

**RSPO PRINCIPLE AND CRITERIA  
PUBLIC SUMMARY REPORT**

- Initial Assessment
- Annual Surveillance Assessment 2
- Recertification Assessment
- Extension of Scope

<b>Client Company name (Parent Company): TSH Resources Berhad</b>
Client company Address: Bangunan TSH, TB 9, KM 7, Apas Road 91000 Tawau Sabah, Malaysia
Certification Unit: <b>Kunak Palm Oil Mill and supply base</b>
Location of Certification Unit: Mile 41, Tawau Kunak Road 91200 Tawau, 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 Management Sdn Bhd - Kunak Palm Oil Mill		
<b>Location / Address</b>	Mile 41, Tawau Kunak Road, 91200 Tawau, Sabah, Malaysia		
<b>Website</b>	<a href="http://www.tsh.com.my">www.tsh.com.my</a>		
<b>Management Representative</b>	Rohana Parilla Binti Abdul Salam	<b>E-mail</b>	<a href="mailto:Rohana.SHO@tsh.com.my">Rohana.SHO@tsh.com.my</a>
<b>Telephone</b>	089-912020	<b>Facsimile</b>	089-913000

2. Certification Information			
<b>Certificate Number</b>	RSPO 692556	<b>Date of First Certification</b>	23/08/2018
		<b>Certificate Start Date</b>	23/08/2018
		<b>Certificate Expiry Date</b>	22/08/2023
<b>Scope of Certification</b>	Palm oil and Palm Kernel Production		
<b>Visit Objectives</b>	<ul style="list-style-type: none"> <li>• Determination of the conformity of the client's management system, or parts of it, with audit criteria.</li> <li>• Evaluation of the ability of the management system to ensure the client organization meets applicable statutory, regulatory and contractual requirements.</li> </ul>		
<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
MSPO/2018/08	MSPO MS 2530 Part 3	Rehpro Certification Sdn Bhd	6/10/2024
MSPO/2018/09	MSPO MS 2530 Part 4	Rehpro Certification Sdn Bhd	6/10/2024

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location	GPS Coordinates	
		Longitude	Latitude
TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill)	Mile 41, Tawau Kunak Road, Tawau, Sabah, Malaysia (#10126024 & #105392970)	118° 11'6.57" E	04° 28' 3.05" N
TSH Plantation Management Sdn Bhd (Maju Sawit Estate)	Mile 38, Apas Balung, Ulu Kalumpang, Tawau, Sabah, Malaysia (#10125987)	118° 10' 56.49" E	04° 27' 53.13" N
LKSK Sdn Bhd	KM 39, Semporna-Tawau Road, Sabah, Malaysia (#12125008)	118° 04' 9.06" E	04° 29' 38.02" N
Landquest Sdn Bhd	Mile 16, Apas Road, Tawau, Sabah, Malaysia (CL105348945, CL105348954 & CL105351040)	118° 20' 08.10" E	04° 25' 43.90" N
Maju Sawit Estate - Wakuba Division	Mile 41, Tawau Kunak Road, Tawau, Sabah, Malaysia (#10126024 & #105392970)	118° 04' 17.54" E	04° 17' 13.25" N

5. Description of Supply Base					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Maju Sawit Estate	*156.50	*2.06	*60.44	219.00	71.46
LKSK Estate	*930.00	20.30	15.70	966.00	96.27
Landquest Estate	365.00	7.68	61.12	433.80	84.14
Maju Sawit Estate - Wakuba Division	15.00	0	1.00	16.00	93.75
<b>Total</b>	1,466.50	30.04	138.26	1,634.80	

Note:

\*Maju Sawit's hectarage has been removed 16.2 ha as it is own by different operating unit & entity as below:

1. 4.04 ha operating by Bio-Energy Sdn Bhd
2. 0.61 ha operating by Biogas Sdn Bhd
3. 11.47 ha operating by Eko, Pulp & Paper Sdn Bhd

\*LKSK Estate replanting started in 2019 and additional buffer zone of 10 metres as HCV area required between the LKSK Estate to the Sabah Park land and Sabah Forest Reserve for Sabah EPD replanting approval.

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6. Plantings & Cycle							
Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Maju Sawit Estate	66	46	0	0	44.5	90.50	66
LKSK Estate	166		0	0	764	764	166
Landquest Estate	152	127	0	0	86	213	152
Maju Sawit Estate - Wakuba Division	0	15	0	0	0	15	0
Total (ha)	384.00	153.00	0.00	0.00	894.50	1,082.50	384.00

7. Certified Tonnage of FFB (Own Certified Scope)				
Estate	Tonnage / year			
	Estimated (Aug 19 – Jul 20)	Actual (Jun 2019 – Jun 2020)		Forecast (Aug 20 – Jul 21)
		Previous license period (Jun 19 – Jul 19)	Current license period (Aug 19 – Jun 20)	
Maju Sawit Estate	3,050.00	405.29	2,029.61	1,731.84
LKSK Estate	23,250.00	3,341.70	16,183.33	14,305.53
Landquest Estate	4,706.00	692.55	4,781.15	4,161.64
Maju Sawit Estate - Wakuba Division	300.00	61.82	338.32	419.10
<b>Total</b>	<b>31,306.00</b>	<b>27,833.77</b>		<b>20,618.10</b>

Remark: There is volume and time extension for previous license period 22-08-2019 to 22-09-2019 which is FFB: 4,400 MT, CSPO: 1000 MT and CSPK: 400 MT.1

8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *				
Estate	Tonnage / year			
	Estimated (Aug 19 – Jul 20)	Actual (Jun 2019 – Jun 2020)		Forecast (Aug 20 – Jul 21)
		N/A	Previous license period (Jun 19 – Jul 19)	
<b>Total</b>				

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<b>9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable</b>				
Independent FFB Supplier	Tonnage / year			
	Estimated (mt) (Aug 19 – Jul 20)	Actual (mt) (Jun 2019 – Jun 2020)		Forecast (mt) (Aug 20 – Jul 21)
		Previous license period (Jun 19 – Jul 19)	Current license period (Aug 19 – Jun 20)	
Collecting Centre	156,013.52	27,529.15	141,830.48	163,105.42
Estate with less than 500 ha	92,743.11	16,416.35	84,311.92	96,958.71
Estate with more than 500 ha	56,242.25	9,192.19	51,129.32	58,798.718
Estate with less than 40.46 ha	13,212.35	2,348.52	12,011.23	12,812.91
<b>Total</b>	<b>318,211.23</b>	<b>344,769.16</b>		<b>331, 675.76</b>

<b>10. Certified Tonnage</b>				
	Estimated (mt) (Aug 19 – Jul 20)	Actual (mt) (Jun 2019 – Jun 2020)		Forecast (mt) (Aug 20 – Jul 21)
	FFB	FFB		FFB
Mill Capacity: 75 MT/hr	31,306.00	Previous license period (Jun 19 – Jul 19)	Current license period (Aug 19 – Jun 20)	20,618.10
		4,501.36	23,332.41	
SCC Model: MB	CPO (OER: 20.5%)	CPO (OER: 19.27%)		CPO (OER: 20.5%)
	6,418.00	867.41	4,496.15	4,226.71
	PK (KER: 5.5%)	PK (KER: 5.5%)		PK (KER: 5.5%)
	1,722.00	247.57	1,283.28	1,133.99

<b>11. Actual Sold Volume (CPO)</b>					
Current License period (Aug 19 – Jun 20)					
Item	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	Others		
CPO (MT)	3,529.41	0	0	0	3,529.41
Previous License period (Jun 19 – Jul 19)					
CPO (MT)	1,067.19	0	0	0	1,067.19

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<b>12. Actual Sold Volume (PK)</b>					
<b>Current License period (Aug 19 – Jun 20)</b>					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	Others		
PK (MT)	1,526.83	0	0	0	1,526.83
<b>Previous License period (Jun 19 – Jul 19)</b>					
PK (MT)	0	0	0	0	0

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



## 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 2<sup>nd</sup> surveillance assessment was conducted from **20 – 24/07/2020**. 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 sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The Major NC close out off-site assessment was conducted on **25/09/2020**. 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 & Criterias 2018 (**MYNI 2019**) and RSPO Supply Chain Certification Standard 2017 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

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

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

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

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

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

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

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

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

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

Due to the movement restriction from government, the onsite assessment to close the Major NC was not able to be conducted. All the evidences of closing the Major NC were reviewed online and interview session with workers were conducted through Microsoft Teams to the workers.

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

<b>Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
Maju Sawit Estate	√	-	√	-	√
LKSK Estate	√	√	√	√	√
Landquest Estate	√	√	√	√	√
Maju Sawit Estate - Wakuba Division	-	√	-	√	-

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

**Total No. of Mandays:** 9.5 mandays

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**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>
Elzy Ovktafia	Team Leader	<p>She graduated from Universiti Putra Malaysia in Diploma of Agriculture, holding the designatory of LISP &amp; AISP from the Incorporated Society of Planters and currently studying Master of Science (Occupational Safety &amp; Health) in Universiti Utara Malaysia. She involves in audits and technical reviews works mainly for Sustainability Programme includes RSPO &amp; MSPO for more than 4 years across 11 countries. She is a qualified Lead Auditor/Auditor for RSPO P&amp;C, RSPO NEXT, RSPO SCC, ISO 9001:2015, ISO 14001:2015 and a Social Compliance Auditor. Prior to this, she was the Agronomist in R&amp;D Department for almost 5 years in Oil Palm Plantation where her task involved in all Oil Palm Plantation Operations such as conducting experimental trials on Research &amp; Development with technical paper publications, Crop Forecast, Leaf &amp; Soil Sampling Collection, Fertilizer Recommendation, Pest and Diseases Training, Quality Control as well as special project namely Yield Intensification Project and Food for Palm Project for estates. During this assessment, she assessed on the aspects of legal, social and stakeholder engagement. She is able to communicate in fluent Bahasa Malaysia and English.</p>
Muhamad Naquiuddin	Team Member	<p>He hold Bachelor of Science Horticulture at University Putra Malaysia. He has 11 years working experience in oil palm plantation industry as sustainability team. Joining the sustainability team, he managed, implement and monitors the RSPO, ISCC, MSPO and ISO 9001 and ISO 18001 certification requirements for the estates, mills, refineries and Smallholder scheme. He also support in providing training related to RSPO, MSPO and other certifications where applicable to the operations during previous company. He is a trained as Safety and Health Officer, Food Safety System (FSSC and ISO 22000) for Mill and refineries, ISO 9001, ISO 45001 and already attend HCV training with Proforest. During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, safety and health, environmental and workers and stakeholders consultation. He is fluent in Bahasa Malaysia and English languages.</p>
Mahzan Munap	Team Member	<p>He holds a MBA from Ohio University and B Sc. in Petroleum Engineering from University of Missouri, USA. Collected over 370 days of auditing experience in OHSAS 18001 and MS 1722 OHSMS (72 days for palm oil milling and 8 days for oil palm plantation). CIMAH competent person with Malaysia Department of Occupational Safety and Health (DOSH) since 1997. An Occupational Safety and Health Trainer at INSTEP PETRONAS. Successfully completed RSPO Lead Assessor Course in 2008 and IRCA accredited Lead Assessor training for ISO 9001 and RABQSA/IRCA EMS Lead Assessor Course for ISO 14001 in 2008. During this assessment, he assessed on the aspects of legal, estate &amp; mill best practices, safety &amp; health, HCV and workers consultation. He is fluent in Bahasa Malaysia and English languages.</p>

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**Accompanying Persons:**

Name	Role
-	-

**2.3 Assessment Plan (ASA 2 Audit)**

Date	Time	Subjects	EO	MN	MM
Sunday 19/07/2020	PM	Audit Team travel to Tawau & check-in Hotel	√	√	√
Monday, 20/07/2020	0830-0900	Opening Meeting: <ul style="list-style-type: none"> <li>• Opening Presentation by Audit team leader.</li> <li>• Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation).</li> </ul>	√	√	√
	0900-1200	<b>Kunak Palm Oil Mill</b> Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders etc. Visit to laboratory, weighbridge and palm product storage area.	√	√	√
	1200-1300	Lunch	√	√	√
	1300-1630	<b>Kunak Palm Oil Mill</b> Document Review Lab, weighbridge and palm product storage area. Document Review P1 – P7: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation	√	√	√
	1630-1700	Interim Closing Briefing	√	√	√
Tuesday, 21/07/2020	0830-1200	<b>Landquest 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.	√	√	√
	1000-1200	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	-	-
	1200-1300	Lunch	√	√	√

Date	Time	Subjects	EO	MN	MM
	1300-1630	<b>Landquest Estate</b> 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).	√	√	√
	1630-1700	Interim Closing Briefing	√	√	√
Wednesday 22/07/2020	0830-1200	<b>Maju Sawit Estate (Outlying Estate – Wakuba 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.	√	√	√
	1200-1300	Lunch	√	√	√
	1300-1630	<b>Maju Sawit Estate (Outlying Estate – Wakuba Estate)</b> 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).	√	√	√
	1630-1700	Interim Closing Briefing	√	√	√
Thursday 23/07/2020	0830-1200	<b>LKSK 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.	√	√	√
	1200-1300	Lunch	√	√	√
	1300-1600	<b>LKSK Estate</b> 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).	√	√	√

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	1600-1630	Preparation for closing meeting	√	√	√
	1630-1700	Closing meeting for RSPO P&C	√	√	√
Friday 24/07/2020	0830-1200	<b>Kunak Palm Oil Mill:</b> RSPO Supply Chain for CPO mill, weighbridge and storage area	√	-	-
	1200-1230	Preparation for closing meeting	√	-	-
	1230-1300	Closing meeting for RSPO SCCS	√	-	-
	1300-1300	Lunch	√	-	-
	PM	Audit Team travel back to KL	√	√	√

**Assessment Plan (Critical non-conformities closure off-site visit)**

Date	Time	Subjects	EO
Friday 25/09/2020	0900-0930	Soft opening / Introduction	√
	0930-1230	<ul style="list-style-type: none"> <li>• Site verification at TSH-Kunak POM</li> <li>• Interview workers.</li> <li>• Documentation verification.</li> </ul>	√
	1230-1330	Lunch break	√
	1330-1600	<ul style="list-style-type: none"> <li>• Site verification at Maju Sawit Estate, LKSK Estate, Landquest Estate.</li> <li>• Interview workers.</li> <li>• Documentation verification.</li> </ul>	√
	1600-1700	Report preparation and finalization of findings.	√
	1700-1730	Closing Meeting	√

### Section 3: Assessment Findings

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

- TSH-Kunak POM and supply bases 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?	The time bound plan includes all operating units in Malaysia and Indonesia. 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. 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. 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.	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
Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three-year from the date of acquisition. Certification plan for the new acquisition shall be available.	No any new acquisitions since the last audit.	Yes
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?	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.	Yes

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	This is consistent with the latest ACOP reporting available in the RSPO Annual Communications of Progress 2019 Report.	
Have there been any isolated lapses in implementation of the plan? If yes a <b>Minor</b> non-compliance shall be raised	No lapses. During the assessment it was reported to the assessment team that the process for certification for the uncertified units is in progress.	Yes
Have there been any fundamental failure (e.g. unable to justify delay in planning the assessments) to proceed with implementation of the plan? If yes a <b>Major</b> non-compliance shall be raised	No any fundamental failure to proceed with the implementation of TBP so far.	Yes
<b>Un-Certified Units or Holdings</b>		
No replacement after dates defined in NIs Criterion 7.3: <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>	Internal TSH competent personnel conducted Biodiversity assessment & HCV identification within Lahad Datu POM and estates landholdings. Report was prepared by the sustainability team; in-line with the report of EIA i.e. Proposed Replanting of 3007 Hectares Oil Palm Plantation at Ong Yah Ho Estate and Gomantong Estate on Land Title Nos. CL095327218 and CL095310731, in the District of Kinabatangan, Sabah. The objective of this 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.	Yes
Any new plantings since January 1 <sup>st</sup> 2010 shall comply with the RSPO New Plantings Procedure.	No new plantings since 2005 except for replanting activity.	Yes
Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6. <i>Note:</i>	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 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>	Yes



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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. <i>Note: if the internal audit is conducted against the RSPO P&amp;C only, it is a non-compliance.</i>	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? <i>Note: if there is any negative comment from the stakeholders, the assessment team is required directly consult with the stakeholder regarding the comment and resolutions.</i>	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 (if applicable to this assessment)**

Progress of scheme smallholders or outgrowers towards compliance with relevant standards		
Requirement	Remarks	Compliance
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill’s initial certification? OFI shall be raised if after one year where 100% of the scheme smallholders and scheme outgrowers are not in compliance, a minor NC after two years, and a major NC if this requirement is not met after three years.	Not applicable as no scheme smallholder for TSH-Kunak POM.	N/A

**3.4 Details of Nonconformities**

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

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During this Assessment there were **Six (6)** Major; **Four (4)** Minor nonconformities a raised. The **TSH-Kunak POM** Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Non-conformity			
<b>NCR Ref #</b>	1936766-202007-M1	<b>Clause &amp; Category (Critical / Minor)</b>	3.8.12 Critical
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	28/09/2020
<b>Statement of Nonconformity:</b>	Kunak POM Mass Balance recorded negative stocks for CPO and PK as todate (June 2020).		
<b>Requirement Reference:</b>	Record keeping iv) For Mass Balance Module, the mill: c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock.		
<b>Objective Evidence:</b>	Records available on balance of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a 3-monthly basis. However, there is negative stocks sighted as at carried forward of -467.58 MT CPO and -623.36 MT PK for June 2020.		
<b>Root Cause:</b>	<ol style="list-style-type: none"> <li>1. The stock sold in September 2019 are based on the old contract agreement (Aug'2019) and the last 3-month volume of June~Aug'2019 with the buyer.</li> <li>2. FFB Admin 7 Mill PIC unaware that the volume sold actually using the new volume under the new cut-off of licensed from 23rd Aug'19~22nd Aug'20.</li> </ol>		
<b>Corrections:</b>	Established new tracking of all certified product which consist of all CSFFB, CSPK, CSPO and non-certified product since Feb'2020 to prevent this issue which is updated monthly and submitted to FFB Admin/ Sales department.		
<b>Corrective Actions:</b>	All New monthly contract raised by FFB Admin to be verify with the latest volume updated based on 3 monthly-basis prior delivery of certified product which will be updated on monthly basis by Mill Operation and verify by QESH Department. Training has been conducted on Feb'2020 on this process to both FFB Admin & Mill Operation.		
<b>Assessment Conclusion:</b>	Due to very alarming increase of COVID-19 cases in Tawau, Lahad Datu, Kunak and Semporna on the Major NC Closure Visit date on 25/09/2020; TSH Management has issued a memo to control the movement of both internal and external parties from any of TSH Premises at this region. As of that, TSH requested for off-site verification for Major NC Closure to ensure the safety of both parties (BSI & TSH). Since it is still in Movement Control Order Recovery period until 31 December 2020, BSI has accepted the request and remote audit was conducted on 23/09/2020.		

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	<p>All the evidences of closing the Major NC were reviewed and interview session were conducted online to the workers. Therefore, the all the Major NC raised were recommended to be closed.</p> <p>Evidence reviewed:</p> <ol style="list-style-type: none"> <li>1. Tracking of monthly CSFFB</li> <li>2. Summary of processed &amp; output of certified &amp; non-certified products</li> <li>3. Tracking of CSPO/CSPK produced VS CSPO/CSPK Sold.</li> <li>4. Training conducted in Feb'2020 – KPOM Admin &amp; FFB Admin HQ</li> <li>5. Verification volume to be sold by FFB Admin to QESH department prior contract issuance.</li> </ol>
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Non-conformity			
<b>NCR Ref #</b>	1936766-202007-M2	<b>Clause &amp; Category (Critical / Minor)</b>	4.1.1 Critical
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	28/09/2020
<b>Statement of Nonconformity:</b>	The new Human Right Policy is yet to be communicated to all levels of the workforce, operations, FFB suppliers and local communities.		
<b>Requirement Reference:</b>	A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.		
<b>Objective Evidence:</b>	The new Human Right Policy signed on 21 July 2020 by Managing Director has includes the clause 6.2.4 prohibit any kind of retaliation against any group of Human Rights Defenders and communicated to all the parties. However, the communication is yet to be conducted to all levels of the workforce, operations, FFB suppliers and local communities.		
<b>Root Cause:</b>	The HRD policy has only updated on the 21st July. Ample time required to share this policy with both external and internal stakeholders.		
<b>Corrections:</b>	<ol style="list-style-type: none"> <li>1. Conduct awareness to internal stakeholders on site.</li> <li>2. Communicate the new policies with the external stakeholders through email/letters.</li> <li>3. Revised &amp; updates the internal &amp; external stakeholders sharing media on TSH Policies for annual refresher training &amp; meeting on 1st September 2020.</li> </ol>		
<b>Corrective Actions:</b>	<p>All newly revised policy will be pasted at all TSH Communication Board and briefed to all employees during the weekly morning briefing.</p> <p>TSHR – KL in progress in attaching the new policy into the TSH Webmail for external stakeholder beside sharing out the policies through the external stakeholder meeting &amp; emailing out to the stakeholder's.</p>		
<b>Assessment Conclusion:</b>	Due to very alarming increase of COVID-19 cases in Tawau, Lahad Datu, Kunak and Semporna on the Major NC Closure Visit date on 25/09/2020; TSH		

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	<p>Management has issued a memo to control the movement of both internal and external parties from any of TSH Premises at this region. As of that, TSH requested for off-site verification for Major NC Closure to ensure the safety of both parties (BSI &amp; TSH). Since it is still in Movement Control Order Recovery period until 31 December 2020, BSI has accepted the request and remote audit was conducted on 23/09/2020.</p> <p>All the evidences of closing the Major NC were reviewed and interview session were conducted online to the workers. Therefore, the all the Major NC raised were recommended to be closed.</p> <p>Evidence reviewed:</p> <ol style="list-style-type: none"> <li>1. HRD awareness briefing to employees on 23/09/2020.</li> <li>2. HRD awareness to external stakeholder through email dated 23/09/2020.</li> <li>3. HRD Policy published in the communication board.</li> </ol>
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Non-conformity			
<b>NCR Ref #</b>	1936766-202007-M3	<b>Clause &amp; Category (Critical / Minor)</b>	6.2.2 Critical
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	28/09/2020
<b>Statement of Nonconformity:</b>	<p>Some of labour law is not complied:</p> <ol style="list-style-type: none"> <li>1. Akta Keselamatan Sosial Pekerja 1969</li> <li>2. Minimum Wage Order, 2020</li> <li>3. Immigration Act, 1959/63</li> <li>4. Sabah Labour Ordinance – Permit for Salary Deduction</li> </ol>		
<b>Requirement Reference:</b>	<p>Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.</p>		
<b>Objective Evidence:</b>	<p>Kunak POM (Minimum Wage Order 2020):</p> <ol style="list-style-type: none"> <li>1. Employee ID: Nurasisa was paid less than actual working days of 18 days on March 2020.</li> </ol> <p>Maju Sawit Estate (Akta Keselamatan Sosial Pekerja 1969):</p> <ol style="list-style-type: none"> <li>1. Mohd Saiful Fadli (Worker Id: 01-0482) has no SOCSO contribution March, April &amp; May 2020.</li> </ol> <p>LKSK Estate (Minimum Wage Order 2020, Akta Keselamatan Sosial Pekerja 1969 and No JTK Permit for Salary Deduction):</p>		

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	<ol style="list-style-type: none"> <li>1. Ros Binti Baco (Worker Id: 11-0701) has the work permit for factory worker with TSH Bio-Energy Sdn Bhd but work as loose fruit collector in LKSK Estate. She also has 5 unpaid leave on March during MCO.</li> <li>2. Mufti Khabril Mansyur (Worker Id: 01-1504) has no SOCSO contribution March and April 2020. He also has 5 unpaid leave on March during MCO.</li> <li>3. Mapiati bin Mappiare (Worker Id: 01-0377) has the deduction of store/grocery loan of RM 14.09 (under advance) for month May 2020, with no JTK Permit.</li> <li>4. Sari bin Ahmad (Worker Id: 04-1022) on March &amp; April 2020 deduction of store/grocery RM 42.58 (March 2020) and RM 75.23 (April 2020) (under advance) for month May 2020, with no JTK Permit. He also has 5 unpaid leave on March during MCO.</li> <li>5. Udin bin Rembong (Worker ID: 08-0010) has the deduction of store/grocery RM 1.80 (March 2020) and RM 50.00 (May 2020) (under advance) for month May 2020. He also has 5 unpaid leave on March during MCO.</li> </ol> <p>All Estates: All of workers were having half of their normal rate salary from 01-10th April 2020. However, there is no agreement between the workers and employer on the half salary paid during MCO and no top up from the SOCSO subsidize rate of RM 600/workers to achieve minimum wage of RM1100/month as clarified with JTK Officer Tawau &amp; Kinabatangan.</p>
<b>Root Cause:</b>	<p>Kunak POM (Minimum Wage Order 2020): The workers took 8 consecutive days of U/L causing the system to calculate it as 10 U/L in total inclusive of the O/D. This is because the system is used for both monthly pay rate and daily pay rate and the company policies stated that any consecutive 7 days of U/L will cause O/D to be determined as no pay also. However, the calculations of the system are recalculated by the CC to confirmed the payment. In this case, CC calculation included the policies statement.</p> <p>Maju Sawit Estate (Akta Keselamatan Sosial Pekerja 1969): HR relapsed on the Socso deductions for these 3 months due to the changes from FWCS to Socso type insurance.</p> <p>LKSK Estate (Minimum Wage Order 2020, Akta Keselamatan Sosial Pekerja 1969 and No JTK Permit for Salary Deduction):</p> <ol style="list-style-type: none"> <li>1. During renewal of work permit under LKSK, the quota for that particular job are full and since the Passport still got balance for few years, company decided to register this worker under TSH Bio-Energy.</li> <li>2. Worker's not paid for 5 days in March 2020 during MCO phase 1 because the employees are all under daily pay rate, so the pay calculations are based on attendance only.</li> </ol>

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	<p>3. Advance payment is made based on the employee’s request to pay the balance of their grocery debt to ensure they can make a continuous monthly debt.</p> <p>All Estates:          The payment of half day are conducted based on TSH HR Department understanding of the FAQ of on the movement control order of the ministry of human resources (Volume 3) published by MOHR; Question #3.ii. published on 31<sup>st</sup> March 2020, but have not made any reference to the Tawau Socso Officer for their confirmation of action. Clearly they’ve misinterpret this FAQ as approval for the payment methods that they’ve conducted.</p>
<p><b>Corrections:</b></p>	<p>Kunak POM (Minimum Wage Order 2020): Back pay for the employees the different amount of RM from her actual pay of RM16.32 in July Pay.</p> <p>Maju Sawit Estate (Akta Keselamatan Sosial Pekerja 1969): HR will backpay all the Socso pay which they relapsed.</p> <p>LKSK Estate (Minimum Wage Order 2020, Akta Keselamatan Sosial Pekerja 1969 and No JTK Permit for Salary Deduction):</p> <ol style="list-style-type: none"> <li>1. Ros Binti Baco (Worker Id: 11-0701) will be transfer back to TSH Bio-Energy.</li> <li>2. Worker’s not paid for 5 days in March 2020 during MCO phase 1 will be back pay in Aug’2020</li> <li>3. The worker’s deductions request under advance for grocery payment’s debt will not be entertained anymore by management. Any third-party payments are solely under the employee’s arrangement.</li> </ol> <p>All Estates:          All half month pay deductions of 1<sup>st</sup> ~ 10<sup>th</sup> of April will be back pay to the employees in Aug’2020 pay.</p>
<p><b>Corrective Actions:</b></p>	<p>Kunak POM (Minimum Wage Order 2020):          HR Department to ensure the calculations made by Mill’s CC are based on the monthly payrate which pre-calculate the O/D into the payrate as per the Minimum Wages,2020 calculation.</p> <p>Maju Sawit Estate (Akta Keselamatan Sosial Pekerja 1969):          The Socso payment will not relapsed once the registration has been completed and as the auto calculation system will be in place already.</p> <p>LKSK Estate (Minimum Wage Order 2020, Akta Keselamatan Sosial Pekerja 1969 and No JTK Permit for Salary Deduction):</p> <ol style="list-style-type: none"> <li>1. Onwards any renewal of worker’s permit to comply to the site registered/business of operation. If there are no quota for that particular worker’s in that business site (such as the plantation) the worker’s permit</li> </ol>

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	<p>will not be renewed at that particular business site but to be continues at where are the quota available.</p> <ol style="list-style-type: none"> <li>2. Any future deductions to worker's during abnormal situation will be verified with the local / state's relevant authority especially MOHR / relevant state's government department.</li> <li>3. Any third-party payments are solely under the employee's arrangement.</li> </ol> <p>All Estates: Any future deductions / special situation related to worker's salary payment during abnormal situation (such as Pandemic of Covid-19) will be verified with the local / state's relevant authority prior any action taken by HR Department. All communication between HR and relevant Government Department will be recorded as proof of evidence for that issue.</p>
<b>Assessment Conclusion:</b>	<p>Due to very alarming increase of COVID-19 cases in Tawau, Lahad Datu, Kunak and Semporna on the Major NC Closure Visit date on 25/09/2020; TSH Management has issued a memo to control the movement of both internal and external parties from any of TSH Premises at this region. As of that, TSH requested for off-site verification for Major NC Closure to ensure the safety of both parties (BSI &amp; TSH). Since it is still in Movement Control Order Recovery period until 31 December 2020, BSI has accepted the request and remote audit was conducted on 23/09/2020.</p> <p>All the evidences of closing the Major NC were reviewed and interview session were conducted online to the workers. Therefore, the all the Major NC raised were recommended to be closed.</p> <p>Evidence reviewed:</p> <ol style="list-style-type: none"> <li>1. GED Meeting (06 August 2020).</li> <li>2. HR verification on checkroll.</li> <li>3. Reimbursement salary all the workers on August 2020 pay slip. This is also verified through the online interview with the workers on the reimbursement pay received.</li> <li>4. Memo on transfer worker (Ros Binti Baco) to TSH Bio Energy Sdn Bhd effective 30/07/2020.</li> <li>5. Briefing on salary deduction to workers on 04/08/2020 at LKSK Estate.</li> <li>6. Reimbursement of SOCSO contribution to Mohd Saiful and Wawan Saputra from January – June 2020.</li> </ol>

Non-conformity			
<b>NCR Ref #</b>	1936766-202007-M4	<b>Clause &amp; Category (Critical / Minor)</b>	6.2.4 Critical
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	28/09/2020



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<b>Statement of Nonconformity:</b>	The housing area for TSH Staff in Kunak POM is not complied with Housing & Amenities Act 1990.
<b>Requirement Reference:</b>	The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers’ Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5years) is allowed to upgrade the infrastructure.
<b>Objective Evidence:</b>	The housing area for TSH Staff in Kunak POM which is RSPO certified area (under Maju Sawit Estate certified Hectarage) has the unauthorized extension and alteration of the original house and unsafe condition where the septic tank and drainage were blocked behind the house. The samples houses are MS5, BS29, BL26, BS49, ML-H3 & BS 11.
<b>Root Cause:</b>	The staff housing audited are managed by different entities of operating units whereby the RSPO P&C are not covered and unable to zone out the housing area as per operation site due to the nature of housing are mixed among all four entities.
<b>Corrections:</b>	Removed all & unauthorized extension.
<b>Corrective Actions:</b>	Employees to sign the new housing agreement on prohibition of any unauthorized extension and alteration of employer’s provided house.
<b>Assessment Conclusion:</b>	<p>Due to very alarming increase of COVID-19 cases in Tawau, Lahad Datu, Kunak and Semporna on the Major NC Closure Visit date on 25/09/2020; TSH Management has issued a memo to control the movement of both internal and external parties from any of TSH Premises at this region. As of that, TSH requested for off-site verification for Major NC Closure to ensure the safety of both parties (BSI &amp; TSH). Since it is still in Movement Control Order Recovery period until 31 December 2020, BSI has accepted the request and remote audit was conducted on 23/09/2020.</p> <p>All the evidences of closing the Major NC were reviewed and interview session were conducted online to the workers. Therefore, the all the Major NC raised were recommended to be closed.</p> <p>Evidence reviewed:</p> <ol style="list-style-type: none"> <li>1. Extension removal evidence (before and after) for houses no MS5, BS29, BL26, BS49, ML-H3 &amp; BS 11.</li> <li>2. New housing agreement signed for houses no MS5, BS29, BL26, BS49, ML-H3 &amp; BS 11.</li> <li>3. Training for housing standard at KPOM &amp; Maju Sawit Estate on 12/09/2020.</li> </ol>

Non-conformity			
<b>NCR Ref #</b>	1936766-202007-M5	<b>Clause &amp; Category (Critical / Minor)</b>	7.10.1 Critical



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<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	28/09/2020
<b>Statement of Nonconformity:</b>	Found the GHG emissions not accurately reported		
<b>Requirement Reference:</b>	(C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimize them are implemented, monitored through the Palm GHG calculator and publicly reported.		
<b>Objective Evidence:</b>	<p>The data that key-in GHG calculation was not accurate as per issuance record sampling in Landquest Estate such as per below:</p> <ul style="list-style-type: none"> <li>a. Data on GML record show 63.55mt as per issuance record however not same as per GHG calculation data.</li> <li>b. The data on Diesel usage in Landquest Estate 72788 L diesel was not same as per GHG calculation data.</li> </ul>		
<b>Root Cause:</b>	<p>GHG VER4 System for TSHKPOM had some technical issues since 10th of July. The system has been to be reinstalled and reenter all FFB supplier's data only in 20th July 2020. Some data key-in not even recorded and unable to verify the data entry before the date of closing. The submission of assessment also takes more than half day due to the error of the system.</p>		
<b>Corrections:</b>	Re-enter and reverify the data entered into the system.		
<b>Corrective Actions:</b>	To immediately print and reverify all data prior submission to GHG Secretariat.		
<b>Assessment Conclusion:</b>	<p>Due to very alarming increase of COVID-19 cases in Tawau, Lahad Datu, Kunak and Semporna on the Major NC Closure Visit date on 25/09/2020; TSH Management has issued a memo to control the movement of both internal and external parties from any of TSH Premises at this region. As of that, TSH requested for off-site verification for Major NC Closure to ensure the safety of both parties (BSI &amp; TSH). Since it is still in Movement Control Order Recovery period until 31 December 2020, BSI has accepted the request and remote audit was conducted on 23/09/2020.</p> <p>All the evidences of closing the Major NC were reviewed and interview session were conducted online to the workers. Therefore, the all the Major NC raised were recommended to be closed.</p> <p>Evidence reviewed: Corrected GHG calculation data.</p>		

<b>Non-conformity</b>			
<b>NCR Ref #</b>	1936766-202007-M6	<b>Clause &amp; Category (Critical / Minor)</b>	3.6.1 Critical
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	28/09/2020
<b>Statement of Nonconformity:</b>	Coverage of risk assessment had not included machinery and equipment brought onto site by service contractor or belonging to KPOM and routine work activities at KPOM was lacking.		

<p><b>Requirement Reference:</b></p>	<p>All operations are risk assessed to identify H&amp;S issues. Mitigation plans, and procedures are documented and implemented.</p>
<p><b>Objective Evidence:</b></p>	<p>Kunak POM:</p> <ol style="list-style-type: none"> <li>1) Contractor equipment: <ul style="list-style-type: none"> <li>• Oxygen and acetylene gas cylinders (both empty and filled) found standing upright were not chained to hold them together to a secure post to prevent them from falling.</li> <li>• No flashback spark arrestor was installed at the oxygen and acetylene gas hose connected to each cylinder regulator.</li> <li>• Two sections of the oxygen hose line were joined with connector instead of contractor providing one whole length intact not joint.</li> <li>• All 5-key staff of KPOM interviewed could not recognized the missing safety flashback arrestor.</li> <li>• No checklist was used to inspect the condition of contractor’s machinery and equipment brought onto site.</li> </ul> </li> <li>2) KPOM Equipment: <ul style="list-style-type: none"> <li>• Chipped or broken grinding disc (about 15mm in diameter) found intact to the grinding machine and not reported for replacement by the last user to his supervisor.</li> <li>• Some metal staircase at process areas were installed with anti-slip gripper at steps while some not.</li> </ul> </li> <li>3) Routine activities: <ul style="list-style-type: none"> <li>• The risk assessed in the HIRAC Register had not included inclement weather for activity FFB grading at Loading Ramp and CPO dipstick measurement (ullage) at Storage Tank.</li> </ul> </li> </ol>
<p><b>Root Cause:</b></p>	<p>Kunak POM:</p> <ol style="list-style-type: none"> <li>1) Contractor equipment: <ul style="list-style-type: none"> <li>• Contractor management awareness low among the workers as previous training conducted are focusing on the PTW requirements only which didn’t include the contractor’s equipment inspection. The specific training for PTW are more focusing towards the engineer/executive level of which the PIC/owner of site operation and less focusing with the workshop team/operation mandore of which the person who will work together with the contractors.</li> <li>• Contractor’s pre-inspection equipment not conducted by the Mill’s Pic.</li> </ul> </li> <li>2) KPOM Equipment: <ul style="list-style-type: none"> <li>• The workshop operators failed to fill in and report unsafe finding based on their monthly “Pemeriksaan Bengkel dan Servis” forms, as the inspection for July yet to be conducted.</li> </ul> </li> </ol>

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	<ul style="list-style-type: none"> <li>• The anti-slip gripper is installed by progress due to stock liability.</li> </ul> <p>3) Routine activities:</p> <ul style="list-style-type: none"> <li>• Didn't identify the hazard as high risk, as normally no activities such as climbing storage tank and grading conducted during raining.</li> </ul>
<p><b>Corrections:</b></p>	<p>Kunak POM: September'2020</p> <p>1) Contractor equipment:</p> <ul style="list-style-type: none"> <li>• Conduct contractor's pre-inspection of equipment using the Contractor Permit to Work.</li> <li>• Ensure the toolbox meeting conducted before start to work on all site safety's requirements</li> </ul> <p>2) KPOM Equipment:</p> <ul style="list-style-type: none"> <li>• Workshop operator to ensure equipment inspection are recorded and reported.</li> <li>• All workshop equipment will have users log book.</li> <li>• The anti-slip gripper will be installed once the stock available</li> </ul> <p>3) Routine activities:</p> <ul style="list-style-type: none"> <li>• To verify and check the potential risk of weather inclement for these activities at site &amp; revised the HIRADC.</li> </ul>
<p><b>Corrective Actions:</b></p>	<p>Kunak POM:</p> <p>1) Contractor equipment:</p> <ul style="list-style-type: none"> <li>• The Site PIC listed under the PTW to conduct contractor's site audit during the contractor's work period to ensure the safety of each work process and equipment are not compromised. The new contractors' equipment checklist attached with the PTW will be implemented by 1<sup>st</sup> September.</li> </ul> <p>2) KPOM Equipment:</p> <ul style="list-style-type: none"> <li>• Workshop operator to conduct weekly (instead of monthly) workshop inspection and recorded into the "Pemeriksaan Bengkel dan Servis" form, and easily identified any unsafe condition of the equipment.</li> <li>• The anti-slip gripper wear/tear included in the quarterly OSH Inspection activities.</li> </ul> <p>3) Routine activities:</p> <ul style="list-style-type: none"> <li>• Included the risk updates in the OSH Committee meeting agenda to easily get any unsafe/potential risk at each and every activity in the operation area based on the committee feedback.</li> </ul>

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<b>Assessment Conclusion:</b>	<p>Due to very alarming increase of COVID-19 cases in Tawau, Lahad Datu, Kunak and Semporna on the Major NC Closure Visit date on 25/09/2020; TSH Management has issued a memo to control the movement of both internal and external parties from any of TSH Premises at this region. As of that, TSH requested for off-site verification for Major NC Closure to ensure the safety of both parties (BSI &amp; TSH). Since it is still in Movement Control Order Recovery period until 31 December 2020, BSI has accepted the request and remote audit was conducted on 23/09/2020.</p> <p>All the evidences of closing the Major NC were reviewed and interview session were conducted online to the workers. Therefore, the all the Major NC raised were recommended to be closed.</p> <p>Evidence reviewed:</p> <ol style="list-style-type: none"> <li>1. Evidence of sterilizer repair job.</li> <li>2. OSH inspection form Q3 – RSPO audit.</li> <li>3. Workshop inspection for Aug &amp; Sept 2020.</li> <li>4. Revised HIRARDC includes bad weather, storm, lighting strike.</li> <li>5. PPE training to workshop workers on 14/09/2020.</li> <li>6. Workshop weekly checklist training on 14/09/2020.</li> <li>7. OSH minutes of meeting format</li> <li>8. OSH slide presentation for mill 2020</li> </ol>
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Non-conformity			
<b>NCR Ref #</b>	1936766-202007-N1	<b>Clause &amp; Category (Critical / Minor)</b>	6.5.3 Non-critical
<b>Closed (Yes / No)</b>	No	<b>Date of nonconformity Closure</b>	Next surveillance assessment
<b>Statement of Nonconformity:</b>	No guideline or mechanism to conduct new mothers needs in Kunak POM and all estates.		
<b>Requirement Reference:</b>	Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified.		
<b>Objective Evidence:</b>	There is no guideline or mechanism to conduct new mothers needs in Kunak POM and all estates. The assessment done only for breastfeeding mothers' availability.		
<b>Corrections:</b>	To create the assessment form for all new mothers to assess the needs of new mothers at both mill & estates.		
<b>Root Cause:</b>	Current system established are only for breastfeeding mothers as we've yet to established overall new mothers' assessment form/program. Practice's now that female workers which come back to work, will reports to MA for health assessment and MA will advise accordingly.		
<b>Corrective Actions:</b>	To Implement the programmed based on the assessment needs and all new mothers will need to report to inhouse clinic and assessed by MA once they come back to work.		

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<b>Assessment Conclusion:</b>	Corrective actions plan has been reviewed and deemed to be satisfactory to address the Non-critical non-conformity. Evidence CAP will be verified during next assessment.
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Non-conformity			
<b>NCR Ref #</b>	1936766-202007-N2	<b>Clause &amp; Category (Critical / Minor)</b>	7.3.2 Non-critical
<b>Closed (Yes / No)</b>	No	<b>Date of nonconformity Closure</b>	Next surveillance assessment
<b>Statement of Nonconformity:</b>	Found the disposal of waste material inadequately demonstrated as per procedure TSHR/ENV/SOP03; Rev 3; dated 20/02/2020 Waste Management- Scheduled Wastes (Hazardous Waste).		
<b>Requirement Reference:</b>	Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.		
<b>Objective Evidence:</b>	<ol style="list-style-type: none"> <li>1) Found used PPE contaminated with oil been found in rubbish bin in TSH Kunak POM.</li> <li>2) Sighted empty container of lubricant and chemical in old nursery site at Wakuba Estate without proper storage.</li> <li>3) In LKSK Estate and Landquest Estate, sighted unused spill kit in storage with remarked SW 408. As per interview with store keeper, they not aware regarding this matter.</li> <li>4) Found contaminated soil with oil was not properly dispose according to SOP in LKSK Estate.</li> <li>5) Sighted in Landquest Estate the empty container outside store area was not disposed as per procedure accordingly.</li> </ol>		
<b>Corrections:</b>	<ol style="list-style-type: none"> <li>1) Conduct SW management training program for each PIC immediately both theoretical &amp; practical.</li> <li>2) SW PIC to conduct refresher awareness to all employees on the type of SW and disposal methods on quarterly basis.</li> </ol>		
<b>Root Cause:</b>	<ol style="list-style-type: none"> <li>1. Employee's awareness still found lacking as there are no verification of understanding has been made previously for the trainee.</li> <li>2. Cleaning of the old chemical stock has been lacking from the field.</li> </ol>		
<b>Corrective Actions:</b>	Conduct annual SW Management training assessment (verification of understanding) to all trained employees to measure their understanding of SW Management at site.		
<b>Assessment Conclusion:</b>	Corrective actions plan has been reviewed and deemed to be satisfactory to address the Non-critical non-conformity. Evidence CAP will be verified during next assessment.		

Non-conformity			
<b>NCR Ref #</b>	1936766-202007-N3	<b>Clause &amp; Category</b>	2.2.2 Non-critical

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		<b>(Critical / Minor)</b>	
<b>Closed (Yes / No)</b>	No	<b>Date of nonconformity Closure</b>	Next surveillance assessment
<b>Statement of Nonconformity:</b>	The below RSPO P&C MYNI 2019 clause requirements were not adequately addressed.		
<b>Requirement Reference:</b>	Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available.		
<b>Objective Evidence:</b>	Legal due diligence for contracted third parties had yet to be conducted by TSH Plantation Management Sdn Bhd.		
<b>Corrections:</b>	Create supplier's evaluation system / form.		
<b>Root Cause:</b>	Current system didn't have recorded supplier's audit system.		
<b>Corrective Actions:</b>	Implement the system to suppliers as per the agreed in the business code of conducts & enforcement of the TSH Business Codes of Ethics.		
<b>Assessment Conclusion:</b>	Corrective actions plan has been reviewed and deemed to be satisfactory to address the Non-critical non-conformity. Evidence CAP will be verified during next assessment.		

Non-conformity			
<b>NCR Ref #</b>	1936766-202007-N4	<b>Clause &amp; Category (Critical / Minor)</b>	2.2.2 Non-critical
<b>Closed (Yes / No)</b>	No	<b>Date of nonconformity Closure</b>	Next surveillance assessment
<b>Statement of Nonconformity:</b>	The below RSPO P&C MYNI 2019 clause requirements was not adequately addressed.		
<b>Requirement Reference:</b>	All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked Labour. Where young workers are employed, the contracts include a clause for their protection.		
<b>Objective Evidence:</b>	The above clause requirements were not included to form part of contract document.		
<b>Corrections:</b>	To revised the current contract agreement to include the current business code of ethics and anti-bribery act form.		
<b>Root Cause:</b>	Current contract agreement come with attached business code of conduct which covered these requirements but no reference has been made in the contract documents as no revision has been conducted into the contract documents.		
<b>Corrective Actions:</b>	Refresher training to be included during the external stakeholder annual meeting.		
<b>Assessment Conclusion:</b>	Corrective actions plan has been reviewed and deemed to be satisfactory to address the Non-critical non-conformity. Evidence CAP will be verified during next assessment.		

Positive Findings	
PF #	Description
PF 1	Good cooperation from the management.

### 3.4.1 Status of Nonconformities Previously Identified and Observations

Non-conformity			
<b>NCR Ref #</b>	1791700-201904-N1	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 2.1.3 Minor
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	23/07/2020
<b>Statement of Nonconformity:</b>	1. The requirement as required by CHRA report as per OSH (USECHH) Reg. 2000 <ul style="list-style-type: none"> <li>• Regulation 25: current SDS</li> <li>• Regulation 29: Warning Signs</li> <li>• Guidelines on Control of Chemicals Hazardous to Health 5.5. Safe Work System and Practices 5.5.1 Safe Work System b. SOP not followed and Regulation 16: use of approved PPE.</li> </ul> 2. SOP not followed and regulation 16: use of approval PPE		
<b>Requirement Reference:</b>	A mechanism for ensuring compliance shall be implemented		
<b>Objective Evidence:</b>	1. Found the recommendation by CHRA Assessor done on 11.10.2017 not actioned at the following areas: <ul style="list-style-type: none"> <li>• Chemical store</li> <li>• Mixing bay</li> <li>• Diesel Storage Tank</li> <li>• No guarding at belting and no dust cover at grinder</li> </ul> 2. See SOP Welding issued by TSHR SHO 30 November 2017 Workshop – Incorrect category of glove given instead of leather as stated in SOP		
<b>Corrections:</b>	1. Continues with the plan for CHRA implementation. 2. Repurchase the PPE following the standard given in the TSHR/OSH/WI02		
<b>Root Cause Analysis</b>	1. The system are already in place as per the SOP, unfortunately continuous site implementation is with loopholes due to changes in PIC for site management. 2. Welding gloves purchased with wrong code during the PR Raised in April'2019.		
<b>Corrective Actions:</b>	1. Quarterly OSH Inspection checklist by Site Safety PIC to include the CHRA requirements. 2. PPE inspection form to specify the type of PPE required to be used at workstation for estates as per TSHR/OSH/WI02		
<b>Assessment Conclusion:</b>	Verification during ASA 2 Audit: <ol style="list-style-type: none"> <li>1. The CHRA requirements have been included in the Quarterly OSH Inspection checklist and implemented. Current SDS were available and warning signs posted at chemical store and diesel storage tank.</li> <li>2. New leather welding gloves per SOP document TSHR/OSH/W102 was seen worn by welder during KPOM workplace visit. Sighted the purchase requisition dated 29/03/2019 and weekly PPE checklist being used.</li> <li>3. Training for PPE for workshop workers been conducted on 17/06/2019.</li> </ol>		

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	The corrective action is found to be effectively implemented, thus the Minor NC is closed.
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Non-conformity			
<b>NCR Ref #</b>	1788381-201904-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>	23/07/2020
<b>Statement of Nonconformity:</b>	1. The field condition has not been satisfactorily maintained as per SOP 2. Housing area condition was not satisfactorily maintained		
<b>Requirement Reference:</b>	A mechanism to check consistent implementation of procedures shall be in place.		
<b>Objective Evidence:</b>	1. During the site visit to Maju Sawit Estate PR field 2019 the palm circles and creepers has not been maintained. Field conditions were grassy and with spraying delayed 2. Following evidence found: i. Sighted "hanging concrete drain" in-front of mill housing # ML1B not being attended. ii. Cleanliness was not so well ensured with visible rubbish dumped nearby the drain iii. Verified the inspection form (Borang Pemeriksaan Perumahan, Dewan Komuniti Pusat Jagaan Kanak-kanak & Sekolah; Form # TSHR/CL/F14; Rev. # 1; Date: 1/8/2018) for Week 1, 2 & 4 of May 2019 in Kunak POM & Maju Sawit Estate housing area shown consistent comments by inspector with no improvement on the following: - Water found bit turbid - Stray dogs number kept on increased - Limited availability of dustbin in housing area		
<b>Corrections:</b>	1. Revised the current schedule for weeding 2. As following: i. Repair the hanging drain ii. Refresher awareness program to be increased to 2X Annual to increase the awareness of domestic & recycled waste handling to Bio-Complex Housing occupants iii. As following: - Send water for testing to verify the turbidity come from housing pipe or supply tank and monitor the results for the scheduled frequency of 2X testing per annum. - Established a team to trap & transfer dogs from housing compound to acceptable area. - Purchase additional waste bin		
<b>Root Cause Analysis</b>	1. Insufficient headcount to conduct manual weeding for the immature area and heavy rain during these few months causing the weeding schedule has to be delayed and weeds grow faster than during dry season. 2. As following: i. The heavy rainfall since April 2019 causing the high land erosion under this concrete drain.		



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	<p>ii. The rubbish from housing are collected daily by Mill's Facility department but maybe since 1 bin shared between 2 houses causing the waste overflow by the end of the day.</p> <p>iii.</p> <ul style="list-style-type: none"> <li>- Heavy rain in May causing water at catchment become cloudy and causing some the current chemical dosing insufficient during this wet season.</li> <li>- The dogs which are left by their owner when they resigned from TSH Group are multiplying without control and Occupants of TSH Bio-Complex also</li> </ul>
<b>Corrective Actions:</b>	<p>1. Current headcount for Maju Sawit workers only amount to 9 pax for 168.5 ha and 50% area has been replanted since 2018; already in progress since Mar'2019 to add an additional 6 workers for Maju Sawit.</p> <p>2. As following:</p> <ul style="list-style-type: none"> <li>i. Drainage service &amp; maintenance to be plan accordingly in 2~3 years.</li> <li>ii. Linesite inspection to monitor &amp; report using the "Borang keluh kesah" to tracked the management action for each finding.</li> <li>iii. As following: <ul style="list-style-type: none"> <li>- Conduct water sampling for 2X testing/annum until the results from the testing conducted and the feedback from Landsite inspection are in compliance.</li> <li>- Implement the tracking system for dogs at housing compound with tagging for those with owner, those without tagging will be send for transfer &amp; Management come out with a memo to prohibit Bio-Complex occupants to feed stray dogs.</li> <li>- Refresher Awareness Program of domestic &amp; recycle waste management to all housing occupant in Bio-Complex increase to 2X/ Annum and the MA are authorized to issue warning slip to any non-compliance's housing occupants.</li> </ul> </li> </ul>
<b>Assessment Conclusion:</b>	<p>Verification during ASA 2 Audit:</p> <ul style="list-style-type: none"> <li>1. Field visit during current audit at block 2019 showed weeding schedule had been adhered to. Field upkeep – circle spraying, clean road access were satisfactory.</li> <li>2. As per site verification and record of Linesite Inspection Form for April 2020 show the linesite inspection was done weekly basis. The evidence of drainage in linesite area and record of awareness of domestic &amp; recycled waste handling was available for review. The water sampling was done periodically, latest was on 23/6/2020 (RS/CH/2020/0163) and suitable for drinking water (APHA standard).</li> </ul> <p>The corrective action is found to be effectively implemented, thus the Minor NC is closed.</p>

<b>Non-conformity</b>			
<b>NCR Ref #</b>	1788381-201904-N3	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 4.6.10 Minor
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	23/07/2020
<b>Statement of Nonconformity:</b>	The understanding of person-in-charge on the land fill management is not sufficient		
<b>Requirement Reference:</b>	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated		

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<b>Objective Evidence:</b>	During the site visit Maju Sawit and LKSK estates the staff concerned was unable to explain the guidelines of the landfill maintenance despite the condition of the pit looked unsatisfactory.
<b>Corrections:</b>	The refresher training for landfill management based on SOP conducted for utility department
<b>Root Cause Analysis</b>	The weekly landfill layering is not conducted according to SOP causing waste is ransacked by stray dogs and wild animals.
<b>Corrective Actions:</b>	The environment monitoring conducted will include the landfill inspection by site environmental PIC.
<b>Assessment Conclusion:</b>	<p>Verification during ASA 2 Audit:</p> <ol style="list-style-type: none"> <li>1. The landfill management training has been conducted at the landfill on 12/07/2019 (Kunak POM) and 09/07/2019 (LKSK Estate).</li> <li>2. Environmental checklist for waste management is established and sighted.</li> </ol> <p>The corrective action is found to be effectively implemented, thus the Minor NC is closed.</p>

Non-conformity			
<b>NCR Ref #</b>	1788381-201904-N4	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 6.5.3 Minor
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	23/07/2020
<b>Statement of Nonconformity:</b>	Water supplies not adequate to the national standards or above.		
<b>Requirement Reference:</b>	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.		
<b>Objective Evidence:</b>	<p>Drinking Water Quality Standard (DWQS) with reference to requirement of Water Quality Standard of National Standard for Drinking Water Quality, 2nd Version, January 2004 by Engineering Services Division, Ministry of Health, Malaysia. Analysis conducted by Dynakey Laboratories Sdn. Bhd.</p> <p>Kunak Mill &amp; Maju Sawit Estate (Certificate of Analysis # 20190124-05B-0; Date: 19/2/2019):            Colour: 17; DWQS Limit: 15            Alum 2.7 ; DWQS Limit: 0.2</p> <p>Landquest Estate (Certificate of Analysis # 20190124-07B-0; Date: 19/2/2019):            Colour: 16; DWQS Limit: 15            Turbidity (NTU): 6.8; DWQS Limit: 5</p> <p>LKSK Estate (Certificate of Analysis # 20190124-06B-0; Date: 19/2/2019):            Colour: 20; DWQS Limit: 10            Turbidity (NTU): 10; DWQS Limit: 5</p>		
<b>Corrections:</b>	To conduct drinking water sampling for confirmation of the results and continues with 2x a year to monitor these parameters.		
<b>Root Cause Analysis</b>	The drinking water sampling previously conducted in 2018 shown that the results are in compliance. The sampling conducted in January are during wet season causing the turbidity of water exceeded the limit.		

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<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>1. To study with the raw water consultant on dosing of water during wet season to prevent the occurrences of this issues.</li> <li>2. LQ to request water supply from the Jabatan Air Semporna as the water supplier (PEKAH) are bordering the LQ Estate.</li> <li>3. LKSK: to conduct study from the water sampling results &amp; Sourcing for viable treatment.</li> </ol>
<b>Assessment Conclusion:</b>	<p>Verification during ASA 2 Audit:</p> <ol style="list-style-type: none"> <li>1. Test report dated 01/10/2019 from REHPRO Scientific Sdn Bhd for Kunak POM, Landquest Estate and LKSK Estate resulted physical, microbiology, iron and lead are below the maximum acceptable value as per WHO.</li> <li>2. Jar tests conducted on 15/07/2019, 15/08/2019, 17/09/2019, 17/10/2019 concluded to double the soda ash dosung to 20 ppm due to low pH of treated water, while to reduce the PAC dosing from 40 ppm (previous month) to 30 ppm.</li> </ol> <p>The corrective action is found to be effectively implemented, thus the Minor NC is closed.</p>

Opportunity for Improvement	
OFI#	Description
OFI 1	-

**3.4.2 Summary of the Nonconformities and Status**

CAR Ref.	Category (Critical / Non-critical)	P&C Indicator	Issued Date	Status & Date (Closure)
201804-M1	Major	SC 5.1.3	16/05/2018	Closed on 03/08/2018
1633205-201804-M2	Major	SC 5.3.2	16/05/2018	Closed on 03/08/2018
1633205-201804-M3	Major	SC 5.4.1	16/05/2018	Closed on 03/08/2018
1633205-201804-M4	Major	SC 5.13.2	16/05/2018	Closed on 03/08/2018
1633205-201804-M5	Major	5.3.2	16/05/2018	Closed on 03/08/2018
1633205-201804-M6	Major	4.6.2	16/05/2018	Closed on 03/08/2018
1633205-201804-M7	Major	4.7.4	16/05/2018	Closed on 03/08/2018
1633205-201804-M8	Major	6.1.1	16/05/2018	Closed on 03/08/2018
1633205-201804-M9	Major	6.1.2	16/05/2018	Closed on 03/08/2018
1633205-201804-M10	Major	6.1.3	16/05/2018	Closed on 03/08/2018
1633205-201804-M11	Major	2.1.1	16/05/2018	Closed on 03/08/2018
1633205-201804-N1	Minor	6.2.3	16/05/2018	Closed on 21/06/2019
1633205-201804-N2	Minor	6.9.3	16/05/2018	Closed on 17/06/2019

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1788381-201904-N1	Minor	2.1.3	21/06/2019	Closed on 24/07/2020
1788381-201904-N2	Minor	4.1.2	21/06/2019	Closed on 24/07/2020
1788381-201904-N3	Minor	4.6.10	21/06/2019	Closed on 24/07/2020
1788381-201904-N4	Minor	6.5.3	21/06/2019	Closed on 24/07/2020
1936766-202007-M1	Critical	3.8.12	23/07/2020	Closed on 28/09/2020
1936766-202007-M2	Critical	4.1.1	23/07/2020	Closed on 28/09/2020
1936766-202007-M3	Critical	6.2.2	23/07/2020	Closed on 28/09/2020
1936766-202007-M4	Critical	6.2.4	23/07/2020	Closed on 28/09/2020
1936766-202007-M5	Critical	7.10.1	23/07/2020	Closed on 28/09/2020
1936766-202007-M6	Critical	3.6.1	23/07/2020	Closed on 28/09/2020
1936766-202007-N1	Non-critical	6.5.3	23/07/2020	Open
1936766-202007-N2	Non-critical	7.3.2	23/07/2020	Open
1936766-202007-N3	Non-critical	2.2.2	23/07/2020	Open
1936766-202007-N4	Non-critical	2.2.3	23/07/2020	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-Kunak POM** Certification Unit’s environmental and social performance, legal and any known dispute issues.

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

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

<b>List of Stakeholders contacted</b>	
<p><b>Internal Stakeholders</b></p> <ul style="list-style-type: none"> <li>Gender committee representatives</li> <li>Trade union representatives</li> <li>Foreign workers</li> <li>Local workers</li> </ul>	<p><b>Union/Contractors</b></p> <ul style="list-style-type: none"> <li>CLC Teacher</li> <li>Creche Babysitter</li> <li>Contractors</li> <li>Vendors</li> </ul>

<b>Government Departments</b> Jabatan Tenaga Kerja Tawau & Kinabatangan	<b>NGO</b> -
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<b>Stakeholders comment</b>	
<b>1</b>	<b>Feedbacks: <u>Jabatan Tenaga Kerja Tawau &amp; Kinabatangan</u></b> During MCO period, the payment of half salary is only allowed in April with condition that there is an agreement for employee and employer for the half salary paid and employer has applied for the SOCSO subsidize of RM600/worker.
	<b>Management Responses:</b> Operating unit only received instruction from HR department on the half salary paid.
	<b>Audit Team Findings:</b> An NC was raised due to this finding under clause 6.2.2.
<b>2</b>	<b>Feedbacks: <u>Contractors &amp; Vendors</u></b> No payment issue and agreement were signed by both parties in annual basis. No other complaint from contractor and vendor.
	<b>Management Responses:</b> Noted on the information.
	<b>Audit Team Findings:</b> No other issue.
<b>3</b>	<b>Feedbacks: <u>CLC Teacher &amp; Creche Babysitter</u></b> School is yet to be opened during MCO period. Children were given homework at home. No child labour issues as all the children were provided school inside the estate for free. Management has given support and assistance for the facility improvement and activity.
	<b>Management Responses:</b> Noted on the information.
	<b>Audit Team Findings:</b> No other issue.
<b>4</b>	<b>Feedbacks: <u>Gender Committee</u></b> There is no sexual harassment case or domestic violence reported so far. The activities were budgeted and implemented except during MCO period where the meeting and activities has to be postponed.
	<b>Management Responses:</b> Noted on the information.
	<b>Audit Team Findings:</b> No other issue.
<b>5</b>	<b>Feedbacks: <u>Foreign and locals workers</u></b> There were 2 weeks of non-production days during MCO and workers being paid half of their normal salary. In LKSK Estate, the last 5 days in March 2020 were not paid.
	<b>Management Responses:</b> This is based on the HR Department instruction.
	<b>Audit Team Findings:</b> An NC was raised due to this finding under clause 6.2.2.



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List of land owner / user contacted					
Name	Years of ownership / used	Land area (ha)	Agreement (Yes / No)	Agreement base on FPIC (Yes/No)	Compliance on the agreement terms and conditions
Sungai Baharu (Sabah) Sdn Bhd	2	136.5 + 98.72	Yes	-	Complied as verified in the land title CL 105392909 & CL 105392998
Styrocon Development (M) Sdn Bhd & HSBC Bank	14				
TSH Resources Berhad	2				
Monica Wong	18	5.698	Yes	-	CL 105348945
Saudah Jasman	18	5.677	Yes	-	CL 105348954
Wong Sin Oi	18	4.333	Yes	-	CL 105351040
Think Big Sdn Bhd	6	437.5	Yes	-	CL 125319244
H&H Plantaion Sdn Bhd	2		Yes	-	
Landquest Sendirian Berhad	11		Yes	-	
Ladang Kelapa Sawit Kalumpang	3	965.98	Yes	-	CL 105365955
The Chartered Bank	10		Yes	-	

Previous land owner / user comment	
1.	<b>Feedbacks:</b> N/A
	<b>Management Responses:</b> N/A
	<b>Audit Team Findings:</b> No comment as all the previous owner has sold their land to TSH without FPIC since no native customary lands involve.

### 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 <b>TSH-Kunak POM</b> has complied with the RSPO P&amp;C 2018 (Malaysian National Interpretation 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 <b>TSH-Kunak POM</b> is continued.</p>	
Report prepared by	Acceptance of Assessment Conclusion
<b>Name:</b> Elzy Ovktafia Binti Chairul	<b>Name:</b> Thomas Gunik
<b>Company Name:</b> BSI Services (M) Sdn Bhd	<b>Company Name:</b> TSH Plantation Management Sdn Bhd
<b>Title:</b> Client Manager	<b>Title:</b> Mill Manager
<b>Signature:</b> 	<b>Signature:</b> <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> 
<b>Date:</b> 13/10/2020	<b>Date:</b> 21/10/2020

**Appendix A: Summary of Findings**

Criterion / Indicator	Assessment Findings	Compliance
<b>Principle 1: Behave ethically and transparently</b>		
<b>Criterion 1.1:</b> The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
1.1.1	<p><b>(C)</b> Documents that are specified in the RSPO P&amp;C are made available to the public.            - Critical (Major) compliance -</p> <p>TSHR continued to use website for disseminating public information which are available in the company’s website:  <a href="http://www.tsh.com.my">http://www.tsh.com.my</a></p> <p>Information among others in relation to the following; land titles, safety and health plans, pollution prevention plans and procedure for complaints and grievances. The procedures for responding to any communication are described in TSHR/SUST/SOP02 dated 19/11/2019. Therein detailing the following among others;</p> <ul style="list-style-type: none"> <li>a) Transparency policy – signed by Managing Director 16/10/15.</li> <li>b) Information request</li> <li>c) Communication participation and consultation</li> <li>d) Human rights and responsible business</li> </ul> <p>The flow chart of the procedure was made available on notice boards in the Estates and Mill offices/muster grounds. Both Estates/Mill continued to maintain stakeholders list for contractors, vendors/suppliers, government agencies, schools, local communities, etc. Records on requests for information and documents related to the Safety and Environment criteria were maintained accordingly. The CU also has established mechanism to channel queries</p>	Complied



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		through regular meetings with employees. Various issues and complaints were heard by the management and decisions made for subsequent action.																									
1.1.2	Information is provided in appropriate languages and accessible to relevant stakeholders. - Minor compliance -	All the policies were in both language, English and Bahasa and available publicly in the company's website: <a href="http://www.tsh.com.my">http://www.tsh.com.my</a> , in each certification units and upon requested.	Complied																								
1.1.3	<b>(C)</b> Records of requests for information and responses are maintained. - Critical (Major) compliance -	<p>Records of requests for information and the CU's responses are filed and maintained at the respective estate/mill offices. Sighted the following records among others as follows:</p> <p>KPOM:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Date</th> <th>Details</th> <th>Inquirer</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>25/11/2019</td> <td>Request documents for internal audit</td> <td>Kamal bin Othman Teo (Internal Audit Department)</td> </tr> <tr> <td>2</td> <td>25/10/2019</td> <td>Supplier Audit Questionnaire</td> <td>Lahad Datu Edible Oil Sdn Bhd</td> </tr> <tr> <td>3</td> <td>02/09/2019</td> <td>Stakeholder session</td> <td>KLK (Ladang Sri Kunak)</td> </tr> </tbody> </table> <p>Maju Sawit Estate:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Date</th> <th>Details</th> <th>Inquirer</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>12/05/2020</td> <td>Site visit for environmental compliance/impact monitoring</td> <td>Kiwiheng Environmental Consultants Sdn Bhd</td> </tr> </tbody> </table>	No	Date	Details	Inquirer	1	25/11/2019	Request documents for internal audit	Kamal bin Othman Teo (Internal Audit Department)	2	25/10/2019	Supplier Audit Questionnaire	Lahad Datu Edible Oil Sdn Bhd	3	02/09/2019	Stakeholder session	KLK (Ladang Sri Kunak)	No	Date	Details	Inquirer	1	12/05/2020	Site visit for environmental compliance/impact monitoring	Kiwiheng Environmental Consultants Sdn Bhd	Complied
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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>Documented consultation and communication procedure are available in place, TSHR/RSPO/SOP02, Rev13 dated 19/11/2019. It was communicated on 01/07/2020 through stakeholder meeting and office notice boards.</p>	Complied																																

	- Critical (Major) compliance -	<p>In Kunak POM &amp; Maju Sawit Estate, the policies were communicated through internal stakeholder meeting conducted on 01/04/2019 and external stakeholder meeting on 01/07/2020.</p> <p>In LKSK Estate, the policies were communicated through internal stakeholder meeting conducted on 01/07/2020 &amp; 04/0/4/2019, external stakeholder meeting on 01/07/2020 &amp; 11/04/2019.</p> <p>In Landquest Estate, the policies were communicated through internal stakeholder meeting on 04/04/2019 and external stakeholder meeting on 11/04/2019.</p>	
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>List of stakeholders maintained updated as per following:</p> <p>KPOM:</p> <ul style="list-style-type: none"> <li>- Internal Stakeholder List; Rev. # 0; Date: 10/02/2020</li> <li>- External Stakeholder List; Rev. # 0; Effective date: 20/06/2020</li> </ul> <p>Maju Sawit:</p> <ul style="list-style-type: none"> <li>- Internal Stakeholder List; Rev. # 1; Date: 01/06/2020</li> <li>- External Stakeholder List; Rev. # 0; Effective date: 01/03/2020</li> </ul> <p>LKSK Estate:</p> <ul style="list-style-type: none"> <li>- Internal Stakeholder List; Rev. # 1; Date: 14/06/2020</li> <li>- External Stakeholder List; Rev. # 0; Effective date: 14/06/2020</li> </ul> <p>Landquest Estate:</p> <ul style="list-style-type: none"> <li>- Internal Stakeholder List; Date: 17/04/2020</li> <li>- External Stakeholder List; Effective date: 17/04/2020</li> </ul>	Complied
<b>Criterion 1.2:</b> The unit of certification commits to ethical conduct in all business operations and transactions.			
1.2.1	A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.	TSH Management established policy on Communication & Consultation and the embedment of Code of Ethics and TSH Group Anti-bribery and Corruption POLICY within the Group Human Resource Manual and practice covers all	Complied

	<p>- Minor compliance -</p>	<p>operations in the plantation operation. Policies displayed on the notice board and communicated to employees.</p> <p>Elements of ethical conducts and integrity were imbedded in all policies reviewed at operations sites. There were 11 policies available as below:</p> <ol style="list-style-type: none"> <li>1. Transparency Policy Statement</li> <li>2. Safety &amp; Health Policy Statement</li> <li>3. Equal Opportunity &amp; Discrimination Policy Statement</li> <li>4. Freedom of Association Policy Statement</li> <li>5. Sexual Harassment Policy Statement</li> <li>6. Reproductive Rights Policy Statement</li> <li>7. Child Labour Policy Statement</li> <li>8. Environment Policy Statement</li> <li>9. Human Rights Responsible Business Policy Statement</li> <li>10. Special Labour Policy; 25/4/2018</li> <li>11. Sustainability Policy: Strategy &amp; Implementation; 5/9/2017</li> </ol> <p>It was communicated through internal stakeholder meeting and morning assembly to the workers.</p> <p>For contractors, it was communicated in their agreement as sampled below:</p> <ol style="list-style-type: none"> <li>1. KPOM: Pengangkutan Indah Permai on 01/01/2020 with the additional agreement namely 'Business Codes of Ethics'.</li> <li>2. Maju Sawit Estate: PA Tech Sdn Bhd on 28/05/2020 with the additional agreement namely 'Business Codes of Ethics'.</li> <li>3. LKSK Estate: PA Tech Sdn Bhd for land preparation for replanting in Ladang LKSK Block 96A (108 Hectare) on 15/01/2020 with the additional agreement namely 'Business Codes of Ethics'.</li> </ol>	
1.2.2	<p>A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.</p>	<p>The regular checking was conducted by Internal Audit from HQ for the Business Codes of Ethics, Agreement and Fair Payment. The internal audits were</p>	<p>Complied</p>

	- Minor compliance -	conducted on 10-11/02/2020 (KPOM), 13/02/2020 (Maju Sawit Estate), 12/02/2020 (LKSK Estate) and 12-13/02/2020 (Landquest Estate).	
<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	<p><b>(C)</b> The Unit of Certification complies with legal requirements</p> <p>- Critical (Major) compliance -</p>	<p>The Kunak Palm Oil Mill and estates visited continued to comply with applicable legal requirements (convention /laws /regulations /order /code of practice) that it had identified as applicable to its business. The list of legal requirements has been registered in the Legal Document Master List and kept as hard and soft copy. The list was last reviewed by the assessed Mill and estates jointly with the TSH Group Sustainability Department on 8.7.2020.</p> <p>Required permits, licences, competent persons' certificate and validity of calibrated equipment/instrument were found valid and sighted available. Some are displayed on notice board and the rest maintained on file.</p> <p>To ensure the Certification Unit complies with legal requirements the TSH Group Sustainability Department conducted Internal audit from 10<sup>th</sup> – 13<sup>th</sup> February 2020.</p>	Complied
2.1.2	<p>A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations.</p> <p>- Minor compliance -</p>	<p>Written information for Legal and Other Requirements, Document No TSHR/SUST/SOP04 Rev No 2. dated 01.11.2017 was available and maintained. It includes procedure for tracking changes, implementation of changes and evaluation of compliance. The tracking of the changes to legal requirements are conducted by the respective HOD (4 departments).</p> <p>The mechanism used to ensure compliance include assigning responsibility to Group Executive Director, General Manager, Operating Unit Division Manager, the respective Mill and Estate Manager, QESH/Sustainability HOD, PIC Environmental, PIC Safety and PIC Social at each operation site.</p>	Complied

		<p>The legal register at all sites were updated on yearly basis / as and when needed for new updates or renewal of licenses. Details of implementation of regulations are recorded under evaluation of legal compliance audit, Document No. TSHR/SUST/F04 dated 10<sup>th</sup> – 13<sup>th</sup> February 2020.</p> <p>The Certification Unit has also assigned specific individual from Sustainability Department to ensure their Legal and Other Requirement Register (LORR) at each Operating Unit are up to date and to assist in evaluation of compliance.</p> <p>The PIC for LORR from each Operating Unit are as follows:</p> <table border="1" data-bbox="1086 746 1848 1027"> <thead> <tr> <th>Operating Unit</th> <th>PIC</th> <th>Last update</th> </tr> </thead> <tbody> <tr> <td>Kunak POM</td> <td>Anwar B Alimudddin</td> <td>8.7.2020</td> </tr> <tr> <td>Maju Sawit and Wakuba Estate</td> <td>Anwar B Alimudddin</td> <td>8.7.2020</td> </tr> <tr> <td>Landquest Estate</td> <td>Mohd Azman Mabaloh</td> <td>8.7.2020</td> </tr> <tr> <td>LKSK Estate</td> <td>Mohd Ali B Salaman</td> <td>8.7.2020</td> </tr> </tbody> </table> <p>Among the updated laws and regulations sighted since last year ASA1 Audit were:</p> <ul style="list-style-type: none"> <li>• Minimum Wage Order 2020</li> <li>• Workers Minimum Standards of Housing &amp; Amenities Act Amendment 2019</li> <li>• Malaysian Anti-Corruption Commission (Suruhanjaya Pencegah Rasuah Malaysia) 2019</li> </ul>	Operating Unit	PIC	Last update	Kunak POM	Anwar B Alimudddin	8.7.2020	Maju Sawit and Wakuba Estate	Anwar B Alimudddin	8.7.2020	Landquest Estate	Mohd Azman Mabaloh	8.7.2020	LKSK Estate	Mohd Ali B Salaman	8.7.2020	
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2.1.3	<p>Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.</p> <p>- Minor compliance -</p>	<p>Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries sampling on Block 2010A and MT Wullersdorf forest reserve demarcation were clearly and visibly maintained in Maju Sawit estate. Another sampling was in Block 98E boundary with Tawau Hills Park was demarcate accordingly in LKSK estate.</p>	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	<p>A list of contracted parties is maintained.</p> <p>- Minor compliance -</p>	<p>The assessed certification unit had listed down contracted parties as below. For product/tools supplier and service provider no contract is entered with them. As and when needed a Purchase Requisition will be raised and issued accordingly.</p> <table border="1" data-bbox="1077 743 1861 1391"> <thead> <tr> <th>Operating Unit</th> <th>Categories of Contract</th> <th>Nos.</th> </tr> </thead> <tbody> <tr> <td rowspan="4"><b>KPOM</b> (list updated on 20.6.2020)</td> <td>Logistics</td> <td>4</td> </tr> <tr> <td>External FFB Supplier</td> <td></td> </tr> <tr> <td>    • 1 - 100 ha</td> <td>158</td> </tr> <tr> <td>    • 101 - 499 ha</td> <td>37</td> </tr> <tr> <td></td> <td>    • &gt;500 ha</td> <td>11</td> </tr> <tr> <td></td> <td>Passport Holder Foreign Workers with valid work permit</td> <td>123</td> </tr> <tr> <td rowspan="2"><b>Wakuba</b>, Div. Maju Sawit Estate (list updated on 1.2.2020)</td> <td>Replanting Contractor (Sundry/Petty Contract No. MS/01/2020) effective 28.5.2020</td> <td>1</td> </tr> <tr> <td>Foreigner, Green Card holder</td> <td>1</td> </tr> <tr> <td><b>LKSK Estate</b> (list updated on 14.6.2020)</td> <td>Replanting Contractor (Contract No. LKSK/01/2020) effective 15.1.2020</td> <td>1</td> </tr> </tbody> </table>	Operating Unit	Categories of Contract	Nos.	<b>KPOM</b> (list updated on 20.6.2020)	Logistics	4	External FFB Supplier		• 1 - 100 ha	158	• 101 - 499 ha	37		• >500 ha	11		Passport Holder Foreign Workers with valid work permit	123	<b>Wakuba</b> , Div. Maju Sawit Estate (list updated on 1.2.2020)	Replanting Contractor (Sundry/Petty Contract No. MS/01/2020) effective 28.5.2020	1	Foreigner, Green Card holder	1	<b>LKSK Estate</b> (list updated on 14.6.2020)	Replanting Contractor (Contract No. LKSK/01/2020) effective 15.1.2020	1	Complied
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				Passport Holder Foreign Workers with valid work permit	56		
			<b>Landquest Estate</b> (list updated on 6.7.2020)	Passport Holder Foreign Workers with valid work permit	26		
				No contractor hired	-		
2.2.2	<p>All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party.</p> <p>Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available.</p> <p>- Minor compliance -</p>	<p>Sampled Logistics contractor and Replanting contractor in above indicator 2.2.1. Their contracts had included specific clauses to meet applicable requirements as follows, verbatim:</p> <p><i>Compliance as RSPO, MSPO &amp; Other Related Sustainability Requirements:</i>  <i>To ensure all workers/employees/stakeholder(s) under your company supervision to continuously comply with the above subject at all TSH Resources Groups premises. It should follow the best practices, procedures, policies and to take into consideration of their safety, health and environmental compliances at any of our sites.</i></p> <p><b><u>Kunak Palm Oil Mill</u></b>  The contract with transporters sighted</p> <ul style="list-style-type: none"> <li>A. (External) Transporter between TSH Plantation Management Sdn Bhd and Sharikat Eng Hoe Shipping Forwarding Agent &amp; Lorry Transport Sdn Bhd effective 1.1.2019 for CPO and PK delivery only.</li> <li>B. (External) Transporter between TSH Plantation Management Sdn Bhd and Syarikat Pengangkutan Indah Permai effective 1.1.2019 for CPO and PK delivery only.</li> </ul> <p><b><u>LKSK Estate</u></b></p>	Non-compliance				



		<p>C. Replanting Contract between TSH Plantation Management Sdn Bhd and Contractor (PA Tech Sdn Bhd)</p> <p>D. No recruitment agency was used to hire migrant workers. Rather, the foreign workers were recommended to the Operating Unit by words of mouth through friends and/or relatives. When engaged an Employment Contract is entered between Employer (TSH Plantation Management Sdn Bhd) and Foreign Worker takes effect.</p> <ul style="list-style-type: none"> <li>• Auditor had sighted contract workers hired directly by KPOM <ul style="list-style-type: none"> <li>i. has valid work permit that is renewed annually.</li> <li>ii. worker’s pay slip showed pay and deductions were in accordance to contract Terms and Conditions and comply to Employment Act 1955, SOCSO Act 1969, Workers Minimum Housing &amp; Amenities Act 1990 and Sabah Labour Ordinance Cap. 67</li> </ul> </li> </ul> <p><b>Although contracts had been entered between TSH Plantation Management Sdn Bhd and these contractors, evidence that legal due diligence of all contracted third parties had been carried out had yet to be undertaken. Thus, a Minor Non Conformity Report was raised.</b></p>	
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>Contracts sampled for above named contractors in indicator 2.2.2 showed that the requirement of this indicator was generally met except for Replanting Contractor, PA Tech Sdn Bhd where clause disallowing child, forced and traffic labour lacked. <b>Hence, a non-critical non-conformity report was issued.</b></p> <p>The sighted records for contract workers including those hired by KPOM showed their age are above 18 years old and hence no young workers were employed.</p>	Non-compliance
<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> </ul>	<p>About 73% FFB processed by KPOM comes from TSH owned estates (Maju, LKSK, Landquest and Wakuba) while the balance from seven collection centres.</p>	Complied

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	<ul style="list-style-type: none"> <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>	<table border="1"> <thead> <tr> <th rowspan="2">Estate</th> <th colspan="2">Geo-location</th> <th rowspan="2">Area (ha)</th> <th rowspan="2">MPOB Licence</th> <th rowspan="2">Expiry date</th> </tr> <tr> <th>East</th> <th>North</th> </tr> </thead> <tbody> <tr> <td>Maju Sawit</td> <td>118° 10' 56.49"</td> <td>04° 27' 53.13"</td> <td>195.17</td> <td>617806002000</td> <td>30/11/2020</td> </tr> <tr> <td>LKSK</td> <td>118° 04' 9.06"</td> <td>04° 29' 38.02 "</td> <td>966.0</td> <td>503210802000</td> <td>31/08/2021</td> </tr> <tr> <td>Land quest</td> <td>118° 20' 08.1"</td> <td>04° 25' 43.9"</td> <td>438</td> <td>502362102000</td> <td>31/10/2020</td> </tr> <tr> <td>Wakuba</td> <td>118° 04' 17.54"</td> <td>04° 17' 13.25"</td> <td>16.0</td> <td>275753101000</td> <td>30/04/2025</td> </tr> </tbody> </table>	Estate	Geo-location		Area (ha)	MPOB Licence	Expiry date	East	North	Maju Sawit	118° 10' 56.49"	04° 27' 53.13"	195.17	617806002000	30/11/2020	LKSK	118° 04' 9.06"	04° 29' 38.02 "	966.0	503210802000	31/08/2021	Land quest	118° 20' 08.1"	04° 25' 43.9"	438	502362102000	31/10/2020	Wakuba	118° 04' 17.54"	04° 17' 13.25"	16.0	275753101000	30/04/2025	
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<p>2.3.2</p>	<p>For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator2.3.1.</p> <p>- Minor compliance -</p>	<p>The following are samples of smallholders selling their FFB to the Collection Centres. Three samples of FFB supplier are extracted from each Collection Centre.</p> <table border="1"> <thead> <tr> <th>Owner</th> <th>Land Title No. and (ha)</th> <th>MPOB Licence</th> <th>Expiry date</th> </tr> </thead> <tbody> <tr> <td>Naub B Abu Haris</td> <td>10.34</td> <td>550006-301000</td> <td>30.08.2015-31.07.2020</td> </tr> <tr> <td>Pang Ah Po</td> <td>35.95</td> <td>430131-301000</td> <td>17.12.2018-30.11.2023</td> </tr> <tr> <td>S.L. Koko Sdn Bhd</td> <td>38.94</td> <td>277173-901000</td> <td>01.04.2016-31.03.2021</td> </tr> <tr> <td>Lim Su Eng</td> <td>21.13</td> <td>423939-101000</td> <td>01.07.2018-30.06.2023</td> </tr> <tr> <td>Yee Lip Enterprise</td> <td>38.64</td> <td>721855-001021</td> <td>30.10.2018-30.09.2023</td> </tr> </tbody> </table>	Owner	Land Title No. and (ha)	MPOB Licence	Expiry date	Naub B Abu Haris	10.34	550006-301000	30.08.2015-31.07.2020	Pang Ah Po	35.95	430131-301000	17.12.2018-30.11.2023	S.L. Koko Sdn Bhd	38.94	277173-901000	01.04.2016-31.03.2021	Lim Su Eng	21.13	423939-101000	01.07.2018-30.06.2023	Yee Lip Enterprise	38.64	721855-001021	30.10.2018-30.09.2023	<p>Complied</p>								
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			Simple Miracle Sdn Bhd	5.62	550394-101000	01.09.2015-31.08.2020		
			Mak Yong Hau	5.96	785330-001021	30.09.2019-31.08.2024		
			Lip Qin Estate Sdn Bhd	31.89	426089-701000	01.07.2018-30.06.2023		
			Pang Yu Hen	30.81	277120-801000	29.02.2016-31.01.2021		
			Muliyana Binti Amir	5.61	600373-401000	21.06.2018-31.05.2023		
			Omar Bin Sakilan	6.0	518054-901000	28.02.2019-31.01.2024		
			Pang Ah Foh	35.93	430131-301000	17.12.2018-30.11.2023		
			Chen Hon Keong	56.0	319791-701000	01.04.2016-31.03.2021		
			Man Nyen Estate	29.61	283231-201000	01.11.2011-31.10.2022		
			Yusri Yanto Bin Kaharuddin	8.0	412358-001000	01.11.2017-31.10.2022		
			Chol Chon Foh	77.73	502787-202000	01.01.2020-31.12.2020		
			Jhin Huat Plantations	316.60	502031-202000	01.09.2019-31.08.2020		

**Principle 3: Optimise productivity, efficiency, positive impacts and resilience**

**Criterion 3.1:** There is an implemented management plan that aims to achieve long-term economic and financial viability.

<p>3.1.1</p>	<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.          - Critical (Major) compliance -</p>	<p>There is no Scheme Smallholders at this Certification Unit. Only Independent Smallholders supply their FFB through Collection Centres to KPOM and 50+ independent smallholder had elected joining the TSH/WAGS (Wild Asia Group Scheme) Malaysian Sustainability Palm Oil Certification training in 2018. The TSH/WAGS Group Scheme are at their own freewill to sell their crop to whomever they choose to.</p> <p>KPOM and its supply bases have made progress towards achieving their performance production targets for the current financial year.</p> <p>FFB Quality is communicated through Marketing Department with smallholders as part of their on-going FFB Suppliers program.</p> <p>Annual Business management plan was sighted available for period January 2019 to December 2021 at all operating units of KPOM Certification Unit. This 3-year projection was prepared as guidance for future planning in document entitled, Long-term Project Development and Maintenance (3 year).</p>	<p>Complied</p>																																													
<p>3.1.2</p>	<p>An annual replanting programme projected for a minimum of five years with yearly review, is available.          - Minor compliance -</p>	<p>All the 4 estates had established a replanting program spanned over a 5 year period till 2025. All programs were sighted with details extracted as follows:</p> <table border="1" data-bbox="1093 962 1845 1177"> <thead> <tr> <th>Year</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>2026</th> <th>2027</th> </tr> </thead> <tbody> <tr> <td>Maju Sawit</td> <td>15</td> <td>15</td> <td>16</td> <td>16</td> <td>16</td> <td>16</td> <td>-</td> <td>-</td> </tr> <tr> <td>LKSK</td> <td>108</td> <td>100</td> <td>100</td> <td>100</td> <td>166</td> <td>100</td> <td>100</td> <td>104</td> </tr> <tr> <td>Land quest</td> <td>0</td> <td>0</td> <td>40</td> <td>40</td> <td>0</td> <td>66</td> <td>0</td> <td>0</td> </tr> <tr> <td>Wakuba</td> <td>0</td> <td>0</td> <td>12</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>Sizes of fields identified for replanting varies subject to factors i.e. hilly, yield etc. All replanting program and planning in all the Group Estates are monitored by Head Office level for further approval from the Group Executive Director's office. Agronomist assistance and audit by the Head Office personnel are made at frequency of 1x/year for leaf sampling and once in 5 years for soil sampling.</p>	Year	2020	2021	2022	2023	2024	2025	2026	2027	Maju Sawit	15	15	16	16	16	16	-	-	LKSK	108	100	100	100	166	100	100	104	Land quest	0	0	40	40	0	66	0	0	Wakuba	0	0	12	0	0	0	0	0	<p>Complied</p>
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<p>3.1.3</p>	<p>The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertake. - Minor compliance -</p>	<p>Internal Audit Document Procedure No. TSHR/QD/SOP03 Rev. 03 dated 26.8.2019 is followed to conduct RSPO audit. Frequency of audit is 1x/yr using competent internal auditors from Sustainability Department team and Mill Quality Assurance Engineer and Executives.</p> <p>Management Review is conducted following completion of internal audit, and, findings presented by HOD Sustainability Department as per Document Procedure No. TSHR/QD/SOP04 Rev. 03 dated 01.09.2019. The following table summarized the audit dates, Non-conformity raised and status of action taken against the Non Conformity.</p> <p>An RSPO Management Review Meeting was held on 6.6.2020 simultaneously for all Operating Units under KPOM Certification Unit to discuss Internal Audit conducted at TWU Region.</p> <table border="1" data-bbox="1077 799 1856 1353"> <thead> <tr> <th rowspan="2">Operating Unit</th> <th rowspan="2">Date Internal Audit Conducted</th> <th colspan="3">No. Non-Conformity Issued and (indicator)</th> <th rowspan="2">Status of Non Confor mity</th> <th rowspan="2">OFI</th> </tr> <tr> <th>P&amp;C MYNI: 2019 Major</th> <th>P&amp;C MYNI: 2019 Minor</th> <th>SCCS</th> </tr> </thead> <tbody> <tr> <td>KPOM</td> <td>10-13.2.2020</td> <td>1 (2.1.2)</td> <td>3 (3.7.2, 7.3.1, 7.3.2)</td> <td>0</td> <td>All NC Closed</td> <td>1 (7.8.1 b)</td> </tr> <tr> <td>Wakuba Estate Maju Sawit</td> <td>13.2.2020 13.2.2020</td> <td>- 2 (7.2.11, 7.8.2)</td> <td>- 1 (7.3.2)</td> <td>NA</td> <td>All NC Closed</td> <td></td> </tr> <tr> <td>LKSK Estate</td> <td>12.2.2020</td> <td>6 (7.2.6, 7.2.8, 7.2.11, 7.8.2, 4.2.2, 2.1.1)</td> <td>5 (7.3.2, 6.4.1, 2.1.2, 2.2.3, 4.2.2)</td> <td>NA</td> <td>All NC Closed</td> <td>0</td> </tr> </tbody> </table>	Operating Unit	Date Internal Audit Conducted	No. Non-Conformity Issued and (indicator)			Status of Non Confor mity	OFI	P&C MYNI: 2019 Major	P&C MYNI: 2019 Minor	SCCS	KPOM	10-13.2.2020	1 (2.1.2)	3 (3.7.2, 7.3.1, 7.3.2)	0	All NC Closed	1 (7.8.1 b)	Wakuba Estate Maju Sawit	13.2.2020 13.2.2020	- 2 (7.2.11, 7.8.2)	- 1 (7.3.2)	NA	All NC Closed		LKSK Estate	12.2.2020	6 (7.2.6, 7.2.8, 7.2.11, 7.8.2, 4.2.2, 2.1.1)	5 (7.3.2, 6.4.1, 2.1.2, 2.2.3, 4.2.2)	NA	All NC Closed	0	<p>Complied</p>
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			LQ Estate	13.2.2020	2 (7.2.11, 7.8.2)	2 (7.3.2, 2.2.3)	NA	All NC Closed	0		
<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.											
3.2.1	<p><b>(C)</b> The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification.</p> <p>- Critical (Major) compliance -</p>	<p>The continuous improvement plans available dated 6/7/2020. Among the continuous improvement plan verified against budget at TSH Kunak POM certification unit are:</p> <ul style="list-style-type: none"> <li>• To minimise environmental impact on availability of ground water by minimise soil erosion and maintain riparian reserve</li> <li>• Waste reduction by recycling activity</li> <li>• Improving the machinery efficiency therefore fossil fuel usage is optimised</li> <li>• To improve the understanding of complaint procedure amongst stakeholders through stakeholders meeting</li> <li>• Maximising yield of crop</li> <li>• To reduce emission that polluted the air</li> <li>• To minimize land pollution through leachate.</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>            The RSPO metrics template is awaiting decision/agreement by RSPO and the issue is still being discussed.            Until such metrics is agreed and developed, companies will carry on with existing reporting e.g. PalmGHG, Annual Communication of Progress (ACOP) reporting, and information provided to Certification Body and feedback via RSPO Secretariat is required.</p>	<p>The monitoring of continuous plan was done by Sustainability team and reported in ACOP 2019. TSH management already submitted to the RSPO secretariat Jan 2020.</p>									Complied

	- Minor Compliance -		
<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>Both the estates and the mill had documented Standard Operating Procedures as a guidance for the day-to day operation. There are three 3 types/levels of documents adopted by the estates;</p> <p>a) Pest and Diseases Management (established in Oct 2009)</p> <p>b) Standard Operating Procedures (SOP). TSHP/OPE/SOP 01-10.It covers the following work operations i.e.</p> <ul style="list-style-type: none"> <li>- Land clearing and preparation</li> <li>- Nursery/Cover crop</li> <li>- Planting &amp; supplies / in filling</li> <li>- Weeding / Pruning &amp; sanitation</li> <li>- FFB harvesting &amp; dispatch</li> <li>- Fertilizer application</li> <li>- Ablation / replanting</li> </ul> <p>c) Work Instruction (WI) TSHP/OPE/W0101-W103</p> <ul style="list-style-type: none"> <li>- Kerbau Mekanikal (applicable in LKSK estate)</li> <li>- Pengumpulan Biji Lerai</li> <li>- Penandaan Batu Sempadan</li> </ul> <p>Similarly the mill adopted a similar system of documentation as shown below;</p> <p>a) Kunak POM SOP ref no TSHPOM/ML/SOP1-18 effective 05/10/17 for all processing stations.</p> <ul style="list-style-type: none"> <li>- Reception / sterilisation / threshing</li> </ul>	Complied

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		<ul style="list-style-type: none"> <li>- Pressing /clarification / kernel plant</li> <li>- Boiler / engine room</li> <li>- Effluent treatment plant</li> <li>- Water treatment / belt press station</li> </ul> <p>b) Work Instruction (WI) (last reviewed on 26/9/2016)  c) Occupational Safety &amp; Health Handbook For Palm Oil Mill (last reviewed on 04/7/2016)  New Procedure or updated procedure been available such as:-  Environment Aspect and Impact Assessment (TSHR/ENV/SOP04); Rev01; dated 17/7/2020.  Waste Management (TSHR/ENV/SOP03); Rev 3; 20/02/2020  Water Management (TSHR/ENV/SOP02); Rev 3;20/2/2020</p>	
3.3.2	<p>A mechanism to check consistent implementation of procedures is in place.</p> <p>- Minor Compliance -</p>	<p>Records of monitoring and the actions taken by both estates were maintained and kept for a minimum of 12 months. Monthly Costing and Annual Reports on monitoring of all activities were made available. Among those records sighted at the estates</p> <ul style="list-style-type: none"> <li>a) Harvesting assessment record</li> <li>b) Circle and path assessment record</li> <li>c) Fertilizer application assessment record.</li> <li>d) Daily FFB record – actual vs budget</li> </ul> <p>Inclusive are also Work Program Sheets, Bin cards, Monthly Progress &amp; Report Account, rainfall data, rat damage census, etc. Records on FFB quality control for individual harvesters, the action taken on them and corrective action records were sighted. Harvesting rounds were monitored using harvesting interval records</p>	Complied



		The mechanism to check implementation of procedure available such as internal audit, Last Internal audit conducted on 10-13 Feb 2020, conducted by Sustainability department	
3.3.3	Records of monitoring and any actions taken are maintained and available. - Minor Compliance -	Record of monitoring on operation such as repair and maintenance, Production &Despatch of CPO and PK, Store inventory control, Diesel, chemical, parts and Lubricants and others conducted from August 2019 – October 2019.	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 -	There is no new planting at TSH Kunak -Supply bases. There is no new planting at TSH Kunak-Supply bases. Social Impact Assessment (SIA) has been conducted by Kiwiheng Environmental Consultants Sdn Bhd on: <ol style="list-style-type: none"> <li>1. May 2018 for Kunak POM, Maju Sawit Estate and Wakuba Estate.</li> <li>2. January 2018 for LKSK Estate.</li> <li>3. January 2018 Landquest Estate.</li> </ol> There are no new plantings or new operations within the TSH Kunak Oil Mill supply base. Nevertheless, each unit has its own Social and Environmental Impact Assessments done which have been prepared by internally by the Sustainability Department. The assessments were done as follows: Kunak POM: reviewed on Jan 2020	Complied

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<p>3.4.2</p>	<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>There is no new planting at TSH Kunak -Supply bases. The SIA conducted with the participation of internal and external stakeholders in each operating unit. Sighted the outcome of the SIA were explained in the SIA management plan and the attendance list.</p> <p>The aspect and impact of environmental was available in estate and mill. Sample in LKSK; dated 1/7/2020 available for review. It cover all activities including harvesting, manuring, spraying, loading and transportation, nursery operation and replanting activities.</p>	<p>Complied</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.</p> <p>- Critical (Major) compliance -</p>	<p>There is no new planting at TSH Kunak-Supply bases. Social Impact Assessment (SIA) has been conducted by Kiwiheng Environmental Consultants Sdn Bhd on:</p> <ol style="list-style-type: none"> <li>4. May 2018 for Kunak POM, Maju Sawit Estate and Wakuba Estate.</li> <li>5. January 2018 for LKSK Estate.</li> <li>6. January 2018 Landquest Estate.</li> </ol> <p>Yearly monitoring sighted the Social Continual Improvement Plan, Rev No 2 dated 01/06/2020 includes Tawau Region for Kunak POM and its supply bases.</p> <p>In estate the monitoring (Environmental Compliance Report) was done periodically (6 monthly) by Kiwiheng Environmental Consultant Sdn Bhd. Latest report was on 15/5/2020. From the report the bufferzone demarcation for forest still progress, as per verification the bufferzone demarcation was done accordingly during audit.</p>	<p>Complied</p>

<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 -	For TSH Group, there is Group Human Resources Manual, chapter 6, Employment Policies dated 01/07/2008 includes the probation, performance appraisal, confirmation and termination/resignation notice, promotion policy, promotion procedure, transfer, and retrenchment. It is supported by "The Staffing & Recruitment (Doc No: TSHR/HR/SOP01 Rev 0, effective date 17/08/2015" approved by Group Executive Director on 15/08/2015) for HQ level. In operating units, TSH Admin (Doc no: TSHPOM/AD/SOP01, Rev no: 5, Effective date: 27/12/2017 no 7 (b) recruitment and hiring process for workers. Workers -> Borang Permohonan Pekerjaan (TSHPOM/AD/F02) -> staff/executive -> MM.	Complied
3.5.2	Employment procedures are implemented, and records are maintained. - Minor Compliance -	The employment procedure is implemented as per 3.5.1. Sampled of employment contract seen in clause 6.2.2.	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 -	The Certification Unit continued to use their existing HIRARC Register that had been reviewed and updated. See table below for update date.  Reviewing the HIRARC Register, nonetheless found that coverage of risk assessment had not included machinery and equipment brought onto site by service contractor or those belonging to KPOM. Also assessment for routine work activities at KPOM was lacking.  The following unsafe conditions and unsafe act were noted at Kunak POM: 1) <u>Contractor equipment.</u>	Non-compliance

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		<table border="1" data-bbox="1240 395 1839 596"> <thead> <tr> <th>No</th> <th>Sites</th> <th>Date last update</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>KPOM</td> <td>12.4.2019</td> </tr> <tr> <td>2</td> <td>Wakuba/Maju Estate</td> <td>1.4.2019</td> </tr> <tr> <td>3</td> <td>Landquest Estate</td> <td>1.4.2019</td> </tr> <tr> <td>4</td> <td>LKSK Estate</td> <td>1.4.2019</td> </tr> </tbody> </table> <p data-bbox="1149 635 1928 788">With respect to CHRA all reports produced by Assessor remained valid, that is, their validity period has not expired. All precautions recommended by the Assessor had been properly observed and applied to the workers. CHRA at the CU was conducted by DOSH Registered Assessor as follows:</p> <table border="1" data-bbox="1189 823 1895 1054"> <thead> <tr> <th>Sites</th> <th>Date assessed</th> <th>Assessor DOSH Reg. No.</th> </tr> </thead> <tbody> <tr> <td>KPOM</td> <td>16.6.2017</td> <td>JKKP HIE 127/171-2(290)</td> </tr> <tr> <td>Maju Estate</td> <td>10.10.2017</td> <td rowspan="3">HQ/11/ASS/00/298-2017/052</td> </tr> <tr> <td>Landquest Estate</td> <td>10.10.2017</td> </tr> <tr> <td>LKSK Estate</td> <td>11.10.2017</td> </tr> </tbody> </table>	No	Sites	Date last update	1	KPOM	12.4.2019	2	Wakuba/Maju Estate	1.4.2019	3	Landquest Estate	1.4.2019	4	LKSK Estate	1.4.2019	Sites	Date assessed	Assessor DOSH Reg. No.	KPOM	16.6.2017	JKKP HIE 127/171-2(290)	Maju Estate	10.10.2017	HQ/11/ASS/00/298-2017/052	Landquest Estate	10.10.2017	LKSK Estate	11.10.2017	
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3.6.2	<p><b>(C)</b> The effectiveness of the H&amp;S plan to address health and safety risks to people is monitored.</p> <p>- Critical (Major) compliance -</p>	<p>The plan effectiveness was monitored at various intervals, for example:</p> <ul style="list-style-type: none"> <li>daily for Shovel Inspection Checklist and wearing of PPE,</li> <li>3-monthly as in monitoring of OSH objectives, targets and programmes, OSH Committee meeting and Workplace Inspection, female sprayers' pregnancy test.</li> <li>annually, in the case of Audiometric Surveillance, Medical Surveillance, evaluation of compliance to Legal and Other requirements.</li> </ul>	Complied																												

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		<ul style="list-style-type: none"> <li>5-yearly renewal assessment for Chemical Health and Risk Assessment and recommendation by Assessor acted accordingly.</li> </ul> <p>The PIC responsible for monitoring are as follows:</p> <table border="1"> <thead> <tr> <th>Site</th> <th>PIC</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td rowspan="3">KPOM</td> <td>Amran B Amirulla (OSH Mtg)</td> <td>Asst. Mill Manager</td> </tr> <tr> <td>Anwar Alimuddin (Audiometric and CHRA)</td> <td>QA Executive / Chemist</td> </tr> <tr> <td>Shovel daily check list</td> <td>Shovel Driver</td> </tr> <tr> <td>Wakuba Division</td> <td>Sri Rahayu Wanto</td> <td>Asst. Estate Manager</td> </tr> <tr> <td>Maju Sawit Estate</td> <td>Muhmin Hassan      Binti</td> <td>Storekeeper</td> </tr> <tr> <td>LKSK Estate</td> <td>Edy Aziz</td> <td>Cadet Planter</td> </tr> <tr> <td>LQ Estate</td> <td>Sumarni      Binti Samsuddin</td> <td>Storekeeper</td> </tr> </tbody> </table>	Site	PIC	Designation	KPOM	Amran B Amirulla (OSH Mtg)	Asst. Mill Manager	Anwar Alimuddin (Audiometric and CHRA)	QA Executive / Chemist	Shovel daily check list	Shovel Driver	Wakuba Division	Sri Rahayu Wanto	Asst. Estate Manager	Maju Sawit Estate	Muhmin Hassan      Binti	Storekeeper	LKSK Estate	Edy Aziz	Cadet Planter	LQ Estate	Sumarni      Binti Samsuddin	Storekeeper	
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**Criterion 3.7:** All staff, workers, Scheme Smallholders, out-growers, and contract workers are appropriately trained.

3.7.1	<p><b>(C)</b> A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and out-growers, taking into account gender-specific needs, and which covers applicable aspects of the RSPOP&amp;C, in a form they understand, and which includes assessments of training.</p>	<p>There is no Scheme Smallholders and out-growers at this Certification Unit.</p> <p>The annual training program has been established as per Training Procedure Document No. TSHR/TD/SOP01 Rev. 0 dated</p>	Complied
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	<p>- Critical (Major) compliance -</p>	<p>01.01.2016. and significantly covers all aspects of the RPSO requirements. There were also additional subjects including the mill operating procedures, parameters of mill produce, machinery maintenance etc. The training program also specified the target group of employees to be trained under the allocated subjects. The program mainly covers both requirement of the estates and mill in the CU. The subjects for the training are delivered and assisted by the QESH personnel. The following topics included in the annual training program 2019 among others are extracted below.</p> <table border="1" data-bbox="1146 699 1919 1383"> <thead> <tr> <th>No</th> <th>Training Program</th> <th>Target Group</th> <th>Frequency /yr</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Environmental</b></td> </tr> <tr> <td>1</td> <td>Induction Program</td> <td>All</td> <td>Monthly</td> </tr> <tr> <td>2</td> <td>RSPO</td> <td>All</td> <td>Once</td> </tr> <tr> <td>3</td> <td>Environmental SOP</td> <td>All</td> <td>Once</td> </tr> <tr> <td>4</td> <td>EQA 1974 Compliance</td> <td>Exec/staff</td> <td>Once</td> </tr> <tr> <td>5</td> <td>HCV/EIA</td> <td>Mgr/Exec/staff</td> <td>Once</td> </tr> <tr> <td>6</td> <td>Scheduled Waste</td> <td>Mgr/Exec/staff</td> <td>Once</td> </tr> <tr> <td colspan="4"><b>Human Resource</b></td> </tr> <tr> <td>7</td> <td>Domestic Inquiry</td> <td>All</td> <td>Once</td> </tr> <tr> <td>8</td> <td>Sabah Labour Ordinance</td> <td>Mgr/Clerk</td> <td>Once</td> </tr> <tr> <td>9</td> <td>Employees grievance</td> <td>Mgr</td> <td>Once</td> </tr> <tr> <td>10</td> <td>Internal Audit</td> <td>Mgr/Exec/Staff</td> <td>Once</td> </tr> <tr> <td>11</td> <td>RSPO SCC</td> <td>Exec</td> <td>Once</td> </tr> <tr> <td>12</td> <td>Quality Awareness</td> <td>All</td> <td>Once</td> </tr> <tr> <td colspan="4"><b>Mill training</b></td> </tr> <tr> <td>13</td> <td>Policies briefing</td> <td>All</td> <td>Once</td> </tr> <tr> <td>14</td> <td>Process station</td> <td>All</td> <td>2x</td> </tr> <tr> <td>15</td> <td>Safe handling of chemical</td> <td>Exec/Workers</td> <td>Once</td> </tr> <tr> <td>16</td> <td>PPE adherence</td> <td>Exec/Workers</td> <td>Once</td> </tr> </tbody> </table>	No	Training Program	Target Group	Frequency /yr	<b>Environmental</b>				1	Induction Program	All	Monthly	2	RSPO	All	Once	3	Environmental SOP	All	Once	4	EQA 1974 Compliance	Exec/staff	Once	5	HCV/EIA	Mgr/Exec/staff	Once	6	Scheduled Waste	Mgr/Exec/staff	Once	<b>Human Resource</b>				7	Domestic Inquiry	All	Once	8	Sabah Labour Ordinance	Mgr/Clerk	Once	9	Employees grievance	Mgr	Once	10	Internal Audit	Mgr/Exec/Staff	Once	11	RSPO SCC	Exec	Once	12	Quality Awareness	All	Once	<b>Mill training</b>				13	Policies briefing	All	Once	14	Process station	All	2x	15	Safe handling of chemical	Exec/Workers	Once	16	PPE adherence	Exec/Workers	Once	
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17	HIRADC	All	Once
18	First Aid & CPR skills	All	Once
19	Confined space	Exec/Workers	Once
20	MA /Dresser Education	Exec/staff	Once
	<b>Estate Training</b>		
21	FFB checker	Exec/staff/Workers	Once
22	Triple rinsing	Exec/staff/Workers	Once
23	No open burning	Exec/staff/Workers	Once
24	ERT Flood, fire,	Exec/staff/Workers	Once
25	Plantation SOP	Exec/staff/Workers	Once
26	Estate operations	All	2x
27	Harvesting	Exec/staff/Workers	4x
28	PPE	Exec/staff/Workers	Once
	<b>Safety &amp; Health</b>		
29	Forklift & shovel safety	Staff/worker	Once
30	Safety in FFB grading area	All	Once
31	Preventive maintenance	Exec/Workshop	Once
32	In house confined space	Exec/workshop	Once
33	Fire drill system	All	Once
34	Shovel crane skill & safety	Staff/workers	Once
35	Process WI	All	2x
36	FFB Quality for stakeholders.	Exec/stakeholders	Once
37	ESH quarterly meeting	Committee	4X



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		38 Roles of ESH committees members	Committee	1X																																																													
3.7.2	<p>Records of training are maintained.                      - Minor Compliance -</p>	<p>Records of training has been maintained and topics in table below were sampled. This includes details i.e. subject, trainer, date and no of attendees. Training effectiveness evaluation were also made to assess the level of understanding:</p> <p><b>KPOM:</b></p> <table border="1" data-bbox="1151 619 1899 1385"> <thead> <tr> <th>No</th> <th>Date</th> <th>Topic</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>3/11/20</td> <td>Handling of hazardous chemical</td> <td>13</td> </tr> <tr> <td>2</td> <td>22 -24/2/20</td> <td>Confined space SOP</td> <td>8</td> </tr> <tr> <td>3</td> <td>22 -24/2/20</td> <td>Fire fighting skills</td> <td>8</td> </tr> <tr> <td>4</td> <td>14 &amp; 21/3/20</td> <td>Safety by Process</td> <td>20</td> </tr> <tr> <td>5</td> <td>1/3/20</td> <td>Mill SOP and Work Instructions</td> <td>30</td> </tr> <tr> <td>6</td> <td>1/3/20</td> <td>HIRADC</td> <td>30</td> </tr> <tr> <td>7</td> <td>23/1/20</td> <td>Induction Program – New Worker</td> <td>2</td> </tr> <tr> <td>8</td> <td>2/3/20</td> <td>Employee Grievance &amp; Discipline workshop</td> <td>18</td> </tr> <tr> <td>9</td> <td>1/3/20</td> <td>PPE &amp; Hearing Conservation</td> <td>30</td> </tr> <tr> <td>10</td> <td>3/2/20</td> <td>Environmental Policy, SOP &amp; Work Instruction</td> <td>18</td> </tr> <tr> <td>11</td> <td>11/3/20</td> <td>Triple rinsing, Scheduled Waste Regulation 2005 and e-SWIS System</td> <td>13</td> </tr> <tr> <td>12</td> <td>3/2/20</td> <td>Sustainability Awareness</td> <td>37</td> </tr> <tr> <td>13</td> <td>3/2/20</td> <td>Social, Policies, Complaints and grievances</td> <td>18</td> </tr> <tr> <td>14</td> <td>3/2/20</td> <td>Environmental Policy, SOP &amp; Work Instruction</td> <td>18</td> </tr> </tbody> </table>			No	Date	Topic	Attendees	1	3/11/20	Handling of hazardous chemical	13	2	22 -24/2/20	Confined space SOP	8	3	22 -24/2/20	Fire fighting skills	8	4	14 & 21/3/20	Safety by Process	20	5	1/3/20	Mill SOP and Work Instructions	30	6	1/3/20	HIRADC	30	7	23/1/20	Induction Program – New Worker	2	8	2/3/20	Employee Grievance & Discipline workshop	18	9	1/3/20	PPE & Hearing Conservation	30	10	3/2/20	Environmental Policy, SOP & Work Instruction	18	11	11/3/20	Triple rinsing, Scheduled Waste Regulation 2005 and e-SWIS System	13	12	3/2/20	Sustainability Awareness	37	13	3/2/20	Social, Policies, Complaints and grievances	18	14	3/2/20	Environmental Policy, SOP & Work Instruction	18	Complied
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15	26/2/20	OSH Committee Self Inspection	16
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**Landquest Estate**

No	Date	Topic	Attendees
1	4/2/20	Sustainability Awareness	4
2	4/2/20	Social, Policies, Complaints and grievances	4
3	9/6/20	Violence & Sexual Harassment	4
4	4/2/20	Environmental Policy, SOP & Work Instruction	4
5	18/5/20	Triple rinsing, Scheduled Waste Regulation 2005 and e-SWIS System	5
6	18/5/20	EIA/ EAIA	5
7	18/5/20	HCV and Wildlife monitoring	5
8	14/5/20	Integrated Pest Management	5
9	16/5/20	Riparian Protection & Zero Burning	5
10	4/2/20	Employee Grievance & Discipline workshop	4
11	11/6/20	OSH Committee Self Inspection	4
12	9/7/20	First Aid & CPR Skills	6
13	22-24/1/20	Confined space and SCBA	2
14	22-24/1/20	Fire Fighting skills	2
15	9/7/20	Creche Ayah Training by Estate Dresser	1
16	7/5/20	Fresh Fruit Bunch Checker Training	2
17	17/3/20	Emergency Response Team drill	20

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3.7.3	<p>Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.</p> <p>- Minor Compliance -</p>	<p>Supply Chain Certification Standard training is provided only for Kunak POM employees who are involved and deal with certified CPO and PK. It is conducted once a year.</p>	Complied																																																																								

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		Last training given was on 6/12/2019 conducted by HOD, Sustainability Department, attended by 10 participants from QA (1), Admin Staff (4 Weighbridge personnel) and Engineering/Executive (3), and Sustainibility team (2).	
<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	<p>Identity Preserved Module</p> <p>A mill is deemed to be Identity Preserved (IP) if the FFB processed by the mill are sourced from plantations/estates that are certified against the RSPO Principles and Criteria (RSPO P&amp;C), or against the Group Certification scheme.</p> <p>Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill processes certified and uncertified FFB without physically separating them, then only Mass Balance Module is applicable.</p>	Not applicable as the Mass Balance Module.	Not Applicable
3.8.2	<p>Mass Balance Module</p> <p>A mill is deemed to be Mass Balance (MB) if the mill process FFB from both RSPO certified and uncertified plantations/estates. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	The Palm Oil Mill receives and process both certified and non-certified FFB. Therefore, it uses the Mass Balance supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified and non-certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified Products. There were 279 actives outside supplier to Kunak POM.	Complied
3.8.3	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified oil palm product (CPO and PK) that	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.	Complied

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	the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.								
3.8.4	The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO IT platform.	<p>Company info available through RSPO IT Platform as following:</p> <table border="1"> <tr> <td data-bbox="1151 501 1408 584"><b>Member Name</b></td> <td data-bbox="1415 501 1937 584"><b>TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill)</b></td> </tr> <tr> <td data-bbox="1151 588 1408 632">Member ID</td> <td data-bbox="1415 588 1937 632">RSPO_PO1000007786</td> </tr> <tr> <td data-bbox="1151 636 1408 713">RSPO Membership Number</td> <td data-bbox="1415 636 1937 713">1-0173-14-000-00 (TSH Resources Berhad)</td> </tr> </table>	<b>Member Name</b>	<b>TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill)</b>	Member ID	RSPO_PO1000007786	RSPO Membership Number	1-0173-14-000-00 (TSH Resources Berhad)	Complied
<b>Member Name</b>	<b>TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill)</b>								
Member ID	RSPO_PO1000007786								
RSPO Membership Number	1-0173-14-000-00 (TSH Resources Berhad)								

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<p>3.8.5</p>	<p><b>Documented procedures</b></p> <p>The mill shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ul style="list-style-type: none"> <li>a) Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> <li>b) Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> <li>c) Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the mill’s procedures for the implementation of this standard.</li> <li>d) The mill shall have documented procedures for receiving and processing certified and non-certified FFBs including ensuring no contamination in the IP mill.</li> </ul>	<p>Written documented procedures was established; Supply Chain; Doc. # TSHR/SUST/SOP05; Rev. # 5; dated 20/02/2020 with Mass Balance (MB) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB.</p> <p>The Chief Clerk (Beche Sahibe) has been appointed as the Supply Chain Person In-Charge as per letter dated 14/3/2018. The MB model is used because certified and noncertified (OCP crop) FFB is received and processed at Kunak Palm Oil Mill.</p> <p>Implementation was based on FFB Purchase procedure; Doc. # TSHR/PR/SOP03; Rev. # 1; Effective Date: 19/2/2018.</p> <p>Samples of internal and external FFB received were as below:</p> <table border="1" data-bbox="1146 845 1928 1295"> <thead> <tr> <th>Supplier</th> <th>WB ticket</th> <th>Estate</th> <th>Date</th> <th>Nett Weight (kg)</th> <th>Vehicle</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Internal certified</td> <td>389052</td> <td>Landquest</td> <td>02/06/20</td> <td>10,580</td> <td>SS1561N</td> </tr> <tr> <td>391182</td> <td>Maju Sawit</td> <td>30/06/20</td> <td>400</td> <td>ST3863N</td> </tr> <tr> <td>391185</td> <td>Wakuba</td> <td>30/06/20</td> <td>3,470</td> <td>ST7514V</td> </tr> <tr> <td>391145</td> <td>LKSK</td> <td>30/06/20</td> <td>24,500</td> <td>ST8343V</td> </tr> <tr> <td rowspan="4">External un-certified</td> <td>388992</td> <td>Haris Said</td> <td>31/05/20</td> <td>3,820</td> <td>ST9923E</td> </tr> <tr> <td>391122</td> <td>Metun Ent.</td> <td>30/06/20</td> <td>5,580</td> <td>ST5517X</td> </tr> <tr> <td>391125</td> <td>Simpang Kunak Plantation</td> <td>30/06/20</td> <td>6,020</td> <td>ST5517Y</td> </tr> <tr> <td>391095</td> <td>Syarikat Tingkat Maju</td> <td>29/06/20</td> <td>30,400</td> <td>SAB8343 A</td> </tr> </tbody> </table>	Supplier	WB ticket	Estate	Date	Nett Weight (kg)	Vehicle	Internal certified	389052	Landquest	02/06/20	10,580	SS1561N	391182	Maju Sawit	30/06/20	400	ST3863N	391185	Wakuba	30/06/20	3,470	ST7514V	391145	LKSK	30/06/20	24,500	ST8343V	External un-certified	388992	Haris Said	31/05/20	3,820	ST9923E	391122	Metun Ent.	30/06/20	5,580	ST5517X	391125	Simpang Kunak Plantation	30/06/20	6,020	ST5517Y	391095	Syarikat Tingkat Maju	29/06/20	30,400	SAB8343 A	<p>Complied</p>
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<p>3.8.6</p>	<p><b>Internal Audit</b></p>	<p>Audit conducted based on procedures as following:</p>	<p>Complied</p>																																																

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	<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>	<ul style="list-style-type: none"> <li>- Corrective &amp; Preventive Action; Doc. # TSHR/QD/SOP05; Rev. # 1; Effective date: 30/11/2018.</li> <li>- Audit; Doc. # TSHR/QD/SOP03; Rev. # 2; Effective date: 31/05/2018.</li> </ul> <p>Records shown audit was conducted on 11/02/2020 as per sighted Audit Plan; Form # TSHR/QD/F06; Rev. # 1; Effective date: 23/3/2016 and Internal Audit Checklist (Based on RSPO Supply Chain Certification Standard); Form # TSHR/SUST/F05; Rev. # 0; Effective date: 30/5/2018. SCCS internal audit was conducted together with RSPO P&amp;C and MSPO internal audit.</p> <p>No any findings raised under SCCS implementation except for RSPO P&amp;C &amp; MSPO only.</p>	
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>Implementation was based on FFB Purchase procedure; Doc. # TSHR/PR/SOP03; Rev. # 1; Effective Date: 19/2/2018.</p> <p>Sample internal certified FFB received:</p> <ul style="list-style-type: none"> <li>- Supplier: Landquest Estate; W/bridge ticket # 389052; Date: 02-06-2020; GRN # 388992; Nett weight: 10,580 kg; Vehicle # SS1561N</li> <li>- Supplier: Maju Sawit Estate; W/bridge ticket # 391182; Date: 30/06/2020; GRN 391122, Nett weight: 400 kg; Vehicle # ST3863N.</li> </ul> <p>Sampled external uncertified FFB received:</p> <ul style="list-style-type: none"> <li>- Supplier: Tan Soon Hong Holdings Sdn Bhd; W/bridge ticket # 391185; Date: 30/06/2020; GRN # 391125; Nett weight: 3470 kg; Vehicle # ST7514V.</li> <li>- Supplier: TSH Bukit Tajam Collecting Centre; W/bridge ticket # 389162; Date: 03/06/2020; GRN # 3891025; Nett weight: 21120 kg; Vehicle # SS8343T.</li> </ul>	Complied
3.8.8	Sales and Goods Out	Implementation was based on FFB Purchase procedure; Doc. # TSHR/PR/SOP03; Rev. # 1; Effective Date: 19/2/2018.	Complied

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	<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>Sample internal certified CPO sold:          - Buyer: TSH Wilmar Sdn Bhd; W/bridge ticket # 70816; Date: 11-07-2020; DLY # 47299; Nett weight: 390100 kg; Vehicle # ST9214T, RSPO certificate no: RSPO 692556 CS CPO MB/MB.</p> <p>Sampled external uncertified Kernel sold:          - Buyer: TSH Wilmar Sdn Bhd; W/bridge ticket # 70611; Date: 25-06-2020; DLY # 47260; Nett weight: 22,230 kg; Vehicle # ST6660X          - Supplier: Maju Sawit Estate; W/bridge ticket # 391182; Date: 30/06/2020; GRN 391122, Nett weight: 400 kg; Vehicle # ST3863N.</p>	
<p>3.8.9</p>	<p>Outsourcing Activities</p> <ul style="list-style-type: none"> <li>i) The mill shall not outsource its milling activities. In cases where the mill outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO Supply Chain Certification</li> <li>ii) The mill shall ensure the following:             <ul style="list-style-type: none"> <li>a) The mill has legal ownership of all input material to be included in outsourced processes</li> </ul> </li> </ul>	<p>Outsource only involved transportation of products, i.e. CSPO and CSPK, subjected to the buyers' contractual requirements either ex-mill or delivered. Mostly delivered contracts involved CSPO and ex-mill involved CSPK. Implementation for CSPO was based on the procedure Crude Palm Oil (CPO); Doc. # TSHPOM/LB/SOP01; Rev. # 3; Effective date: 7/12/2017; Section D: CPO Dispatch – D1 (Before CPO Filling Process) &amp; D2 (After CPO Filling Process).</p> <p>The mill trades CSPO and CSPK with its buyers among refineries and/or oleochemical plants. Based on agreements, transporter has no ownership of transported products.</p>	<p>Complied</p>



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	<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>Sighted the recent contract for both CSPO and CSPK were delivered, hence requiring outsource process i.e. transportation. The recent outsourcing of CSPO and CSPK transport as per following:</p> <ul style="list-style-type: none"> <li>- Transportation Agreement; Transporter: Eunited Multi Services Sdn Bhd; Commodity: Palm Kernel dated 01/01/2020 and Business Codes of Ethics.</li> <li>- Transportation Agreement; Transporter: KK Maju Jaya Sdn Bhd: PK dated 01/01/2020 and Business Codes of Ethics.</li> </ul> <p>Written documented procedures was established; Supply Chain; Doc. # TSHR/SUST/SOP05; Rev. # 5; dated 20/02/2020 with Mass Balance (MB) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB.</p> <p>Both CSPO and CSPK transporters agreed, as per agreement, to provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.</p>	
3.8.10	The mill shall record the names and contact details of all contractors used for the physical handling of RSPO certified oil palm products.	Names and contact details of transporters used for the physical handling of RSPO certified oil palm products were recorded and registered in the mill supplier database system.	Complied
3.8.11	The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.	Names and contact details of any new transporter used for the physical handling of RSPO certified oil palm products to be informed by mill supply chain PIC upon available.	Complied
3.8.12	<p>Record keeping</p> <p>i) The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements.</p>	Kunak Palm Oil Mill has maintained the accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements.	Non-compliance

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	<ul style="list-style-type: none"> <li>ii) Retention times for all records and reports shall be a minimum of two (2) years and shall comply with relevant legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.</li> <li>iii) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.</li> <li>iv) For Mass Balance Module, the mill: <ul style="list-style-type: none"> <li>a) Shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.</li> <li>b) All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</li> <li>c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock).</li> </ul> </li> </ul>	<p>All relevant records related to supply chain available since past 3 years as per SOP for Supply Chain.</p> <p>Based on the Mass Balance Sheet, the volume of CPO and PK has been allocated to both certified and noncertified products.</p> <p>Records available on balance of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a 3-monthly basis.  <b>However, there is negative stocks sighted as at carried forward of -467.58 MT CPO and -623.36 MT PK for June 2020.</b></p> <p>Shipping Announcement records available as per Supply Chain Declaration.</p>	
3.8.13	<p>Extraction Rate</p> <p>The oil extraction rate (OER) and the kernel extraction rate (KER) shall be applied to provide a reliable estimate of the amount of certified CPO and PK from the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently.</p>	<p>Conversion factor of CPO and PK production is depending on the actual OER and KER. Previous period under review's average were reported in earlier section 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>The facility is using the actual extraction rate and therefore updating of rates is not necessary.</p>	Complied
3.8.15	<p>Processing</p>	<p>Only Mass Balance Supply Chain Module is used in Kunak POM.</p>	Complied

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	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.		
3.8.16	<p>Registration of Transactions</p> <p>i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date.</p> <p>ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform.</p>	<p>The registration of PalmTrace was carried out by the HQ Sales Department based in Tawau. All transactions were registered accordingly in the PalmTrace. Based on the announcement summary, all the registrations were found to be in order.</p> <p>Based on the accounting (Mass Balance Allocation Sheet), the removal of volumes was done correctly when the products were sold as conventional.</p>	Complied
3.8.17	<p>Claims</p> <p>The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.</p>	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.	No "off-product" claim made made by TSH Kunak POM in the industry public domain.	Complied
4.2	<p>In corporate communications a member is allowed to:</p> <p>a. Display its RSPO membership status</p> <p>b. Display the RSPO web address (www.rspo.org)</p> <p>c. State that the member supports the work of the RSPO</p> <p>d. State the member's history with regard to the RSPO.</p> <p>e. Use the RSPO trademark to promote its membership of the RSPO.</p>	Not applicable as no off-product claim made by TSH Kunak POM as to date.	Complied

	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.		
4.3	In corporate communications RSPO members must not make any statement that may lead consumers to believe that RSPO membership by itself implies the selling of RSPO-certified oil palm products.	Not applicable as no off-product claim made by TSH Kunak POM as to date.	Complied
4.4	Members must ensure that all communication is consistent, clear and cannot mislead consumers or other stakeholders as to the certified content of oil palm products in the member's own products.	Not applicable as no off-product claim made by TSH Kunak POM as to date.	Complied
4.5	Members are not allowed to use the RSPO corporate logo as shown in the RSPO Rules on Market Communications & Claims document. This is for the sole use of the RSPO secretariat.	Not applicable as no off-product claim made by TSH Kunak POM as to date.	Complied
<b>Business to business communications</b>			
5.1	Business to Business communication relates to RSPO members in the supply chain selling to and/or communicating with other organizations in the supply chain about the use of certified sustainable oil palm products.	Business to business communication is demonstrated via shipping documentation and invoices to the next supply chain actor or buyer.	Complied
5.2	When confirming the sale of certified oil palm products, members must adhere to the requirements of the RSPO SCCS. This includes stating the supply chain model and certificate number under which the claim is being made.	Shipping documentation verified and conformance with the requirements of RSPO SCCS. In the weighbridge ticket, it stated that i.e product/commodity with SCC model (Crude Palm Oil RSPO IP) and RSPO certificate number.	Complied
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	Kunak POM is not under distributor or wholesaler category. Thus, this requirement is not applicable.	Complied

	<p>that the product has been made on behalf of the distributor or wholesaler, with specific evidence either through on-pack claims or documentation.</p> <p>b. If the distributor or wholesaler is supply chain-certified they should follow the requirements outlined in section 5.2.</p>		
<b>Business to consumer communication</b>			
6.1	Only RSPO members that have supply chain certification are allowed to make business to consumer claims about the certified sustainable oil palm products contained within product(s), which are known as 'product-specific' claims. Product-specific claims are voluntary.	No business to consumer communication on product specific claim made Kunak POM and only producing crude and unfinished product. This is not applicable for POM.	Complied
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.	No business to consumer communication on product specific claim made Kunak POM and only producing crude and unfinished product. This is not applicable for POM.	Complied
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.	No business to consumer communication on product specific claim made Kunak POM and only producing crude and unfinished product. This is not applicable for POM.	Complied
6.4	Business to consumer communication shall not include information about the claimant's RSPO membership status.	No business to consumer communication on product specific claim made Kunak POM and only producing crude and unfinished product. This is not applicable for POM.	Complied
6.5	Members shall not communicate to consumers' information about their suppliers' RSPO membership status.	No business to consumer communication on product specific claim made Kunak POM and only producing crude and unfinished product. This is not applicable for POM.	Complied
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.	No business to consumer communication on product specific claim made Kunak POM and only producing crude and unfinished product. This is not applicable for POM.	Complied

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.	No business to consumer communication on product specific claim made Kunak POM and only producing crude and unfinished product. This is not applicable for POM.	Complied
6.8	RSPO members who are retailers or food service companies can apply for an RSPO trademark license for use in business to consumer communications, provided they can demonstrate the validity of these claims to an RSPO-accredited certification body (CB). This will be undertaken via a remote audit, prior to the trademark use, during which the retailer or food service company will need to demonstrate that the use of the trademark is in compliance with the rules contained within this document and that the claim itself can be supported through a certified supply chain. Any other palm oil claims, including those highlighting the absence of palm oil, must be highlighted to the CB during the audit to ensure that all claims comply with the requirements of these rules. The CB will confirm the outcome of these audits, to be conducted annually, to RSPO who may continue to grant a trademark license or withdraw permission based upon the audit findings. This is in keeping with the rules applying to RSPO supply chain certified members.	No business to consumer communication on product specific claim made Kunak POM and only producing crude and unfinished product. This is not applicable for POM.	Complied
<b>MODULE B – MASS BALANCE SPECIFIC RULES</b>			
<b>Minimum Mass Balance content</b>			
	95% or above of the oil palm content must be RSPO MB-certified.	Oil palm content is 100% CPO and claim as either RSPO MB-certified or conventional.	Complied
	Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for moving to fully certified oil palm must be in place, in accordance with the requirements of the RSPO SCCS. In addition, the non-certified volume must be covered by equivalent volume of RSPO Credits.	Oil palm content is 100% CPO and claim as RSPO MB-certified.	Complied
<b>Labelling and trademark (MB)</b>			

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

	<p>In off-product communications, reference to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown in company records is allowed.</p> <p>Messaging NOT ALLOWED in storytelling in product-related communications:</p> <ul style="list-style-type: none"> <li>Anything that can lead consumers to believe that RSPO-certified palm products are (certified to be) part of the product.</li> </ul>		
<p><b>Principle 4: Respect community and human rights and deliver benefits</b></p>			
<p><b>Criterion 4.1:</b> The unit of Certification respects human rights, which includes respecting the rights of Human Rights Defenders.</p>			
<p>4.1.1</p>	<p><b>(C)</b> A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.</p> <p>- Critical (Major) compliance -</p>	<p>The Human Rights &amp; Responsible Business Policy; Doc. no.: TSHR/POL/SOP09 Rev. 0 dated 16/10/2015 was signed by MD and communicated through internal stakeholder meeting, assembly, etc.</p> <p>The new human right policy has been signed on 21 July 2020 by Managing Director stated under clause 6.2.4 prohibit any kind of retaliation against any group of Human Rights Defenders and communicated to all the parties. <b>However, the communication is yet to be conducted to all levels of the workforce, operations, FFB suppliers and local communities</b></p> <p>Whistle Blowing Channel:</p> <p>Whistle blowing is a concept relating to the disclosure of improper conduct, wrongdoings, corruption, fraud, waste or abuse of procedures, rules and regulations of the organisation. The disclosure may be in writing, by telephone or e-mail and should be addressed to:</p> <p>Selina binti Yeop Junior @ Lope          Senior Independent Non-Executive Director          TSH Resources Berhad (Company No. 49548-D)          Level 10, Menara TSH No. 8, Jalan Semantan</p>	<p>Non-compliance</p>



		Damansara Heights 50490 Kuala Lumpur Tel. No.012 665 3508 Fax. No.03 2084 0828 E-mail:selina.yeop@tsh.com.my	
4.1.2	The unit of certification does not instigate violence or use any form of harassment in their operations. - Minor compliance -	TSH Group has the Sexual Harassment policy which stated the commitment in maintaining a positive work environment that is free from sexual harassment within its group and its subsidiaries. Based on the site visit and interview session, no sexual harassment and violence case reported in Kunak POM and supply bases.	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	<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. - Critical (Major) compliance -	The system implemented based on Communication, Consultation and Participation (Doc No: TSHR/SUST/SOP02 Rev 03, date: 19/11/2019).	Complied
4.2.2	Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties. - Minor compliance -	The SOPs and Policies were communicated to the internal (Kunak POM & Maju Sawit Estate: 01/04/2019, LKSK Estate: 04/04/2019) and external stakeholders meeting (Kunak POM, Maju Sawit Estate, LKSK Estate & Landquest Estate: 01/07/2020) and Employee Grievance & Discipline (Kunak POM: 03/02/2020).	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 -	Grievances are recorded in Borang Cadangan dan Aduan, rev: 0 dated 19/11/2019 and Borang Komplek & Keluh Kesah, rev: 0 dated 01/04/2019. The timeframe to solve the issue is within 20 days or based on due date given as due to certain circumstance. The status complaints were acknowledged and communicated to the complainer.	Complied

		<p>Sighted the sampled as below:</p> <ol style="list-style-type: none"> <li>1. KPOM: 04/07/2019 hand-rail in CPO dispatch is difficult for using pipe before and after CPO refill. Action: to modify the design of pipe and size. Status: Completed and acknowledge by complainer on 11/07/2019.</li> <li>2. Maju Sawit Estate: No grievance based on the internal stakeholder meeting on 01/04/2019.</li> <li>3. LKSK Estate: CLC Toilet is blocked on 03/02/2020. The issue has been solved on 03/02/2020.</li> <li>4. Landquest Estate: Request the extension of time for electricity for Hari Raya on 31/05/2019. Issue solved on 01/06/2019.</li> </ol>	
4.2.4	<p>The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.</p> <p>- Minor compliance -</p>	<p>The system implemented based on Communication, Consultation and Participation (Doc No: TSHR/SUST/SOP02 Rev 03, date: 19/11/2019) available. If the complainer is not satisfied, the HOD/Manager shall forward this issue to related third party. The third party shall inform in writing to HOD/Manager and complainer the findings and any recommendations. The complainer shall feedback the findings/recommendations given by third party.</p>	Complied
<p><b>Criterion 4.3:</b> The unit of Certification contributes to local sustainable development as agreed by local communities.</p>			
4.3.1	<p>Contributions to community development that are based on the results of consultation with local communities are demonstrated.</p> <p>- Minor compliance -</p>	<p>As a group, TSH has biomass and biogas power plants in Sabah are today producing green energy, thereby reducing carbon emissions. The use of green energy contributes to environmental conservation for the present and future generations by reducing our carbon footprint. Apart from converting bio-waste from our milling activities, TSH was awarded a 100-year concession to carry out forest rehabilitation, environmental conservation and industrial tree planting on 123,000ha of forest land in Ulu Tungud, Sabah.</p> <p>In Operating Units, the corporate social responsibility sighted as:</p> <ol style="list-style-type: none"> <li>1. KPOM &amp; Maju Estate: Hari Sukan Tahunan TSH Bio-Integrated Complex 2020 in Feb-March 2020.</li> </ol>	Complied

		2. LKSK Estate: Volleyball friendly match at Sg Kawa & Maju Sawit Estate August & September 2019 and Sukaneka Persatuan Wanita 29 <sup>th</sup> August 2019.	
<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.			
4.4.1	<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. - Critical (Major) compliance -	The document that showing legal ownership was available, land title was available as per below: CL 105392909 (136.5 ha) and CL 105392998 (98.72 ha) for Maju Sawit estate. Legal use condition: Cultivation of Oil Palm & Cocoa CL105365955 (966.0 Ha) for LKSK estate, Legal use condition: Cultivation of Oil Palm & Cocoa For Landquest estate; Title no. Country Lease 125319244; Register memo no.: 30282019(17); dated 20/7/2000. Legal use condition: Cultivation of Cocoa and/or Agricultural Crop of Economic Value	Complied
4.4.2	Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:	There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.	Complied
4.4.2a	Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making. - Minor compliance -	There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.	Complied
4.4.2b	Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken. - Minor compliance -	There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.	Complied

4.4.2c	Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the unit of certification's title, concession or lease on the land. - Minor compliance -	There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.	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 -	There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.	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 within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.	Complied
4.4.5	<b>(C)</b> Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose. - Critical (Major) compliance -	There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.	Complied
4.4.6	There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties. - Minor compliance -	There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.	Complied
<b>Criterion 4.5:</b> No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.			

4.5.1	<p><b>(C)</b> Documents showing identification and assessment of demonstrable legal, customary and user rights are available.          - Critical (Major) compliance -</p>	<p>There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.</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 documented, long-term and two-way process of consultation and negotiation.          - Critical (Major) compliance -</p>	<p>There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.</p>	Complied
4.5.3	<p>Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations.          - Minor compliance -</p>	<p>There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.</p>	Complied
4.5.4	<p>To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.          - Minor compliance -</p>	<p>There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.</p>	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 -	There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.	Complied
4.5.6	Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator. - Minor compliance -	There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.	Complied
4.5.7	New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations. - Minor compliance -	No new land acquired for TSH Kunak POM and supply bases.	Complied
4.5.8	<b>(C)</b> New lands are not acquired in areas inhabited by communities in voluntary isolation. - Critical (Major) compliance -	No new land acquired for TSH Kunak POM and supply bases.	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 within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified. TSH has legal, customary rights & compensation (Doc No: TSHR/SUST/SOP03, rev no: 2, dated 01/11/2017). Process flow involve identifying legal and customary rights, calculating and distributing fair compensation and records of the outcome compensation.	Complied

4.6.2	<p><b>(C)</b> A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation.</p> <p>- Critical (Major) compliance -</p>	<p>There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.</p> <p>TSH has legal, customary rights &amp; compensation (Doc No: TSHR/SUST/SOP03, rev no: 2, dated 01/11/2017). Process flow involve identifying legal and customary rights, calculating and distributing fair compensation and records of the outcome compensation.</p>	Complied
4.6.3	<p>Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings.</p> <p>- Minor compliance -</p>	<p>There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.</p>	Complied
4.6.4	<p>The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them.</p> <p>- Minor compliance -</p>	<p>There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.</p>	Complied
<p><b>Criterion 4.7:</b> Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.</p>			
4.7.1	<p><b>(C)</b> A mutually agreed procedure for identifying people entitled to compensation is in place.</p> <p>- Critical (Major) compliance -</p>	<p>There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.</p>	Complied
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>TSH has legal, customary rights &amp; compensation (Doc No: TSHR/SUST/SOP03, rev no: 2, dated 01/11/2017). Process flow involve identifying legal and customary rights, calculating and distributing fair compensation and records of the outcome compensation.</p>	Complied
4.7.3	<p>Communities that have lost access and rights to land for plantation expansion are given opportunities including</p>	<p>There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.</p>	Complied

	employment and supply contracts to benefit from plantation development. - Minor compliance -		
<b>Criterion 4.8:</b> The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights.			
4.8.1	Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC. - Minor compliance -	There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.	Complied
4.8.2	<b>(C)</b> Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms. - Critical (Major) compliance -	There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.	Complied
4.8.3	Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4) - Minor compliance -	There is no land dispute within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.	Complied



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 within TSH Kunak POM and estates at the time of audit. The land belongs to TSH and land ownership documents verified.</p> <p>TSH has legal, customary rights &amp; compensation (Doc No: TSHR/SUST/SOP03, rev no: 2, dated 01/11/2017). Process flow involve identifying legal and customary rights, calculating and distributing fair compensation and records of the outcome compensation.</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 price paid for the day and previous period prices paid were publicly available and accessible by smallholders, that is the prices were exhibited at the Weigh Bridge Office window.</p> <p>Current prices paid was shown/documentated on FFB weigh bridge tickets. Sighted:</p> <table border="1" data-bbox="1070 874 1861 1225"> <thead> <tr> <th>FFB Seller</th> <th>Lee Ah Boon &amp; Lee Wan Sing</th> <th>Yun Hing (Sabah) Sdn Bhd</th> <th>Collection Centre – TSH Bkt Tajam</th> <th>Ladang Cocoa Tasek Emas</th> </tr> </thead> <tbody> <tr> <td>Date</td> <td>2.5.2020</td> <td>21.7.2020</td> <td>21.7.2020</td> <td>21.7.2020</td> </tr> <tr> <td>Ticket No.</td> <td>A386047</td> <td>A392542</td> <td>A392575</td> <td>A392576</td> </tr> <tr> <td>Name of Driver</td> <td>Nil (smallholder)</td> <td>Nil (small holder)</td> <td>Lasriadi (BWN)*</td> <td>Suhardi (Tpt pd by mill)</td> </tr> <tr> <td>Gross Wt, mt</td> <td>11.09</td> <td>21.79</td> <td>42.030</td> <td>26.600</td> </tr> <tr> <td>Tare wt, mt</td> <td>3.93</td> <td>10.85</td> <td>14.94</td> <td>13.76</td> </tr> <tr> <td>Nett wt, mt</td> <td>7.16</td> <td>10.94</td> <td>27.29</td> <td>12.84</td> </tr> <tr> <td>Vehicle No</td> <td>ST5977P</td> <td>SS7229D</td> <td>ST9637M</td> <td>SS506W</td> </tr> </tbody> </table> <p>*BWN = Bukan Warga Negara</p>	FFB Seller	Lee Ah Boon & Lee Wan Sing	Yun Hing (Sabah) Sdn Bhd	Collection Centre – TSH Bkt Tajam	Ladang Cocoa Tasek Emas	Date	2.5.2020	21.7.2020	21.7.2020	21.7.2020	Ticket No.	A386047	A392542	A392575	A392576	Name of Driver	Nil (smallholder)	Nil (small holder)	Lasriadi (BWN)*	Suhardi (Tpt pd by mill)	Gross Wt, mt	11.09	21.79	42.030	26.600	Tare wt, mt	3.93	10.85	14.94	13.76	Nett wt, mt	7.16	10.94	27.29	12.84	Vehicle No	ST5977P	SS7229D	ST9637M	SS506W	Complied
FFB Seller	Lee Ah Boon & Lee Wan Sing	Yun Hing (Sabah) Sdn Bhd	Collection Centre – TSH Bkt Tajam	Ladang Cocoa Tasek Emas																																							
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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>The Management of KPOM and TSH Marketing Manager regularly explained FFB pricing to small holders.</p>	Complied																																								

	- Critical (Major) compliance -	Marketing Department kept Smallholders Visit Logbook for use during their visit to smallholders. It records date of visit, Stakeholder's name, Stakeholder Signature, TSH Representative signature and remarks. Noted in the remarks were explanation of FFB delivery, pricing discussion, MSPO Best Practice.	
5.1.3	<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. - Critical (Major) compliance -	KPOM provides FFB pricing on a daily basis based on MPOB pricing. The daily price is visibly seen displayed outside the office of Weighbridge clerk. Small holders are then paid based on the OER for their crop. Based on the smallholders / stakeholders minutes of meetings there had been no dissatisfaction raised on pricing.	Complied
5.1.4	<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. - Critical (Major) compliance -	TSH Plantation support and work with Wild Asia Group Scheme (WAGS) assisting smallholders for MSPO Certification. Since 2019, WAGS representative on on-going basis is involved in the decision making and explain the terms and conditions of the contract to smallholders.	Complied
5.1.5	Contracts are fair, legal and transparent and have an agreed timeframe. - Minor compliance -	TSH contract are fair, legal and transparent. No dissatisfaction had been raised on pricing as mentioned above in indicator 5.1.3  Sighted the Purchase of FFB Agreement that detailed out <ol style="list-style-type: none"> <li>1) The FFB delivered shall be of good quality as per MPOB's Oil Palm Fruit Grading Manual</li> <li>2) FFB Weighment established at TSH Kunak POM to be final</li> <li>3) The Final FFB Payment is on 15<sup>th</sup> of the following month. Advance payment is available upon request</li> <li>4) The monthly FFB price shall be on Market Price, determined by market forces in the region.</li> <li>5) Compliance to MSPO and other related Sustainability Requirements, that is, comply to all RSPO, MSPO &amp; related legal and other</li> </ol>	Complied

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		<p>requirements;</p> <p>6) Contractor's employees when present on any TSH premises shall comply to all legal requirements stated above, follow the best practices, procedures, policies , and take into consideration their own safety and health and environment protection, and contractor to implement Human Rights &amp; Child Labour Policy emphasizing disallowing child, forced or traffic labour. When young workers are employed, their employment contract to include a clause for their protection and lastly a standard Force Majeure clause.</p>	
5.1.6	<p><b>(C)</b> Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.</p> <p>- Critical (Major) compliance -</p>	<p>Agreed payments were made in a timely manner and FFB Sale Statement specifying price, weight, advance deductions and interim payment (if applicable) amount paid, payee bank and beneficiary bank were available. Sighted the following online payment via RHB Reflex:</p> <p><b>Final FFB Statement for March 2019</b></p> <p>Beneficiary Name: ONNGIAP Plantations Sdn Bhd (0611)</p> <p>Beneficiary Bank: HSBC Bank (M) Berhad</p> <p>A/C no.: 396085961001</p> <p>Payment date: 15-04-2019</p> <p>Amount: RM 50,528.28</p> <p>Recipient Reference: KUF1032019</p> <p>Payment detail: FFB Final Payment</p>	Complied
5.1.7	<p>Weighbridges used for determining payment to smallholders are verified by an independent third party on a regular basis (this can be government).</p> <p>- Minor compliance -</p>	<p>Records showed that weighing equipment were verified by a 3<sup>rd</sup> party, Metrology Corporation Malaysia Sdn Bhd. The records were:</p> <ul style="list-style-type: none"> <li>• Weighbridge certificate No. B1598183, Gold Cell INS-708-A Electronic weighbridge Serial No. 17041488 C, capacity 60 tons tested on 28/08/2019.</li> <li>• Weighbridge certificate No. B1692185, Mettler Toledo IND 780 Electronic for weighbridge Serial No. B811538862/MCM Seal 017545/071546, capacity 60 tons tested on 12/12/2019.</li> </ul>	Complied

<p>5.1.8</p>	<p>The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material.</p> <p>- Minor compliance -</p>	<p>This indicator is not applicable to Kunak Mill as Independent small holders are supported by MPOB. Nonetheless, TSH Plantation Management Sdn Bhd elected to support Independent Smallholders with certification via WAGS (Wild Asia Group Scheme). Furthermore, so far there is no request from Independent smallholders.</p>	<p>Complied</p>
<p>5.1.9</p>	<p><b>(C)</b> The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner.</p> <p>- Critical (Major) compliance -</p>	<p>Complaint / Grievance and Suggestion is available in SOP Communication, Consultation and Participation Doc. No. TSHR/SUST/SOP02 Rev.03 dated 19.11.2019. This procedure is applicable to all employees and stakeholders who wish to lodge a complaint or grievance. Complainant fill in the form "<i>Borang Cadangan dan Aduan</i>" and then deposit it in Suggestion Box or give it to Person in Charge (PIC) on site. The procedure also provides a mechanism for addressing complaints received, and accords protection and confidentiality to complainant.</p> <p>The PIC shall investigate complaint and provide solution within 20 working days or based on due date given owing to certain circumstances.</p> <p>If the issue is settled and complainant is satisfied with the solution given, the form will be given back to complainant to verify and sign the form as a proof of complaint has been completed and settled.</p> <p>If the complainant is dissatisfied with the solution given and need advice from Government Agencies / NGO or related third party, the TSH Manager / HOD shall forward the issues to these parties. The third party involved shall inform in writing to complainant and HOD / Manager their findings and recommendations. Once the</p>	<p>Complied</p>

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		complaints are settled and complainant is satisfied, the complainant shall verify and closed the complaint.	
<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 -	In TSH Kunak Mill, the management consult with interested smallholder with collaboration with WAGS. TSH appoint WAGS for train and support to improve their livelihoods. As per record 2 briefing or training been conducted on 25/10/2019 and 28/10/2019	Complied
5.2.2	The unit of certification develops and implements smallholder support programme to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Independent Smallholder Standard or RISS). - Minor compliance -	From the training record, the training ad consultation included best practice in estate, build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements.	Complied
5.2.3	Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production. - Minor compliance -	Not applicable because independence smallholder are supported by MPOB.	Not Applicable
5.2.4	<b>(C)</b> Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. - Critical (Major) compliance -	Not applicable no scheme smallholder under TSH Kunak POM and independence smallholder are supported by MPOB.	Not Applicable
5.2.5	The unit of certification regularly reviews and publicly reports on the progress of the Smallholder support programme. - Minor compliance -	This indicator is not applicable to TSH Kunak Mill as smallholders (Scheme Smallholders) because there were Independent small holders are supported by MPOB.	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	<p><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.</p> <p>- Critical (Major) compliance -</p>	<p>Policy on Equal Opportunity &amp; Discrimination, TSH/POL/SOP03, Rev0 in place and made publicly available.</p> <p>TSH Resources Berhad is strongly against the discrimination of any person based on age, race, caste, nationality, religion, disability, gender, sexual orientation, union membership, political affiliation or social status.</p>	Complied
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>	<p>There are no recruitment fees for foreign workers in TSH-Kunak POM and supply bases. The foreign workers were coming from Indonesia by the recommendation by their family who work here. They are then being recruited and legalized under estate/mill by the management.</p>	Complied
6.1.3	<p>The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available.</p> <p>- Minor compliance -</p>	<p>The recruitment is based on the qualification and experience of the workers regardless of nationalities, races and religion. Sample the job vacancy as below:</p> <ol style="list-style-type: none"> <li>1. Boilerman: minimum qualification required of SPM or equivalent with Boilerman Grade II Certificate from the Department of Safety and Health (DOSH).</li> <li>2. Maju Estate: Senior Manager, Estates (Based in Indonesia)</li> </ol> <p>Responsibilities:</p> <ul style="list-style-type: none"> <li>• Drive continuous improvement plans for the plantation division.</li> <li>• Work with relevant personnel to implement systems and enforce new processes and procedures.</li> <li>• To implement strategies, review and set triggers to ensure KRs and objectives are met in the plantation division.</li> </ul>	Complied

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		<ul style="list-style-type: none"> <li>To manage estates which includes the nursery, plasma farmers, land preparation, planting, field maintenance, harvesting, transport and infrastructure.</li> <li>To ensure operational efficiency.</li> </ul>	
6.1.4	<p>Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women.</p> <p>- Minor compliance -</p>	<p>There is pregnancy test conducted in Kunak POM and Estates for female workers work with chemical in every 3 months. As per OSH medical check-up report (Doc no: TSHP/CL/F07, rev 01 dated 17/06/2020) provided by Medical Assistant. So far, no pregnant woman works with chemicals, if yes, they will be transferred for lighter works.</p>	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 has been actively conducted in respective units as a platform to raise awareness and provide feedback to the female workers. Sighted the minutes of meeting as below:</p> <ol style="list-style-type: none"> <li>Kunak POM &amp; Maju Sawit: 10/06/2020, 29/01/2020, 08/02/2020.</li> <li>LKSK Estate: 11/06/2020, 10/03/2020.</li> <li>Landquest Estate: 09/06/2020, 09/03/2020.</li> </ol>	Complied
6.1.6	<p>There is evidence of equal pay for the same work scope.</p> <p>- Minor compliance -</p>	<p>There is no any discrimination based on religion, gender, nationality etc. during their recruitment. The recruitment process is based on skills, capabilities, medical fitness necessary etc. This was confirmed during stakeholder's consultation, worker's interview, complaint book and trade union meeting.</p> <p>Sighted the job description of each workers mention the same regardless of skin colour, religion, race or caste.</p>	Complied
<p><b>Criterion 6.2:</b> Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).</p>			
6.2.1	<p><b>(C)</b> Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or</p>	<p>All the workers are under direct employment and some electrical works are under contractor workers. The pay slip has included basic income, allowance pay, working days, medical leave, deduction of salary etc. as per employment contract.</p>	Complied

	<p>Bahasa Malaysia) and explained to them in language they understand.</p> <p>- Critical (Major) compliance -</p>	<p>Sighted the pay slip for employees (March, April and May 2020): as below:</p> <p>Kunak POM:</p> <ol style="list-style-type: none"> <li>1. Employee id: 10-1022</li> <li>2. Employee id: 01-0345</li> <li>3. Employee id: 06-0370</li> <li>4. Employee id: 02-0953</li> <li>5. Employee id: 05-0718</li> </ol> <p>Maju Sawit Estate:</p> <ol style="list-style-type: none"> <li>1. Employee id: 01-0521</li> <li>2. Employee id: 01-0199</li> <li>3. Employee id: 01-0381</li> <li>4. Employee id: 01-0482</li> </ol> <p>LKSK Estate:</p> <ol style="list-style-type: none"> <li>1. Employee id: 01-0377</li> <li>2. Employee id: 01-1504</li> <li>3. Employee id: 04-1022</li> <li>4. Employee id: 08-0010</li> <li>5. Employee id: 11-0701</li> </ol> <p>Landquest Estate:</p> <ol style="list-style-type: none"> <li>1. Employee id: 01-0631</li> <li>2. Employee id: 01-0622</li> <li>3. Employee id: 02-0040</li> <li>4. Employee id: 02-0447</li> <li>5. Employee id: 01-0936</li> </ol>	
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		<p>It is explained to the workers in the workers with the assistance of the senior worker from the same country during arrival through the induction training. Sighted the record of induction training and exam/assessment to foreign workers as below: KPOM:</p> <ol style="list-style-type: none"> <li>1. Shaiful Ridzuan bin Mokhtar (23/01/2020)</li> <li>2. Rudyanshah bin Rustam (23/01/2020)</li> </ol>	
6.2.2	<p><b>(C)</b> Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members. - Critical (Major) compliance -</p>	<p>All workers have the employment contract stated the regular working hours (9 hours for daily rate) as per Sabah labour Ordinance and piece rates by works as per LABOUR ORDINANCE (Sabah Cap. 67). Sighted the employment contract for employee March, April and May 2020:</p> <p><b>Kunak POM (Minimum Wage Order 2020):</b></p> <ol style="list-style-type: none"> <li>2. <b>Employee ID: Nurasisa was paid less than actual working days of 18 days on March 2020.</b></li> </ol> <p><b>Maju Sawit Estate (Akta Keselamatan Sosial Pekerja 1969):</b></p> <ol style="list-style-type: none"> <li>2. <b>Mohd Saiful Fadli (Worker Id: 01-0482) has no SOCSO contribution March, April &amp; May 2020.</b></li> </ol> <p><b>LKSK Estate (Minimum Wage Order 2020, Akta Keselamatan Sosial Pekerja 1969 and No JTK Permit for Salary Deduction):</b></p> <ol style="list-style-type: none"> <li>6. <b>Ros Binti Baco (Worker Id: 11-0701) has the work permit for factory worker with TSH Bio-Energy Sdn Bhd but work as loose fruit collector in LKSK Estate. She also has 5 unpaid leave on March during MCO.</b></li> </ol>	Non-compliance

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		<p>7. <b>Mufti Khabril Mansyur (Worker Id: 01-1504) has no SOCSO contribution March and April 2020. He also has 5 unpaid leave on March during MCO.</b></p> <p>8. <b>Mapiati bin Mappiare (Worker Id: 01-0377) has the deduction of store/grocery loan of RM 14.09 (under advance) for month May 2020, with no JTK Permit. He also has 5 unpaid leave on March during MCO.</b></p> <p>9. <b>Sari bin Ahmad (Worker Id: 04-1022) on March &amp; April 2020 deduction of store/grocery RM 42.58 (March 2020) and RM 75.23 (April 2020) (under advance) for month May 2020, with no JTK Permit. He also has 5 unpaid leave on March during MCO.</b></p> <p>10. <b>Udin bin Rembong (Worker ID: 08-0010) has the deduction of store/grocery RM 1.80 (March 2020) and RM 50.00 (May 2020) (under advance) for month May 2020. He also has 5 unpaid leave on March during MCO.</b></p> <p><b>All Estates:</b>  <b>All of workers were having half of their normal rate salary from 01-10th April 2020. However, there is no agreement between the workers and employer on the half salary paid during MCO and no top up from the SOCSO subsidize rate of RM 600/workers to achieve minimum wage of RM1100/month as clarified with JTK Officer Tawau &amp; Kinabatangan.</b></p>	
6.2.3	<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>The paid salary sighted for Kunak Certification Unit for March, April and May 2020 were complied with the Minimum Wage Order 2020 (for workers in town, if applicable).</p> <p>Sighted the pay slip for employees as below:</p>	Complied

	<p>- Critical (Major) compliance -</p>	<p>Kunak POM:</p> <ol style="list-style-type: none"> <li>1. Employee id: 10-1022</li> <li>2. Employee id: 01-0345</li> <li>3. Employee id: 06-0370</li> <li>4. Employee id: 02-0953</li> <li>5. Employee id: 05-0718</li> </ol> <p>Maju Sawit Estate:</p> <ol style="list-style-type: none"> <li>1. Employee id: 01-0521</li> <li>2. Employee id: 01-0199</li> <li>3. Employee id: 01-0381</li> <li>4. Employee id: 01-0482</li> </ol> <p>LKSK Estate:</p> <ol style="list-style-type: none"> <li>1. Employee id: 01-0377</li> <li>2. Employee id: 01-1504</li> <li>3. Employee id: 04-1022</li> <li>4. Employee id: 08-0010</li> <li>5. Employee id: 11-0701</li> </ol> <p>Landquest Estate:</p> <ol style="list-style-type: none"> <li>1. Employee id: 01-0631</li> <li>2. Employee id: 01-0622</li> <li>3. Employee id: 02-0040</li> <li>4. Employee id: 02-0447</li> <li>5. Employee id: 01-0936</li> </ol>	
6.2.4	<p><b>(C)</b> The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and</p>	<p>The basic amenities and facilities at the quarters provided by the company to the workers includes electricity, water and domestic waste disposal. Electricity</p>	<p>Non-compliance</p>

	<p>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>and water were supplied with the subsidized infrastructure facilities. The usage of electricity and water is provided with subsidize rate as per employment contract.</p> <p>Seen the Budget for housing repairs, sanitation, garden upkeep and Budget for year 2020 from all operating units.</p> <p>Seen the record for weekly line site inspection done by Medical Assistant in Weekly basis. For workers with family, each will be given a house while for single workers, it will be given shared house of each people per room.</p> <p><b>However, the housing area for TSH Staff in Kunak POM which is RSPO certified area (under Maju Sawit Estate certified Hectarage) has the unauthorized extension and alteration of the original house and unsafe condition where the septic tank and drainage were blocked behind the house. The samples houses are MS5, BS29, BC26, BS49, ML-H3, BL4 &amp; 55.</b></p>	
6.2.5	<p>The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance -</p>	<p>The housing area in is Kunak, Tawau and Semporna town where the accessibility to the grocery and shops also available in housing area. In Landquest Estate, the daily transportation is provided by estate to the outside grocery shops.</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>- Minor compliance -</p>	<p>TSH-Kunak POM has provided the decent living wage for both local and foreign workers based on PREVAILING WAGES assessment. It includes annual cost of maintenance for all houses, annual electricity, water, taxes, fees, levies and house insurance for all houses. The payslip sighted in clause 6.2.1 showed that the salary received complied with the minimum wage order 2019 and the decent living wage set up by the group which is foreign worker is RM1,124.90/house/workers/month.</p>	Complied
6.2.7	<p>Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</p> <p>- Minor compliance -</p>	<p>There are no casual workers hired in Kunak POM and supply bases. All employees were contracted employee. All permanent and full-time employment or contract workers used as the general worker, mandore, staff, etc. based on their employment contract sighted in clause 6.2.2</p>	Complied

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<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.			
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>Policy on Freedom of Association dated 16/10/2015 is in place. Policy reflected the Work Act 1955. Procedure Equal Opportunity &amp; Discrimination, TSH/POL/SOP03, Rev 0 in place. The policy was explained on 01/04/2019 through the internal stakeholder meeting (Kunak POM &amp; Maju Sawit Estate), 04/04/2019 and external stakeholder meeting on 11/04/2019 (LKSK Estate).</p>	Complied
6.3.2	<p>Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request.</p> <p>- Minor compliance -</p>	<p>In Kunak POM &amp; Maju Sawit Estate, workers form a welfare committee and sighted the Welfare Meeting was conducted on 29/01/2020 and 10/06/2020 in Bahasa and 11/06/2020. In Landquest Estate, the Welfare Meeting has been conducted on 09/06/2020 at Landquest Estate and 10/03/2020 at LKSK Estate in Bahasa.</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>The workers not joining any trade union but doesn't have restriction to join any. The workers form their own welfare committee including the Indonesian and Malaysian workers.</p> <p>The selection of the Welfare Committee is based on the vote of workers. Sampled the appointment letter as below:</p> <ol style="list-style-type: none"> <li>1. KPOM: Tuwo Abidin dated 25/04/2017.</li> <li>2. KPOM &amp; Maju Sawit Estate: Clive Aive Sigi dated 08/06/2020.</li> <li>3. LKSK Estate: Yusrina Jaafar dated 14/02/2017.</li> <li>4. Landquest Estate: M. Asril Nawari dated 01/04/2020</li> </ol>	Complied
<b>Criterion 6.4:</b> Children are not employed or exploited.			
6.4.1	<p>A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.</p> <p>- Minor compliance -</p>	<p>Policy for Child Labour is available dated 16/10/2015 is communicated to workers. The policy was explained on 01/04/2019 through the internal stakeholder meeting. For contractors and transporters, the transportation</p>	Complied

		agreement KK Maju Jaya Sdn Bhd & Eunitd Multi Services Sdn Bhd sighted have the Code of Ethics signed with the agreement on 01/01/2020.	
6.4.2	<p><b>(C)</b> There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure.</p> <p>- Critical (Major) compliance -</p>	<p>The minimum working age is 16 under the National Labour Law as well as Sabah Labour Ordinance. Company policy is to only hire persons over the age of 18. This is reflected in the Procedure Child Labour, TSHR/POL/SOP07; Rev. 1 dated 20/02/2020. Malaysian workers have to provide ID card and foreign workers provide passports.</p> <p>Inspection of employment records confirmed checks are made of staff and worker age before hiring. During field visit, children were not seen at any of the working place at both mill and estates. Inspection also conducted in school for foreign workers (HUMANA). Interview with workers confirmed the understanding of company policy on children workers.</p>	Complied
6.4.3	<p><b>(C)</b> Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work.</p> <p>- Critical (Major) compliance -</p>	There are no young persons employed in Kunak POM and supply bases.	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>	Policy for Child Labour is available dated 16/10/2015 is communicated to workers. The policy was explained on 01/04/2019 through the internal stakeholder meeting (Kunak POM & Maju Sawit Estate).	Complied
<b>Criterion 6.5:</b> There is no harassment or abuse in the workplace, and reproductive rights are protected.			
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>	<p>Policy on protection against Sexual Harassment available and made aware to all the women representatives at the Gender Committee meetings.</p> <p>There is no any reported case of harassment in the operating units.</p> <p>Gender committee has been actively conducted in respective units as a platform to raise awareness and provide feedback to the female workers. Sighted the minutes of meeting as below:</p>	Complied

		<ol style="list-style-type: none"> <li>1. Kunak POM &amp; Maju Sawit Estate: 10/06/2020, 29/01/2020, 08/02/2020.</li> <li>2. LKSK Estate: 11/06/2020, 10/03/2020.</li> <li>3. Landquest Estate: 09/06/2020, 09/03/2020.</li> </ol>	
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>	<p>Reproductive rights of the female workers are protected. Female employees are aware that they are entitled for two months paid maternity leave. Entitlement is same for both local and foreign workers. Revised policy on 16/10/2015 and SOP dated 21/3/2016 TSHR/POL/SOP06.</p>	Complied
6.5.3	<p>Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified.</p> <p>- Minor compliance -</p>	<p><b>There is no guideline or mechanism to conduct new mothers needs in Kunak POM and all estates. The assessment done only for breastfeeding mothers' availability.</b></p>	Non-compliance
6.5.4	<p>A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p>	<p>TSH has developed a Procedure for Sexual Harassment, TSHR/HR/SOP05; Rev. 0 as guidance for gender committee. Method of complaint is in place and the Form- Sexual Harassment Action Form.</p> <p>Sites were headed by Gender Committee representatives and supported by the respective management at sites. Committees were known as Women Committee and were supported by the TSH management.</p> <p>Latest gender committee meeting was done as following:</p> <ol style="list-style-type: none"> <li>1. Kunak POM &amp; Maju Sawit Estate: 10/06/2020, 29/01/2020, 08/02/2020.</li> <li>2. LKSK Estate: 11/06/2020, 10/03/2020.</li> <li>3. Landquest Estate: 09/06/2020, 09/03/2020.</li> </ol>	Complied

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		No negative issues were highlighted during the meetings. Proposals for women improvements were discussed for benefits of families, children immunisation and housing environment.	
<b>Criterion 6.6:</b> No forms of forced or trafficked labour are used.			
6.6.1	<p><b>(C)</b> All workers have entered into employment voluntarily and the following are prohibited:</p> <ul style="list-style-type: none"> <li>Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes)</li> <li>Charging the workers for recruitment fees.</li> <li>Contract substitution</li> <li>Involuntary overtime</li> <li>Lack of freedom of workers to resign</li> <li>Penalty for termination of employment</li> <li>Debt bondage</li> <li>Withholding of wages</li> </ul> <p>- Critical (Major) compliance -</p>	<p>The workers were joined voluntarily as below:</p> <ul style="list-style-type: none"> <li>Passports were kept either by themselves or by the management with the consent from workers. Some workers prefer not to hold their own passport at home and will ask for their passport whenever they want.</li> <li>There were no recruitment fees imposed to foreign workers since they were no labour agent used.</li> <li>Employment contract is available, transparent and explained in Bahasa to workers.</li> <li>Overtime is under agreement from management and workers and control below 104 hours/day.</li> <li>Termination clause in the employment contract is clearly stated that notice for resignation is 4 weeks/28 days for 1-year contract or if the worker has violated the regulation and labour ordinance in Malaysia.</li> </ul>	Complied
6.6.2	<p><b>(C)</b> Where temporary or migrant workers are employed, a specific labour policy and/or procedure are established and implemented.</p> <p>- Critical (Major) compliance -</p>	<p>A Special Labour Policy; Doc. # TSHR/POL/SOP10; Rev. # 2; Date: 26/11/2018 was established and implemented mainly for any foreign workers working under TSH Group in Sabah.</p> <p>The policy was explained on 01/04/2019 through the internal stakeholder meeting (Kunak POM &amp; Maju Sawit Estate).</p>	Complied
<b>Criterion 6.7:</b> The unit of certification ensures that the working environment under its control is safe and without undue risk to health.			
6.7.1	<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,</p>	<p>The respective Operating Unit has appointed their Assistant Manager as responsible person and chairman for Safety and Health Committee and their Field Conductor/ Admin Exec as Secretary of the Committee. With the</p>	Complied



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	<p>safety and welfare are discussed at these meetings, and any issues raised are recorded.</p> <p>- Critical (Major) compliance -</p>	<p>exception of Wakuba Division, being small and closer to mill it join and be part of the Committee member of KPOM.</p> <table border="1" data-bbox="1077 427 1861 719"> <thead> <tr> <th>Operating Unit</th> <th>No. 1</th> <th>No. 2</th> <th>No. 3</th> <th>No. 4</th> </tr> </thead> <tbody> <tr> <td>KPOM</td> <td>28.8.2019</td> <td>21.11.2019</td> <td>16.3.2020</td> <td>24.6.2020</td> </tr> <tr> <td>Maju Estate</td> <td>29.7.2019</td> <td>24.10.19</td> <td>17.1.2020</td> <td>Postpone covid-19</td> </tr> <tr> <td>LKSK Estate</td> <td>10.9.2019</td> <td>12.12.19</td> <td>17.3.2020</td> <td>25.6.2020</td> </tr> <tr> <td>LQ Estate</td> <td>11.9.2019</td> <td>18.12.2019</td> <td>16.3.2020</td> <td>23.6.2020</td> </tr> </tbody> </table> <p>Seen the quarterly HSE Meeting Minutes and noted the meeting agenda adequately cover health, safety and welfare matters with includes details of effectiveness monitoring and review on health &amp; safety risk to workers.</p>	Operating Unit	No. 1	No. 2	No. 3	No. 4	KPOM	28.8.2019	21.11.2019	16.3.2020	24.6.2020	Maju Estate	29.7.2019	24.10.19	17.1.2020	Postpone covid-19	LKSK Estate	10.9.2019	12.12.19	17.3.2020	25.6.2020	LQ Estate	11.9.2019	18.12.2019	16.3.2020	23.6.2020	
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LKSK Estate	10.9.2019	12.12.19	17.3.2020	25.6.2020																								
LQ Estate	11.9.2019	18.12.2019	16.3.2020	23.6.2020																								
<p>6.7.2</p>	<p>Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>The Tawau Region continued to use the established procedure TSHR/OSH/SOP06 Emergency Preparedness and Response, Rev. 1, dated 04.01.2016. The procedures have been summarised in a flow chart form and displayed at notice boards for mill and estates employees' information. Likewise, the respective Operating Unit ERP organization chart and important telephone contact numbers have been established and displayed too. ERT members receive training and practice in emergency procedures.</p> <p>The trainees for the First Aid were among employees of office support staff, mill work station operators (day and night shift) and estate field staff/mandores. Assigned operatives among others, comprised of operators, clerks, supervisors and mandores. First aid boxes were noted made available at various points in the mill and estates complex including office, workshop, sprayers washing facilities, with mandore in the field, etc.</p> <p>Records of all accidents are maintained and summarized in the relevant form and submitted to DOSH as per OSH NADOPOD Regulations 2004. They are</p>	<p>Complied</p>																									

		<p>also reviewed during the Quarterly OSH Committee. There were 2 cases of accident at KPOM with 8 days LTI.</p>	
<p>6.7.3</p>	<p><b>(C)</b> Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.          - Critical (Major) compliance -</p>	<p>All workers at the mill and estates have been trained in safe work practices including use of PPE related to their job function. Example of coverage of such training is as follows. The SOP for chemical handling is described TSHP/OSH/WI01 Rev. 0 dated 6.4.2016.</p> <p>Therein the content states the below details;</p> <ul style="list-style-type: none"> <li>a) PPE adherence</li> <li>b) Chemical handling details before, during and after by job category</li> <li>c) Emergency situation procedures.</li> <li>d) Disposal of chemical waste</li> </ul> <p>The required PPE to be used by Process/Work Station as detail out in Safe Work Rules (Peraturan Kerja Selamat) Document No. TSHR/OSH/WI02 Rev. 0 dated 1.3.2018</p> <p>PPE are issued free of charge to all workers and confirmed affirmative during interview with them in the field and mill. Records of PPE issued and acknowledgement of receipt are maintained individually for all category of workers at mill and estates. Sighted common PPE issued include safety helmets, safety shoes, rubber boots, gloves and safety glass. In addition to basic PPE, special PPE are also provided for workers assigned to dangerous operation such as work at height, in confined space and pesticides spraying in the estate.</p> <p>A dedicated area is provided to Pesticides Operators to change their street clothing to work clothing and vice versa at the end of their work shift. Proper sanitation facilities separated by gender including shower room to clean themselves were adequately provided. Also provided is work clothing washing</p>	<p>Complied</p>

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		area and work cloth hanging/drying area to safeguard pesticides contaminated work clothes from being taken home.																					
6.7.4	<p>All workers are provided with medical care and covered by accident insurance. Costs incurred from work-related incidents leading to injury or sickness are covered in accordance with Malaysian law.</p> <p>- Minor compliance -</p>	<p>Medical care and accident insurance is provided to all the employees. Reviewed worker's profile records found that all workers are covered by the SOSCO Employment Insurance System. Sampled form 8A, "Jadual Caruman" and receipt of payment for acknowledgement from SOCSO for period listed in table below.</p> <table border="1" data-bbox="1077 608 1861 1102"> <thead> <tr> <th>Estate/mill</th> <th>Contribution for April 2020, paid in May 2020</th> <th>Contribution for May 2020 paid in June 2020</th> <th>Contribution for June 2020 paid in July 2020</th> </tr> </thead> <tbody> <tr> <td>KPOM</td> <td>20200002018442 for 116 employees</td> <td>20200002447189 for 116 employees</td> <td>20200002902694 for 119 employees</td> </tr> <tr> <td>Wakuba Division (Maju Sawit Estate)</td> <td>20200001520558 for 100 employees</td> <td>20200001998330 for 111 employees</td> <td>20200002379911 for 111 employees</td> </tr> <tr> <td>LKSK Estate</td> <td>20200002014855 for 60 employees</td> <td>20200002446024 for 60 employees</td> <td>20200002903621 for 60 employees</td> </tr> <tr> <td>Landquest Estate</td> <td>20200002018094 for 26 employees</td> <td>20200002446700 for 26 employees</td> <td>20200002904442 for 26 employees</td> </tr> </tbody> </table>	Estate/mill	Contribution for April 2020, paid in May 2020	Contribution for May 2020 paid in June 2020	Contribution for June 2020 paid in July 2020	KPOM	20200002018442 for 116 employees	20200002447189 for 116 employees	20200002902694 for 119 employees	Wakuba Division (Maju Sawit Estate)	20200001520558 for 100 employees	20200001998330 for 111 employees	20200002379911 for 111 employees	LKSK Estate	20200002014855 for 60 employees	20200002446024 for 60 employees	20200002903621 for 60 employees	Landquest Estate	20200002018094 for 26 employees	20200002446700 for 26 employees	20200002904442 for 26 employees	Complied
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6.7.5	<p>Occupational injuries are recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance -</p>	<p>All the injuries were recorded using the Total Accident/Incidents with and without lost days report. The DOSH JKPP Form No. 6 and 8 were duly submitted to DOSH and maintain on file. The following table shows Safety Performance YTD from end of last year ASA1.</p> <table border="1" data-bbox="1077 1233 1861 1398"> <thead> <tr> <th>Operating sites</th> <th>YTD 2020 (No. of accident case)</th> </tr> </thead> <tbody> <tr> <td>KPOM</td> <td>2 case (7 and 1 LTI*)</td> </tr> <tr> <td>Wakuba Division (Maju Sawit Estate)</td> <td>0 case</td> </tr> <tr> <td>Landquest Estate</td> <td>0 case</td> </tr> </tbody> </table>	Operating sites	YTD 2020 (No. of accident case)	KPOM	2 case (7 and 1 LTI*)	Wakuba Division (Maju Sawit Estate)	0 case	Landquest Estate	0 case	Complied												
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*LTA/LTI is equivalent to lost man-days.				
<b>Principle 7: Protect, conserve and enhance ecosystems and the environment</b>				
<b>Criterion 7.1:</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.				
7.1.1	<p><b>(C)</b> IPM plans are implemented and monitored to ensure effective pest control.</p> <p>- Critical (Major) compliance -</p>	<p>All the three estates in the CU continued to implement Integrated Pest Management (IPM). The estates continued to manage pests, disease, weeds and invasive introduced species using appropriate IPM techniques guided by the Pest &amp; Disease Management (P&amp;D-SOP04-03; Rev 03; dated 1/1/2019). The IPM program among others involved the following practices;</p> <ol style="list-style-type: none"> <li>1. In order to minimize use of pesticides and bagworm control the estates had planted beneficial plants mainly Tunera ubulata, cassia cobanensis and Antigonon leptopus with maps indicating areas planted. Target to planting beneficial plant 0.7km until 0.8km in LKSK estate.</li> <li>2. Includes pest management of rats, bagworms, nettle caterpillars, rhinoceros beetles and ganoderma.</li> </ol>		Complied
7.1.2	<p>Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented.</p> <p>- Minor compliance -</p>	<p>No record of species of Global invasive database ad CABI.Org in TSH Kunak and Supply base.</p>		Complied
7.1.3	<p>There is no use of fire for pest control unless in exceptional circumstances such as plantation sanitation, i.e. where no other effective methods exist, and with prior approval of government authorities.</p> <p>- Minor compliance -</p>	<p>The management not use fire as pest control. No record as per interview and document verification.</p>		Complied
<b>Criterion 7.2:</b> Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.				

<p>7.2.1</p>	<p><b>(C)</b> Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised.          - Critical (Major) compliance -</p>	<p>Justification for estates to continue use agrochemicals are based on the following manuals</p> <ul style="list-style-type: none"> <li>a) Company's Pest &amp; Disease Management</li> <li>b) IPM Plan and</li> <li>c) Plantation Operations SOP/Work Instructions.</li> </ul> <p>A chemical register was sighted available that tabulates:</p> <ul style="list-style-type: none"> <li>a) the purpose of usage (intended target),</li> <li>b) hazards signage,</li> <li>c) trade and generic names as well as the specific targets</li> <li>d) the correct dosage of agrochemicals to be used.</li> </ul> <p>The use of pesticide is specific to the targeted pest, weed and disease. Justification takes consideration to minimize effect on non-target species.</p> <p>Sampled SOP Rat [P&amp;D-SOP07-03, rev. 3, 1/2/2017]. Threshold level to initiate baiting is 5% fresh damage.</p> <p>SOP Weeding Doc. No. TSH/OPE/SOP05 REV 0. Effective Date 01/07/2016 is also used as described below:</p> <ul style="list-style-type: none"> <li>A. Palm Circle depend on palm growth             <ul style="list-style-type: none"> <li>i. <u>Immature Palm</u> 0.6m radius (without Mucuna) and 1m radius (with Mucuna) use of suitable contact (non-hormonal) and maintain full ground cover in the inter-row to minimize useage of chemicals in weed control.</li> <li>ii. <u>Mature Palm</u> 3m from palm base</li> <li>iii. 13-24 months use glufosinate ammonium (15%) at rate 3.6l/ha and 25 months and above use glyphosate potassium (48.7%) at 2l/ha</li> </ul> </li> <li>B. Selective Spraying depend on palm age             <ul style="list-style-type: none"> <li>i. <u>7-12 month</u> - 3 to 4 times per year</li> </ul> </li> </ul>	<p>Complied</p>
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		<p>ii. <u>12 month above</u> – 3 times per year</p> <p>Any chemical, rate or round changes need Group Executive Director Approval.</p> <p>Woody shrubs: 1 part Triclopyr Butoxy Ethyl 32.1 % to 19 parts water. For Lallang eradication use Glyphosate isopropylamine 41 %</p> <p>All chemicals usage was based on the “need to do basis” to enhance field operations. It was found that no Class I &amp; II chemicals had been used. The pesticides used were only for the control of weeds in the field upkeep.</p>																															
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>Pesticides used (including active ingredients used, their LD50 and area treated, amount of active ingredients applied per ha and number of applications) was monitored and recorded. It was updated on 10<sup>th</sup> June 2019. Based on the records, the major pesticides used was Glyphosate Isopropyl Ammonium, Metsulfuron Methyl and Triclopyr butotyl.</p> <p>Below is summarized table showing 2019 a.i/ha applied for immature and mature areas at the four estates of this Certification unit.</p> <table border="1" data-bbox="1115 895 1821 1267"> <thead> <tr> <th>Estate</th> <th>Treated area/ha</th> <th>a.i/ha</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Maju Sawit Estate</b></td> </tr> <tr> <td>Mature area</td> <td>87.50</td> <td>1.66</td> </tr> <tr> <td>Immature area</td> <td>81.50</td> <td>1.22</td> </tr> <tr> <td colspan="3"><b>LKSK Estate</b></td> </tr> <tr> <td>Mature area</td> <td>169.0</td> <td>0.58</td> </tr> <tr> <td>Immature area</td> <td>195.4</td> <td>2.76</td> </tr> <tr> <td colspan="3"><b>Landquest Estate</b></td> </tr> <tr> <td>Mature area</td> <td>904.0</td> <td>0.86</td> </tr> <tr> <td>Immature area</td> <td>58.0</td> <td>0.44</td> </tr> </tbody> </table>	Estate	Treated area/ha	a.i/ha	<b>Maju Sawit Estate</b>			Mature area	87.50	1.66	Immature area	81.50	1.22	<b>LKSK Estate</b>			Mature area	169.0	0.58	Immature area	195.4	2.76	<b>Landquest Estate</b>			Mature area	904.0	0.86	Immature area	58.0	0.44	Complied
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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 IPM implementations described in Indicator 7.7.1 are meant to minimise the use of pesticides. Implementation of IPM is being monitored to ensure its success according the established guidelines under SOP for Pest and Disease, title Leaf Pests Doc. No. P&amp;D- SOP03-03 Rev. 03, dated 1.2.2017 meant to</p>	Complied																														

		<p>manage pest and disease such as leaf eating pests, rats, rhinoceros beetles, etc.</p> <p>Should pesticides use become unavoidable the justification should consider less harmful alternatives. Indicator 7.2.1 above had demonstrated the justification of all pesticides used. The approach includes selective products and application methods that are specific to the target pest, weed or disease are prioritised.</p> <p>At Landquest Estate rat census was recently conducted and it showed 1% damage. Rat baiting is being plan in July 2020. At Maju Sawit Estate, to date FFB damage is minimal (below threshold value) and no application of Warfarin (rat bait) is being initiated.</p>	
7.2.4	<p>There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.</p> <p>- Minor compliance -</p>	<p>There is no prophylactic use of pesticides at all estates visited.</p>	Complied
7.2.5	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks.</p> <p>The due diligence refers to:</p> <ol style="list-style-type: none"> <li>Judgment of the threat and verify why this is a major threat</li> <li>Why there is no other alternative which can be used</li> <li>Which process was applied to verify why there is no other less hazardous alternative</li> <li>What is the process to limit the negative impacts of the application</li> </ol>	<p>Chemicals stores visit at all estates found no Paraquat nor used paraquat container present. Alternatives such as Glyphosate were used instead with the elimination of Paraquat.</p> <p>It was also noted that the visited estates had not use chemicals categorized as World Health Organization (WHO) type 1A or 1B or listed by the Stockholm or Rotterdam Conventions. This is made evidence through the store issues, interviews of staff, sprayers and the procedures provided in the SOP.</p> <p>The usage of agrochemicals that belongs to Class 1A and 1B (that include Paraquat) were prohibited as documented in TSHP/OSH/WI01 Rev 0 dated 6.4.2016</p>	Complied

	<p>e) Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.</p> <p>- Minor compliance -</p>																										
<p>7.2.6</p>	<p><b>(C)</b> Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criteria 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out.</p> <p>- Critical (Major) compliance -</p>	<p>Majority of the Pesticides handlers at the estates assessed were seasoned workers who have been involved in handling pesticides chemicals for several years. Indeed, sighting records showed annually they have completed the necessary chemical training and retraining.</p> <p>Those Storekeepers, Chemical Pre-Mixers and Field Sprayers interviewed and observed performing their tasks were found knowledgeable about the danger of the chemicals they handled and subsequently were able to explain the need to wear the right PPE and follow SOP. Else, according to them, it is risk to their health since the chemicals can kill the weed needless to say it too can kill people. All precautions attached to the products were properly observed, applied, and understood by workers. The need to correctly wear the PPE were again reminded during morning muster call.</p> <p>Sampled the below training records for Safe Chemical Handling and PPE.</p> <table border="1" data-bbox="1088 944 1850 1193"> <thead> <tr> <th rowspan="2">Estate</th> <th colspan="2">Safe chemical handling</th> <th colspan="2">PPE</th> </tr> <tr> <th>Date</th> <th>Attendees</th> <th>Date</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>Maju</td> <td>11.3.2020</td> <td>2</td> <td>1.3.2020</td> <td>2</td> </tr> <tr> <td>Landquest</td> <td>11.6.2020</td> <td>4</td> <td>18.5.2020</td> <td>14</td> </tr> <tr> <td>LKSK</td> <td>18.5.2020</td> <td>6</td> <td>13.5.2020</td> <td>17</td> </tr> </tbody> </table>	Estate	Safe chemical handling		PPE		Date	Attendees	Date	Attendees	Maju	11.3.2020	2	1.3.2020	2	Landquest	11.6.2020	4	18.5.2020	14	LKSK	18.5.2020	6	13.5.2020	17	<p>Complied</p>
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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>At all visited estates the storage of pesticides for use was in accordance with recognized best practices, namely, as per Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and its Regulations.</p> <p>Their chemical stores were inspected, and the following were noted.</p>	<p>Complied</p>																								



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		<ul style="list-style-type: none"> <li>• All stores were secured under lock and key with restricted access.</li> <li>• Provision of ventilation fan.</li> <li>• Display of Safety Pictorial poster, namely the required PPE</li> <li>• Pesticides were separated by class.</li> <li>• Concrete cemented floor, bund wall and provision of sump pond.</li> <li>• Store keeper was trained in the handling of all pesticides.</li> <li>• SDS leaflets were available at all pesticide stores.</li> </ul> <p>With the exception of some 20-liter empty agrochemical containers being recycled for holding premixed pesticides for onward delivery to field, the rest of the empty chemical containers were triple rinsed, pierced and stored in dedicated store in accordance to procedure TSHR/ENV/W101 dated 1.11.2017. They were not use for other purpose. They were and being disposed to Newgate Industries (Borneo), a Ministry of Agriculture Registered Waste Collector for empty plastic containers.</p>	
7.2.8	<p>All pesticide containers are triple rinsed and punctured before being disposed of and/or handled responsibly if used for other purposes.</p> <p>- Minor compliance -</p>	<p>All pesticide containers were triple rinsed, its bottom punctured and disposed to DOE Registered contractor, Newgates Sdn Bhd as recycle waste on 17.4.2019</p>	Complied
7.2.9	<p><b>(C)</b> Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.</p> <p>- Critical (Major) compliance -</p>	<p>There was no aerial spraying observed at the Maju, Landquest and LKSK estates.</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>Specific medical surveillance for pesticide operators at all estates had been examined by DOSH Registered doctor bearing Registration No.: HQ/18/DOC/00/00201 from Klinik Mabello, Lahad Datu, Sabah on 22.6.2020. A total of 10 Pesticides Operators (all female) and 1 female Storekeeper were</p>	Complied

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	- Critical (Major) compliance -	tested. At the time of audit, the estates are waiting results of Medical Surveillance from Klinik Mabello.	
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>Age screening was conducted as per procedure Child Labor Document No. TSHR/POL/SOP07 Rev 1 dated 20.2.2020 &amp; SOP. Records showed there is no under aged person hired.</p> <p>With respect to pregnant or breast-feeding women interviews in field with sprayers disclosed that they are neither pregnant nor breastfeeding. They have grown-up children.</p> <p>The above was confirmed by estates Medical Assistant through pregnancy test, last carried out in May 2020.</p>	Complied
<b>Criterion 7.3:</b> Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.			
7.3.1	<p>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.</p> <p>- Minor compliance -</p>	<p>Documented waste management plan was available at each visited estate. Among the types of waste identified were scheduled wastes, domestic wastes and recyclable wastes. The scheduled wastes were disposed in accordance to EQA regulations, domestic wastes were landfilled in accordance to procedure and recyclable wastes were delivered to recycle wastes vendors.</p> <p>Receipts of recyclable wastes disposal were available for verification, e.g.</p> <p>In Maju Sawit estate: Last disposal on 17/4/2019 (Bil No. 6628) with total 440kg by Newgates Industries (Borneo) Sdn Bhd (TRN/2019/1960).</p> <p>With regards to scheduled wastes disposal, the visited operating units have satisfactorily maintained the regulated documents such as notification, inventory records and consignment notes through e-swiss. Among the scheduled wastes generated by the operating units were spent lubricants, electronic wastes, contaminated filters &amp; rags and clinical wastes.</p>	Complied
7.3.2	Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.	The procedure TSHR/ENV/SOP03; Rev 3; dated 20/02/2020 Waste Management- Scheduled Wastes (Hazardous Waste) Management has been established. Therein containing details relating to;	Non-compliance

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	<p>- Minor compliance -</p>	<ul style="list-style-type: none"> <li>a) Waste identification / disposal plan</li> <li>b) Scheduled waste inventory/inspection checklist</li> <li>c) Return of emptied chemical container</li> <li>d) Environment monitoring records</li> <li>e) SW maintenance records</li> </ul> <p>Sighted the proper disposal of waste material by operating unit under TSH Kunak and supply base as per below:</p> <ul style="list-style-type: none"> <li>a) Record showed for Scheduled waste disposal by Lagenda Bumimas Sdn Bhd (License No. 003440) valid until 30 April 2021. The record of consignment notes available for disposal SW 305(B009226), 306(B009227), 410(B009228) and 102(B009225).</li> <li>b) For SW 404, disposal by Sedafiat Sdn Bhd (consignment note KP0M004) dated 14/1/2020 previously was on 25/07/2019. Total stored as per inventory was 4.7 kg.</li> <li>c) SW 408, disposal by Lagenda Bumimas Sdn Bhd (Consignment note: B009230) dated 2/6/2020 with total 6 Kg.</li> </ul> <p>However, found the disposal of waste material inadequately demonstrated as per procedure TSHR/ENV/SOP03; Rev 3; dated 20/02/2020 Waste Management- Scheduled Wastes (Hazardous Waste)</p> <ul style="list-style-type: none"> <li>a) Found used PPE contaminated with oil been found in rubbish bin in TSH Kunak POM.</li> <li>b) Sighted empty container of lubricant and chemical in old nursery site at Wakuba Estate without proper storage.</li> <li>c) In LKSK and Landquest Estate, sighted unused spill kit in storage with remark SW 408. As per interview with store keeper, they not aware regarding this matter.</li> </ul>	
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		<p>d) Found contaminated soil with oil was not properly dispose according to SOP in LKSK Estate.</p> <p>e) Sighted in Landquest Estate the empty container outside store area was not dispose as per procedure accordingly.</p> <p><b>Thus, non-critical NC was been issued.</b></p>				
7.3.3	<p>The unit of certification does not use open fire for waste disposal.</p> <p>- Minor compliance -</p>	<p>None observed however TSH Resources Bhd. has established Environmental Policy that covers prohibition of use of fire for clearing of land and open burnings (Zero Burning. Refer doc no. TSHR/POL/SPO08 rev no. 1 under clause 7B dated 1/11/2017.</p>	Complied			
<p><b>Criterion 7.4:</b> Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>						
7.4.1	<p>Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.</p> <p>- Minor compliance -</p>	<p>Company already establish the standard operating procedure regarding to soil management can be referred Operation Estate (TSHP/OPE/SOP01) Land Clearing&amp; Preparation and (TSHP/OPE/SOP10) Replanting procedure. This SOP including peat soils, acid sulphate soils, Saline soils, Shallow lateritic soils, podzol or similar soils and Sandy soil.</p>	Complied			
7.4.2	<p>Periodic tissue and soil sampling is carried out by Companies to monitor and manage changes in soil fertility and plant health.</p> <p>- Minor compliance -</p>	<p>The foliar Sampling conducted on 26/10/2019 by Central Laboratory from Borneo Semudera Sdn Bhd. Agronomist visit conducted on April 2019. This monitoring was done yearly bases.</p> <p>Soil series in Maju Sawit estate was only Brantian, Apas and Wullersdrof.</p> <p>Soil series in Landquest estate was Kinabatangan/Alluvium, Apas, Tinagat and Wullersdorf.</p>	Complied			
7.4.3	<p>A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers.</p> <p>- Minor compliance -</p>	<p>The Maju Sawit Rakyat used Decanter cake and POME as nutrient recycling strategy. The record available for review, sampling on record of decanter cake and pome as per below:</p> <table border="1" data-bbox="1008 1300 1792 1348"> <tr> <td>Estate</td> <td>Decanter cake</td> <td>POME</td> </tr> </table>	Estate	Decanter cake	POME	Complied
Estate	Decanter cake	POME				

		<table border="1"> <tr> <td>Maju estate</td> <td>Sawit</td> <td>Total 4.5 mt applied in field 89A,90A,94A,98A,98B,98C</td> <td>123,491 liter in field</td> </tr> <tr> <td>LKSK</td> <td></td> <td>Total 6,500 mt in field 98C, 98D,99A,99B,99C, and 99D</td> <td>Nil</td> </tr> </table>	Maju estate	Sawit	Total 4.5 mt applied in field 89A,90A,94A,98A,98B,98C	123,491 liter in field	LKSK		Total 6,500 mt in field 98C, 98D,99A,99B,99C, and 99D	Nil			
Maju estate	Sawit	Total 4.5 mt applied in field 89A,90A,94A,98A,98B,98C	123,491 liter in field										
LKSK		Total 6,500 mt in field 98C, 98D,99A,99B,99C, and 99D	Nil										
7.4.4	<p>Records of fertiliser inputs are maintained.</p> <p>- Minor compliance -</p>	<p>The application record was maintained accordingly with total 145,800kg of fertiliser. Sampling on application record was accurate cross check with GHG cal as per below:</p> <table border="1"> <thead> <tr> <th>Fertilizer</th> <th>Total (Kg)</th> </tr> </thead> <tbody> <tr> <td>Ground Magnesium Limestone</td> <td>30,350</td> </tr> <tr> <td>China kieserite</td> <td>400</td> </tr> <tr> <td>MOP K2O</td> <td>24,800</td> </tr> <tr> <td>Rock phosphate</td> <td>24,700</td> </tr> </tbody> </table>	Fertilizer	Total (Kg)	Ground Magnesium Limestone	30,350	China kieserite	400	MOP K2O	24,800	Rock phosphate	24,700	Complied
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<p><b>Criterion 7.5:</b> Practices minimise and control erosion and degradation of soils.</p>													
7.5.1	<p><b>(C)</b> Maps identifying marginal and fragile soils, including steep terrain, are available.</p> <p>- Critical (Major) compliance -</p>	<p>There was no fragile/marginal soil at all three estates as sighted in their soil maps. The following soil series were present instead:</p> <ul style="list-style-type: none"> <li>a) Soil series in Maju Sawit estate was only Brantian, Apas and Wullersdorf.</li> <li>b) Soil series in Landquest estate was Kinabatangan/Alluvium, Apas, Tinagat and Wullersdorf.</li> </ul>	Complied										

7.5.2	<p>No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25 degrees) larger than 25 Ha within the Unit of Certification.</p> <p>- Minor compliance -</p>	<p>The management strategy for plantings on slopes is available in Land Clearing &amp; Preparation SOP Doc No. TSHP/OPE/SOP01 Rev 0 Effective Date 01/07/2016. The SOP clearly stated:</p> <p>a) No planting on areas with slope of more than 25 degrees.  b) Soil erosion control by constructing terraces in all sloping areas with bund at regular interval of 20 meters to retain water.  c) Slopes especially along some road side to be planted with LCC (Mucuna bracteata).</p>	Complied
7.5.3	<p>There is no new planting of oil palm on steep terrain.</p> <p>- Minor compliance -</p>	<p>No new plantings since 2005 except for replanting activity in area less steep terrain.</p>	Complied
<p><b>Criterion 7.6:</b> Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</p>			
7.6.1	<p><b>(C)</b> To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations.</p> <p>- Critical (Major) compliance -</p>	<p>Fertiliser application for the estates is made through recommendation by the Agronomist. The recommendation was based on annual leaf analysis. The estates, soil fertility was maintained as per the SOPs through the management been managed by recycling of biomass like frond stacking, water management in low lying areas, maintenance of soft weeds, leguminous cover crops, and Nephrolepis biserrata in the interline and terrace areas.</p>	Complied
7.6.2	<p>Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices.</p> <p>- Minor compliance -</p>	<p>No fragile soil in sample estate. There is no extensive planting on marginal and fragile soil in all estate during audit, however management establish the standard operating procedure regarding to soil management can be referred Operation Estate (TSHP/OPE/SOP01) Land Clearing&amp; Preparation and (TSHP/OPE/SOP10) Replanting procedure. This SOP including peat soils, acid sulphate soils, Saline soils, Shallow lateritic soils, podzol or similar soils and Sandy soil.</p>	Complied

7.6.3	<p>Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure.</p> <p>- Minor compliance -</p>	<p>Soil Survey been available under Yield/Foliar nutrient/Soils/fertilizing Record-2019. This include soil analysis result, foliar analysis result, Soil type and fertilizer application record.</p> <p>All the three estates had also implemented prevention of soil erosion measures such as construction of moisture conservation pits in steep slope areas. Cover crops were observed to be in place as the CU management had generally encouraged the establishment of soft growth. Visits to the site found that significant areas of the ground were covered with <i>Neprolepis biserrata</i>. Most slopes had well established <i>Mucuna bracteata</i>.</p> <table border="1" data-bbox="1072 718 1861 1007"> <thead> <tr> <th rowspan="2">Slope classes (degree)</th> <th colspan="3">Area Ha</th> </tr> <tr> <th>Maju Sawit (Wakuba div)</th> <th>LKSK</th> <th>Landquest</th> </tr> </thead> <tbody> <tr> <td>&lt;15</td> <td>230.33</td> <td>900.7</td> <td>377.82</td> </tr> <tr> <td>15 – 25</td> <td>6.41</td> <td>61.2</td> <td>52.20</td> </tr> <tr> <td>&gt;25</td> <td>0.26</td> <td>4.3</td> <td>7.68</td> </tr> </tbody> </table> <p>This map based on Figure 3.6: Slope Class map; Report KEC-(EV)/17/16 prepared by Kiwiheng Environmental Consultants Sdn Bhd; Dated Oct 2017.</p>	Slope classes (degree)	Area Ha			Maju Sawit (Wakuba div)	LKSK	Landquest	<15	230.33	900.7	377.82	15 – 25	6.41	61.2	52.20	>25	0.26	4.3	7.68	Complied
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<p><b>Criterion 7.7:</b> No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.</p>																						
7.7.1	<p><b>(C)</b> There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.</p> <p>- Critical (Major) compliance -</p>	<p>No peat soil and no new planting in TSH Kunak as per site verification and land statement also interview.</p>	Complied																			

7.7.2	<p>Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat.</p> <p><b>PROCEDURAL NOTE:</b>  Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).</p> <p>- Minor compliance -</p>	No peat soil and no new planting in TSH Kunak as per site verification and land statement also interview.	Complied
7.7.3	<p><b>(C)</b> Subsidence of peat is monitored, documented and minimised.</p> <p>- Critical (Major) compliance -</p>	No peat soil and no new planting in TSH Kunak as per site verification and land statement also interview.	Complied
7.7.4	<p><b>(C)</b> A documented water and ground cover management programme is in place.</p> <p>- Critical (Major) compliance -</p>	No peat soil and no new planting in TSH Kunak as per site verification and land statement also interview.	Complied
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>	No peat soil and no new planting in TSH Kunak as per site verification and land statement also interview.	Complied



	<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>		
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>	No peat soil and no new planting in TSH Kunak as per site verification and land statement also interview.	Complied
7.7.7	<p><b>(C)</b> All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as "peatland conservation areas"; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the 'RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat', version 2 (2019) and associated audit guidance.</p> <p>- Critical (Major) compliance -</p>	No peat soil and no new planting in TSH Kunak as per site verification and land statement also interview.	Complied
<b>Criterion 7.8: Practices maintain the quality and availability of surface and groundwater.</b>			
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>The water management plan available for reviewed dated 18/2/2020 to maintain the quality and availability of natural water resources (surface and ground water). The water management plan include:</p> <ol style="list-style-type: none"> <li>i. A water source been declared from Sg Pang Burong for drinking and operation.</li> <li>ii. The monitoring of outgoing water been every month, latest record (RS/CH/2020/0159(A)) was on 3/6/2020. From the monitoring TSH Kunak POM have 1 inlet and 1 outlet. The result showed inclined with INWQS (National Water Quality Standards. Previous record was on</li> </ol>	Complied

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		<p>May 2020. In LKSK estate the river water monitoring was done 6 monthly basis, latest was on 14 May 2020 as per ECR under monitoring result 2.4.1 Water Quality Analysis result. The result show all the parameters tested were within the limits of Class III of the NWQSM except for a very low level (without visible film sheen, discolouration and sighting of deposits) of Oil &amp; Grease at sampling station No. W3.</p> <ul style="list-style-type: none"> <li>iii. To optimize the water and nutrient usage to reduce wastage, management to monitoring the pipe leakage in residential area, ensure no leakage of spraying pumps and educate the workers regarding to promotes water conservation.</li> <li>iv. For protection of water courses, site visit at Field 99B area sighted no chemical activity trace in bufferzone area.</li> <li>v. No trace of natural vegetation in riparian areas has been removed. All in good condition.</li> <li>vi. No bore well is being use for water supply, TSH Kunak POM using self-treated water as water supply. Latest water sampling test was on 3/6/2020 (RS/CH/2020/0162(Rev1)). Result showed comply with WHO requirement. In LKSK, water supply was from Sg. Mantri to workers housing. The water sampling was done periodically, latest was on 23/6/2020 (RS/CH/2020/0163) and suitable for drinking water (APHA standard).</li> </ul>	
7.8.2	<p><b>(C)</b> Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or applicable National legislation or specific environmental permit. Smallholders may replant existing planted areas provided there is no evidence of environmental deterioration having occurred during the previous cycle.</p> <p>- Critical (Major) compliance -</p>	<p>Management of riparian zone is guided by the TSHR/ENV/SOP02; Rev No:03; Effective Date; 20/02/2020. The width of riparian zone has been defined in the procedure. The allocated zones shall be demarcated and left to the nature. Application of agrochemicals such as fertilisers and herbicides is prohibited.</p>	Complied

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7.8.3	<p>Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.</p> <p>- Minor compliance -</p>	<p>The mill applies the biological system with 7 ponds and 6 anaerobic digester tanks in series for its treatment of effluent. Final discharge was to land. The quality of discharged effluent was analysed every month and the parameters are pH, BOD, COD, TS, SS, O&amp;G, AN and TN. The Mill submitted quarterly returns to DOE. As the BOD on 2/6/2020 were High at 41.00 mg/l the mill had taken appropriate corrective actions such as carrying out desludging and repairing the broken bund walls of ponds. The recording of these corrective actions was maintained through the mill's environmental management system.</p> <p>Regular monitoring was done on monthly basis and every quarterly via Quality Production Data to DOE for compliance. The quarterly reports were sent to DOE accordingly and the last report showed that the BOD.</p>	Complied
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7.8.4	<p>Mill water use per tonne of FFB is monitored and recorded.</p> <p>- Minor compliance -</p>	<p>The mill has been monitoring its water usage on daily basis. The water was sourced from Sg Pang Burong – pumped into collection pond. Based on the monthly records, the average usage of water per ton FFB in 2018 &amp; 2019 was as follows:</p> <table border="1" data-bbox="1249 507 1686 1153"> <thead> <tr> <th>Month</th> <th>2019 (MT/FFB)</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>0.35</td></tr> <tr><td>Feb</td><td>0.36</td></tr> <tr><td>March</td><td>0.37</td></tr> <tr><td>April</td><td>0.34</td></tr> <tr><td>May</td><td>0.37</td></tr> <tr><td>June</td><td>0.43</td></tr> <tr><td>July</td><td>0.41</td></tr> <tr><td>Aug</td><td>0.47</td></tr> <tr><td>Sept</td><td>0.50</td></tr> <tr><td>Oct</td><td>0.44</td></tr> <tr><td>Nov</td><td>0.48</td></tr> <tr><td>Dec</td><td>0.54</td></tr> </tbody> </table>	Month	2019 (MT/FFB)	Jan	0.35	Feb	0.36	March	0.37	April	0.34	May	0.37	June	0.43	July	0.41	Aug	0.47	Sept	0.50	Oct	0.44	Nov	0.48	Dec	0.54	Complied
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<p><b>Criterion 7.9:</b> Efficiency of fossil fuel use and the use of renewable energy is optimised</p>																													
7.9.1	<p>A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented.</p> <p>- Minor compliance -</p>	<p>The TSH Kunak POM and Supply base consistently monitored their fossil fuel consumption and kept records in order to get the information about efficient consumption. Among the management plans to improve efficiency generally were:</p>	Complied																										

		<p>- To carry out preventive maintenance of machinery in order to prevent high breakdown hours and making the machines more efficient</p> <p>- Continuous education to operators who handle the machinery so that the unnecessary running hours can be minimised</p> <p>The Diesel usage record was available for review:</p> <table border="1" data-bbox="1010 549 1778 699"> <thead> <tr> <th>Year</th> <th>Diesel (Litre)</th> <th>Turbine Generate</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>64072.6</td> <td>6028460 kWh/yr</td> </tr> <tr> <td>2020</td> <td>26374.9</td> <td>2679544 kWh/yr</td> </tr> </tbody> </table> <p>The Diesel usage in estate also been recorded:</p> <table border="1" data-bbox="1010 788 1798 938"> <thead> <tr> <th>Estate</th> <th>Diesel usage (L)</th> </tr> </thead> <tbody> <tr> <td>LKSK</td> <td>153,462</td> </tr> <tr> <td>Landquest</td> <td>72,788</td> </tr> </tbody> </table>	Year	Diesel (Litre)	Turbine Generate	2019	64072.6	6028460 kWh/yr	2020	26374.9	2679544 kWh/yr	Estate	Diesel usage (L)	LKSK	153,462	Landquest	72,788	
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<p><b>Criterion 7.10:</b> Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.</p>																		
7.10.1	<p><b>(C)</b> GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported.</p> <p>- Critical (Major) compliance -</p>	<p>The data that key in in GHG calculation was not accurate as per issuance record sampling in LQ estate such as per below detail:</p> <ul style="list-style-type: none"> <li>a) Data on GML record show 63.55mt as per issuance record however in GHG calculation data was no record.</li> <li>b) The data on Diesel usage in LQ estate 72788 litre diesel was not same as per GHG calculation data.</li> </ul> <p><b>Thus, a Major non-conformity has been issued.</b></p>	Non-compliance															
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</p>	<p>As per Jadual Pematuhan (JAS.SHQ.600-3/1/090) valid until 30/6/2021, the emission stack sampling was done 6 monthly basis. As per report RS/STACK/19-067 dated 3/10/2019 for 2<sup>nd</sup> half year 2019 by REHPRO Scientific</p>	Complied															

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	and a plan to minimise them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development). - Critical (Major) compliance -	Sdn Bhd. For year 2020, the assessment conducted on 30/5/2020 and report still pending.	
7.10.3	<b>(C)</b> Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored. - Critical (Major) compliance -	No Other significant pollutant are identified in sampling estate. The plan to reduce or minimise the GHG emission has been established and implemented. In general among the action plans were: - To optimise the usage of diesel - To apply more organic fertiliser such as bunch ash, EFB therefore reducing inorganic fertiliser dependency.	Complied
<b>Criterion 7.11: Fire is not used for preparing land and is prevented in the managed area</b>			
7.11.1	<b>(C)</b> Land for new planting or replanting is not prepared by burning. - Critical (Major) compliance -	As per Environmental Policy dated 16/10/2015, under Doc No. TSHR/POL/SOP08;Rev No. 01;dated 1/11/2017 stated explicitly prohibit the use of fire for the clearing of land and open burnings (Zero burning). No open burning was sighted during site verification.	Complied
7.11.2	The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification. - Minor compliance -	For Fire prevention and control, the recommendation has been issue by HCV report in each estate conducted by Kiwiheng Environmental Consultants Sdn Bhd (Jan 2018) such as:- a) Planting of non-flammable ground cover around the around the border of the estate and road shoulders. b) To train and equipped plantation fire team comprising of permanent staff or workers. Latest training was on 17/3/2020 with total 20 person attend c) To marked and determined Fire assembly was available in estate d) To prepare mobile water tankers with pumps, fire extinguisher and have vehicle access to permanent water supply points such as streams, ponds and rivers.	Complied

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		<p>e) To build up Fire watch tower. In Landquest estate, already build up the fire watch tower in Field 2018 as per site verification.</p> <p>Company already identify fire prone areas available under Fire control plan (effective dated: 1/7/2018)</p>							
7.11.3	<p>The unit of certification engages with adjacent stakeholders on fire prevention and control measures.</p> <p>- Minor compliance -</p>	<p>Due to fire prevention and control measure, during stakeholder meeting dated 1/7/2020 management inform the stakeholder regarding to zero burning policy also give awareness regarding fire prevention procedure. This meeting involves the interested parties such as smallholder, authorities, contractor, and others.</p>	Complied						
<p><b>Criterion 7.12:</b> Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.</p>									
7.12.1	<p><b>(C)</b> Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests.</p> <p>A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.</p> <p>- Critical (Major) compliance -</p>	<p>No new land clearing since November 2005.</p>	Complied						
7.12.2	<p><b>(C)</b> HCVs, HCS forests and other conservation areas are identified as follows:</p> <p>a) For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.</p> <p>b) Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-</p>	<p>HCV report by Kiwiheng Environmental Consultants Sdn Bhd; dated Jan 2018. The report stated type of HCV in estate as detail below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Estate/ HCV Categories</th> <th style="text-align: center;">Remarks</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Maju Sawit (KEC-(EV)/18/07)</td> <td></td> </tr> <tr> <td style="text-align: center;">1.1</td> <td style="text-align: center;">Mt. Wullersdorf Protection Forest Reserve</td> </tr> </tbody> </table>	Estate/ HCV Categories	Remarks	Maju Sawit (KEC-(EV)/18/07)		1.1	Mt. Wullersdorf Protection Forest Reserve	Complied
Estate/ HCV Categories	Remarks								
Maju Sawit (KEC-(EV)/18/07)									
1.1	Mt. Wullersdorf Protection Forest Reserve								

<p>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).          - Critical (Major) compliance -</p>	1.2	13 RTE species found during assessment (5 mammals and 8 bird)	
	1.3	6 endemic fauna found during assessment (one mammal, 2 birds and 3 fish)	
	LKSK (KEC-(EV)/18/09)		
	1.1	Mt. Wullersdorf Protection Forest Reserve and Ulu Kalumpang Protection Forest Reserve	
	1.2	16 RTE species found during assessment in LKSK	
	5	Sg Ulu Kalumpang & Sg Mantri used as water consumption.	
	6	Rumah Merah & Children Cemetery	
	Landquest (KEC-(EV)/18/08)		
	1.1	Mt. Pock Protection Forest Reserve	
	1.2	13 RTE species found during assessment	
	1.3	3 type of endemic mammal, bird and fish were found during assessment	



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		4.2	In field 2000B with total 7.68 Ha is >25°													
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>	<p>The HCV management plan to protect and enhance HCVs and other conservation areas is developed, implemented and available for reviewed. The monitoring was done periodically (monthly basis) and review 6 monthly basis (9/6/2020 – 11/6/2020). On June monitoring showed as per below detail:-</p> <table border="1"> <thead> <tr> <th>Type of species</th> <th>Block</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td><i>Macaca nemestrina</i></td> <td>2018</td> <td>12/6/2020</td> </tr> <tr> <td><i>Sus Barbatus</i></td> <td>2019</td> <td>23/6/2020</td> </tr> <tr> <td><i>Baceros rhinoceros</i></td> <td>94(A)</td> <td>9/6/2020</td> </tr> </tbody> </table>		Type of species	Block	Date	<i>Macaca nemestrina</i>	2018	12/6/2020	<i>Sus Barbatus</i>	2019	23/6/2020	<i>Baceros rhinoceros</i>	94(A)	9/6/2020	Complied
Type of species	Block	Date														
<i>Macaca nemestrina</i>	2018	12/6/2020														
<i>Sus Barbatus</i>	2019	23/6/2020														
<i>Baceros rhinoceros</i>	94(A)	9/6/2020														
7.12.5	<p>Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peat land and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.</p> <p>- Minor compliance -</p>	No new planting in estate sin November 2018.		Not Applicable												
7.12.6	<p>All rare, threatened or endangered (RTE) species are protected, whether they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for</p>	<p>The assessment contained information of both planted area and relevant wider landscape-level and result of HCV was obtained. A programme to regularly educate the workforce about the status of RTE species was available for reviewed. Latest training to educate workforce was on Nov 2019.</p>		Complied												

	the company is found to capture, harm, collect, trade, possess or kill these species. - Minor compliance -		
7.12.7	The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan. - Minor compliance -	The monitoring was done monthly and reported 6 monthly basis to sustainability department. Latest monitoring was on June 2020. The monitoring result been fed back to management plan accordingly.	Complied
7.12.8	<b>(C)</b> Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies. - Critical (Major) compliance -	No land clearing since November 2005.	Complied

**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 <sup>2</sup> & Maju Sawit Estate <sup>2</sup>	Sabahan POM <sup>1</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>2</sup>	
PT. Andalas Wahana Berjaya				AWB POM <sup>7</sup> & AWB Estate <sup>17</sup>	AWB Estate <sup>27</sup>	
PT. Sarana Prima Multi Niaga	SPMN POM <sup>4</sup> & SPMN Estate <sup>4</sup>					
PT. Mitra Jaya Cemerlang					MIC Estate <sup>4</sup>	
PT. Farinda Bersaudara					FDB POM <sup>6</sup> & FDB Estate <sup>6</sup>	
PT. Teguh Swakarsa Sejahtera					TSS Estate <sup>6</sup>	
PT. Munte Waniq Jaya Perkasa					MWJP Estate <sup>6</sup>	
PT. Perkebunan Sentawar Membangun					PSM Estate <sup>6</sup>	
PT. Bulungan Citra Agro Persada						BCAP POM <sup>8</sup> & BCAP Estate
PT. Andalas Wahana Sukses						AWS POM <sup>8</sup> & 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 **TSH-Kunak POM** and supply base was calculated using the PalmGHG Calculator version 4.0. 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 **TSH-Kunak POM** and supply base are as following:

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

Extraction	%
OER	20.79
KER	5.75

Production	t/yr
FFB Process	362713.38
CPO Produced	75407.71
PKO Produced	0

Land Use	Ha
OP Planted Area	1464
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	19.24
<b>Total</b>	<b>1483.24</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	1242.9	0.06	0	0	0	0	1242.9	0.06
CO <sub>2</sub> Emission from fertilizer	387.93	0.02	0	0	0	0	387.93	0.02
NO <sub>2</sub> Emission	639.52	0.03	0	0	0	0	639.52	0.03
Fuel Consumption	725.27	0.03	0	0	0	0	725.27	0.03
Peat Oxidation	0	0	0	0	0	0	0	0
<b>Sink</b>								
Crop Sequestration	-8846.84	-0.4	0	0	0	0	-8846.84	-0.4
Conservation Sequestration	0	0	0	0	0	0	0	0
<b>Total</b>	<b>-5851.22</b>	<b>-0.27</b>	0	0	0	0	<b>-5851.22</b>	<b>-0.27</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	8411.37	0.02
Fuel Consumption	199.91	0
Grid Electricity Utilization	0	0
<b>Credit</b>		
Export of Grid Electricity	0	0
Sales of PKS	-41456.47	-0.11
Sales of EFB	0	0
<b>Total</b>	<b>-32845.19</b>	<b>-0.09</b>

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

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

\*This mill has no kernel crusher operation.

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

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

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**Appendix D: Supply Chain Declaration**

<b>A. Monthly Records of Certified and Uncertified FFB Received since the last audit (<i>Jun 2019 – Jun 2020</i>)</b>				
<b>No.</b>	<b>Month - Year</b>	<b>Volume of FFB from certified supply bases (mt)</b>	<b>Volume of FFB from uncertified supply bases (mt)</b>	<b>Total FFB/Month (mt)</b>
1	Jun'19	2,141.50	28,523.84	30,665.34
2	Jul'19	2,359.86	26,962.37	29,322.23
3	Aug'19	1,778.02	24,552.10	26,330.12
4	Sept'19	1,938.61	24,682.57	26,621.18
5	Oct'19	2,046.67	28,604.79	30,651.46
6	Nov'19	1,961.96	28,269.87	30,231.83
7	Dec'19	2,172.24	24,152.99	26,325.23
8	Jan'20	2,072.94	24,014.66	26,087.60
9	Feb'20	2,116.74	28,908.78	31,025.52
10	Mar'20	2,086.98	27,374.00	29,460.98
11	Apr'20	2,376.98	27,281.39	29,658.37
12	May'20	3,006.63	32,181.21	35,187.84
13	Jun'20	1,774.64	19,260.59	21,035.23
<b>Total</b>		<b>27,833.77</b>	<b>344,769.16</b>	<b>372,602.93</b>

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<b>B. Monthly Records of Certified CPO &amp; PK since the last audit (<i>Jun 2019 – Jun 2020</i>)</b>			
<b>No.</b>	<b>Month - Year</b>	<b>Certified CPO (mt)</b>	<b>Certified PK (mt)</b>
1	Jun'19	403.24	113.93
2	Jul'19	452.86	120.54
3	Aug'19	363.43	101.35
4	Sept'19	415.53	105.46
5	Oct'19	410.06	106.75
6	Nov'19	386.7	105.95
7	Dec'19	416.2	113.17
8	Jan'20	385.08	114.22
9	Feb'20	389.9	125.1
10	Mar'20	409.67	115.87
11	Apr'20	454.24	138.1
12	May'20	544.41	171.38
13	Jun'20	332.24	99.03
<b>Total</b>		<b>5363.56</b>	<b>1530.85</b>

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<b>C. Records of Certified CPO &amp; PK Sold under PalmTrace since the last audit (if any) (Jun 2019 – Jun 2020)</b>				
No.	Buyers Name	Palmtrace Trading License Number	Certified CPO Sold (mt)	Certified PK Sold (mt)
1	Buyer A	TR-17b76507-91c3	-	115.75
		TR-299364a0-acb6	-	180.59
		TR-684defb0-2328	579.58	-
		TR-b0ac624a-0fb8	593.25	-
		TR-df46b0df-d35e	610.92	-
		TR-dff1ad20-5197	-	132.72
		TR-3cdee2f5-2cff	565.38	-
		TR-ea6c10a3-ed7a	-	948.86
		TR-bb5d29cd-4f35	626.25	-
		TR-3fb75d76-c987	-	148.91
		TR-ccedfaf8-f7e7	554.03	-
		TR-6bea2aa3-9428	494.19	-
TR-c16eb19d-771f	573.00	-		
<b>Total</b>			<b>4596.60</b>	<b>1526.83</b>

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

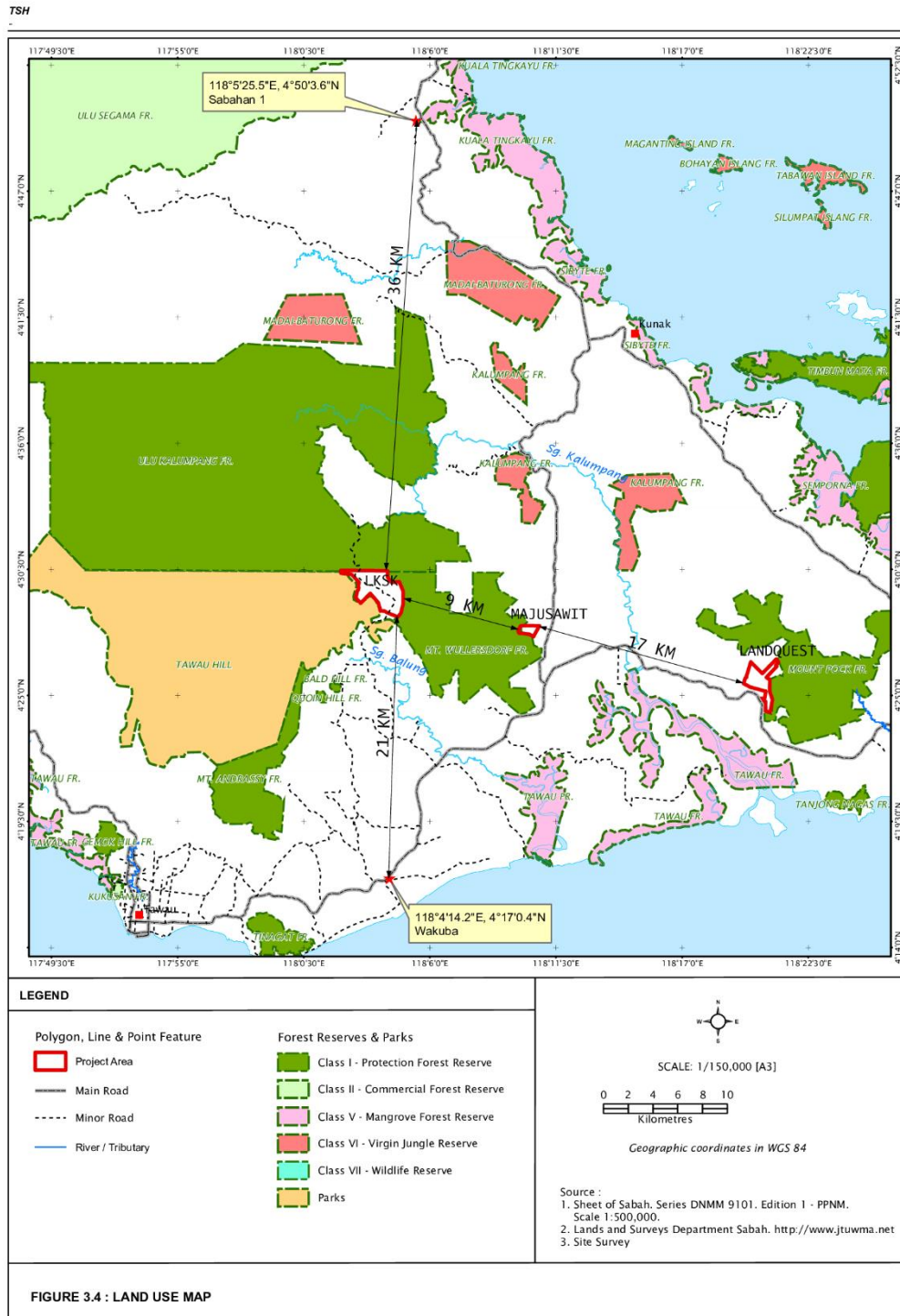
<b>E. Records of CPO &amp; PK Sold as conventional since the last audit (if any)</b>			
No.	Buyers Name	CPO Sold (mt)	PK Sold (mt)
1	Buyer A	60,897.69	18,443.12

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



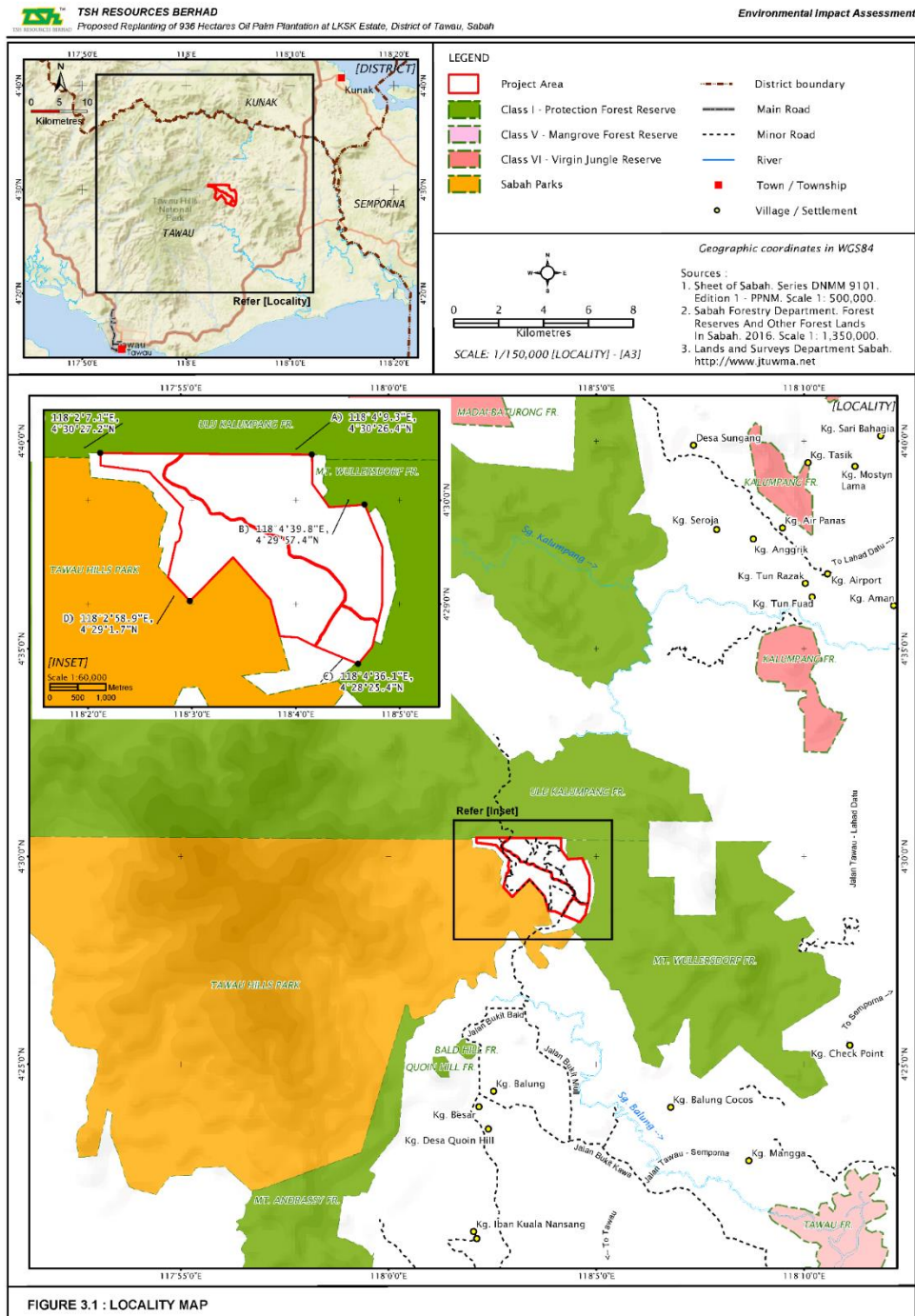
**Appendix E: Location Map of Certification Unit and Supply bases**

**Overall Mapping – Tawau & Kunak Region**



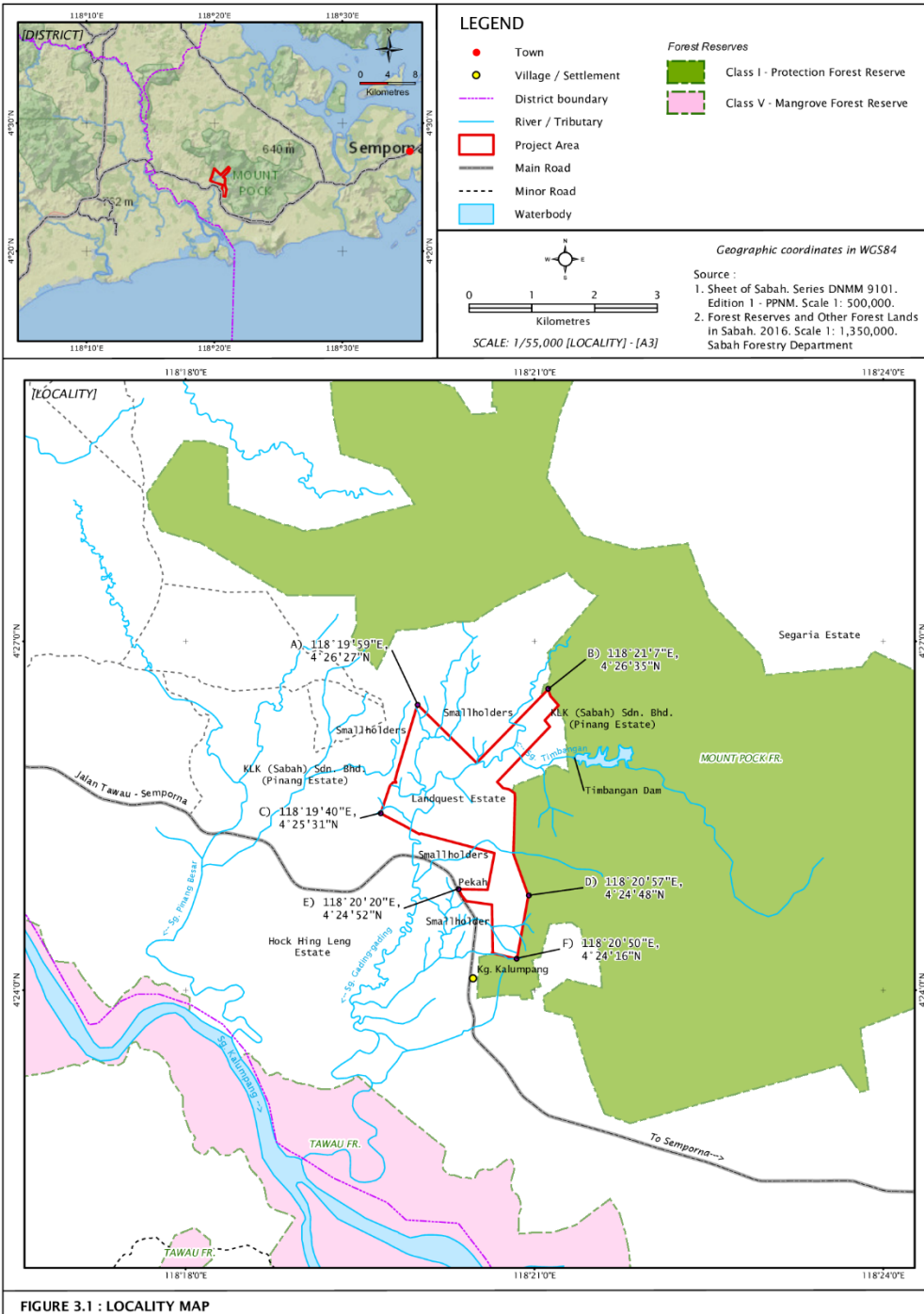
**Appendix F: Estate Field Map**

**LKSK SDN BHD**



**Landquest Sdn Bhd**

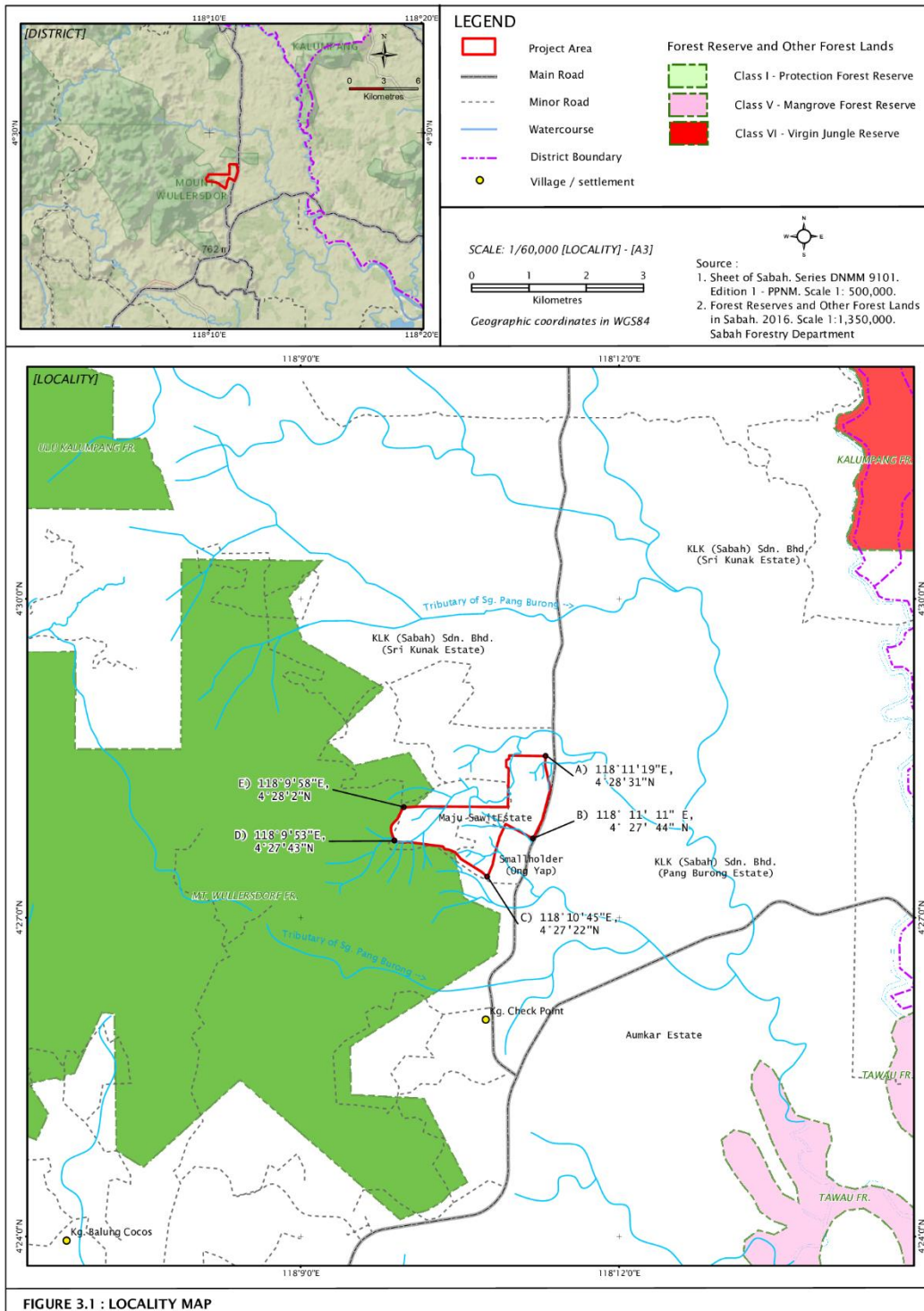
TSH RESOURCES BERHAD  
 Proposed Replanting of 370 Hectares Oil Palm Plantation at Landquest Estate on CL. 125319244, District of Semporna, Sabah  
 Proposal for Mitigation Measures



**TSH Plantation Management Sdn Bhd (Maju Sawit Estate)**

**TSH RESOURCES BERHAD**  
 Proposed Replanting of 172 Hectares Oil Palm Plantation at Maju Sawit Estate on CL 105392989 and CL 105392998,  
 District of Tawau, Sabah

*Proposal for Mitigation Measures*





**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