p>	<p>TSH has established Transparency Policy and Transparency Procedure (TSHR/POL/SOP01, Rev. No. 0, Dated 16.10.2015). TSH conducted its operations in an open and transparent manner and disseminate accurate information to stakeholders of all level.</p> <p>Publicly available documents such as land title, OSH plan, HCV documents, complaint records, RSPO public summary reports, Continuous Improvement Plans and company policies are available. Stakeholder list was updated if there are any changes of the stakeholders.</p>	Complied
1.1.2	<p>Information is provided in appropriate languages and accessible to relevant stakeholders.</p> <p>- Minor compliance -</p>	<p>Information provided in appropriate languages during consultation with stakeholders through various stakeholder consultation meeting latest conducted as following:</p> <ul style="list-style-type: none"> <li>• External stakeholder meeting; Date: 20.02.2019</li> <li>• Internal stakeholder meeting; Date: 01.02.2019</li> <li>• Workers Welfare Committee meeting; Date: 17.06.2020</li> <li>• Gender committee meeting; Date: 17.06.2020</li> </ul>	Complied

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1.1.3	<p><b>(C)</b> Records of requests for information and responses are maintained.</p> <p>- Critical (Major) compliance -</p>	<p>Records of requests and response maintained accordingly as per samples sighted as following:</p> <ul style="list-style-type: none"> <li>Request by workers on water supply rationing dated 01.06.2020; Resolved date: 02.06.2020</li> <li>DOSH inspection visit dated 08.01.2020</li> </ul>	Complied
1.1.4	<p><b>(C)</b> Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative.</p> <p>- Critical (Major) compliance -</p>	<p>TSH Resources Berhad has established Communication, Consultation &amp; Participation Rev No. 3; Dated 19.11.2019.</p> <p>There are three communication and consultation mechanisms such as consultation with internal &amp; external stakeholders, gender committee and Free Prior Informed Consent (FPIC). The procedure has been communicated to the stakeholders during various stakeholder meeting as per indicator 1.1.2 above.</p> <p>Mill Manager of Sabahan POM has been appointed by Group Executive Director to be the Management Representative on communication and consultation. Seen the appointment letter dated 22.04.2019. Person in charge for social was Ms. Nia Damiyathi Abdul Hawi as per appointment letter dated 30.09.2019 appointed by the Mill Manager. For Sabahan Estate, Mr. Fabian Jaimin Sindin has been appointed as management representative on communication &amp; consultation as per letter of appointment dated 15.04.2019.</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>Latest stakeholder list available as per following:</p> <ul style="list-style-type: none"> <li>Sabahan Estate Internal Stakeholder List; Rev. # 1; Date: 01.04.2020</li> <li>Sabahan Palm Oil Mill Internal Stakeholder List; Rev. # 1; Date: 10.07.2020</li> </ul>	Complied

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		<ul style="list-style-type: none"> <li>• Sabahan Palm Oil Mill Goods Supplier List; Rev. # 02; Date: 18.06.2020</li> <li>• Sabahan Palm Oil Mill Contractor List; Rev. # 02; Date: 18.06.2020</li> <li>• Sabahan Palm Oil Mill FFB Supplier List; Rev. # 02; Date: 06.07.2020</li> </ul>	
<b>Criterion 1.2:</b> The unit of certification commits to ethical conduct in all business operations and transactions.			
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 Resources Berhad have established and implemented Human Rights &amp; Responsible Business Practices Policy dated 16.10.2015. The company is fully committed in actively eradicating human rights, violations, while conducting its business practices in an ethical and responsible manner.</p> <p>Human Rights &amp; Responsible Business Procedure (TSHR/POL/SOP09; Rev. No. 0; Dated: 16.10.2015) was developed where the company respect the fair conduct of business and prohibit the fraudulent use of funds and resources. The company also ensure that employees or third parties acting on its behalf are prevented from assuming that offering or paying, directly or indirectly, any money, goods, services or other things of value in the form of a bribe to any official in connection with business.</p> <p>The policy was publicly displayed at the notice board at the office and housing area.</p> <p>The policy has been distributed to all stakeholders in the Stakeholders Meeting Booklet 2020 as there were no meeting conducted for the year 2020 due to the Movement Control Order 2020 restrictions. The booklet consists of organization description, RSPO &amp; MSPO Polices, Company Policies and Environmental</p>	Complied



		Conservation Methods. Sighted and verified the acknowledged of receive document from all the FFB Suppliers and Contractors.	
1.2.2	A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice. - Minor compliance -	The Quality, Environment, Safety & Health (QESH) Team is responsible to conduct assessments on the compliance and the implementation of the policy and overall ethical business practises through internal audits. The latest internal audits were conducted from 13.11.2019.  The compliance is also ensured through contract agreements with FFB suppliers, Contractors and other third parties which are contracted with the Certification Unit where the adherence to the Human Rights & Responsible Business Practices Policy are clearly stated in the agreements.	Complied
<b>Principle 2: Operate legally and respect rights</b>			
<b>Criterion 2.1:</b> There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	<b>(C)</b> The Unit of Certification complies with legal requirements - Critical (Major) compliance -	The mill and estate continue to demonstrate compliance with the legal requirements. Compliance to each applicable law and regulation is monitored by the operating units. Among the evidence of compliance verified were: <u>Sabahan POM</u> - Trading license, #R24097/04, valid until 31/12/2020 - Weighbridge calibration, #B1385310, valid until 28/6/2021 - Permit to store diesel, #KPDNKK.SPN 2015.10(P), valid until 28/8/2020 - Electrical private installation license, #2019/03737, valid until 28/2/2021 - MPOB License, #508718204000, valid until 31/5/2021	Non-compliance

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		<ul style="list-style-type: none"> <li>- Certificate of fitness for air receivers, sterilisers, vacuum oil dryer, filter vessels and steam receiver – all valid until 7/4/2021</li> <li>- DOE compliance schedule, #30/6/2021</li> </ul> <p><u>Sabahan Estate</u></p> <ul style="list-style-type: none"> <li>- Trading license, #MPT/10012659, valid until 31/12/2020</li> <li>- MPOB License, #617854002000, valid until 31/12/2020</li> <li>- License to hire foreign workers, #TWU/2018-042, valid until 5/9/2020</li> <li>- Permit to deduct employee’s wage, #TWU/2018-0330, valid until 12/11/2020</li> </ul> <p>However, it was found that the compliance of the DOE’s compliance schedule was not adequately demonstrated. The mill is discharging it’s effluent through land irrigation at Sabahan estate. Based on the site visit, it was found that one of the pipeline connections (saddle clamp joining 6” pipe and 2” pipe) was disconnected which has caused the effluent to spill to the environment. This is not in line with the DOE’s <i>Jadual Pematuhan</i> (compliance schedule), license #004525, Clause 9 which reads “<i>Sebarang limpahan effluent daripada Kawasan pelupusan efluen (pengairan tanah) tidak dibenarkan berlaku</i>” (Any spillage from effluent land irrigation is not allowed). Apart from that, the other pipeline connections could not be located due to covered by overgrown weeds. Therefore, it was hard to conclude that the disconnection was an isolated case. Thus, a non-conformity report was assigned due to this lapse.</p>	
2.1.2	A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations.	The mill and estate maintain their documented systems for identifying, evaluating, reviewing and updating applicable regulations and other requirements. The legal register at all sites were updated	Complied

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	- Minor compliance -	on a yearly basis or as and when needed [ref.: Legal Document Master list (Rev. no. 2; dated 15/1/2018)]. The list was last updated in July 2020. An evaluation of compliance has also been done as one of the means to monitor compliance. The last evaluation was done on 11-13.11.2019 and the outcome was documented in the internal audit report [ref.: TSHR/QD/F09, rev. 1, dated 26/8/2019]. The report was produced based on findings recorded in a checklist [ref.: TSHR/SUST/F04, rev. 1, dated 1/2/2018]	
2.1.3	Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.  - Minor compliance -	During the field visit, it was noted that legal boundaries are clearly demarcated and visibly maintained throughout the estate. The method of demarcation is by planting wooden pegs painted with red colour.	Complied
<b>Criterion 2.2:</b> All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.			
2.2.1	A list of contracted parties is maintained.  - Minor compliance -	A list of all contractors are available for the Mill and Estate in the External Stakeholder Contact Details. The details are divided to Contractor List and FFB Supplier List. The list is updated for the year 2020 and as and when there are new additions of contractors or FFB Suppliers. The list was available for verification at the mill and estate respectively.	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 -	All contracts contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party through the sampled contract agreements available at the operating units. FFB Suppliers have standard contract agreements that contain specific clauses meeting applicable legal requirements.  Sighted the sampled contract agreements (contractors) as below: -  <b>Sabahan POM</b>	Complied

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		<ul style="list-style-type: none"> <li>• HMK Transport Sdn Bhd; Transportation Agreement; Agreement Date: 16.05.2020</li> <li>• Etma Plantations Sdn. Bhd.; Purchase of Fresh Fruit Bunches (FFB) Agreement; Agreement Date: 01.07.2020</li> <li>• Gemisetia Sdn Bhd.; Purchase of Fresh Fruit Bunches (FFB); Agreement Date: 01.07.2020</li> </ul> <p><b>Sabahan Estate</b></p> <ul style="list-style-type: none"> <li>• Hin Fatt Dev. Contractor (Company No. 46602-V); 2020 Replanting Agreement; Agreement Date: 13.03.2020</li> </ul> <p>FFB Suppliers Compliance to applicable legal requirements were ensured by monitoring of, among others the Trading License, MPOB License and Legal Ownership of Land for Oil Palm Cultivation. Sighted the Trading License and MPOB license of sampled FFB Suppliers as below.</p> <table border="1" data-bbox="1039 944 1617 1331"> <thead> <tr> <th>FFB Suppliers</th> <th>Trading License</th> <th>MPOB License</th> </tr> </thead> <tbody> <tr> <td>Agri-Harvest Trading</td> <td>F - 856285</td> <td>508250 – 415000</td> </tr> <tr> <td>TSB Oil Palm Sdn Bhd</td> <td>88619 - D</td> <td>575676 – 015000</td> </tr> <tr> <td>Koperasi Penanaman Sawit Minyak Kunak</td> <td>S – 4-1035</td> <td>595605 – 015000</td> </tr> </tbody> </table>	FFB Suppliers	Trading License	MPOB License	Agri-Harvest Trading	F - 856285	508250 – 415000	TSB Oil Palm Sdn Bhd	88619 - D	575676 – 015000	Koperasi Penanaman Sawit Minyak Kunak	S – 4-1035	595605 – 015000	
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IGN Suling Estate Sdn Bhd	672449 - X	594743 – 302000													
2.2.3	<p>All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.</p> <p>- Minor compliance -</p>	<p>The contract agreement signed with contractors is sighted in the mill and estate. For contractors, the clause 11; Compliance on RSPO, MSPO and Other Related Sustainability Requirements; Part III contains clauses on ensuring the contractor implements Humans Rights &amp; Child Labour Policy where the policy contains clauses disallowing child forced and trafficked labour. For FFB Suppliers, the Purchase of FFB Agreement; clause No. 5 contains clause disallowing child, forced and trafficked labour and where young workers are employed, their employment contracts include a clause for their protection.</p> <p>The mill and estate do not hire young workers in their operations.</p> <p>Sampled the contract agreements of contractors and FFB Suppliers as below:</p> <p><b>Sabahan POM</b></p>	Complied												

		<ul style="list-style-type: none"> <li>• HMK Transport Sdn Bhd; Transportation Agreement; Agreement Date: 16.05.2020</li> <li>• Etma Plantations Sdn. Bhd.; Purchase of Fresh Fruit Bunches (FFB) Agreement; Agreement Date: 01.07.2020</li> <li>• Gemisetia Sdn Bhd.; Purchase of Fresh Fruit Bunches (FFB); Agreement Date: 01.07.2020</li> <li>• Fiesan Sdn. Bhd.; Purchase of Fresh Fruit Bunches (FFB); Agreement Date: 01.07.2020</li> </ul> <p><b>Sabahan Estate</b></p> <ul style="list-style-type: none"> <li>• Hin Fatt Dev. Contractor (Company No. 46602-V); 2020 Replanting Agreement; Agreement Date: 13.03.2020</li> </ul>	
<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>A list of all directly sourced FFB suppliers is available. It has the information about names of the suppliers, MPOB License number, geo-location, address and hectareage. So far there were 45 suppliers registered. However, the evidence to show the status of the third party FFB suppliers land ownership such as Land Application (LA); letter from Land &amp; Survey Department; Surat Tuai Rumah/ Ketua Kampung; letter from Jabatan Kemajuan Orang Asli (JAKOA) (for Peninsular); Temporary Occupation Lease (TOL); Provisional Lease; Alienated Land was not available for verification. Apart from that, only 9 of the 45 suppliers' geo-location of FFB origin has been obtained. Thus, a non-conformity report was assigned due to this lapse.</p>	Non-compliance
2.3.2	<p>For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1.</p>	<p>There are 7 collection centres registered in the mill's list of FFB suppliers. The mill is in the process of obtaining the information mentioned in Indicator 2.3.1 of the indirectly sourced FFB.</p>	Complied

	- Minor compliance -														
<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>	Business management plan was sighted available in the Long-Term Project Development & Maintenance Plan (3 Years) and 6 Years Budget Plan & Projection (2020 – 2025) covering all aspects such as Fixed Assets, Staff Salaries & Related Costs, Labour Welfare Expenses, Administration & General Charges, Mature Upkeep & Maintenance and Harvesting & Collection (Estate), Plant Machinery and Manufacturing Cost (POM) at Sabahan POM Certification Unit. These projections were prepared as guidance for future planning.	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>An annual replanting programme was available in Sabahan Estate, projected for 5 years.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Ha</td> <td>39</td> <td>14</td> <td>nil</td> <td>nil</td> <td>nil</td> </tr> </tbody> </table>	Year	2020	2021	2022	2023	2024	Ha	39	14	nil	nil	nil	Complied
Year	2020	2021	2022	2023	2024										
Ha	39	14	nil	nil	nil										
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>Management Review Meeting Procedures (TSHR/QD/SOP04), Rev. 3, dated 01.08.2019 was established.</p> <p>The management review meeting for Sabahan POM and Estate was conducted on 06.06.2020 where the meeting was chaired by Group Executive Director. The management review discussed on Quality, Environment, Safety &amp; Health (QESH) &amp; Sustainability Updates, Results of Internal &amp; External Sustainability Audits, Compliance Monitoring on Integrated Management Systems and Opportunities for Improvements among others.</p>	Complied												
<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.															

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3.2.1	<p>(C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification.</p> <p>- Critical (Major) compliance -</p>	<p>Continuous improvement plan [TSH/ENV/F03] for 2015-2020 has been established which was last updated on 06.07.2020. In general, among the improvement plan set up were:</p> <ul style="list-style-type: none"> <li>- To manage the significant environmental aspects identified in the environmental aspect and impact evaluation</li> <li>- Water management plan</li> <li>- Riparian zone management</li> <li>- GHG emission reduction</li> </ul>	Complied
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>	Not applicable as the RSPO metrics template is not available yet.	Complied
<b>Criterion 3.3:</b> Operating procedures are Appropriately documented, consistently implemented and monitored.			
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 and estate operations are guided by TSH Plantation Sdn Bhd Standard Operating Procedure (SOP), Working Instruction (WI) and applicable Forms that are maintained by the mill and estate management. Among the SOPs that were sighted are;</p>	Complied



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		<ul style="list-style-type: none"> <li>a) Covid – 19 Emergency Preparedness and Response Guideline; Effective Date: 20.03.2020; Rev No:0</li> <li>b) Hazard Identification, Risk Assessment and Determining Control; Doc No: TSHR/OSH/SOP01; Effective Date: 01.09.2015; Rev No:0;</li> <li>c) Sexual Harassment; Doc No: TSHR/HR/SOP05; Effective Date: 12.01.2016; Rev No: 0</li> <li>d) Training (RSPO); Doc No: TSHR/TD/SOP03; Effective Date: 01.01.2016; Rev No. 0</li> <li>e) Weighbridge Station; Doc No: TSHPOM/ML/SOP01; Effective Date 02.01.2020; Revision No: 06.</li> </ul>	
<p>3.3.2</p>	<p>A mechanism to check consistent implementation of procedures is in place.          - Minor Compliance -</p>	<p>The mechanism of ensure to consistent implementation of procedure was available in TSH plantation. In term of Sustainability implementation based on RSPO, MSPO and also Legal &amp; Other related requirements.</p> <p>The Quality, Environment, Health and Safety Department conduct annual internal audits and produce reports based on the compliance towards the certification requirements, legal &amp; other related requirements and other related procedures. The latest internal audit report was sighted dated 11 – 13 November 2019.</p> <p>The mill is visited by the General Manager where reports are produced based on the visit on the mill performance and compliance towards the</p>	<p>Complied</p>

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		implementations of procedures. The latest General Manager visit was conducted on 22.07.2020.	
3.3.3	Records of monitoring and any actions taken are maintained and available. - Minor Compliance -	<p>The monitoring of the SOP implementation was closely made by all levels of the supervisory personnel with records maintained and verified by the top management and Quality, Environment, Safety &amp; Health (QESH) Team. Among others the records are:</p> <p>Sabahan POM</p> <ul style="list-style-type: none"> <li>• Water Treatment plant Monitoring Sheet</li> <li>• Daily Power Distribution Record</li> <li>• Boiler Operation Monitoring Record</li> <li>• Daily cages Performance Monitoring Sheet</li> <li>• Shovel Inspection Checklist</li> <li>• Maintenance Report</li> <li>• Daily Oil Losses Analysis</li> </ul> <p>Sabahan 1 Estate</p> <ul style="list-style-type: none"> <li>• Scheduled Waste Store Maintenance Records</li> <li>• Environment Monitoring Record</li> <li>• Return of Empty Chemical Container Record</li> <li>• PPE Monitoring Record</li> </ul>	Complied
<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.			
3.4.1	<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. - Critical (Major) compliance -	No new planting within Sabahan Estate. For existing plantation, an independent SIA was conducted by Kwiheng Environmental Consultants Sdn. Bhd. as per documented report of Social Impact Assessment (SIA) Prepared for TSH Resources Berhad Oil Palm Plantation of 121.99 Hectares at Sabahan 1 Estate	Complied

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		<p>and Sabahan 1 Estate and Sabahan Palm Oil Mill, District of Kunak, Sabah; May 2018; Report ref. # KEC-(EV)/18/02. Assessment involved participatory of affected stakeholders among local communities and neighbouring smallholders including residents of Kg. Ulu Madai as nearest village to the estate. Based on the assessment, few impacts were identified as following:</p> <ul style="list-style-type: none"> <li>• Positive impacts: Employment Opportunities among local communities; Reduction of Poverty and Improvement of Local Economy</li> <li>• Negative impacts: Immigrants Related Issues &amp; Environmental Related Issues</li> </ul> <p>Environmental Aspect and Impact Assessment [TSHR/ENV/SOP04, rev. 1, 17/7/2020] is done through utilization of the following forms:</p> <ul style="list-style-type: none"> <li>• Environmental Aspect and Impact Evaluation Register [TSHR/ENV/F01]</li> <li>• List of Significant Aspect [TSHR/ENV/F02]</li> <li>• Environment Continual Improvement Plan [TSHR/ENV/F08]</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><u>Social</u></p> <p>The assessor proposed few Mitigation Measures for identified negative impacts and Sabahan POM certification unit has established the Social Continual Improvement Plan; Rev. # 0; Effective date: 01.06.2020 to manage, implement and monitor relevant action plan as recommended. The plan was reviewed during consultation with stakeholders</p>	Complied

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		<p>through various stakeholder consultation meeting latest conducted as following:</p> <ul style="list-style-type: none"> <li>• External stakeholder meeting; Date: 20/2/2019</li> <li>• Internal stakeholder meeting; Date: 1/2/2019</li> <li>• Workers Welfare Committee meeting; Date: 17/6/2020</li> <li>• Gender committee meeting; Date: 17/6/2020</li> </ul> <p><u>Environment</u></p> <p>This was addressed in the Environmental Continual Improvement Plan (TSHR/ENV/F08; rev. 0, dated 01.09.2015), where environmental issues, improvement plan, location, PIC and time frame were included. The environmental improvement plan was implemented to ensure the effectiveness of the mitigation measures. The plan incorporated a monitoring protocol, which is adaptive to operational changes and will be review on annual basis to reflect the results of monitoring operational changes that may have positive and negative environmental impacts.</p>	
<p>3.4.3</p>	<p><b>(C)</b> The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.          - Critical (Major) compliance -</p>	<p>Based on the assessment of social and environmental aspect and impact, the operating units came up with list of significant aspects and established the social and environmental improvement plan thereafter to mitigate the negative effects.</p> <p>Potential social aspects/issues related to availability of residence and/or visiting medical practitioner on</p>	<p>Complied</p>

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		site could be assessed further for better establishment of management plan. Hence, an OFI has been raised on the matter.	
<b>Criterion 3.5:</b> A system for managing human resources is in place.			
3.5.1	Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable. - Minor Compliance -	Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are established as Procedure of Staffing & Recruitment; Doc. # TSHR/HR/SOP01; Rev. # 0; Effective date: 17/8/2015. The procedure made available to the workers and their representatives where applicable.	Complied
3.5.2	Employment procedures are implemented, and records are maintained. - Minor Compliance -	Employment procedures i.e. Procedure of Staffing & Recruitment; Doc. # TSHR/HR/SOP01 implemented with records maintained for all employees including their training records.	Complied
<b>Criterion 3.6:</b> An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.			
3.6.1	<b>(C)</b> All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented. - Critical (Major) compliance -	All operations have been risk assessed, and procedures and actions were documented and implemented to address the identified issues. Refer Hazard Identification, Risk and Determining Control (HIRADC) doc. no. TSHR/OSH/F01 dated 1/9/2015.  The risk assessment uses the TSH Resources Berhad HIRADC form, form No. TSHR/OSH/F01.  Sabahan POM: The Palm Oil Mill have identified HIRADC for Job sequences such as FFB Handling, Steriliser,	Complied

		<p>Threshing Station, Press Station and Kernel Recovery among others.</p> <p>The latest HIRADC review was conducted on 10.06.2019 where revision for Workshop and Welding activities on recommended determining controls were done. The HIRADC was reviewed due to an accident that involved the Welding activity on 27.05.2019 at the workshop. HIRADC for Covid-19 was also available to analyse the risk associated to the pandemic.</p> <p>Sabahan Estate:          The estate has identified HIRADC for Job sequences such as Store, Workshop Maintenance, Manuring, Harvesting, Waste management and Replanting among others. The latest review was done on 01.04.2019. Covid 19 HIRADC was also available for the estate.</p>	
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.          - Critical (Major) compliance -</p>	<p>The effectiveness of the HIRARC is monitored and ensured through checklist and trainings that were conducted by Sabahan POM and Estate in each of the operations. Site visits around the mill and estate indicated the control measures of the HIRADC were followed and ensured by the respective managements.</p> <p>The risks are also assessed through CHRA Reports, medical surveillance and audiometric test done to the</p>	Complied

		<p>workers to assess the risks and effects of chemical, fumes and noise to the health of the workers. The assessments were delayed for the year 2020 due to the Movement Control Order (MCO) 2020. Nevertheless, the workers have been sent for medical surveillance, Spirometry Test, N-Hexane, Potassium Chromate, Manganese &amp; Chromium Test on 22.06.2020 awaiting the results. The previous assessment reports for the test mentioned above was available and are as below:</p> <p>Sabahan POM:</p> <ul style="list-style-type: none"> <li>• Spirometry test was conducted on 16 Mill workers to monitor the lungs condition on 27.02.2019. 10 workers showed Mild Restriction and 6 workers showed Normal Spirometry. All workers were declared fit to work.</li> <li>• Medical Surveillance was conducted on 2 workers on 27.02.2019 where blood and urine test were done to monitor the presence of Hexane and Chromium in the samples. Both workers were declared fit to work with no abnormal results produced.</li> <li>• Biological Monitoring (Manganese &amp; Chromium) was conducted on 27.02.2019 for 5 workers. There were no detection of Chromium or Manganese among the workers.</li> <li>• Audiometry Test was conducted on 27.02.2019 for 30 workers where 15 workers were declared to have normal hearing and 15 workers have</li> </ul>	
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		<p>hearing impairment. 3 workers were retested on 17.04.2019 as they were declared to have severe hearing impairment. The JKKP 7 form was filled for the 3 cases and submitted to JKKP.</p> <ul style="list-style-type: none"> <li>CHRA was conducted on 16<sup>th</sup> June 2017, valid for 5 years, covering all operations in the mill. The assessment was conducted by Rehpro Scientific Sdn Bhd, registered DOSH Assessor (DOSH Reg No: HQ/11/ASS/00/290). The CHRA Report was available for verification at the mill.</li> </ul> <p>Sabahan Estate:</p> <ul style="list-style-type: none"> <li>Medical Surveillance was conducted on 3 workers involved with chemical handling on 18.04.2019 where blood and urine test were done to monitor the presence of Cholinesterase in the samples. All three workers were declared fit to work with no abnormal results produced.</li> <li>CHRA was conducted on 20<sup>th</sup> March 2019 covering all operations in the estate. The assessment was conducted by Rehpro Scientific Sdn Bhd, registered DOSH Assessor (DOSH Reg No: HQ/11/ASS/00/290). The CHRA Report was available for verification at the estate.</li> </ul>	
<b>Criterion 3.7:</b> All staff, workers, Scheme Smallholders, out-growers, and contract workers are appropriately trained.			
3.7.1	<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	An annual training programme was available in the TSH Training Matrix Mill & Estate 2020 which covers all applicable aspects and all related target groups. The trainings planned for the year were divided into:	Complied



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	<p>aspects of the RSPOP&amp;C, in a form they understand, and which includes assessments of training.</p> <p>- Critical (Major) compliance -</p>	<ul style="list-style-type: none"> <li>• Training Units (Environmental, HR, Quality, Mill, Estate, Safety &amp; Health and All Plant),</li> <li>• Target Groups (Managerial Level, Executive, Non-Executive, Worker, Stakeholder and Safety &amp; Health Officer)</li> <li>• Category (In house, External, Mill, Estate)</li> </ul>																	
<p>3.7.2</p>	<p>Records of training are maintained.</p> <p>- Minor Compliance -</p>	<p>Records of trainings were maintained by the Mill and estate as below: -</p> <p>Sabahan POM</p> <table border="1" data-bbox="1223 759 1783 1350"> <thead> <tr> <th>Trainings</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Mill SOP and Working Instruction Training</td> <td>02.03.2020</td> </tr> <tr> <td>Shovel Crane &amp; Engine Driver Training</td> <td>01.02.2020</td> </tr> <tr> <td>Environment Policy, SOP &amp; WI Training</td> <td>19.02.2020</td> </tr> <tr> <td>Sustainability Awareness Training</td> <td>19.02.2020</td> </tr> <tr> <td>OSH Policy, SOP and WI Training</td> <td>19.02.2020</td> </tr> <tr> <td>Violence &amp; Sexual Harassment</td> <td>19.02.2020</td> </tr> <tr> <td>Confined Space Training</td> <td>01.02.2020</td> </tr> </tbody> </table>	Trainings	Date	Mill SOP and Working Instruction Training	02.03.2020	Shovel Crane & Engine Driver Training	01.02.2020	Environment Policy, SOP & WI Training	19.02.2020	Sustainability Awareness Training	19.02.2020	OSH Policy, SOP and WI Training	19.02.2020	Violence & Sexual Harassment	19.02.2020	Confined Space Training	01.02.2020	<p>Complied</p>
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		Understanding of SDS Training	11.01.2020	
		PPE Safety Training	27.01.2020	
		OSH Committee Training	11.02.2020	
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 last training on supply chain was conducted on 13.03.2020, attended by 6 personnel from various tasks such as engineers, admin clerks and weighbridge operator. Record of training was available for verification.		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.	Not applicable as Sabahan POM applied Mass Balance (MB) supply chain module.		Not Applicable
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	FFB processed by Sabahan mill were received from TSH certified estate and third-party non-certified FFB. Only certified volume been claim by the mill		Complied

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	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.	from processing of the mixture of certified and non-certified FFB.	
3.8.3	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in Table 10 of this public summary report.	Complied
3.8.4	The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO IT platform.	Based on verification of transaction records extracted from RSPO Palmtrace, the registration and reporting requirements found to be met.	Complied
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> <ul style="list-style-type: none"> <li>a) Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> <li>b) Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> <li>c) Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the mill's procedures for the implementation of this standard.</li> </ul>	<p>Supply Chain Procedure, Doc. No. TSHR/SUST/SOP05, rev. 5, dated 20.02.2020 has been established to ensure the handling of incoming FFB and outgoing CPO and PK are carried out in a proper manner to meet the sustainability requirements for traceability and mass balance.</p> <p>The site manager is the person appointed to be responsible in implementing the supply chain. Interview with the PIC showed that he was able to demonstrate the implementation of their procedures in accordance to the standard.</p>	Complied

	d) The mill shall have documented procedures for receiving and processing certified and non-certified FFBs including ensuring no contamination in the IP mill.		
3.8.6	<p>Internal Audit</p> <p>i) The mill shall have a written procedure to conduct annual internal audit to determine whether the mill:</p> <p>a. Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <p>b. Effectively implements and maintains the standard requirements within its organisation.</p> <p>ii) Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The mill shall maintain the internal audit records and reports.</p>	The last internal audit was carried out on 13.11.2019 by an internal auditor sourced from TSH HQ. The coverage of internal audit has included the General Chain of Custody Requirements for the Supply Chain and Module E: Mass Balance. There was one non-conformity raised as a result of the internal audit and it had been closed on 13.01.2020. The result of the internal audit has also been discussed and recorded in the management review meeting which was conducted on 06.06.2020.	Complied
3.8.7	<p>Purchasing and Goods In</p> <p>i) The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p> <p>ii) The mill shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p> <p>iii) The mill shall have a mechanism in place for handling non-conforming FFB and/or documents.</p>	<p>The related document of incoming FFB from own estate is the mill's weighing bridge tickets which has the info about name of estate, weighbridge ticket number, date of delivery, field number and estate's FFB Consignment Note which has the information about name of estate, date of delivery, field no., no. of bunches, vehicle no. and RSPO certificate no.</p> <p>There has been no projected overproduction. Nonetheless, based on interview with the staff, the facility is aware of this requirement.</p>	Complied

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		The mechanism for handling non-conforming oil palm products and/or documents is addressed under Control of Non-conforming Product [PM-PRD-05, rev. 0, dated 02.01.2018] which describes the non-certified material or product shall be kept segregated from the certified ones.	
3.8.8	<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> <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>	<p>Based on verification of sales &amp; goods out documents such as sales contract, weighbridge tickets, dispatch chit, etc., the required information by the standard was all available.</p> <p>Sampled contract # 40002521, dated 29.05.2020, seller: Sabahan Mill, quantity: 100 mt.</p> <p>In the mill's weighbridge tickets, the description of product is available i.e. Crude Palm Oil, model MB [ref.: Ticket no.: 67139]</p>	Complied
3.8.9	<p>Outsourcing Activities</p> <ul style="list-style-type: none"> <li>i) The mill shall not outsource its milling activities. In cases where he mill outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities),</li> </ul>	The company has outsourced the transportation for CPO and PK delivery to third party transporter. Contract agreements as follows was available for verification:	Complied

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	<p>the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO Supply Chain Certification</p> <p>ii) The mill shall ensure the following:</p> <p>a) The mill has legal ownership of all input material to be included in outsourced processes</p> <p>b) The mill has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the mill to ensure that certification body (CB) has access to the outsourcing contractor or operation if an audit is deemed necessary.</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>i) HMK Transport Sdn Bhd valid from 16.05.2020 to 15.05.2023 for CPO and PK.</p> <p>ii) Pengangkutan Sri Mediyudusin valid from 01.012020 to 31.12.2021 for PK.</p>	
3.8.10	<p>The mill shall record the names and contact details of all contractors used for the physical handling of RSPO certified oil palm products.</p>	<p>Records of names and contact details of transporters available as per External Stakeholder Contact Details – Product Customer List; Rev. # 2; Date: 25.06.2020 as following transporter samples:</p> <ul style="list-style-type: none"> <li>• HMK Transport Sdn. Bhd.; CPO &amp; PK Transporter</li> <li>• Pengangkutan Sri Mediyudusin; PK Transporter</li> <li>• CH Global Logistics Enterprise; CPO &amp; PK Transporter</li> </ul>	Complied

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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.	As per Supply Chain Procedure, TSHR/SUST/SOP05; Rev. 05, dated 20.02.2020, the oil mills shall inform the sustainability personnel immediately in case of a projected overproduction of certified tonnage. Sustainability personnel shall upon verification notify the respective CB accordingly for any updates in the RSPO-IT (PalmTrace) system.	Complied
3.8.12	<p>Record keeping</p> <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>Sabahan 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>The facility opted for three monthly basis record and balance. Excel format is used for the mass balance calculation. Among the information available in the format is month, FFB processed, OER, CPO amount [opening, produced and closing], dispatch of CPO &amp; PK and balance of CPO &amp; PK both in virtual and physical.</p> <p><u>CPO:</u>  RSPO certified CPO produced in Oct 19-Jun 20 = 105.12 mt  RSPO certified CPO sold as RSPO certified in Oct 19-Jun 20 = 99.98 mt  RSPO certified CPO sold under other certification in Oct 19-Jun 20 = 0 mt  RSPO certified CPO sold as conventional in Oct 19-Jun 20 = 0 mt  Balance of RSPO certified CPO = 5.14 mt</p> <p><u>PK:</u></p>	Complied



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		<p>RSPO certified PK produced in Oct 19-Jun 20 = 29.20 mt          RSPO certified PK sold as RSPO certified in Oct 19-Jun 20 = 0 mt          RSPO certified PK sold as conventional in Oct 19-Jun 20 = 0 mt          Balance of RSPO certified PK = 29.20 mt</p>	
3.8.13	<p><b>Extraction Rate</b>          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>NA. Conversion factor of CPO and PK production is depending on the actual OER and KER. The previous actual OER &amp; KER can be seen in Table 10 of this report.</p>	Complied
3.8.14	<p>Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.</p>	<p>NA. Conversion factor of CPO and PK production is depending on the actual OER and KER. The previous actual OER &amp; KER can be seen in Table 10 of this report. Thus, periodic update is not necessary.</p>	Complied
3.8.15	<p><b>Processing</b>          For Identity Preserved Module, the mill shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation.</p>	<p>NA. The mill is mass balance certified.</p>	Not Applicable
3.8.16	<p><b>Registration of Transactions</b>          i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date.</p>	<p>Based on the announcement summary, all the registrations were found to be in order.</p>	Complied

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	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.		
3.8.17	<p>Claims</p> <p>The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.</p>	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.	TSH Sabahan POM did not use any of the general corporate communications.	Not Applicable
4.2	<p>In corporate communications a member is allowed to:</p> <ul style="list-style-type: none"> <li>a. Display its RSPO membership status</li> <li>b. Display the RSPO web address (www.rspo.org)</li> <li>c. State that the member supports the work of the RSPO</li> <li>d. State the member's history with regard to the RSPO.</li> <li>e. Use the RSPO trademark to promote its membership of the RSPO.</li> </ul> <p>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.</p>	TSH Sabahan POM did not use any of the general corporate communications.	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.	TSH Sabahan POM did not use any of the general corporate communications.	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.	TSH Sabahan POM did not use any of the general corporate communications.	Not Applicable

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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.	TSH Sabahan POM did not use any of the general corporate communications.	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.	TSH Sabahan POM did not use business to business communications.	Not Applicable
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.	TSH Sabahan POM did not use business to business communications.	Not Applicable
5.3	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: 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. b. If the distributor or wholesaler is supply chain-certified they should follow the requirements outlined in section 5.2.	TSH Sabahan POM did not use business to business communications.	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	TSH Sabahan POM did not use business to consumer communications.	Not Applicable

	products contained within product(s), which are known as 'product-specific' claims. Product-specific claims are voluntary.		
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.	TSH Sabahan POM did not use business to consumer communications.	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.	TSH Sabahan POM did not use business to consumer communications.	Not Applicable
6.4	Business to consumer communication shall not include information about the claimant's RSPO membership status.	TSH Sabahan POM did not use business to consumer communications.	Not Applicable
6.5	Members shall not communicate to consumers' information about their suppliers' RSPO membership status.	TSH Sabahan POM did not use business to consumer communications.	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.	TSH Sabahan POM did not use business to consumer communications.	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.	TSH Sabahan POM did not use business to consumer communications.	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	TSH Sabahan POM did not use business to consumer communications.	Not Applicable

	ensure that all claims comply with the requirements of these rules. The CB will confirm the outcome of these audits, to be conducted annually, to RSPO who may continue to grant a trademark license or withdraw permission based upon the audit findings. This is in keeping with the rules applying to RSPO supply chain certified members. The guidance document for audits is available on <a href="http://www.rsपो.org">www.rsपो.org</a> .		
<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.	Sabahan POM is producing crude palm product and does not involved in any labelling of product.	Complied
	Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for moving to fully certified oil palm must be in place, in accordance with the requirements of the RSPO SCCS. In addition, the non-certified volume must be covered by equivalent volume of RSPO Credits.	Sabahan POM is producing crude palm product and does not involved in any labelling of product.	Complied
<b>Labelling and trademark (IP)</b>			
	Members are allowed to use the RSPO label in one of the following ways: <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> </ul>	Sabahan POM is producing crude palm product and does not involved in any labelling of product.	Not Applicable

	<ul style="list-style-type: none"> <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>		
<b>Messaging (IP)</b>			
	<p>Messaging ALLOWED in storytelling in product-related communications includes:</p> <ul style="list-style-type: none"> <li>• [Oil palm products]/[palm oil]/[palm kernel oil] from RSPO-certified mills and plantations were mixed with non-certified oil palm products in the supply chain.</li> <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>Sabahan POM is producing crude palm product and does not involved in any labelling of product.</p>	<p>Not Applicable</p>
<b>Principle 4: Respect community and human rights and deliver benefits</b>			

<b>Criterion 4.1:</b> The unit of Certification respects human rights, which includes respecting the rights of Human Rights Defenders.			
4.1.1	<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>	The policy established as Human Rights & Responsible Business Practices; Policy # ST-POL09-03; Attachment 7.1.1 of Policy Human Rights & Responsible Business; Doc. # ST-POL09-04; Rev. 04; Date: 21/1/2020 signed by Managing Director Dato' Tan Aik Sim.	Complied
4.1.2	<p>The unit of certification does not instigate violence or use any form of harassment in their operations.</p> <p>- Minor compliance -</p>	Consultation with stakeholders shown no evidence that the unit of certification instigate violence or use any form of harassment in their operations.	Complied
<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</p>	Complied

		the grievances was clearly stated in the grievance process flow which is within 1 month	
4.2.2	Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties. - Minor compliance -	Consultation with stakeholders confirmed that procedures in place has ensured the system been understood.	Complied
4.2.3	The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders. - Minor compliance -	Consultation with stakeholders confirmed that they been informed of progress against timeframe of any grievance or complaints and outcome been communicated.	Complied
4.2.4	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. - Minor compliance -	The procedure documented the process for handling communication regarding social issues. The negotiation process involving the estate management, representatives from the disputed parties, zone heads, third parties and stakeholders shall be carried out. Upon failure of the negotiation process, legal proceedings may follow.	Complied
<b>Criterion 4.3:</b> The unit of Certification contributes to local sustainable development as agreed by local communities.			
4.3.1	Contributions to community development that are based on the results of consultation with local communities are demonstrated. - Minor compliance -	As per Corporate Social Responsibilities 2020 records as following: <ul style="list-style-type: none"> <li>- Contribution of Polio Vaccine Dose 4 to Children of Sabahan; Date 18/7/2020</li> <li>- Contribution of Polio Vaccine Dose 3 to Children of Sabahan; Date 4/7/2020</li> <li>- Flood victim contribution; Date: 20-25/6/2019</li> <li>- Perkeso Lahad Datu Advocation Program contribution; Date: 14.06.2019</li> </ul>	Complied
<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.			



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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>Sabahan Certification Unit is able to demonstrate its land use right through possession of seven land titles as listed in Table 14 with a total hectareage of 122.02 Ha. Sabahan POM is located in six of the seven land titles (i.e. except for #245338587) occupying some 23 Ha.</p>	Complied
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</p>	Complied

		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.	
4.4.2c	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 -	As of the date of this audit, there is no evidence of any land dispute. This was also confirmed during audit interviews with the neighbouring land owners.	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	There is no land dispute recorded. This was verified through stakeholders' consultation.	Complied

	<p>their own choosing, including by legal counsel if they so choose.</p> <p>- Critical (Major) compliance -</p>	<p>In case of any, the process will be based on the established Legal, Customary Rights &amp; Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	
4.4.6	<p>There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties.</p> <p>- Minor compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights &amp; Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
<p><b>Criterion 4.5:</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.</p>			
4.5.1	<p><b>(C)</b> Documents showing identification and assessment of demonstrable legal, customary and user rights are available.</p> <p>- Critical (Major) compliance -</p>	<p>NA as no new planting by the certification unit.</p>	Complied
4.5.2	<p><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 information and documents made available, with option of resourced access to independent advice through a</p>	<p>NA as no new planting by the certification unit.</p>	Complied

	documented, long-term and two-way process of consultation and negotiation. - Critical (Major) compliance -		
4.5.3	Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated 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. - Minor compliance -	NA as no new planting by the certification unit.	Complied
4.5.4	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. - Minor compliance -	NA as no new planting by the certification unit.	Complied
4.5.5	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. - Minor compliance -	NA as no new planting by the certification unit.	Complied
4.5.6	Evidence is available that the communities (or their representatives) gave consent to the initial planning	NA as no new planting by the certification unit.	Complied

	phases of the operations prior to the issuance of a new concession or land title to the operator. - Minor compliance -		
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 -	NA as no new planting by the certification unit.	Complied
4.5.8	<b>(C)</b> New lands are not acquired in areas inhabited by communities in voluntary isolation. - Critical (Major) compliance -	NA as no new planting by the certification unit.	Complied
<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	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

	in a participatory way, and corrective actions taken as a result of this evaluation. - 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.	
4.6.3	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 maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	Complied
4.6.4	The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them. - Minor compliance -	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.	Complied

		In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	
4.7.2	<p><b>(C)</b> A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is in place and documented and made available to affected parties.</p> <p>- Critical (Major) compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights &amp; Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
4.7.3	<p>Communities that have lost access and rights to land for plantation expansion are given opportunities including employment and supply contracts to benefit from plantation development.</p> <p>- Minor compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights &amp; Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
<p><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.</p>			

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4.8.1	<p>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.</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
4.8.2	<p><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.</p> <p>- Critical (Major) compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights &amp; Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
4.8.3	<p>Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4)</p> <p>- Minor compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</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



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4.8.4	<p>For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).</p> <p>- Minor compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights &amp; Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
<p><b>Principle 5: Support smallholder inclusion</b></p>			
<p><b>Criterion 5.1:</b> The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.</p>			
5.1.1	<p>Current and previous period prices paid for FFB are publicly available and accessible by smallholders.</p> <p>- Minor compliance -</p>	<p>FFB prices are publicly available and displayed at the Mill Weighbridge for the knowledge of the FFB suppliers. The prices are based on MPOB FFB Pricing Mechanism and updated on a monthly basis. No penalties or deductions are imposed on the price as off spec FFB Crop are rejected and the accepted FFB Crop are weighed and paid in full based on the MPOB Pricing.</p>	Complied
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>Sabahan POM receive outside FFB Crop from 52 different suppliers (FFB Traders and Smallholders). There are no legal documents binding these FFB Suppliers to send their FFB to the mill as they are free to send their FFB to other mills if they require to.</p> <p>Sabahan POM have agreed with all FFB suppliers that the pricing of the FFB will be based on the MPOB FFB Pricing and be updated on a monthly basis. The price is displayed at the weighbridge for the knowledge of the FFB Suppliers. Out of Spec FFB are rejected and sent given back to the supplier. The accepted FFB are weighed and paid based on the price stated at the weighbridge. No further deductions or penalties are imposed on the pricing. Payments are</p>	Complied

		<p>done on the 15<sup>th</sup> of the following month and advance payments are available upon request as stated in the contract agreements.</p> <p>Interviews with the FFB Suppliers and smallholders confirmed that they understand and are satisfied with the payment methods provided by the mill.</p>	
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>Pricing are based on MPOB FFB Pricing Mechanism and updated on a monthly basis, available on display at the weighbridge for the viewing of the FFB Suppliers. No penalties or deductions are imposed on the price, as off spec FFB Crops are rejected and the accepted FFB Crop are weighed and paid in full based on the MPOB Pricing mentioned above.</p> <p>Interview with sampled FFB Suppliers and Smallholders indicate that they are satisfied with the FFB Pricing as it is in accordance with MPOB Pricing and no penalties or deductions are made to affect the pricing of the FFB.</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>Contracts Agreements are made between Sabahan POM and FFB Suppliers to ensure that the FFB Quality is delivered based on the MPOB Oil Palm Fruit Grading Manual, payments will be made on the</p>	Complied

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		15 <sup>th</sup> of the following month with advance payments available upon request, Monthly FFB price shall be on	
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>Interview with the FFB Suppliers proved that the payments were made in accordance with the contract agreement and in a timely manner. Payments were made on the 15<sup>th</sup> of every month. A copy of the weighbridge ticket was available upon every consignment delivery together with the Rejected FFB Notification. Receipts of payments was available for the FFB Suppliers with details on total metric tonne, Rate per metric tonne and Total amount paid. The payments records were available for verification as below:</p> <p>i) Fiesan Sdn. Bhd</p> <ul style="list-style-type: none"> <li>• Total FFB: 73.64 mt</li> <li>• Rate/Mt: RM 394.00</li> <li>• Amount: RM 29, 676.92</li> <li>• Payment Date: 14.07.2020</li> <li>• Transaction Ref No: 20071415817140010 (RHB Bank)</li> </ul> <p>ii) Gemisetia Sdn. Bhd.</p> <ul style="list-style-type: none"> <li>• Total FFB: 620.31 mt</li> <li>• Rate/mt: RM 420.00</li> <li>• Amount: RM 260, 530.20</li> <li>• Payment Date: 14.07.2020</li> <li>• Transaction Ref No: 20071415817120020 (OCBC Bank)</li> </ul> <p>iii) Etma Plantations Sdn. Bhd.</p> <ul style="list-style-type: none"> <li>• Total FFB: 356.69 mt</li> <li>• Rate/mt: RM 410.00</li> </ul>	Complied

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		<ul style="list-style-type: none"> <li>• Amount: RM 146, 242.90</li> <li>• Advance payment: RM 38, 146.00</li> <li>• Final payment: RM 108, 096.90</li> <li>• Payment Date: 14.07.2020</li> <li>• Transaction Ref No: 20071415817120005 (Public Bank)</li> </ul>	
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>Sabahan POM have 2 weighbridges that are verified and calibrated on an annual basis by an independent third-party organization, Metrology Corporation Sdn. Bhd. Sighted the Inspection Report of Weighbridge (Peraturan – Peraturan Timbang Dan Sukat, 1981) as below:</p> <p>i) Calibrated By: LAK Weighing Systems  Date: 20.12.2019  Certificate Number: B 1598971  Reference Number: MCM/STW (07)  Make: Mettler Toledo Ind 310 (Electronic)  Serial Number: 01120086KJ</p> <p>ii) Calibrated by: LAK Weighing Systems  Date: 29.06.2020  Certificate Number: B 1599751  Reference Number: MCM/STW-ATK-001916  Make: Mettler Toledo Ind 310 (Electronic)  Serial Number: 01120086KJ/MCM</p>	Complied
5.1.8	<p>The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of</p>	<p>All the Independent Smallholders that supply FFB to Sabahan POM are not RSPO certified therefore this indicator is not applicable.</p>	Not Applicable

	certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material. - Minor compliance -		
5.1.9	<b>(C)</b> The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner. - Critical (Major) compliance -	Sabahan POM conduct regular stakeholder meetings where it is attended by smallholders as well. The latest stakeholder meeting was rescheduled due to the MCO 2020 restrictions. Nevertheless, the management have provided a booklet to their adjacent stakeholders where the management have stated the process of handling grievances. All smallholders are entitled to obtain grievance forms from the mill. The grievance procedure is mentioned in the Communication. Consultation and Participation SOP; Doc No: TSHR/SUST/SOP02; Date: 19.01.2019; rev No: 03; Part C: Complaints/ Grievances and Suggestions. There were no grievances or complaints recorded from the FFB Suppliers for the year 2019 and 2020 as of to date.	Complied
<b>Criterion 5.2:</b> The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.			
5.2.1	The Company consults with interested smallholders (irrespective of type) within the Unit of Certification, including women or other partners in their supply base, to assess their needs for support to improve their livelihoods and their interest in RSPO certification. - Minor compliance -	There are no smallholders within the Unit of Certification. Therefore, this indicator is not applicable.	Not Applicable
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	There are no smallholders within the Unit of Certification. Therefore, this indicator is not applicable.	Not Applicable

	(including the RSPO Independent Smallholder Standard or RISS). - Minor compliance -		
5.2.3	Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production. - Minor compliance -	There are no smallholders within the Unit of Certification. 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 -	There are no scheme smallholders for Sabahan Certification Unit.	Not Applicable
5.2.5	The unit of certification regularly reviews and publicly reports on the progress of the Smallholder support programme. - Minor compliance -	There are no smallholders within the Unit of Certification. 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. - Critical (Major) compliance -	TSH Resources Berhad has developed and implemented Equal Opportunity & Discrimination Policy dated 16/10/2015 acknowledged by Managing Director, Dato' Tan Aik Sim. The company is strongly against the discrimination of any person based on age, caste, race, nationality, religion and gender. The company promotes equal opportunity in the right to work and advancement on the basis of merit, ability, potential and experience that is free from prejudice. The policy was briefed to the stakeholders and has displayed at the notice board outside the office and in the housing area.  In addition, Equal Opportunity & Discrimination Procedure (TSHR/POL/SOP03, Rev. No. 0, Dated 16/10/2015) was established.	Complied

		The procedure explained the intention of the policy and commitment of the company towards the implementation of the policy.	
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>	The Equal Opportunity & Discrimination Procedure has clearly stated the selection of recruitment, hiring, placement, training, compensation and advancement at the company was based on qualifications, performance, skills and experience. Besides, Staffing & Recruitment Procedure (TSHR/HR/SOP01, Rev. No. 0, Dated 17/8/2015) has clearly stated the physical health and fitness required to fulfil the duties set shall be meet. The recruitment process by sourcing from employee database, advertisement and professional recruitment services or agent.	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>	No any pregnancy testing conducted as a discriminatory measure.	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>	<p>Gender Committee was established in the Sabahan POM and Sabahan Estate and led by Chief Clerk. Seen the appointment letters issued to the committee members. Meeting was conducted on quarterly basis and latest was on 17.06.2020.</p> <p>No sexual harassment reported so far through interviewed with the female workers. Social activities were organized for all the female workers such as blood donation, aerobic dance and picnic.</p>	Complied

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6.1.6	There is evidence of equal pay for the same work scope. - Minor compliance -	The equal pay can be seen through the pay slip reviewed for both female and male in clause 6.2.2 and 6.2.3.	Complied
<b>Criterion 6.2:</b> Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).			
6.2.1	<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. - Critical (Major) compliance -	All the workers are under direct employment and some workshops are under contracts workers. The pay slip has included basic income, allowance pay, working days, medical leave, deduction of salary etc. as per employment contract.	Complied
6.2.2	<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. - Critical (Major) compliance -	Employment contracts and payroll documentations available as per sighted. Sabahan POM employee sample as following: - Employee # 01/0528; Post: Weighbridge Clerk; Date joined: 27/11/2013; Nationality: Malaysia - Employee # 01-0645; Post: Weighbridge Clerk; Date joined: 10/3/2016; Nationality: Malaysia - Employee # 05-0712; Post: Security; Date joined: 31/10/2019; Nationality: Indonesia - Employee # 05-0723; Post: Security; Date joined: 2/2/2020; Nationality: Malaysia - Employee # 02-0600; Post: Apprentice; Date joined: 1/4/2015; Nationality: Malaysia - Employee # 03-0571; Post: Mandore; Date joined: 11/11/2014; Nationality: Philippines - Employee # 03-0592; Post: Loading Ramp; Date joined: 4/3/2015; Nationality: Indonesia - Employee # 03-0050; Post: Press Plant; Date joined: 31/10/2019; Nationality: Indonesia	Complied



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		<ul style="list-style-type: none"> <li>- Employee # 04-0691; Post: Loading Ramp; Date joined: 2/1/2018; Nationality: Malaysia</li> <li>- Employee # 04-0687; Post: Tippler; Date joined: 12/10/2017; Nationality: Malaysia</li> </ul> <p>Sabahan Estate employee sample as following:</p> <ul style="list-style-type: none"> <li>- Employee # 0360; Post: Manuring/Sprayer; Date joined: 3/5/2010; Nationality: Indonesia</li> <li>- Employee # 0407; Post: Driver; Date joined: 1/5/2013; Nationality: Indonesia</li> <li>- Employee # 0213; Post: Manuring/Sprayer; Date joined: 1/1/2009; Nationality: Indonesia</li> <li>- Employee # 0507; Post: Harvester; Date joined: 2/2/2017; Nationality: Indonesia</li> <li>- Employee # 0493; Post: Gatekeeper; Date joined: 9/1/2019; Nationality: Indonesia</li> </ul>									
<p>6.2.3</p>	<p><b>(C)</b> There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.</p> <p>- Critical (Major) compliance -</p>	<p>Based on the Female Night Work Permit; Serial # 600-1/2/15/87(05/TWU/2018-069); Validity period 5/4/2018 – 5/4/2020, the requirements were found not in compliance on conditions # 1.1, # 1.3 and # 1.6 for Sabahan Palm Oil Mill employees as following:</p> <table border="1" data-bbox="1039 1042 1615 1399"> <thead> <tr> <th>Permit Condition</th> <th>Non-compliance</th> <th>Employee ID</th> <th>Evidence</th> </tr> </thead> <tbody> <tr> <td># 1.1</td> <td>Workers' written consent not obtained for</td> <td># 01/0528; Station: Weighbridge</td> <td>June 2020 Time and Attendance Report: - Thursday 11/6/20</td> </tr> </tbody> </table>	Permit Condition	Non-compliance	Employee ID	Evidence	# 1.1	Workers' written consent not obtained for	# 01/0528; Station: Weighbridge	June 2020 Time and Attendance Report: - Thursday 11/6/20	<p>Non-compliance</p>
Permit Condition	Non-compliance	Employee ID	Evidence								
# 1.1	Workers' written consent not obtained for	# 01/0528; Station: Weighbridge	June 2020 Time and Attendance Report: - Thursday 11/6/20								

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			work at night exceed 10pm		20 Clock out time: 23:00		
				# 01-0645; Station: Weighbridge	June 2020 Time and Attendance Report: - Tuesday 16/6/20 20 Clock out time: 23:10; - Wednesday 1/7/2020 Clock out time: 01:00		
		# 1.3	Female employees free-of-work (rest)	Employee # 03-0050; Station: Press Plant	June 2020 Time and Attendance Report: - Wednesday		

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			period less than consecutive 11 hours		3/6/2020 Clock out time: 21:50 to Thursday 4/6/2020 Clock in time: 07:00 Hours duration (gap): 9 hrs & 10 minutes		
				Employee # 04-0691; Station: Loading Ramp	June 2020 Time and Attendance Report: - Monday 29/6/2020 Clock out time: 04:00 to Monday 29/6/2020 Clock in time: 09:51		

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					Hours duration (gap): 5 hrs & 51 minutes		
				Employee # 04-0687; Station: Tippler	June 2020 Time and Attendance Report: - Monday 15/6/20 20 Clock out time: 04:00 to Monday 15/6/20 20 Clock in time: 09:51 Hours duration (gap): 5		

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				hrs & 51 minutes; - Monday 29/6/20 20 Clock out time: 04:00 to Monday 29/6/20 20 Clock in time: 09:59 Hours duration (gap): 5 hrs & 59 minutes		
		# 1.6	Shift allowance not paid at rate agreed by female employees	- # 01/0528 ; Station: Weighbridge - # 01-0645; Station: Weighbridge	Pay slip sample for June 2020 indicated no shift allowance although there was evidence of work exceed 10pm	

Hence, Major noncompliance has been raised on the matter.

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<p>6.2.4</p>	<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>Bi-weekly housing and facilities inspection as per Housing, Community Hall, Nursery &amp; School Inspection Form; Ref. # TSHP/CL/F14; Rev. # 1; Effective date: 1/8/2016. For the month of July 2020, inspections were conducted on 10/7/2020 &amp; 25/7/2020. No issues highlighted by the Medical Assistant whom conducted the inspection. However, implementation of workers' housing bi-weekly inspection within operating units using the Housing, Community Hall, Nursery &amp; School Inspection Form; Ref. # TSHP/CL/F14; Rev. # 1; Effective date: 1/8/2016 could be improved further to reflect specific conditions and/or situation of whole or specific area/building/house. Hence, an OFI has been raised on the matter.</p> <p>Drinking water was provided via own water treatment facilities at the mill. Latest potable water sampling analysis was conducted by Rehpro Scientific Sdn. Bhd. as per Test Report # RS/CH/2020/0164 (Rev1); Sample date: 3/6/2020; Test date: 4/6/2020; Report date: 20/7/2020. Analysis was based on maximum acceptable value of parameters as per WHO Drinking Water Quality Standards for Malaysia shown results the following:</p> <table border="1" data-bbox="1037 1008 1617 1380"> <thead> <tr> <th>Group I – Physical</th> <th>Units</th> <th>Results</th> <th>WHO DWQSM</th> </tr> </thead> <tbody> <tr> <td>pH Value</td> <td>-</td> <td>6.68 @ 26°C</td> <td>6.5 – 9.0</td> </tr> <tr> <td>Turbidity</td> <td>NTU</td> <td>&lt;0.2</td> <td>5</td> </tr> <tr> <td>Colour</td> <td>HU</td> <td>&lt;10</td> <td>15</td> </tr> <tr> <td>Free residual chlorine</td> <td>mg/L</td> <td>&lt;0.10</td> <td>0.2 – 5.0</td> </tr> </tbody> </table>	Group I – Physical	Units	Results	WHO DWQSM	pH Value	-	6.68 @ 26°C	6.5 – 9.0	Turbidity	NTU	<0.2	5	Colour	HU	<10	15	Free residual chlorine	mg/L	<0.10	0.2 – 5.0	<p>Complied</p>
Group I – Physical	Units	Results	WHO DWQSM																				
pH Value	-	6.68 @ 26°C	6.5 – 9.0																				
Turbidity	NTU	<0.2	5																				
Colour	HU	<10	15																				
Free residual chlorine	mg/L	<0.10	0.2 – 5.0																				

		Group I – Microbiology				
		Total Coliform Count	cfu/100 mL	<1 (Not Detected)	Absent	
		Escherichia Coli Count	cfu/100 mL	<1 (Not Detected)	Absent	
		Group II				
		Total dissolved solids (TDS)	mg/L	56	1000	
		Chloride (CL-)	mg/L	<1.5	250	
		Ammoniacal Nitrogen (NH <sub>3</sub> -N)	mg/L	<0.2	250	
		Nitrate (NO <sub>3</sub> )	mg/L	0.20	10	
		Iron (Fe)	mg/L	0.05	0.3	
		Fluoride (F)	mg/L	<0.05	0.4 - 0.6	
		Hardness	mg/L	1.7	500	
		Aluminium (Al)	mg/L	0.08	0.2	

		<table border="1"> <tbody> <tr> <td>Manganese (Mn)</td> <td>mg/L</td> <td>&lt;0.02</td> <td>0.1</td> </tr> <tr> <td>Anionic Detergent MBAS</td> <td>mg/L</td> <td>&lt;0.01</td> <td>1</td> </tr> <tr> <td>Group III</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Mercury (Hg)</td> <td>mg/L</td> <td>&lt;0.0001</td> <td>0.001</td> </tr> <tr> <td>Cadmium</td> <td>mg/L</td> <td>&lt;0.003</td> <td>0.003</td> </tr> <tr> <td>Arsenic (As)</td> <td>mg/L</td> <td>&lt;0.006</td> <td>0.01</td> </tr> <tr> <td>Lead (Pb)</td> <td>mg/L</td> <td>&lt;0.01</td> <td>0.01</td> </tr> <tr> <td>Chromium (Cr)</td> <td>mg/L</td> <td>&lt;0.02</td> <td>0.05</td> </tr> <tr> <td>Copper (Cu)</td> <td>mg/L</td> <td>&lt;0.03</td> <td>1</td> </tr> <tr> <td>Zinc (Zn)</td> <td>mg/L</td> <td>0.12</td> <td>3</td> </tr> </tbody> </table>	Manganese (Mn)	mg/L	<0.02	0.1	Anionic Detergent MBAS	mg/L	<0.01	1	Group III				Mercury (Hg)	mg/L	<0.0001	0.001	Cadmium	mg/L	<0.003	0.003	Arsenic (As)	mg/L	<0.006	0.01	Lead (Pb)	mg/L	<0.01	0.01	Chromium (Cr)	mg/L	<0.02	0.05	Copper (Cu)	mg/L	<0.03	1	Zinc (Zn)	mg/L	0.12	3	
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6.2.5	<p>The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance -</p>	<p>There were sundry shops found inside the mill and estates' compound. Site visit to the shops found that prices are displayed at the items sold in the shops. Interviewed with the workers found that the pricing of the goods and foods are fair.</p>	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>A DLW assessment conducted by the sustainability team confirmed that the current rate of pay for wages is more than the calculated DLW.</p>	Complied																																								



	<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 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</i></p>		
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	<p>methodology which may include independent studies by local experts in their respective region or country).</p> <p>Once these benchmarks are available, this procedural note is no longer applicable. UoC shall have an implementation plan towards the payment of a DLW with specific targets, and a phased implementation process including:</p> <ul style="list-style-type: none"> <li>• Updated assessment on prevailing wages and in-kind benefits</li> <li>• There is annual progress on the implementation of living wages</li> <li>• Where a minimum wage, based on equivalent of baskets of goods, is stipulated in Collective Bargaining Agreements (CBAs), this should be used as the foundation for the gradual implementation of the living wage payment</li> <li>• The UoC may choose to implement the living wage payment in a specific section as a pilot project; the pilot will then be evaluated and adapted before eventual scale up of the living wage implementation.</li> </ul> <p>- Minor compliance -</p>		
6.2.7	<p>Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</p> <p>- Minor compliance -</p>	<p>There are no casual workers hired in Sabahan POM and estate. All employees are permanent employees (for locals) and contracted employees (for foreign workers). All permanent and full-time employment used as general workers, mandores, staffs, 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>Freedom of Association Policy dated 16.10.2015 was established and implemented in TSH Resources Berhad. They acknowledged the right of its employees to the freedom of association as part of its obligation to local and international laws. They respected and facilitated the freedom of association and collective bargaining to enrich the rights and morale of employees towards a balanced level of productivity and enhancement of the company's relations. Workplace welfare</p>	Complied

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		<p>committees was established throughout the company as a communication channel for the employees. The policy was publicly displayed at the notice board outside the office and at the housing area.</p> <p>Besides, the company has developed Freedom of Association Procedure (TSHR/POL/SOP04, Rev. No. 0, Dated 16.10.2015). The procedure explained the intention of the policy and commitment of the company towards the implementation of the policy.</p>	
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>Minutes of meeting available for Workers Welfare Committee meeting; Date: 17.06.2020 documented and available in national languages.</p>	Complied
6.3.3	<p>Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers.</p> <p>- Minor compliance -</p>	<p>Based on the workers interview, the selection of workers representative made from the election among all workers without management interference. Foreign workers included in the committee formation and appointment letter was sighted.</p>	Complied
<b>Criterion 6.4: Children are not employed or exploited.</b>			
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>TSH Resources Berhad has developed and implemented Child Labour Policy dated 16/10/2015 where the company is strongly against the use of children for work and is fully committed in eradicating the occurrence of child labour in its workforces.</p> <p>Child Labour Procedure (TSHR/POL/SOP07, Rev. No. 0, Dated 16.10.2015 was established to explain the commitment of the company toward the implementation of the policy.</p>	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>	The minimum age of employment in TSH Resources Berhad was 18 years of age and above and verified the master list of employees and registration profile found that all the employees recruited were above 18 years old. Besides, interview and site visit to the field confirmed that no use of child labour in the company.	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>	Workers interview and site visit to the field confirmed that no use of child labour in the company.	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>	Communication made during the stakeholder meeting, workers assembly and muster briefing.	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>	TSH Resources Berhad has established Sexual Harassment Policy dated 16.10.2015 where the company is committed in maintaining a positive work environment that is free from sexual harassment within its group and its subsidiaries. Sexual Harassment Procedure (TSHR/POL/SOP05, Rev. No. 0, Dated 16.10.2015) was developed to explain the commitment of company to implement the policy.	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>	The policy has been briefed to internal workers and external stakeholders during stakeholder meeting and the policy was displayed publicly at the notice board in the office area and housing area.	Complied

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6.5.3	Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified. - Minor compliance -	Management has assessed the needs of all mothers including new mothers through consultation with actions according to their specific needs if any.	Complied
6.5.4	A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce. - Minor compliance -	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 -	TSH Sabahan POM and estate recruited all employees with legal identification for local and valid passport and work permit for foreign workers. Contract of employment was signed by the workers prior to work. Consultation with local and foreign workers shown no evidence of force labour occurred.	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.	TSH Resources Berhad has developed a Special Labour Policy and it has included the following:	Complied

	<p>- Critical (Major) compliance -</p>	<ul style="list-style-type: none"> <li>• Promoting equal opportunity and eliminating discrimination whether local or foreign workers.</li> <li>• No employment contract substitution.</li> <li>• Newly recruited foreign workers given orientation to explain the differences in languages, safety rules, labour laws and culture.</li> <li>• All foreign workers are covered by insurance and provided with standard housing as per Malaysia Minimum Standards of Housing and Amenities Act, 1990 (No. 446).</li> <li>• Interview with the workers confirmed that they were briefed on the workplace, safety and wages during their arrival to plantation at EPP by Training Department. Seen the training attendance form for the sampled workers.</li> </ul>	
<p><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.</p>			
<p>6.7.1</p>	<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 Acting Manager of Sabahan POM was appointed to be the Chairman of OSH Committee for Sabahan POM and Estate as per appointment letter undersigned by the General Manager dated 6<sup>th</sup> May 2020. Mill management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Mill Manager.</p> <p>The management conducted combined (Mill &amp; Estate) OSH Committee Meetings on quarterly basis and when necessary due to accidents that occur. The meeting discussed issues on Workplace Accident Statistics, Changes in OSH Committee Members, Safe Operating Procedures, Worksite Inspection, Chemical and Scheduled Waste Handling, Trainings and ERT. Sighted the latest OSH Meeting Minutes dated as follows:</p>	<p>Complied</p>

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		<p>17.06.2020 (2/2020), 29.12.2019 (4/2019), 20.09.2019 (3/2019), 18.06.2019 (02/2019). OSH Committee Meeting planned for 1<sup>st</sup> Quarter 2020 (1/2020) was not conducted because the proposed date was during the declared MCO 2020.</p>									
<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>Accident and Emergency Procedures are available in the SOP Emergency Preparedness and Response; Doc No: TSHR/OSH/SOP06; Rev No:1; Effective Date: 04.07.2016. Emergency Response Plans for Fire &amp; Explosion, Hazardous Material Spillages, Waste Water &amp; Pond Over flow.</p> <p>An ERT Team was available for both mill and estate with the organizational chart posted at the notice boards. The team have been regularly trained to handle emergency responses. Emergency contact numbers list are also available in the mill and estate notice boards.</p> <p>Among the Emergency Response training that were conducted for the workers at Sabahan Mill and Estate.</p> <p>Sabahan POM</p> <table border="1" data-bbox="1039 1058 1619 1337"> <thead> <tr> <th>Training</th> <th>Dates</th> </tr> </thead> <tbody> <tr> <td>Fire Fighting &amp; Confined Space Training</td> <td>22 – 24.02.2020</td> </tr> <tr> <td>Bomba Training</td> <td>02.11.2019</td> </tr> <tr> <td>Latihan Memadam Kebakaran dan Penggunaan First Aid Box</td> <td>01.11.2019</td> </tr> </tbody> </table>	Training	Dates	Fire Fighting & Confined Space Training	22 – 24.02.2020	Bomba Training	02.11.2019	Latihan Memadam Kebakaran dan Penggunaan First Aid Box	01.11.2019	<p>Complied</p>
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		<p>Sabahan Estate</p> <table border="1" data-bbox="1041 403 1621 555"> <thead> <tr> <th>Training</th> <th>Dates</th> </tr> </thead> <tbody> <tr> <td>Fire Extinguisher Training</td> <td>18.03.2020</td> </tr> <tr> <td>First Aid Training</td> <td>10.03.2020</td> </tr> </tbody> </table> <p>Workers trained in First Aid were present in mill and field operations. Interview with first aiders confirmed that they have been trained and are qualified to handle the first aid boxes provided to them. The Medical Assistant monitors and replenishes the first aid boxes and also trains the first aid box holders regularly.</p> <p>Records of accidents were kept and reviewed in the quarterly OSH Meetings held by the management.</p> <p>Sabahan POM</p> <p>There were 11 accident cases reported for the year 2019 where 10 cases inflicted minor injuries (classified as first aid cases) and 1 case inflicted major injury (11 days MC). The records were submitted to the HQ on a monthly basis and was available for verification at the mill. The JKKP 6 Form was submitted to JKKP for the mentioned accident with the records available in the mill. JKKP 8 Form was submitted on 23.01.2020 to JKKP for the register of accidents, dangerous incidents and poisoning. Sighted the form for verification at the mill. For the year 2020 to date, there were 6 accident cases where all were classified as first aid cases and minor injuries as they did not incur any lost days.</p>	Training	Dates	Fire Extinguisher Training	18.03.2020	First Aid Training	10.03.2020	
Training	Dates								
Fire Extinguisher Training	18.03.2020								
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		<p>Sabahan Estate</p> <p>There were 2 minor accidents recorded for the year 2019 categorized as first aid cases. The involved workers were given first aid treatment and was declared fit to resume work. No major accidents were recorded for the year. JKPP 8 form was submitted for the year 2019. There were no cases recorded for the year 2020 as well as of to date.</p>	
6.7.3	<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.</p> <p>- Critical (Major) compliance -</p>	<p>All workers were provided with appropriate PPE where the cost is covered by the management. Interviews conducted during the site visit at Sabahan Mill and Estate showed understanding and approval from the workers that:</p> <ul style="list-style-type: none"> <li>• The management bares the cost of all PPEs and the workers are entitled to valid PPE.</li> <li>• The importance of using appropriate PPE at all times during work.</li> <li>• Proper storage and disposal methods of PPE.</li> <li>• The importance of using the sanitation area to wash the PPE and themselves prior to returning home.</li> </ul>	Complied
6.7.4	<p>All workers are provided with medical care and covered by accident insurance. Costs incurred from work- related incidents leading to injury or sickness are covered in accordance with Malaysian law.</p> <p>- Minor compliance -</p>	<p>All workers are provided with free medical care (except non-contagious diseases such as high blood pressure and diabetes) as stated in the contract agreement. The management have provided a dispensary free of charge where the workers can obtain medical care from. If the injuries or health problems are deemed serious then the workers are referred to the nearest hospital (Kunak or Lahad Datu) where the cost are still bared by the management.</p> <p>All workers are also insured under Employees Social Security 1969 as stated in the contract agreement. Sighted the contribution of EPF deduction to SOCSO as below:</p>	Complied

		<table border="1"> <thead> <tr> <th>Operating Units</th> <th>Month</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Sabahan POM</td> <td>April 2020</td> <td>RM 1,789.50</td> </tr> <tr> <td>May 2020</td> <td>RM 1,888.50</td> </tr> <tr> <td>June 2020</td> <td>RM 2,171.80</td> </tr> <tr> <td rowspan="3">Sabahan Estate</td> <td>April 2020</td> <td>RM 125.70</td> </tr> <tr> <td>May 2020</td> <td>RM 135.90</td> </tr> <tr> <td>June 2020</td> <td>RM 139.40</td> </tr> </tbody> </table>	Operating Units	Month	Amount	Sabahan POM	April 2020	RM 1,789.50	May 2020	RM 1,888.50	June 2020	RM 2,171.80	Sabahan Estate	April 2020	RM 125.70	May 2020	RM 135.90	June 2020	RM 139.40	
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6.7.5	Occupational injuries are recorded using Lost Time Accident (LTA) metrics. - Minor compliance -	Occupational Injuries records were recorded using LTA metrics and available in the Mill and Estate. <table border="1"> <thead> <tr> <th>Operating Unit</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Sabahan POM</td> <td>11</td> <td>nil</td> </tr> <tr> <td>Sabahan Estate</td> <td>nil</td> <td>nil</td> </tr> </tbody> </table>	Operating Unit	2019	2020	Sabahan POM	11	nil	Sabahan Estate	nil	nil	Complied								
Operating Unit	2019	2020																		
Sabahan POM	11	nil																		
Sabahan Estate	nil	nil																		
<b>Principle 7: Protect, conserve and enhance ecosystems and the environment</b>																				
<b>Criterion 7.1: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.</b>																				
7.1.1	<b>(C)</b> IPM plans are implemented and monitored to ensure effective pest control. - Critical (Major) compliance -	Sabahan Estate continued to have in place a documented Integrated Pest Management (IPM) system. The methods used for IPM were divided to direct biological control agents (Viruses and Fungi), Predatory animals/insects (snakes, eagles and barn owls) and environmentally friendly pesticides. Sabahan Estate do not use WHO	Complied																	

		<p>Class 1A (including Paraquat) and 1B chemicals in their operations as per the standard practices.</p> <p>Standard Operating Procedures are available on Pest and Disease where IPM are incorporated in the procedures. Among the SOPs are:</p> <table border="1" data-bbox="1041 587 1615 1082"> <thead> <tr> <th>No</th> <th>Standard Operating Procedures</th> <th>Document No</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Nursery Pest</td> <td>P&amp;D-SOP01-00</td> </tr> <tr> <td>2</td> <td>Nursery Disease</td> <td>P&amp;D-SOP02-00</td> </tr> <tr> <td>3</td> <td>Leaf Pests</td> <td>P&amp;D-SOP03-02</td> </tr> <tr> <td>4</td> <td>Oryctes</td> <td>P&amp;D-SOP04-01</td> </tr> <tr> <td>5</td> <td>Termite</td> <td>P&amp;D-SOP05-01</td> </tr> <tr> <td>6</td> <td>Occasional Insects Pests</td> <td>P&amp;D-SOP06-00</td> </tr> <tr> <td>7</td> <td>Rat</td> <td>P&amp;D-SOP07-02</td> </tr> </tbody> </table> <p>During the field visit at Sabahan 1 Estate, it was observed that beneficial plants such as Cassia cobennensis, Tunera subulata and Antigonon leptopus were planted at strategic places by the roadsides or unshaded field boundaries. The estate have developed a beneficial plant for each field within the estate with the type of beneficial plant and the density of planting that is proposed.</p>	No	Standard Operating Procedures	Document No	1	Nursery Pest	P&D-SOP01-00	2	Nursery Disease	P&D-SOP02-00	3	Leaf Pests	P&D-SOP03-02	4	Oryctes	P&D-SOP04-01	5	Termite	P&D-SOP05-01	6	Occasional Insects Pests	P&D-SOP06-00	7	Rat	P&D-SOP07-02	
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7.1.2	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. - Minor compliance -	Species referenced in the Global Invasive Species Database and CABI.org are not used in the Sabahan Estate	Complied			
7.1.3	There is no use of fire for pest control unless in exceptional circumstances such as plantation sanitation, i.e. where no other effective methods exist, and with prior approval of government authorities. - Minor compliance -	During the site visit at Sabahan Estate, there were no evidence that he state uses fire for pest control.	Complied			
<b>Criterion 7.2:</b> Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.						
7.2.1	<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. - Critical (Major) compliance -	<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="1037 1278 1619 1358"> <tr> <td data-bbox="1037 1278 1238 1358">Application Method</td> <td data-bbox="1238 1278 1462 1358">A.I of Chemical</td> <td data-bbox="1462 1278 1619 1358">Application Rate</td> </tr> </table>	Application Method	A.I of Chemical	Application Rate	Complied
Application Method	A.I of Chemical	Application Rate				

		<table border="1"> <tr> <td>Herbicide Spray</td> <td>Sentry Glyphosate – isopropylamine 41%</td> <td>400ml per 16 litres CKS</td> </tr> <tr> <td></td> <td>BM Cergas Metsulfuron – methyl 21.0%</td> <td>5gm per palm CKS</td> </tr> <tr> <td></td> <td>Sentinel Glusofinate Ammonium</td> <td>150 ml per 16 liter CKS</td> </tr> </table>	Herbicide Spray	Sentry Glyphosate – isopropylamine 41%	400ml per 16 litres CKS		BM Cergas Metsulfuron – methyl 21.0%	5gm per palm CKS		Sentinel Glusofinate Ammonium	150 ml per 16 liter CKS												
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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.</p> <p>- Critical (Major) compliance -</p>	<p>Records of pesticides used and a.i per Ha is monitored on a monthly basis in the Pesticide Records Issued Form and Pesticides Master List. The records for the year ending 2019 were available for verification as below:</p> <table border="1"> <thead> <tr> <th>Chemical</th> <th>Volume</th> <th>Active Ingredient</th> <th>a.i / Ha</th> </tr> </thead> <tbody> <tr> <td>Amine 720</td> <td>62</td> <td>48 %</td> <td>0.44</td> </tr> <tr> <td>Comet</td> <td>12</td> <td>32.1 %</td> <td>0.06</td> </tr> <tr> <td>Glyphosate</td> <td>80</td> <td>41 %</td> <td>0.48</td> </tr> <tr> <td>Sikor</td> <td>1</td> <td>25 %</td> <td>0.07</td> </tr> </tbody> </table>	Chemical	Volume	Active Ingredient	a.i / Ha	Amine 720	62	48 %	0.44	Comet	12	32.1 %	0.06	Glyphosate	80	41 %	0.48	Sikor	1	25 %	0.07	Complied
Chemical	Volume	Active Ingredient	a.i / Ha																				
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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 beneficial plants along the estate roads and immature areas as well as barn owl boxes placed at strategic areas.</p>	Complied																				

		Paraquat was eliminated. In its place, alternatives such as Glyphosate is used instead.	
7.2.4	There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines. - Minor compliance -	There is no prophylactic use of pesticides in all estates visited.	Complied
7.2.5	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. The due diligence refers to: a) Judgment of the threat and verify why this is a major threat b) Why there is no other alternative which can be used c) Which process was applied to verify why there is no other less hazardous alternative d) What is the process to limit the negative impacts of the application e) Estimation of the timescale of the application and steps taken to limit application to the specific outbreak. - Minor compliance -	Sighted in the Chemical Registers dated 01.01.2020 showed that only class III & IV pesticides were used at Sabahan Estate. During the site visit to the chemical store it was justified that there were only class II, III and IV chemicals being used. Paraquat was eliminated. In its place, alternatives such as Glyphosate was used instead.	Complied
7.2.6	<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	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. All precautions attached to the products explained to operators and	Complied

	<p>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>understood by them. This was noted during the interview with workers in Sabahan Estate</p> <p>Sampled the training conducted for pesticide handlers as below: -</p> <table border="1" data-bbox="1039 491 1615 730"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Safe Handling of Chemical Training</td> <td>31.01.2020</td> </tr> <tr> <td>Spraying Training</td> <td>28.02.2020</td> </tr> <tr> <td>Understanding of SDS Training</td> <td>11.01.2020</td> </tr> <tr> <td>PPE Safety Training</td> <td>27.01.2020</td> </tr> </tbody> </table>	Training	Date	Safe Handling of Chemical Training	31.01.2020	Spraying Training	28.02.2020	Understanding of SDS Training	11.01.2020	PPE Safety Training	27.01.2020	
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<p>7.2.7</p>	<p><b>(C)</b> Storage of all pesticides is in accordance with recognised best practices.</p> <p>- Critical (Major) compliance -</p>	<p>Pesticides were found stored in the mill and all estate’s Chemical Store in accordance with the Occupational Safety and Health Act 1994 (Act 514) and Pesticides Act 1974 (Act 149) and their Regulations. The stores were at all times locked and at the time of visit the store keeper was seen to unlock the pad-lock to open entrance door for auditor to inspect the store. At the entrance door, signage requiring donning of PPE were visibly posted. The Chemical Store signage with required Hazard Symbols were available at the entrance. The facility ventilation fan was found working with adequate ventilation available, up-to-date chemical register, trade and generic names, and their Safety Data Sheet were available.</p>	<p>Complied</p>										
<p>7.2.8</p>	<p>All pesticide containers are triple rinsed and punctured before being disposed of and/or handled responsibly if used for other purposes.</p> <p>- Minor compliance -</p>	<p>Pesticide containers were found to be recycled and used as premix containers for field spraying operations. The access containers were all triple rinsed and punctured and stored at the designated store before they are disposed to the licensed recycle waste collector.</p> <p>Sighted the latest consignment note for disposal of triple rinsed and punctured chemical containers as below: -</p>	<p>Complied</p>										

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		<p><u>Sabahan POM</u></p> <p>400kgs of used empty chemical container disposed on 08.04.2019 to Newgates Industries (Borneo) Sdn. Bhd.</p>	
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>	<p>No aerial spraying for pesticide were done in Sabahan Estate.</p>	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>Medical Surveillance was conducted on 3 (chemical handlers) workers on 18.04.2019 where blood and urine test were done to monitor the presence of cholinesterase in the samples. All three workers were declared fit to work with no abnormal results produced.</p> <p>The annual medical surveillance programmed for 2020 was delayed due to the MCO 2020. The medical surveillance has been done on 06.06.2020 awaiting the results.</p>	Complied
7.2.11	<p><b>(C)</b> No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.</p> <p>- Critical (Major) compliance -</p>	<p>TSH Plantations Sdn. Bhd. has prohibited woman workers who are confirmed pregnant or breast-feeding to handle pesticides as per Reproductive Rights Policy; Revision 1; Effective Date: 21.03.2016; Section B: <i>Not permit pregnant or breast-feeding employees to</i></p>	Complied



		<p><i>handle any type of chemical which pose a threat to such employee and/or her child.</i></p> <p>Interview with female workers during the site visit showed awareness that they are prohibited from chemical related works during pregnancy and breastfeeding.</p>	
<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.</p> <p>- Minor compliance -</p>	<p>Recycling of wastes is encouraged by the operating units. Separate bins (paper, aluminium, glass and plastic) for recyclable wastes were provided and placed at various strategic area such as the mill, office, workshop &amp; store and labour quarters. Among the recyclable wastes sent to the recycle centres were:</p> <ul style="list-style-type: none"> <li>• Empty herbicides container, receipt no. 048601 to Newgates Industries Borneo Sdn Bhd on 8/4/2019</li> <li>• Scrap iron to JJ Metal Sdn Bhd. Since the last audit, there have been several consignments with a total 61.05 mt of scrap iron sent to the vendor</li> </ul> <p>Scheduled wastes were disposed through an authorised vendor. Among the scheduled wastes generated by the mill and estate are spent oil (SW305), used battery (SW102), contaminated spill kit (SW408) and contaminated cotton rags &amp; used oil filter (SW410). The DOE had been notified about all the generated scheduled wastes through eSWIS. The regulated inventory records (DOE's 5<sup>th</sup> Schedule) were adequately updated until the month of June 2020. The following consignment notes (DOE's 6<sup>th</sup> Schedule) were verified:</p> <p><u>Mill</u></p> <ul style="list-style-type: none"> <li>- B009217, delivery date 2/6/2020</li> </ul>	<p>Non-compliance</p>

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		<ul style="list-style-type: none"> <li>- B009097, delivery date 2/6/2020</li> <li>- B009096, delivery date 2/6/2020</li> <li>- B009216, delivery date 2/6/2020</li> </ul> <p><u>Estate</u></p> <ul style="list-style-type: none"> <li>- B009215, delivery date 2/6/2020</li> </ul> <p>However, it was found that the waste management plan was not consistently implemented as the following issues were identified:</p> <ol style="list-style-type: none"> <li>3. Sabahan POM has established its waste management plan for spent chemical generated from laboratory. It was stated in the plan that the spent chemicals shall be disposed through the DOE licensed collector. However, the current practice is by returning the chemical to the mill process line.</li> <li>4. The current disposal practice for contaminated lubricants filter is by handling over to the third-party vendors who were assigned to carry out the machinery maintenance service at the mill's premise. However, there is no information whether or not those vendors are licensed to collect the contaminated filters.</li> </ol> <p>Thus, a non-conformity report was assigned due to this lapse.</p>	
7.3.2	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</p> <ul style="list-style-type: none"> <li>- Minor compliance -</li> </ul>	<p>Competent Person for Scheduled Wastes as required by legal was also verified. Currently, the responsibility is held by the acting mill manager, Certificate No. CePSWaM/185339, validity 15/11/2018-15/11/2019. To continue the license validity, the license holder has submitted his Field Training Report (FTR) to EIMAS on 12/10/2019 and now pending for interview.</p>	Complied

7.3.3	The unit of certification does not use open fire for waste disposal. - Minor compliance -	Based on site verification and interview with employees at all the sampled operating units, there was no use of fire in wastes disposal observed. Domestic and household wastes were landfilled and based on site visit, it was observed that the majority of the wastes were of organic wastes.	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 -	Among the procedures established to manage soil fertility were SOP for Soil Sampling (AGR-SOP03-01, dated 1/3/2015) and SOP for Manuring (TSHP/OPE/SOP08, dated 1/7/2016). The procedures gave the guideline on type of fertilizers to be used, timing to apply, dosage and placement. The estate found to be implementing the procedures accordingly.	Complied
7.4.2	Periodic tissue and soil sampling is carried out by Companies to monitor and manage changes in soil fertility and plant health. - Minor compliance -	Leaf sampling analysis is done annually and soil sampling once in 2 years as basis to establish the fertiliser inputs recommendation. The leaf analysis and soil sampling were last done in August 2019 fertilizer 2020 recommendation. The analysis report was available at the estate.	Complied
7.4.3	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. - Minor compliance -	The EFB generated by the mill is mainly sent to third party power plant and refinery for power generation using bio-fuel. The schedule of EFB disposal including location of disposal is consistently submitted to the DOE on monthly basis [ref.: BB/JAS/km-0072/2020 dated 10/7/2020].	Complied
7.4.4	Records of fertiliser inputs are maintained. - Minor compliance -	Fertiliser inputs were recorded in store issuance records and estate's manuring programme, which have the information about type of fertiliser, quantity (bags and kg), dates of application and field number.  Verification of the records against the recommendation of TSH's agronomist showed that the fertilisers were applied accordingly.	Complied

		Among the fertilisers recommended were rock phosphate, kieserite, rhizo gold and NPK. Based on the agronomist recommendation and store issuance records, the amount of fertiliser has been applied in 2019 was around 0.5 kg/palm/year.	
<b>Criterion 7.5:</b> Practices minimise and control erosion and degradation of soils.			
7.5.1	<b>(C)</b> Maps identifying marginal and fragile soils, including steep terrain, are available. - Critical (Major) compliance -	Soil map and contour map were available in the HCV Assessment Report dated January 2018. The maps were sourced from Contour Line and Elevation Data extracted from NASA Shuttle Radar Topography Mission (SRTM) and Land and Survey Department Sabah. Based on the maps, there is no fragile soil and steep terrain. Majority of the soils are of Kinabatangan, Rumidi and Bang.	Complied
7.5.2	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 -	Based on the map mentioned in Indicator 7.5.1, there is no slope above 25° in the estate.	Complied
7.5.3	There is no new planting of oil palm on steep terrain. - Minor compliance -	There is no new planting in the certification unit.	Not Applicable
<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.			
7.6.1	<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 -	NA as there is no new planting in the certification unit.	Not Applicable

7.6.2	Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices. - Minor compliance -	NA as there is no new planting in the certification unit.	Not Applicable
7.6.3	Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure. - Minor compliance -	NA as there is no new planting in the certification unit.	Not Applicable
<b>Criterion 7.7:</b> No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.			
7.7.1	<b>(C)</b> There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas. - Critical (Major) compliance -	Not applicable as no peat soil at Sabahan Estate.	Not Applicable
7.7.2	Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat. <b>PROCEDURAL NOTE:</b> Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below). - Minor compliance -	Not applicable as no peat soil at Sabahan Estate.	Not Applicable
7.7.3	<b>(C)</b> Subsidence of peat is monitored, documented and minimised. - Critical (Major) compliance -	Not applicable as no peat soil at Sabahan Estate.	Not Applicable
7.7.4	<b>(C)</b> A documented water and ground cover management programme is in place. - Critical (Major) compliance -	Not applicable as no peat soil at Sabahan Estate.	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>	Not applicable as no peat soil at Sabahan Estate.	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>	Not applicable as no peat soil at Sabahan Estate.	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</p>	Not applicable as no peat soil at Sabahan Estate.	Not Applicable

	<p>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><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> <p>a) The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</p> <p>b) Workers have adequate access to clean water.</p> <p>- Minor compliance -</p>	<p>Water management plan has been established incorporated with the continuous improvement plan. The main objective is to prevent wastage and pollution of water source. Among the programme are:</p> <ul style="list-style-type: none"> <li>- Water usage monitoring with respect of quantity and quality</li> <li>- Riparian zone establishment with restriction of chemical application</li> <li>- Construction of planting terrace and trenching in the field</li> </ul>	Complied
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>Based on site visit, it was observed that 100 m of riparian zone was allocated along Dadong Kechil River crossing Sabahan Estate. The existing palms in the zone were felled during replanting but not replanted. This can be seen at Field #20A [4°49'52"N 118°5'47"E].</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>The mill applies the biological system with 16 ponds in series for its treatment of effluent. The mill is disposing its effluent through land irrigation in the field. The quality of discharged effluent was analysed every month and the parameters are T, pH, BOD, COD, TS, SS, O&amp;G,</p>	Complied

	- Minor compliance -	AN and TN. Last 12 months results were verified where highest BOD was 20 ppm while lowest was 5 ppm. Competent Person as required by legal was also verified. Currently, the responsibility is held by the acting mill manager, Certificate No. CePPOME/196454, validity 4/2/2019-4/2/2020. To continue the license validity, the license holder has submitted his Field Training Report (FTR) to EiMAS on 16/1/2020 and now pending for interview.	
7.8.4	Mill water use per tonne of FFB is monitored and recorded. - Minor compliance -	The mill continues to monitor its water use per tonne FFB processed which data obtained from a flowmeter. Based on the records, the mill has been using less than 1.5 m <sup>3</sup> /mt FFB per month since the last assessment.	Complied
<b>Criterion 7.9:</b> Efficiency of fossil fuel use and the use of renewable energy is optimised			
7.9.1	A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented. - Minor compliance -	The plan to optimise the usage of diesel is by regular maintenance of diesel-powered machinery and educational programme for the operators on fuel saving. Apart from that, some of the methane gas captured from bio-gas plant is used for boiler operation.	Complied
<b>Criterion 7.10:</b> Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.			
7.10.1	<b>(C)</b> GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported. - Critical (Major) compliance -	Identification of greenhouse gas (GHG) emissions has been done through the environmental aspect & impact assessment. Among the source of GHG emissions were effluent treatment plant, diesel consumption and fertiliser consumption to name a few. The plan to reduce or minimise the GHG emission has been established and implemented. In general, among the action plans were: <ul style="list-style-type: none"> <li>- To optimise the usage of diesel through regular maintenance of diesel-powered machinery and educational programme for the operators on fuel saving</li> <li>- To maintain the biogas plant for methane capture</li> </ul>	Complied



		<p>RSPO GHG Calculator version 4 is used. The consumption of fertilisers &amp; diesel and generation of mill effluent were verified through:</p> <ul style="list-style-type: none"> <li>- Requisition Chit</li> <li>- Fertiliser issuance summary records</li> <li>- SAP recording system</li> </ul> <p>Based on the verification of the above records, all the sampled issuance was traceable.</p>	
7.10.2	<p><b>(C)</b> Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development).</p> <p>- Critical (Major) compliance -</p>	Not applicable since no new development by the certification unit.	Complied
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>TSH has its monitoring system to report its significant pollutants and emissions from the operating units' activities for example monitoring stack emission from boiler operation by competent consultant. The mill has conducted its stack sampling at regulated frequency (twice a year) without fail. Based on the stack sampling reports [RS/STACK/19-008 dated 22/2/2019, RS/STACK/19-060 dated 21/8/2019 and RS/STACK/2020-017 dated 30/5/2020, the emission from the chimney were reported to be exceeded the regulated limit i.e. 150 mg/m<sup>3</sup>). Nonetheless, the mill is granted with a contravene license from the DOE [ref.: license no. 005166, validity 30/8/2019 to 30/8/2020]</p>	Complied
<p><b>Criterion 7.11:</b> Fire is not used for preparing land and is prevented in the managed area</p>			

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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>TSH Plantations Sdn. Bhd. has committed to ensure no fire is used in their operations as stated in the Environmental Policy; Doc No: TSHR/POL/SOP08; Rev No:1; Date 01.11.2017; Part 7: <i>Environment Policy; Commitment: i. Explicitly prohibit the use of fire for the clearing of land and open burnings (Zero Burning).</i></p> <p>During the field visit at Sabahan 1 Estate, there was no evidence that fire is used to prepare land for replanting and waste disposal.</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>Sabahan POM and Sabahan 1 Estate have implemented fire prevention methods and procedures as stated in the SOP Emergency Preparedness and Response; Doc No: TSHR/OSH/SOP06; Date:04.07.2016; rev No: 01. The emergency response plan for fire outbreak has been implemented and posted at prominent places at the office, mill and workers line site. Emergency Response Team have been trained to handle fire outbreaks and all workers have been trained by the BOMBA on the fire prevention and fire extinguisher usage. It was sighted at the Mill, Estate Office, Workshop Stores were well equipped with fire extinguishers as a control measure for fire prevention. The location of fire extinguishers is mapped and available at notice boards.</p>	Complied
7.11.3	<p>The unit of certification engages with adjacent stakeholders on fire prevention and control measures.</p> <p>- Minor compliance -</p>	<p>Sabahan POM and Estate conduct regular stakeholder meetings where it is attended by adjacent stakeholders as well. The latest stakeholder meeting was rescheduled due to the MCO 2020 restrictions. Nevertheless, the management have provided a booklet to their adjacent stakeholders where the management have stated is commitment to ensure it does not engage in open burning and has implemented a fire prevention plan to handle any fire outbreaks. The management also is committed to assist adjacent stakeholders if the needs arise.</p>	Complied

<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.			
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>Certification Unit and supply base did not carry out any new plantings since November 2005. Therefore, this indicator is not applicable during this assessment. The immature areas are of replanted area.</p>	Not Applicable
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>The HCV assessment for Sabahan Estate was conducted by Kiwiheng Environmental Consultants Sdn Bhd K Kinabalu from June to August 2017 [report ref no.: KEC-(EV)/18/06]. The report was verified and it contained the information related to HCV identification and management, detail of the findings, among others as summarised below.</p> <p>a) Overview of HCV assessment            b) Description of assessment area                - Landscape context                - biodiversity &amp; conservation values                - ecosystem service / social &amp; cultural values            c) HCV criteria &amp; application to agriculture                - Visual observation &amp; supporting information                - Wildlife in plantation                - decision on HCV status            d) HCV management / Monitoring.</p> <p>The consultant had identified the presence of the following HCV:                - HCV 1.2 - Protected (Bornean) Pig, Long-tail macaque and White crested hornbill</p>	Complied

		<ul style="list-style-type: none"> <li>- HCV 4.2 - Areas critical to soil erosion/sedimentation, and</li> <li>- HCV 4.3 - Areas critical for fire prevention</li> </ul>	
7.12.3	<i>Indicator is not applicable in Malaysia context</i>		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>	Not applicable since there is no land clearing after November 2005.	Not Applicable
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>	Not applicable since there is no land clearing after November 2005.	Not Applicable
7.12.6	<p>All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place.</p>	Educational activities on RTE species were done through various means such as briefing during muster call, booklet display at the muster ground information centre and no hunting signage. Interview	Complied

	<p>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>with workers showed that they have a good understanding in the restriction of capturing the RTE species.</p>	
7.12.7	<p>The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.</p> <p>- Minor compliance -</p>	<p>Not applicable since there is no land clearing after November 2005.</p>	<p>Complied</p>
7.12.8	<p><b>(C)</b> Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies.</p> <p>- Critical (Major) compliance -</p>	<p>Not applicable since there is no land clearing after November 2005.</p>	<p>Complied</p>

**Appendix B: Approved Time Bound Plan**

Time-bound Plan for RSPO Certification						
RSPO Certification of TSH Mills and Supply bases						
Companies	2016	2017	2018	2019	2020	2021
<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 Plantation 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>	Laras C Estate <sup>6</sup>	
PT. Andalas Wahana Berjaya				AWB POM* & AWB Estate <sup>7</sup>	AWB Estate <sup>7</sup>	
PT. Sarana Prima Multi Niaga	SPMN POM* & SPMN Estate <sup>4</sup>					
PT. Mitra Jaya Cemerlang					MIC Estate <sup>4</sup>	
PT. Farinda Bersaudara					FDB POM* & 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
Note: 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.						Certified
Note: * (Asterisk) Indicates POM not yet built.						Uncertified Estate
Note: This schedule may be subject to change but we will endeavour to keep the final schedule as close as possible to what appears here.						Uncertified Mill

**Appendix C: GHG Reporting Executive Summary**

The GHG emissions that were produced in **2019** for **Sabahan POM** 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 **2019** for **Sabahan POM** and supply base are as following:

Emission per product	tCO <sub>2</sub> e/tProduct
CPO	0.13
PKO	0.13

Extraction	%
OER	19.63
KER	5.48

Production	t/yr
FFB Process	170, 728.06
CPO Produced	33, 506.3
PKO Produced	9, 349.57

Land Use	Ha
OP Planted Area	98
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	0
<b>Total</b>	<b>98</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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CO <sub>2</sub> Emission from fertilizer	0.56	0.00	0.00	0.00	103.16	0.00	103.71	0.00
NO <sub>2</sub> Emission	0.00	0.00	0.00	0.00	94.90	0.00	94.90	0.00
Fuel Consumption	11.05	0.02	0.00	0.00	178.32	0.00	189.37	0.00
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sink</b>								
Crop Sequestration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Conservation Sequestration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>11.61</b>	<b>0.02</b>	<b>0.00</b>	<b>0.00</b>	<b>376.38</b>	<b>0.00</b>	<b>387.99</b>	<b>0.00</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	6895.22	0.04
Fuel Consumption	817.96	0.00
Grid Electricity Utilization	0.00	0.00
<b>Credit</b>		
Export of Grid Electricity	0.00	0.00
Sales of PKS	-2610.17	-0.02
Sales of EFB	0.00	0.00
<b>Total</b>	<b>5103.10</b>	<b>0.03</b>

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

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

\*This mill has no kernel crusher operation.

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

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



**Appendix D: Supply Chain Declaration**

<b>A. Monthly Records of Certified and Uncertified FFB Received since the last audit</b>				
No.	Month - Year	Volume of FFB from certified supply bases (mt)	Volume of FFB from uncertified supply bases (mt)	Total FFB/Month (mt)
1	Oct 2019	34.83	11274.05	11308.88
2	Nov 2019	39.83	11014.95	11054.78
3	Dec 2019	34.09	9015.22	9049.31
4	Jan 2020	33.4	6767.3	6800.7
5	Feb 2020	41.7	7445.07	7486.77
6	Mar 2020	134.36	9362.99	9497.35
7	Apr 2020	169.98	12921.57	13091.55
8	May 2020	29.41	13829.12	13858.53
9	Jun 2020	28.18	20810.46	20838.64
<b>TOTAL</b>		545.78	102440.73	102986.51

<b>B. Monthly Records of Certified CPO &amp; PK since the last audit</b>			
No.	Month - Year	Certified CPO (mt)	Certified PK (mt)
1	Oct 2019	6.84	1.82
2	Nov 2019	7.73	2.03
3	Dec 2019	6.47	1.62
4	Jan 2020	6.17	1.43
5	Feb 2020	7.79	2.12
6	Mar 2020	26.34	7.55
7	Apr 2020	33.15	9.53
8	May 2020	5.51	1.56
9	Jun 2020	5.12	1.54
<b>TOTAL</b>		105.12	29.20

<b>C. 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	XX	RSPO_PO1000005884	99.98	0

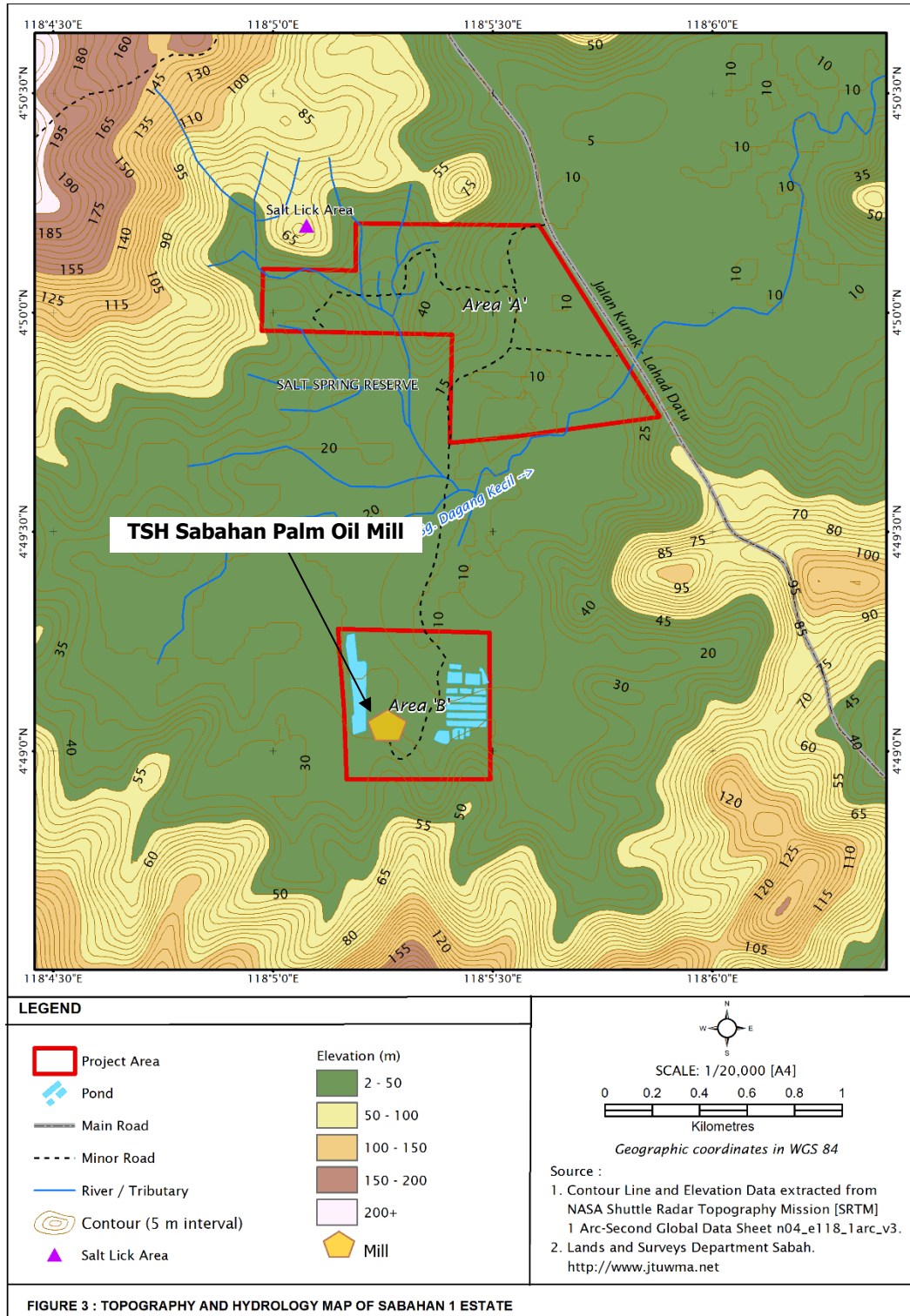
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<b>D. Records of CPO &amp; PK Sold under other schemes since the last audit (if any)</b>				
<b>No.</b>	<b>Buyers Name</b>	<b>Scheme Name</b>	<b>CPO Sold (mt)</b>	<b>PK Sold (mt)</b>
NA				

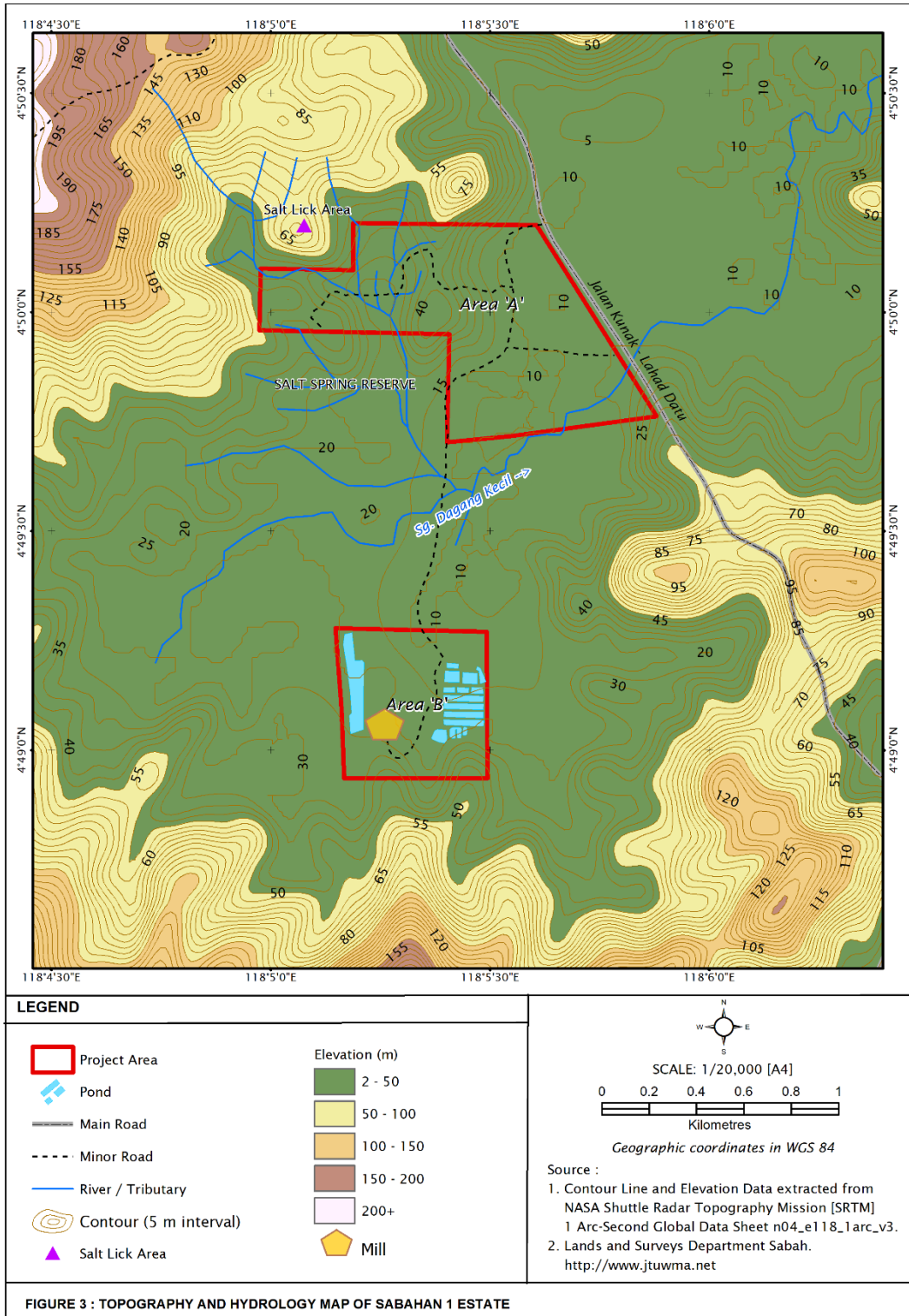
<b>E. Records of CPO &amp; PK Sold as conventional since the last audit (if any)</b>			
<b>No.</b>	<b>Buyers Name</b>	<b>CPO Sold (mt)</b>	<b>PK Sold (mt)</b>
1	NA		
2			
<b>TOTAL</b>			

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

**Appendix E: Location Map of Sabahan Palm Oil Mill Certification Unit**



**Appendix F: Sabahan Estate Field Map**



**Appendix G: List of Smallholder Sampled**

Not Applicable

## Appendix H: List of Abbreviations

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