

**RSPO PRINCIPLE AND CRITERIA
PUBLIC SUMMARY REPORT**

- Initial Assessment
- Annual Surveillance Assessment (2)
- Recertification Assessment (Choose an item.)
- Extension of Scope

Client Company name (Parent Company): TSH Resources Berhad
Client company Address: Menara TSH, No. 8, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
Certification Unit: TSH Plantation Sdn Bhd (Sabahan Palm Oil Mill)
Location of Certification Unit: KM 38, Lahad Datu-Kunak Highway, 91007 Sabah, Malaysia
Date of Final Report: 07/04/2022

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Section 1: Scope of the Assessment

1. Company Details			
Parent Company	TSH Resources Berhad		
RSPO Membership Number	1-0173-14-000-00	Membership Approval Date	17/11/2014
Address	Menara TSH, No. 8, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia.		
Palm Oil Mill / Group Manager / Estate (Certification Unit)	TSH Plantation Sdn Bhd (Sabahan Palm Oil Mill)		
Location / Address	KM 38, Lahad Datu- Kunak Highway, Tawau 91007 Sabah, Malaysia		
Website	www.tsh.com.my		
Management Representative	Rohana Parilla Binti Abdul Salam	E-mail	Rohana.SHO@tsh.com.my
Telephone	089-912020	Facsimile	089-913000

2. Certification Information			
Certificate Number	RSPO 712309	Certificate Start Date	08/10/2019
Date of First Certification	08/10/2019	Certificate Expiry Date	07/10/2024
Scope of Certification	Production of Palm oil and Palm Kernel		
Visit Objectives	Determination of the conformity of the client's management system, or parts of it, with audit criteria and evaluation of the ability of the management system to ensure the client organization meets applicable statutory, regulatory and contractual requirements. Completed the 70% onsite assessment as continuation from 30% of remote assessment.		
Assessment Cycle	<input type="checkbox"/> Pre Assessment (Choose an item.) <input type="checkbox"/> Initial Assessment <input checked="" type="checkbox"/> Annual Surveillance Assessment (ASA 2) <input type="checkbox"/> Recertification Assessment (Choose an item.) <input type="checkbox"/> Scope Extension		
Applicable Standards / Normative Reference	RSPO Certification System for P&C and RSPO ISH 2020 <input type="checkbox"/> Choose an item. <input checked="" type="checkbox"/> Malaysia National Interpretation 2019 for RSPO P&C 2018 for the Production of Sustainable Palm Oil		
Supply Chain Module	<input type="checkbox"/> Identity Preserved; <input checked="" type="checkbox"/> Mass Balance	Mill Capacity	60 MT/Hour
ISH certification Phase	<input type="checkbox"/> Eligibility <input type="checkbox"/> Milestone A <input type="checkbox"/> Milestone B <input checked="" type="checkbox"/> Not Applicable		

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3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSPO/2018/08	MS 2530- 4: 2013 General Principle For Palm Oil Mills	Rehpro Certification Sdn Bhd	6/10/2024
MSPO/2018/08	MS 2530- 3: 2013 General Principle For Oil Palm Plantations And Organised Smallholders	Rehpro Certification Sdn Bhd	6/10/2024

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

5. Description of Supply Base					
New Planting Development	<input checked="" type="checkbox"/> No (no change in total planted area)		<input type="checkbox"/> Yes (please refer to Principle 7 for details)		
Estate / Smallholders	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Sabahan Estate	98.00	0.00	24.00	122.00	80.33
Total	98.00	0.00	24.00	122.00	80.33

6. Plantings & Cycle							
Estate / Smallholders	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Sabahan Estate	84.00	0.00	0.00	0.00	14.00	14.00	84.00
Total (ha)	84.00	0.00	0.00	0.00	14.00	14.00	84.00

Note:

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7. Summary of Certified Tonnage of FFB (Own Certified Scope)				
Estate / Smallholders	Tonnage / year			
	Estimated (Oct 2020 - Sep 2021)	Actual (Jul 2020– Sep 2021)		Forecast (Oct 2021 - Sep 2022)
		Previous license period (Jul 2020 – Sep 2020)	Current license period (Oct 2020 – Sep 2021)	
Sabahan Estate	1,780	55.00	264.16	400
Total	1,780	319.16		400
Note:				

8. Summary of Certified Tonnage of FFB (from other certified unit(s))				
Estate / Smallholders	Tonnage / year			
	Estimated (Oct 2020 - Sep 2021)	Actual (Jul 2020– Sep 2021)		Forecast (Oct 2021 - Sep 2022)
		Previous license period (Jul 2020 – Sep 2020)	Current license period (Oct 2020 – Sep 2021)	
TSH Palm Products (OYH)		-	1,436.87	
Total		1,436.87		
Note:				

9. Summary of Non-Certified Tonnage of FFB (outside supplier – excluded from certificate)				
Out growers / smallholders	Tonnage / year			
	Estimated (Oct 2020 - Sep 2021)	Actual (Jul 2020– Sep 2021)		Forecast (Oct 2021 - Sep 2022)
		Previous license period (Jul 2020 – Sep 2020)	Current license period (Oct 2020 – Sep 2021)	
NA	NA	28,887.80	73,293.42	
Total		102,181.22		
Note:				

9A. Monthly Records of Certified and Uncertified FFB Received since the last audit				
No.	Month - Year	Volume of FFB from certified supply base (mt)	Volume of FFB from uncertified supply base (mt)	Total FFB/Month (mt)
1	Jul 2020	24.07	11,585.57	11,609.64
2	Aug 2020	16.48	9,441.86	9,458.34

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3	Sep 2020	14.45	7,860.37	7,874.82
4	Oct 2020	11.61	9,151.41	9,163.02
5	Nov 2020	9.56	5,880.96	5,890.52
6	Dec 2020	6.01	4,655.20	4,661.21
7	Jan 2021	8.45	3,875.44	3,883.89
8	Feb 2021	13.89	4,101.60	4,115.49
9	Mar 2021	24.29	4,819.84	4,844.13
10	Apr 2021	40.29	6,486.79	6,527.08
11	May 2021	27.48	6,350.99	6,378.47
12	Jun 2021	1,468.24	8,152.68	9,620.92
13	Jul 2021	29.85	5,332.49	5,362.34
14	Aug 2021	25.54	6,478.01	6,503.75
15	Sep 2021	35.82	8,008.01	8,043.83
TOTAL		1,756.03	102,181.22	103,937.45

Note:

10. Summary of Certified Tonnage (not applicable for ISS)

Estimated (Oct 2020 - Sep 2021)	Actual (Jul 2020– Sep 2021)		Forecast (Oct 2021 - Sep 2022)
	Previous license period (Jul 2020 – Sep 2020)	Current license period (Oct 2020 – Sep 2021)	
FFB	FFB		FFB
1,780 mt	55.00 mt	1,701.03 mt	400 mt
	1756.03 mt		
CPO (OER: 20.08 %)	CPO (OER: 19.17 %)		CPO (OER: 20.50 %)
357.40 mt	10.58 mt	315.57 mt	82.00 mt
	326.15 mt		
PK (KER: 5.92 %)	PK (KER: 5.51 %)		PK (KER: 5.50 %)
105.40 mt	3.01 mt	90.85 mt	22.00 mt
	93.86 mt		

Note:

10A. Monthly Records of Certified CPO & PK since the last audit

No.	Month - Year	Certified CPO (mt)	Certified PK (mt)
1	Jul 2020	4.57	1.31

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2	Aug 2020	3.18	0.89
3	Sep 2020	2.83	0.81
4	Oct 2020	2.19	0.65
5	Nov 2020	1.80	0.48
6	Dec 2020	1.15	0.27
7	Jan 2021	1.59	0.39
8	Feb 2021	2.52	0.74
9	Mar 2021	4.45	1.22
10	Apr 2021	7.30	2.03
11	May 2021	5.02	1.49
12	Jun 2021	272.51	78.70
13	Jul 2021	5.50	1.53
14	Aug 2021	4.81	1.41
15	Sep 2021	6.73	1.94
TOTAL		326.15	93.86

11. Summary of Actual Volume sold					
Current License period (Oct 2020 – Sep 2021)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	Others		
CPO (MT)	276.40	0	0	0	276.40
PK (MT)	84.85	0	0	0	84.85
Credits	0	0	0	0	0
Previous License period (Jul 2020 – Sep 2020)					
CPO (MT)	0	0	0	0	0
PK (MT)	0	0	0	0	0
Credits	0	0	0	0	0
Note: Conventional is RSPO certified material but sold as non-RSPO.					

11A. Records of Certified CPO & PK Sold under PalmTrace since the last audit (if any)				
No.	Buyers Name	Palmtrace Trading License Number	Certified CPO Sold (mt)	Certified PK Sold (mt)
1	TSH WILMAR SDN BHD	RSPO_AC1000005782	276.40	-

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2	Lahad Datu Edible Oils Sdn Bhd (KCP)	RSPO_PO1000006525	-	84.85
TOTAL			276.40	84.85

11B. Records of CPO & PK Sold under other schemes since the last audit (if any)				
No.	Buyers Name	Scheme Name	CPO Sold (mt)	PK Sold (mt)
	NA	NA	NA	NA
TOTAL			NA	NA

11C. Records of CPO & PK Sold as conventional since the last audit (if any)			
No.	Buyers Name	CPO Sold (mt)	PK Sold (mt)
	NA	NA	NA
TOTAL		NA	NA

11D. Records of Certified CPO Sold under RSPO Credits since the last audit (if any)			
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold (mt)
	NA	Na	NA
TOTAL			NA

12. Independent Smallholders Certified Tonnage / Volume (not applicable)									
Phase	Estimated last year (key in period)			Actual (key in period)			Forecast (key in period)		
	Eligibility	MS A	MS B	Eligibility	MS A	MS B	Eligibility	MS A	MS B
	40%	70%	100%	40%	70%	100%	40%	70%	100%
FFB									
IS-CSPO									
IS-CSPKO									
IS-CSPKE									

13. Independent Smallholders Actual Sold Tonnage / Volume (not applicable)						
	FFB	FFB Conventional	FFB Other schemes	IS-CSPO	IS-CSPK	IS-CSPKE
Current License period (key in period)						

Credits						
Physical						

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn. Bhd. (ASI Accreditation Number: ASI-ACC-067)
 Suite 29.01 Level 29, The Gardens North Tower,
 Mid Valley City, Lingkaran Syed Putra,
 59200 Kuala Lumpur, Malaysia.
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BSI is a leading global provider of management systems assessment and certification, with more than 92,000 certified locations and clients in over 193 countries. BSI is the UK’s National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia.

2.1 Assessment Methodology, Programme, Site Visits

The on-site assessment was conducted on **08 – 10/12/2021**. The audit programme is included as Section 2.3. Due to the COVID-19 pandemic, this assessment involved a partial remote audit as allowed by RSPO Secretariat – RSPO P&C On-site & Remote Audits dated 24th March 2020. The remote audit was conducted on **14 – 15/06/2021**

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

The Critical NC close out remote assessment was conducted on **23/02/2022**. The NC close out visit was conducted remotely due to the NC only required document review. The audit programs are included in Section 2.3.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. Malaysia National Interpretation 2019 of the RSPO P&C 2018 was used as the normative reference to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

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

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

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each

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of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Section 3.4.

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

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

For Initial, Re-certification and Extension of Scope assessment, the report was externally reviewed by approved external peer reviewer prior to certification decision by BSI.

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

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

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

Tentative Date of Next Visit: November 1, 2022 - November 2, 2022

Total Number of Mandays: 9 mandays

2.2 BSI Assessment Team

Name	Role	Competency
Muhammad Fadzli Masran (MFM)	Team Leader	<p>Education: Bachelor Degree in Forestry Science from University Putra Malaysia</p> <p>Work Experience: 10 years' experience as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day to day plantation operations including sustainability implementation experience including workers' welfare, workers' occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans. Fadzli had accumulated auditing experience when he was the internal auditor for ISO 9001 and ISO 14001 at Kulim Plantations.</p> <p>Training attended: Completed ISO IMS 9001, 14001, 45001 (OHS 18001) Lead Auditor Course in April 2018, endorsed RSPO Lead Auditor Course in July 2018, MSPO Lead Auditor Course in October 2018, endorsed RSPO Supply Chain Certification training course in January 2019, MSPO Supply Chain Certification System (SCCS) Auditor training Course (MPOCC Endorsed), CQI and IRCA Certified ISO 9001:2015 Lead Auditor Training Course in April 2019, HCV and GIS Training in November 2019 and SMETA Requirements Training in April 2021.</p> <p>Aspect covered in this audit:</p>

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		<p>During this assessment, he assessed on the aspects of economic management plan, mill best practices, estate best practices, natural and biodiversity conservation, Waste management, GHG, HCV, and RSPO supply chain requirements.</p> <p>Language proficiency: Fluent in in both verbal/written Bahasa Malaysia and English Language.</p>
<p>Hafriazhar Mohd Mokhtar (HMM)</p>	<p>Team Member</p>	<p>Education: Bachelor of Engineering (Hons.) Chemical Engineering from University Technology Malaysia</p> <p>Work Experience: 20 years of working experience in multiple engineering disciplines emphasized on science, technology and sustainability. He acquired many skills from being involved in various industrial environments ranging from construction, plantation and mining before shifted into auditing. In short, his career began as Environmental Officer (2002-2003) in construction, Mill Engineer (2003-2008) in plantation, Project Control Engineer (2008-2011) in mining and Auditor/Client Manager (2011- present) in certifications auditing.</p> <p>Training attended: Completed Social Auditing & SMETA Training (2021), ISO 45001 LA Training (2018), MSPO LA Training (2017), RSPO SCCS LA Training (2016), RSPO P&C LA Training (2015), ISO 9001 LA Training (2013), ISO 50001 LA Training (2012), ISO 14001 LA Training (2011)</p> <p>Aspect covered in this audit: During this assessment, he assessed on the aspects of Policy and commitment, Social requirements, contract agreement, human rights, workers' welfare, smallholder welfare, Stakeholder Consultation, Legal Requirements, land & Legal issue and RSPO supply chain requirements.</p> <p>Language proficiency: Fluent in in both verbal/written Bahasa Malaysia and English Language.</p>
<p>Nor Halis Abu Zar (NHAZ)</p>	<p>Team Member</p>	<p>Education: Bachelor of Science, Plantation Technology and Management from University Technology Mara.</p> <p>Work Experience: 6 years palm oil experience as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day to day plantation operations and sustainability implementation. He is a qualified Lead Auditor for MS2530:2013 and has accumulated more than 400 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia.</p> <p>Training attended: Completed ISO IMS 9001 and 14001 Lead Auditor Course in January 2019, MSPO 2530:2013 Lead Auditor Course in February 2019, Endorsed RSPO Lead Auditor Course in October 2020, CQI and IRCA Certified ISO 45001 Lead Auditor Course in June 2021, ISO 9001:2015 Lead Auditor Course in April 2019, MSPO SCCS Auditor in February 2019 and also trained in SMETA Requirement Training on May 2021</p> <p>Aspect covered in this audit:</p>

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		<p>During this assessment, he assessed on the aspects of Occupation Health Safety requirement, HIRARC, Environment responsibility, training, environment impact assessment and management plan.</p> <p>Language proficiency: Fluent in in both verbal/written Bahasa Malaysia and English Language.</p>
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Accompanying Persons:

Name	Role
Mohd Razaleigh Bin Mohamad (MRM)	Observer

1.3 Assessment Plan

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

Remote Audit

Date	Time	Subjects	MFM	HMM	ICT Planned
04/06/2021 Friday	15.30 – 16.30	<ol style="list-style-type: none"> Communication on remote audit document preparation Online teleconference trial 	√		Email
14/06/2021 Monday Sabahan Estate	09.00 – 09.15	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan 	√	√	Microsoft Teams Teleconference, Email, WhatsApp Video call, Teleconference
	09.15 – 10.15	Assessment and documentation review on: <ul style="list-style-type: none"> Good agriculture practice, legal requirements, environment and HCV 	√		Microsoft Teams Teleconference, Email, WhatsApp Video call, Teleconference
	10.15 – 10.30	15 minutes break	√	√	
	10.30 – 11.30	Assessment and documentation review on: <ul style="list-style-type: none"> Legal requirements, OHS and continual improvement 	√		Microsoft Teams Teleconference, Email, WhatsApp Video call, Teleconference
	11.30 – 11.45	15 minutes break	√	√	
	11.45 – 12.45	Assessment and documentation review on: <ul style="list-style-type: none"> Social aspects, legal requirements, employees' welfare and stakeholder management 		√	Microsoft Teams Teleconference, Email, WhatsApp Video call, Teleconference
	12.45 – 13.00	Interim Closing	√	√	Microsoft Teams Teleconference

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Date	Time	Subjects	MFM	HMM	ICT Planned
	13.00 – 14.00	Lunch break	√	√	
Sabahan POM	14.00 – 15.45	Assessment and documentation review on: <ul style="list-style-type: none"> • Mill supply chain requirements 		√	Microsoft Teams Teleconference, Email, WhatsApp Video call, Teleconference
	15.45 – 16.00	15 minutes break	√	√	
	16.00 – 17.00	Assessment and documentation review on: <ul style="list-style-type: none"> • Mill best practice, legal requirements, OHS and continual improvement 	√		Microsoft Teams Teleconference, Email, WhatsApp Video call, Teleconference
	17.00 – 17.30	Interim Closing	√	√	Microsoft Teams Teleconference
15/06/2021 Tuesday Sabahan POM	09.00 – 10.00	Assessment and documentation review on: <ul style="list-style-type: none"> • Social aspects, legal requirements, employees' welfare, stakeholder management 		√	Microsoft Teams Teleconference, Email, WhatsApp Video call, Teleconference
	10.00 – 10.15	15 minutes break			
	10.15 – 11.00	Assessment and documentation review on: <ul style="list-style-type: none"> • Mill best practice, environment 			Microsoft Teams Teleconference, Email, WhatsApp Video call, Teleconference
	11.00 – 11.15	15 minutes break	√	√	
	11.15 – 12.00	Assessment and documentation review on: <ul style="list-style-type: none"> • Social aspects, legal requirements, employees' welfare and stakeholder management 		√	Microsoft Teams Teleconference, Email, WhatsApp Video call, Teleconference
	12.00 – 12.30	15 minutes break/Audit team discussion	√	√	
	12.30 – 13.00	Closing Meeting	√	√	Microsoft Teams Teleconference

Onsite Audit

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Date	Time	Subjects	(MFM)	(NHAZ)	(HMM)
Tuesday, 07/12/2021	PM	Audit Team Travelling	√	√	√
Wednesday, 08/12/2021 Sabahan Estate	08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan 	√	√	√
	09.00 – 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√	√
	09.30 – 12.30	Meeting with stakeholders			√
	12.30 – 13.30	Lunch	√	√	√
	13.30 – 16.30	Document review P1 – P7: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation & etc.)	√	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√	√
Thursday 09/12/2021 Sabahan Palm Oil Mill	08.30 – 12.30	Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	√
	09.00 – 13.30	Meeting with stakeholders			√
	12.30 – 13.30	Lunch	√	√	√
	13.30 - 16.30	Lab, weighbridge and palm product storage area. Document Review P1 – P7: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation. RSPO SCC general requirements, internal audit, management review, sales and purchasing documents, mass balance accounting and other relevant documents and records.	√	√	√

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	16.30 - 17.00	Interim Closing briefing.	√	√	√
Friday 10/12/2021 Sabahan Palm Oil Mill	08.30 – 11.30	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.	√	√	√
	11.30 – 12.00	Preparation of audit report	√	√	√
	12.00 – 12.30	Closing Meeting	√	√	√
	PM	Audit Team Travelling to Kuala Lumpur	√	√	√

Major NC Close out

Date	Time	Subjects	ICT Planned	MFM
Tuesday 23/02/2022	14.30 – 15.00	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan 	Microsoft Teams, Email, WhatsApp Video call, Teleconference	√
	15.00 – 16.30	Verification on Major NC: 2143337-202112-M1 Document review – implemented evidence		√
	16.30 – 17.00	Closing Meeting		√

Section 3: Assessment Findings

3.1 Multiple Management Units and Time Bound Plan

Requirement	Assessment	Compliance
Does the time bound plan include all current subsidiaries, estates and mills that is under the control and/or minor shareholding of the holding company?	<p>The time bound plan includes all operating units in Malaysia and Indonesia.</p> <p>Since joining RSPO as a processor and trader on 17.11.2014, TSH Resources Bhd. (hereinafter referred to as TSH) has developed its Sustainable Palm Policy as in the Roundtable of Sustainable Palm Oil (RSPO) Manual; Doc. no.: TSHR/RSPO; Rev. no.: 1; dated 12/6/2016.</p> <p>For Malaysia operations, Lahad Datu POM and Supply Bases were first certified in 2017. Kunak POM and its Supply Bases were RSPO certified in 2018 and Sabahan POM and its Supply Base were certified in 2019. RT plantations Sdn Bhd is proposed to be certified in 2022 ensuring all Malaysian to be RSPO Certified.</p> <p>For Indonesia operations, PT Sarana Prima Multi Niaga Palm Oil Mill, has been certified since May 2016 while PT Andalas Agro Industri was certified in 2019. The plan was also to certify the rest of operating units complex in Indonesia from 2019 onwards latest by 2023 as per latest approved TBP</p>	Complied.
Have all the estates and mills certified within five (5) years after obtaining RSPO membership?	<p>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 2023.</p> <p>Since the RSPO Certification System document was made effective from 01/07/2018, existing RSPO members have 5 years from this date to comply with these requirements. This means any TSH Group management unit(s) that have not yet been certified will need to ensure that the uncertified management unit(s) are certified by 30/06/2023.</p>	Complied
Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three (3) years from the date of acquisition. Certification plan for the new acquisition shall be available.	As of the date of the report being produced there were no new acquisitions by TSH Resources Bhd.	Complied
Any deviations from the maximum periods requires approval by the RSPO Secretariat.	Yes. Please Refer Timebound plan. 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 2023.	Complied

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<p>Have there been any changes to the time-bound plan since the last audit (both new acquisition and existing)? If yes, justification is required. Is this consistent with the ACOP reporting?</p>	<p>Yes. Please Refer Timebound plan. 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 2023. This is consistent with the latest ACOP reporting available in the RSPO Annual Communications of Progress 2023 Report.</p>	<p>Complied</p>
<p>Have there been any isolated lapses in implementation of the plan? If yes a Minor non-compliance shall be raised</p>	<p>No lapses. During the assessment it was reported to the assessment team that the process for certification for the uncertified units is in progress. TSH Resources is expected to achieve 100% RSPO Certification in 2023.</p>	<p>Complied</p>
<p>Have there been any fundamental failure (e.g. unable to justify delay in planning the assessments) to proceed with implementation of the plan? If yes a Major non-compliance shall be raised</p>	<p>No fundamental failures to proceed with the plans were reported.</p>	<p>Complied</p>
Un-Certified Units or Holdings		
<p>No replacement of primary forest or any area required to maintain or enhance HCVs and HCS in accordance with RSPO P&C criterion 7.12.</p>	<p>Internal TSH competent personnel conducted Biodiversity assessment & HCV identification. The objective of the assessment is having additional ground check on the existing identified HCV area done on 2007 in order to be detailed and accurate in database and mapping. Based on the report and evidence from on-site visit as of the audit date, no replacement were done after dates defined in Nis Criterion 7.3.</p>	<p>Complied</p>
<p>Any new plantings since January 1st 2010 shall comply with the RSPO New Plantings Procedure.</p>	<p>No new plantings since 2005 except for replanting activity.</p>	<p>Complied</p>
<p>Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8.</p>	<p>As of the date of the report being produced, there is no any comment by stakeholder that could be taken action by TSH. Further details please refer to the RSPO Complaints Website: http://www.rspo.org/members/status-ofcomplaints?keywords=TSH Based on RSPO RaCP Tracker Website link as following: https://www.rspo.org/certification/remediationand-compensation/racp-tracker#growerTracker There are 11 management units (MUs) with potential liability with LUCA submitted for all 11 MUs. LUCA review completed for 5 MUs with 10 MUs required Concept Note and Remediation Plan.</p>	<p>Complied</p>

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Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 4.2	As of the date of the report being produced, there is no any comment by stakeholder that could be taken action by TSH. For further details please refer to the RSPO Complaints Website: http://www.rspo.org/members/status-of-complaints	Complied
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.	Complied
Did the company conduct internal audit for those uncertified estates against the uncertified management units requirement and covering the RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12? If yes, a positive assurance statement shall be available and justified.	Yes. The company has conducted the annual internal audit by the Sustainability Team and the report has covering all the criterion to be complied with the corrective action taken. All non-conformities raised being closed accordingly and positive assurance statement been produced.	Complied
Are there any Critical (Major) non-compliance raised against any of the RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12 during the last internal audit of the uncertified estates? If yes is the NC(s) actively addressed with RSPO?	Yes. The company has conducted the annual internal audit by the Sustainability Team and the report has covering all the criterion to be complied with the corrective action taken. All non-conformities raised being closed accordingly and positive assurance statement been produced	Complied
Have there been any stakeholder (including NGO) consultation conducted?	Stakeholder Consultations are conducted regularly to include workers, suppliers, contractors, NGO’s, Government Bodies Neighbouring estates and smallholders. Stakeholder comments are recorded in the Stakeholder Meeting Minutes. No negative comments were obtained from the stakeholder. Suggestion and recommendation from stakeholders were taken into consideration.	Complied

3.2 Progress of scheme smallholders and/or outgrowers

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.	Sabahan POM receives FFB from Sabahan Estate, FFB Collection Centres and Smallholders. There are no Scheme smallholders or Scheme outgrowers under TSH Sabahan POM.	Complied

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	2022	2023
Malaysia								
TSH Plantation Management Sdn. Bhd.			Kunak POM ² & Maju Sawit Estate ²	Sabahan POM ¹				
TSH Resources Berhad		Gomantong Estate ¹						
TSH Palm Products Sdn. Bhd.		OYH Estate ¹						
TSH Holding Sdn. Bhd.			Wakuba Estate ²					
LKSK Sdn. Bhd.			LKSK Estate ²					
Landquest Sdn. Bhd.			Landquest Estate ²					
TSH Plantation Sdn. Bhd.		Lahad Datu POM ¹		Sabahan Estate ²				
RT Plantations Sdn. Bhd.							RT Estate ²	
Indonesia								
PT. Andalas Agro Industri				AAI POM ⁵				
PT. Laras Internusa				LIN Estate ⁵				
PT. Sarana Prima Multi Niaga		SPMN POM ⁶ & SPMN Estate ⁶						
PT. Mitra Jaya Cemerlang							MJC Estate	
PT. Andalas Wahana Berjaya							AWB POM ⁷ & AWB Estate ⁷	
PT. Farinda Bersaudara							FDB POM ⁶ & FDB Estate ⁶	
PT. Teguh Swakarsa Sejahtera							TSS Estate ⁶	
PT. Munte Waniq Jaya Perkasa							MWJP Estate ⁶	
PT. Perkebunan Sentawar Membangun							PSM Estate ⁶	
PT. Bulungan Citra Agro Persada								BCAP POM ⁶ & BCAP Estate
PT. Andalas Wahana Sukses								AWS POM ⁶ & 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. Note: * (Asterisk) Indicates POM not yet built. 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.							Certified	Uncertified Estate
							Uncertified	Mill

3.3 Details of Nonconformities

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

During this Assessment there were one (1) Critical; one (1) Minor nonconformities and one (1) Opportunity For Improvement raised. The TSH Sabahan POM and Supply Base Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Non-conformity			
NCR Ref #	2143337-202112-M1	Date Issued	10/12/2021
Due Date	09/03/2022	Date of nonconformity Closure	23/02/2022
Clause & Category (Critical / Minor)	6.2.2 – Critical non-conformity		
Statement of Nonconformity:	Overtime pay was found not in compliance with Sabah Labour Ordinance requirements.		
Requirement Reference:	(C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.		
Objective Evidence:	Employment contracts detailing payments and conditions of employment available to the workers for sample employees sighted as per indicator 6.1.6. Regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. found in compliance with Sabah Labour Ordinance and Minimum Wages Order except for a sample employee of Sabahan POM as following: - Female employee ID # 01-0530; Post: Weighbridge Clerk; July 2021 salary: RM 1,082.26 – records of Time and Attendance Report (thumbprint report) for July 2021 found the employee Clock In at 07:00 and Clock Out at 21:00 with total working time of 14 hours which resulted in 5 hours overtime. However, no overtime payment made or reflected in the employee’s July 2021 payslip. Hence, a Critical noncompliance has been raised on the matter.		
Corrections:	1. Backpay the related month of 5 hours of OT not paid (RM 39.66) – Dec’2021		
Root Cause Analysis:	Sabahan Mill site didn’t use the OT approval form (Overtime (OT) Sheet – eff 1/6/2018 (rev0) to ensure all working hours reviewed & agreed by employees themselves before approved by HOD & Management.		
Corrective Actions:	1. Monitor the working time of workers daily by supervisor/HOD to ensure monthly OT are recorded by reviewing their thumbprint records– Eff Dec’2021 2. Fill in the OT approval form to ensure all OT conducted are approved and due to working related issue – eff Dec’2021		

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Assessment Conclusion:	<p>Evidence reviewed</p> <ol style="list-style-type: none"> 1. The unpaid overtime has been paid to the workers in December Salary. Reviewed the payslip for workers with employee no. 01-0530 amounted RM 39.66 2. Overtime was monitored using the TSH Palm Oil Mill Qvertime (OT) Sheet. The form consist information such as workers name, department/workstation, date, normal working time, overtime start and end time, total hours overtime, reason for overtime, requested by, justified by mandore/supervisor and approved by HOD/Executive. Reviewed the overtime records for the month of December 2021 and January 2022 for workers with employee no. 01-0530, 02-0708 and 01-0681. 3. The overtime was recorded into the system using thumb print system. Reviewed the thumb records and Qvertime (OT) Sheet found both records were consistent. 4. Reviewed the salary payment for workers with employee no. 01-0530, 02-0708 and 01-0681 for the month of December 2021 and January 2022, found the overtime was paid as per Overtime (OT) Sheet and thumb print records. <p>Reviewed the evidence found that the Corrective Action Plan us effectively implemented. Thus the Major Non-conformity was effectively close on 23/02/2022.</p>
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Non-conformity			
NCR Ref #	2143337-202112-N1	Date Issued	10/12/2021
Due Date	Next assessment	Date of nonconformity Closure	Next assessment
Clause & Category (Critical / Minor)	3.3.2 – Minor non-conformity		
Statement of Nonconformity:	Implementation of SOP in the Sabahan POM were not fully demonstrated.		
Requirement Reference:	A mechanism to check consistent implementation of procedures is in place.		
Objective Evidence:	<p>During site visit at Sabahan POM, it was found the availability of PPE in the Effluent Station were not according to their guideline. The cotton glove was used for chemical mixing instead of nitrile glove when handling HK6201 – Flocculant and HK6102 – Coagulant for water treatment. It was against SOP Occupational Safety and Health Handbook – POM Section (F),(a),No.5 Personal Protective Equipment (PPE): Latex glove protects hand from direct contact with chemical residue on parts; Document Number TSHR/OSH/SOP05 dated 04/07/2016.</p> <p>Verified through interview and site visit, the attendant also do grass cutting surround the effluent station for upkeep the area however, it was found petrol for Niken Cutter were stored in the 4 inappropriate containers. It was against SOP "Stor:POL Panduan Kerja Selamat" dated 20/10/2016 by TSHR SHO, stated that "Bekas bahan kimia yang di tetapkan sahaja boleh di gunakan untuk penyimpanan sementara POL(Petrol, Oil, Lubricant).</p> <p>During site visit at Workshop Area, it was found the Flash back arrestor were not installed at the Oxygen and Acetylene tank. Verified through interview with assistant foreman, the flash back arrestor was not consistently installed. It will be installed, when necessary, based on type of work. It was against SOP Kimpalan</p>		

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	Panduan Kerja Selamat section 10. "Flashback arrestor hendaklah di pasang pada setiap tangki gas kimpalan" Document number TSHR SHO dated 05/08/2016.
Corrections:	<ul style="list-style-type: none"> • Training refresher based on SOP & HIRADC (Section 11. Lab & Sampling) • Provide approved chemical container for each grass cutter with name of PIC for easy tracking • Install back the flashback arrestor
Root Cause Analysis:	<ol style="list-style-type: none"> 1. The chemicals mixing for Effluent Station are conducted by the Laboratory Attendant instead of the SBR Plant Operator. So, no nitrile gloves given to the SBR plant Operator but it's given and recorded under the Laboratory Attendant issuance. 2. The SBR Plant Operator issuance of Petrol are using the provided Chemical Bottle from Laboratory but it's since has been damaged and no replacement request has been made by the Operator. 3. Flashback Arrestor are available at site unfortunately the efficiency of metal cutting is affected depends on type of the thickness material. This causing the assistant foreman to remove the flame arrestor during cutting of thicker material to get better flame and make the task completed faster.
Corrective Actions:	<ul style="list-style-type: none"> • Lab Operator records of PPE Issuance • PPE records & HIRADC Update for SBR Plant on 2 tasks of work given to the SBR Operator for both Upkeep (Section 8.1 Mill Maintenance) & SBR operation (Section17. Biogas Plant) • Flashback arrestor included in the workshop weekly inspection report & training refresher emphasizing on the flashback arrestor conducted • Signage on Flashback Arrestor to be installed at workshop & Welding Station
Assessment Conclusion:	The CAP submitted found adequate to address the minor non-conformity raised. The effectiveness of the implementation will assessed during next assessment.

Opportunity for Improvements	
OFI #	Description
2068445-202106-I1 (remote)	Documented age screening verification procedure could be further spelt-out its process steps.

Positive Findings	
PF #	Description
PF 1	Good commitment and corporation from the management.

3.3.1 Status of Nonconformities Previously Identified and Observations

Non-conformity				
NCR Ref #	1937885-202007-M1	Date Issued	30/07/2020	
Due Date	28/10/2020	Date of nonconformity Closure	08/10/2020	
Clause & Category (Critical / Minor)	6.2.3 Major (Critical)			
Statement of Nonconformity:	There is evidence of legal non-compliance of requirements under legal permits.			
Requirement Reference:	(C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.			
Objective Evidence:	Based on the Female Night Work Permit; Serial # 600-1/2/15/87(05/TWU/2018-069); Validity period 5/4/2018 – 5/4/2020, the requirements were found not in compliance on conditions # 1.1, # 1.3 and # 1.6 for Sabahan Palm Oil Mill employees as following:			
	Permit Condition	Non-compliance	Employee ID	Evidence
	# 1.1	Workers' written consent not obtained for work at night exceed 10pm	# 01/0528; Station: Weighbridge	June 2020 Time and Attendance Report: - Thursday 11/6/2020 Clock out time: 23:00
			# 01-0645; Station: Weighbridge	June 2020 Time and Attendance Report: - Tuesday 16/6/2020 Clock out time: 23:10; - Wednesday 1/7/2020 Clock out time: 01:00
# 1.3	Female employees free-of-work (rest) period less than consecutive 11 hours	Employee # 03-0050; Station: Press Plant	June 2020 Time and Attendance Report: - Wednesday 3/6/2020 Clock out time: 21:50 to Thursday 4/6/2020 Clock in time: 07:00 Hours duration (gap): 9 hrs & 10 minutes	
		Employee # 04-0691; Station: Loading Ramp	June 2020 Time and Attendance Report: - Monday 29/6/2020 Clock out time: 04:00 to Monday 29/6/2020 Clock in time: 09:51 Hours duration (gap): 5 hrs & 51 minutes	

			Employee # 04-0687; Station: Tippler	June 2020 Time and Attendance Report: - Monday 15/6/2020 Clock out time: 04:00 to Monday 15/6/2020 Clock in time: 09:51 Hours duration (gap): 5 hrs & 51 minutes; - Monday 29/6/2020 Clock out time: 04:00 to Monday 29/6/2020 Clock in time: 09:59 Hours duration (gap): 5 hrs & 59 minutes
	# 1.6	Shift allowance not paid at rate agreed by female employees	- # 01/0528; Station: Weighbridge - # 01-0645; Station: Weighbridge	Pay slip sample for June 2020 indicated no shift allowance although there was evidence of work exceed 10pm
Corrections:	<ol style="list-style-type: none"> To back pay the night shift allowance to these weighbridge clerk for that particular's month- Aug' 2020. Female workers only work on day shift during off day to ensure the 11 hours rest time are provided – Aug' 2020. 			
Root Cause Analysis:	<ol style="list-style-type: none"> Weighbridge workers working time are scheduled until 10pm. Only during MCO they need to wait for FFB truck driver for delivery due to traffic control issues. Press plant, Loading Ramp & Tippler worker – working night shift on off day (pre-set on Sunday) & then change shift to day shift on Monday. 			
Corrective Actions:	<ol style="list-style-type: none"> All weighbridge clerk for SPOM will signed the working at night agreement – Aug'2020 Shift scheduled to be reviewed for female workers to prevent any non-compliances towards the Female Night Work Permit's conditions – Aug'2020 			
Assessment Conclusion:	Evidence verified: <ol style="list-style-type: none"> The back pay for the night shift allowance has been paid in August 2020 salary. Sighted the payment included in the payslip for workers with employment ID 01-0528, 01-0530, 01-0645 Interview with female workers representative with employment ID 01-0528 and 04-0691 shows the satisfactory understanding on the requirement for female workers work at night base on the Female Night Work Permit. The mill management has conducted a briefing for Female Night Work on 12/8/2020 The mill has established Female Workers Work Schedule dated 12/8/2020. In the schedule also stated that the female workers working at night shift are not allowed to work during rest day and changed shift. The weighbridge clerks has signed the working at night agreement on 19/8/2020. In the agreement stated that the clerks agreed to work at night shift base on the scheduled established by the mill management. 			

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	It was confirmed that the corrective action plan was implemented effectively hence Major NC remained close.
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Non-conformity			
NCR Ref #	1937885-202007-M2	Date Issued	30/07/2020
Due Date	28/10/2020	Date of nonconformity Closure	08/10/2020
Clause & Category (Critical / Minor)	2.3.1 Major (Critical)		
Statement of Nonconformity:	Evidence of the ownership status or the right/ claim to the land, or valid use of land by the grower/ smallholder was not available.		
Requirement Reference:	For all directly sourced FFB, the mill requires: <ul style="list-style-type: none"> • Information on geo-location of FFB origins • Evidence of the ownership status or the right/ claim to the land, or valid use of land by the grower/ smallholder • One or more supporting documents for claims • Valid MPOB license 		
Objective Evidence:	A list of all directly sourced FFB is available. It has the information about names of the suppliers, MPOB License number, geo-location, address and hectarage. So far there were 45 suppliers registered. However, the evidence to show the status of the third party FFB suppliers land ownership for example Land Application (LA), letter from Land & Survey Department, Surat Tuai Rumah/ Ketua Kampung, letter from Jabatan Kemajuan Orang Asli (JAKOA) (for Peninsular), Temporary Occupation Lease (TOL), Provisional Lease or Alienated Land was not available for verification. Apart from that, only 9 of the 45 suppliers' geo-location of FFB origin has been obtained.		
Corrections:	Create supplier's evaluation system / form, audit methods & scheduled of audit to the FFB Supplier's site of operation / estate. This supplier evaluation system/form will get all the relevant information from FFB supplier's during the FFB Admin Site Visit and verified by the FFB Supplier's themselves. This form basically the site audit information records. - 5 th September 2020.		
Root Cause Analysis:	Current system, the verification of all legal ownership of the land are made through the MPOB license as the MPOB are the department that issued the MPOB License for all FFB producer's and millers, whereby all legal documents included land ownership (with true copy stamp) are provided to the MPOB annually prior renewal of their MPOB License. Therefore the Mill is with the impression that if the MPOB License is valid therefore legal ownership of land have been validated by MPOB.		
Corrective Actions:	Planned for annual audit for listed TSH FFB Suppliers using this form will be conducted by the FFB Admin Sales Department– 5 th September 2020		
Assessment Conclusion:	Evidence verified		

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	<ol style="list-style-type: none"> 1. The company has established an audit form which covers details such as Supplier Information, Management System, Environmental Approach and Social Approach. 2. The Quality Assurance for Sabahan Mill represent the FFB Admin Department has conducted the audit for sampled FFB Suppliers as follows: <ol style="list-style-type: none"> a. Bayu Stabil Sdn. Bhd. dated 14/9/2020 b. Kakuma Sdn. Bhd. dated 14/9/2020 c. Resintech Holdings Sdn. Bhd. dted 14/9/2020 d. Velocity Gain Sdn. Bhd. dated 14/9/2020 3. The FFB Admin Department has established "Schedule Of Audit For FFB Supplier's Sabahan Palm Oil Mill" <p>It was confirmed that the corrective action plan was implemented effectively hence Major NC remained close.</p>
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Non-conformity			
NCR Ref #	1937885-202007-M3	Date Issued	30/07/2020
Due Date	28/10/2020	Date of nonconformity Closure	08/10/2020
Clause & Category (Critical / Minor)	2.1.1 Major (Critical)		
Statement of Nonconformity:	The compliance of the DOE's compliance schedule was not adequately demonstrated.		
Requirement Reference:	The Unit of Certification complies with legal requirements.		
Objective Evidence:	The mill is discharging its effluent through land irrigation at the estate. Based on site visit, it was found that one of the pipeline connections (saddle clamp joining 6" pipe and 2" pipe) was disconnected which has caused the effluent spilled to the environment. This is not in line with the DOE's <i>Jadual Pematuhan</i> (compliance schedule), license #004525, Clause 9 which reads " <i>Sebarang limpahan effluent daripada Kawasan pelupusan efluen (pengairan tanah) tidak dibenarkan berlaku</i> " (Any spillage from effluent land irrigation is not allowed). Apart from that, the other pipeline connections could not be located due to covered by overgrown weeds. Therefore, it was hard to conclude that the disconnection was an isolated case.		
Corrections:	Immediately repair the disconnected joints during findings to prevent continuous spillage into the environment.		
Root Cause Analysis:	Wear & tear on the connection parts causing it to be disconnected at joins and no regular inspection has been conducted at these connections.		
Corrective Actions:	<ol style="list-style-type: none"> 1. Regular inspection by the workers to the land irrigation site on weekly basis based on effluent discharge schedule to the land irrigation site – Aug'2020. 2. Demarcation of the connecting pipelines for land irrigation for easy identification & maintenance of site – Aug'2020 		

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	3. Records of inspection will be reviewed during EPMC Meeting – Sept'2020
Assessment Conclusion:	<p>Evidence verified:</p> <ol style="list-style-type: none"> Sighted the records for the immediate repair the disconnected joints conducted on 27/7/2020 The mill has conducted weekly inspection for the land irrigation site. Sighted the inspection records dated 5/8/2020, 10/8/2020, 17/8/2020, 24/8/2020, 8/9/2020, 12/9/2020 and 21/9/2020 The records of weekly inspection for the land irrigation site was discussed in the Environmental Performance Monitoring records. Sighted the minutes meeting conducted on 14/9/2020 The mill has demarcated all the connecting pipelines for land irrigation. Sighted the demarcation for connection no. 9, 22,23, 26, 31, 32, 45, 47, 48, 49, 51, 52, 55, 56, 58, 60, 61, 65 <p>It was confirmed that the corrective action plan was implemented effectively hence Major NC remained close.</p>

Non-conformity			
NCR Ref #	1937885-202007-N1	Date Issued	30/07/2020
Due Date	28/10/2020	Date of nonconformity Closure	08/10/2020
Clause & Category (Critical / Minor)	6.7.2 (Minor)		
Statement of Nonconformity:	The waste management plan was not consistently implemented.		
Requirement Reference:	A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.		
Objective Evidence:	<p>Sabahan POM has established its waste management plan for spent chemical generated from laboratory. It was stated in the plan that the spent chemicals shall be disposed through the DOE licensed collector. However, the current practice is by returning the chemical to the mill process line.</p> <p>2. The current disposal practice for contaminated lubricants filter is by handing over to the third-party vendors who were assigned to carry out the machinery maintenance service at the mill's premise. However, there is no information whether or not those vendors are licensed to collect the contaminated filters.</p>		
Corrections:	<ol style="list-style-type: none"> To disposed back SW 322 as per standard methods which is to the License SW Contractor's as per 6 monthlies scheduled – Dec' 2020 To disposed back the oil filter as SW410 to License SW contractor – Dec' 2020 		
Root Cause Analysis:	1. Spent Solvent chemical - due to mixed with small amount of hexan which by discussion with the SW collector, contained zero hexane due to evaporation rate. After discussion in the Environmental Performance Monitoring Committee (EPMC) Meeting, since the volume of CPO disposed of are much higher and it		

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	<p>can be recycled into the system, the decision is to return the tested CPO into the system. No changes in the waste management plan, as the plan for waste characterization are to be conducted in 2019, but not found any suitable laboratory to conduct it in Sabah. Lapses in management to follow up this plan of action.</p> <p>2. Used oil filter are requested by the supplier as part of their servicing program (any filter their replace for company, they will bring back to their site) and contractor have their own system of reuse of filter waste as verified, they do have their own oil collection system for used oil and disposal of both used oil collected (SW305/306) and contaminated filter (SW410) through the certified SW Contractor are shared on their 6 monthly of consignment note records. The supplier made their own segregation of SW through dismantling of the filter by removing metal (shell & spring) from the filter set. This can achieve results which;</p> <ul style="list-style-type: none"> • reducing the amount of SW disposed of as SW410 (SW landfill) • Saving the precious metal from being disposed as SW and can be recycle • Can press the dismantled contaminated filter and produce more SW 305/306 for recovery process at SW recovery facilities.
Corrective Actions:	Revised the LTI Tracking system to include the notification of JKPP 7 Recording.
Assessment Conclusion:	<p>ASA 2 Verification</p> <p>Inventory of SW record was sighted latest on 03/12/2021 for SW102, SW305, SW306, SW322, SW408, SW409, and SW410 with file reference number ASSH/TWU(B)31/152/000/041.</p> <p>Disposal has been made through licensed contractor Lagenda Bumimas Sdn Bhd dated 25/08/2021. Sighted record of disposal for SW410, SW409, SW408, SW322, and SW305.</p> <p>It was confirmed that the corrective action plan was implemented effectively hence Minor NC is closed.</p>

Opportunity for Improvement	
OFI#	Description
1937885-202007-I1	<p>Potential social aspects/issues related to availability of residence and/or visiting medical practitioner on site could be assessed further for better establishment of management plan.</p> <p>ASA 2 Verification: The issue has been resolved as a medical assistant was available onsite.</p>
1937885-202007-I2	<p>Implementation of workers' housing bi-weekly inspection within operating units using the Housing, Community Hall, Nursery & School Inspection Form; Ref. # TSHP/CL/F14; Rev. # 1; Effective date: 01.08.2016 could be improve further to reflect specific conditions and/or situation of whole or specific area/building/house.</p> <p>ASA 2 Verification: The inspection was conducted bi-weekly. The form has been updated with condition of the building as follows:</p>

	<ol style="list-style-type: none"> 1. House cleanliness 2. Drainage system 3. Domestic waste area 4. Resident health 5. Water cleanliness 6. Electricity <p>Reviewed the inspection records dated 27/02/2021, 27/03/2021, 12/04/2021 and 30/04/2021.</p>
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3.3.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Critical / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
1791856-201905-M1	Major	6.5.1	28/06/2019	Closed out on 29/07/2019
1791856-201905-N1	Minor	4.7.5	28/06/2019	Closed out on 30/07/2020
1791856-201905-N2	Minor	4.1.2	28/06/2019	Closed out on 30/07/2020
1937885-202007-M1	Major (Critical)	6.2.3	30/07/2020	Closed out on 08/10/2020
1937885-202007-M2	Major (Critical)	2.3.1	30/07/2020	Closed out on 08/10/2020
1937885-202007-M3	Major (Critical)	2.1.1	30/07/2020	Closed out on 08/10/2020
1937885-202007-N1	Minor	6.7.2	30/07/2020	Closed out on 15/06/2021
2143337-202112-M1	Major	6.2.2	10/12/2021	Closed out on 23/02/2022
2143337-202112-N1	Minor	3.3.2	10/12/2021	Open

3.4 Stakeholders and previous land owner / user consultation

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

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

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

Stakeholders contacted		
Type of Stakeholder (e.g. Internal, Union, Contractor, Governmental Department, NGO, External, Communities)	Stakeholder name / organization	Means of communication (e.g. face to face interview, email, phone interview, comment from public notice)

Mill Vendor	Acoxgas	Face to face interview
Local workers representative	Mill security guard	Face to face interview
Gender committee	Weighbridge clerk	Face to face interview
Local workers representative	Mill operator	Face to face interview
New mothers	- Store keeper - Maid	Face to face interview
Neighbour	Jabatan Perkhidmatan Kambing Kalahari Kunak	Face to face interview
Estate vendor	Jiri Mas Trading	Face to face interview

Stakeholders comment	
1	<p>Feedbacks: Mill & estate vendors No issue in pricing and payment with both TSH mill and estates. Have long business relationship.</p> <p>Audit Team verification and response: No further issue</p>
2	<p>Feedbacks: Local & foreign workers representative No issue with management. If need to discuss management ready to accommodate.</p> <p>Audit Team verification and response: No further issue</p>
3	<p>Feedbacks: Gender committee & new mother All women employees in TSH mill and estates entitled for maternity leave of 60 days. New mothers provided with private room in office for breast milk pumping during office hours. Field workers if required can use nursery for estate toddlers for breast feed babies during working hour. New mother also allowed to take time off in case need to attend babies vaccination appointment without annual leave or salary deduction.</p> <p>Audit Team verification and response: No further issue</p>
4	<p>Feedbacks: Neighbour (Jabatan Perkhidmatan Kambing Kalahari Kunak) No issue in boundary with estate. Easy to communicate with estate management when saw sometime FFB lorry seen speeding exceed limit on gravel road.</p> <p>Audit Team verification and response: No further issue</p>

List of land owner / user contacted

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Name	Years of ownership / used	Land area (ha)	Agreement (Yes / No)	Agreement base on FPIC (Yes/No)	Compliance on the agreement terms and conditions
Mohd Rafeal Ancheta Hj	13	84.17	Yes	Yes	Yes
Standard Chartered Bank	9				
Peter Lo Fen TeT	2	5.90	Yes	Yes	Yes
Law Mak Law & Sons Sdn Bhd	6				
Liew Ping Plantations Sdn Bhd	14				
Chin Piang Kiew	2	6.90	Yes	Yes	Yes
Law Mak Law & Sons Sdn Bhd	6				
Liew Ping Plantations Sdn Bhd	14				
Chang Siew Kiau	2	6.91	Yes	Yes	Yes
Law Mak Law & Sons Sdn Bhd	6				
Liew Ping Plantations Sdn Bhd	14				
Ruse Bt Bahar	2	6.22	Yes	Yes	Yes
Law Mak Law & Sons Sdn Bhd	6				
Liew Ping Plantations Sdn Bhd	14				
Chin Lee Wah	2	5.93	Yes	Yes	Yes
Law Mak Law & Sons Sdn Bhd	6				
Liew Ping Plantations Sdn Bhd	14				
Chia Kui Kong	8	5.99	Yes	Yes	Yes

Law Mak Law & Sons Sdn Bhd	6				
Liew Ping Plantations Sdn Bhd	6				
Sabah Bank Berhad	8				




Previous land owner / user comment	
NA	Feedbacks: No feedbacks received
	Audit Team verification and response: NA

3.5 Impartiality and conflict of interest

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

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Formal Signing-off of Assessment Conclusion and Recommendation

<p>The audit objectives have been achieved and the certificate scope is appropriate. Based on the results of this audit, it is concluded that TSH Sabahan Palm Oil Mill has complied with the Malaysia National Interpretation 2019 of the RSPO P&C 2018 and audit criteria identified within the audit report. It is deemed that the management system has achieved its intended outcomes. Therefore, it is recommended that TSH Sabahan Palm Oil Mill is remain certified.</p>	
<p>Report prepared by</p>	<p>Acceptance of Assessment Conclusion</p>
<p>Name: Muhammad Fadzli b. Masran</p>	<p>Name: Amran bin Amirulla</p>
<p>Company Name: BSI Services (M) Sdn. Bhd.</p>	<p>Company Name: TSH Plantation Sdn. Bhd</p>
<p>Title: Client Manager</p>	<p>Title: Acting Mill Manager</p>
<p>Signature:</p> 	<p>Signature: <i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i></p>  
<p>Date: 11/03/2022</p>	<p>Date: 17/3/2022</p>

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance
Principle 1: Behave ethically and transparently		
Criterion 1.1: The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
1.1.1	<p>(C) Documents that are specified in the RSPO P&C are made available to the public.</p> <p>- Critical (Major) compliance -</p> <p>General publicly documents sighted available such as the Annual Report 2019 accessible for downloading its softcopy version from company's website: https://www.tsh.com.my/annual-report-2020/.</p> <p>Other documents provided including the following:</p> <ul style="list-style-type: none"> - Sabahan Estate: Title no. Country Lease 245337191; Register memo no.: 20243896; dated 25/8/1998. - Sustainability Policy: Strategy & Implementation; ST-POL10-00; Date: 5/9/2017 - Human Rights & Responsible Business Practices; ST-POL09-03; Date: 21/7/2020 - TSH Resources Berhad Environmental Aspect and Impact Assessment Sheet; TSHR/ENV/F01; Date: 31/1/2019 - TSH Resources Berhad List of Significant Aspect; TSHR/ENV/F02; Date: 31/1/2019 - TSH Resources Berhad Objective, Target & Program; Rev. # 1; Effective date: 1/1/2021 - TSH Resources Berhad HCV (Wildlife) Monitoring 2nd Half Year 2020 Sabahan Estate; Date: 21/12/2020 - TSH Plantation Management Sdn. Bhd. Internal Stakeholder List; Rev. # 1; Date: 30/4/2021 - TSH Plantation Management Sdn. Bhd. External Stakeholder List; Rev. # 1; Date: 15/1/2019 	Complied

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		<ul style="list-style-type: none"> - Standard Operating Procedure Communication, Consultation and Participation; TSHR/SUST/SOP02; Rev. # 03; Date: 19/11/2019 - "Polisi Hak Asasi Manusia & Integritas Bisnis" – Date: 21/07/2020 - "Polisi Peluang Setara & Diskriminasi" - Date: 16/10/2015 - "Polisi Kemampuan Strategi & Implementasi" - Date: 05/09/2017 - Other publicly available documents were sighted and available with details as reported in each indicator of related criterion. 	
1.1.2	<p>Information is provided in appropriate languages and accessible to relevant stakeholders.</p> <p>- Minor compliance -</p>	<p>Due to Covid-19 pandemic and movement control orders enforced by the government, the stakeholder consultation meeting was cancelled as per letter of notification dated 10/5/2021. Consultation was made through distribution of company's sustainable policies and procedures including questionnaires to stakeholders to seek for any feedbacks. Sighted the acknowledgement of received of information with no negative feedbacks received from stakeholders consulted via letters.</p>	Complied
1.1.3	<p>(C) Records of requests for information and responses are maintained.</p> <p>- Critical (Major) compliance -</p>	<p>Request and response from internal & external stakeholders as per sample records of <i>Borang Cadangan & Aduan</i> (Suggestion & Complaint Form); Rev. # 0; Effective date: 19/11/2019 sighted. Sample requests made are as following:</p> <ol style="list-style-type: none"> 1. Request by customer (TSH-Wilmar Sdn. Bhd.) to complete and return supplier audit questionnaire form; Date: 27/11/2020 2. Request by workers to increase water supply time for workers quarters located at furthest distance of water supply pipeline; Date: 1/6/2020 3. Sabahan POM Regular Inspection Machinery & Mill Audit by DOSH Tawau; Date: 7/7/2021 and Follow-up visit to witness 	Complied

		Leak Test after repair of 1 unit Sterilizer # 1 PMT 143661; Date: 12/8/2021	
1.1.4	<p>(C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative.</p> <p>- Critical (Major) compliance -</p>	<p>Consultation and communication procedure available in place, TSHR/RSPO/SOP02, Rev. #1. Sighted process flow for communication & consultation also available as reference.</p> <p>Due to Covid-19 pandemic and movement control orders enforced by the government, the stakeholder consultation meeting was cancelled as per letter of notification dated 10/5/2021. Consultation was made through distribution of questionnaires to stakeholders to seek for any feedbacks. No negative feedbacks received from stakeholders consulted via letters.</p> <p>Nominated official management representative is Mr. Amran Amirulla for Sabahan POM as per letter of appointment dated 15/1/2021 and Mr. Fabian Jaimin Sindin for Sabahan Estate as per letter of appointment dated 15/4/2019.</p>	Complied
1.1.5	<p>There is a current list of contact and details of stakeholders and their nominated representatives.</p> <p>- Minor compliance -</p>	<p>There is a current list of contact and details of stakeholders and their nominated representatives as per sighted sample records as following:</p> <ol style="list-style-type: none"> 1. TSH Plantation Sdn. Bhd. (Sabahan POM) External Stakeholder List; Date: 14/4/2021 2. TSH Plantation Management Sdn. Bhd. (Sabahan Estate) Internal Stakeholder List; Date: 30/4/2021 3. TSH Plantation Management Sdn. Bhd. (Sabahan Estate) External Stakeholder List; Date: 14/4/2021 4. TSH Plantation Management Sdn. Bhd. (Sabahan Estate) Internal Stakeholder List; Date: 30/4/2021 	Complied
<p>Criterion 1.2: The unit of certification commits to ethical conduct in all business operations and transactions.</p>			

1.2.1	<p>A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.</p> <p>- Minor compliance -</p>	<p>TSH established policy on Communication & Consultation and the embedment of Code of Ethics within the Group Human Resource Manual and practice covers all operations in the plantation operation.</p> <p>Elements of ethical conducts and integrity were embedded in all policies including the latest revised policy of Human Rights & Responsible Business Practices; ST-POL09-03; Date: 21/7/2020.</p>	Complied
1.2.2	<p>A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.</p> <p>- Minor compliance -</p>	<p>Monitoring conducted by the management of operating units with assistance from Sustainability Team for the implementation of the policy and overall ethical business practice within TSH group. Sighted the records of Internal Audit Report; TSHR/QD/F09; Rev. # 1; Effective date: 26/8/2019 for the latest internal audit conducted on 29-30/3/2021 by internal auditors from sustainability team.</p>	Complied
<p>Principle 2: Operate legally and respect rights</p>			
<p>Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.</p>			
2.1.1	<p>(C) The Unit of Certification complies with legal requirements</p> <p>- Critical (Major) compliance -</p>	<p>The operating units had continued to comply with the legal requirements. Compliance to each applicable law and regulation is monitored by the operating units and sustainability team. The operating units had obtained and renewed license and permits as required by the law. Among others the licenses/permit viewed were:</p> <p>Sabahan POM</p> <ol style="list-style-type: none"> 1. MPOB license no. 508718204000, valid till 31/05/2022 2. DOE license no. 004525, valid till 30/06/2022 3. DOE contradiction license no. 005166, valid till 30/08/2022 4. Business license no. R24087/06, valid till 31/12/2021 5. Permit to employ non -resident workers no. JTK.H.LDT.600-4/1/1/01261/4273, valid till 10/04/2022 	Complied

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		<p>6. Permit for woman working at night no. 600-1/2//15/87(05/TWU/2018-069) valid till 02/07/2022</p> <p>7. Weighbridge ticket no. B 1385310, valid till 28/06/2021</p> <p>8. Diesel permit no. S001627, valid till 26/08/2021</p> <p>9. Private installation permit no. 2020/02896, valid till 28/02/2022</p> <p>10. Contract Agreement of Schedule Waste (Lagenda Bumimas), valid until 30/11/2022</p> <p>Sabahan Estate</p> <p>1. MPOB License no. 617854002000, valid till 31/12/2022</p> <p>2. Business license no. KNK/2020/2525, valid till 31/12/2021</p> <p>3. License to employ non - resident workers no. B-006661/24, valid till 14/10/2022</p>	
2.1.2	<p>A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations.</p> <p>- Minor compliance -</p>	<p>The mill and estate maintain their documented systems for identifying, evaluating, reviewing, and updating applicable regulations and other requirements.</p> <p>The legal register at all sites were updated on a yearly basis or as and when needed [ref.: Legal Document Master list (Rev. no. 2; dated 15/1/2018)]. The list was last updated in January 2021 for Mill and Estate respectively.</p> <p>An evaluation of compliance has also been done as one of the means to monitor compliance. The last evaluation was done on 29-30/03/2021 and the outcome was documented in the internal audit report [ref.: TSHR/QD/F09, rev. 1, dated 26/8/2019].</p>	Complied
2.1.3	<p>Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.</p> <p>- Minor compliance -</p>	<p>Whenever the land boundaries are adjacent with third party (smallholders, villages, other oil palm companies, etc.) the normal practice of sample estate to indicate the legal boundaries are through construction of trenches and parameter road. During the</p>	Complied

		field visit, it was noted that legal boundaries are clearly demarcated and visibly maintained throughout the estate. The method of demarcation is by planting wooden pegs painted with red colour. Government boundary stone was sighted at Block 2019 A neighbouring with smallholders. Estate also place peg surround the boundary and clearly visible through site visit.	
Criterion 2.2: All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.			
2.2.1	A list of contracted parties is maintained. - Minor compliance -	The mill and estate has maintained the list of contracted parties and documented in External Stakeholder Contact Details. The list were categorized into contractor list, product customer list, and FFB Supplier list. The list contains information such as: <ol style="list-style-type: none"> 1. Contractors names 2. Trading license no. 3. GPS/Location 4. Person In Charge 5. Contact no. 6. Email address 7. Company address 	Complied
2.2.2	All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available. - Minor compliance -	All contracts includes FFB supply contain specific clause on meeting applicable legal requirements. The clause was spell out in section 3 in the contract agreement which stated "The Contractor shall for the purpose of this Agreement comply with all the applicable law in Malaysia" and in the Business Codes Ethics under section 1 which stated "The entity shall comply with all applicable laws and regulations by the local authority and the government at all times". Reviewed the sampled contracts as follows: <ol style="list-style-type: none"> 1. Contract agreement between TSH Plantation Management Sdn. Bhd with Hin Fatt Dev. Contractors dated 01/02/2020 	Complied

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		<ol style="list-style-type: none"> 2. Contract agreement between TSH Plantation Management Sdn. Bhd with Gemisetia Sdn. Bhd dated 01/07/2020 3. Contract agreement between TSH Plantation Management Sdn. Bhd with LAK Weighing System (Sabah) dated 18/06/2019 4. Contract agreement between TSH Plantation Management Sdn. Bhd with ETMA Plantations Sdn. Bhd dated 01/07/2020 	
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>All contracts includes FFB supply contain specific clause on meeting applicable legal requirements. The clause was spell out i in the Business Codes Ethics under section 3 which stated “the entity shall not employ children or anyone below the minimum legal age of 18 years. The entity to ensure they disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection”</p> <p>Reviewed the sampled contracts as follows:</p> <ol style="list-style-type: none"> 1. Contract agreement between TSH Plantation Management Sdn. Bhd with Hin Fatt Dev. Contractors dated 01/02/2020 2. Contract agreement between TSH Plantation Management Sdn. Bhd with Gemisetia Sdn. Bhd dated 01/07/2020 3. Contract agreement between TSH Plantation Management Sdn. Bhd with LAK Weighing System (Sabah) dated 18/06/2019 4. Contract agreement between TSH Plantation Management Sdn. Bhd with ETMA Plantations Sdn. Bhd dated 01/07/2020 	Complied
<p>Criterion 2.3: All FFB supplies from outside the unit of certification are from legal sources.</p>			
2.3.1	<p>(C) For all directly sourced FFB, the mill requires:</p> <ul style="list-style-type: none"> • Information on geo-location of FFB origins 	<p>The mill has established information of all directly source FFB and documented in FFB Supplier List. The supplier has been categorized base on size of the land owned (less than 40.46 ha, 40.46 – 202.34</p>	Complied

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	<ul style="list-style-type: none"> Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder One or more supporting documents for claims Valid MPOB license <p>- Critical (Major) compliance -</p>	<p>ha, and more than 202.34 ha). In the supplier list contains information such as Company name, certification no. (RSPO/MSPO), MPT License no., MPOB license no., Hectarage, GPS location, Person in Charge, Contact no., Email Address and Company no. Sampled reviewed as follows:</p> <table border="1" data-bbox="1144 531 1917 858"> <thead> <tr> <th>Name</th> <th>MPOB License no.</th> <th>Hectarage</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>Felcra Urus Estate Sdn. Bhd</td> <td>504050-002000</td> <td>3241.00 ha</td> <td>4.98126, 118.21490</td> </tr> <tr> <td>Metun Enterprise Sdn. Bhd.</td> <td>503302-302000</td> <td>1094.79 ha</td> <td>4.60671, 118.17950</td> </tr> <tr> <td>Plus Bumimas Sdn. Bhd</td> <td>5046920302000</td> <td>648.54 ha</td> <td>4.74766, 117.97575</td> </tr> </tbody> </table>	Name	MPOB License no.	Hectarage	Location	Felcra Urus Estate Sdn. Bhd	504050-002000	3241.00 ha	4.98126, 118.21490	Metun Enterprise Sdn. Bhd.	503302-302000	1094.79 ha	4.60671, 118.17950	Plus Bumimas Sdn. Bhd	5046920302000	648.54 ha	4.74766, 117.97575	
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Plus Bumimas Sdn. Bhd	5046920302000	648.54 ha	4.74766, 117.97575																
<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 mill has established FFB Supplier List to Collecting Centre. Reviewed the List for FFB Supplier List to Danum Collecting Centre, FFB Supplier List to Sapang Collecting Centre, FFB Supplier List to Bukit Tajam Collecting Centre, FFB Supplier List to Silam Collecting Centre dated 10/05/2021.</p> <p>In the list stated the Name, RSPO/MSPO cert. no., MPT license no., MPOB License no., Land Title no., Size of land, location/GPS, Person Responsible, Contact no., Email Address and Company address.</p> <p>The mill is in progress to obtain all the GPS location information from the collection centre.</p>	<p>Complied</p>																
<p>Principle 3: Optimise productivity, efficiency, positive impacts and resilience</p>																			
<p>Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>																			

<p>3.1.1</p>	<p>(C) 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>The certification units have continued its commitment to long term sustainability and improvements through a capital expenditure program. The management has forecasted 3 years business plan from FY 2021 – 2023. In the 3 years business plan includes: Palm Oil Mill 1. Fixed Assets 2. Staff Salaries and Related Cost 3. Processing cost 4. Forecast Price CPO 5. OER and KER 6. FFB Production Quantity 7. Admin and General Charges 8. Manufacturing cost 9. Total Operational cost Estates 1. Fixed Assets 2. Staff salaries and related cost 3. Labour welfare expenses 4. Administration and general charges 5. Mature – upkeep and maintenance 6. Harvesting and collection 7. Total Mature (operational Cost)</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>The sampled estates have long range replanting program until FY 2025. Replanting planned for the palm older than 25 years, non-</p>	<p>Complied</p>

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		<p>performance field (yield) and Ganoderma infected palm. Observed the replanting program for the next financial year as follows:</p> <table border="1" data-bbox="1137 435 1919 568"> <thead> <tr> <th>Estate</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Sabahan Estate</td> <td>0.00</td> <td>14.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> </tr> </tbody> </table>	Estate	2021	2022	2023	2024	2025	Sabahan Estate	0.00	14.00	0.00	0.00	0.00	
Estate	2021	2022	2023	2024	2025										
Sabahan Estate	0.00	14.00	0.00	0.00	0.00										
<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>The company has established SOP for Management Review Meeting. Refer SOP no TSHR/QD/SOP04, rev. 3 dated 01/08/2019. The management review meeting was conducted centrally and attended with representative from the top management, related department, representative from Sustainability Department and representative from operating units.</p> <p>Reviewed the latest minutes meeting conducted on 22/04/2021. Among the meeting agendas:</p> <ol style="list-style-type: none"> 1. Status from previous meeting 2. Sustainability update 3. Result of internal and external audit 4. Nonconformities and corrective action 5. Continuous improvement plan 6. Process performance and product conformity 7. Customer feedback 8. Compliance monitoring on integrated management system 9. Changes in external and internal issue that relevant to integrated management system 10. The adequacy of resource 11. Opportunities of improvement 	<p>Complied</p>												

		12. Complaint and grievances 13. Other business	
Criterion 3.2: The unit of Certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable Continuous improvement in key operations.			
3.2.1	<p>(C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification.</p> <p>- Critical (Major) compliance -</p>	<p>Continual improvement plan has been developed for Sabahan POM and Sabahan Estate. Refer Environment Continual Improvement Plan (2021 – 2025) prepared on 15/12/2020 with effective date on 01/01/2021. Among topics discussed were:</p> <p>Sabahan POM</p> <ul style="list-style-type: none"> • To reduce Emission that polluted the air • To improve wastewater treatment • To avoid the infection from the generating of clinical waste • To minimize land pollution through leachate • To improve the collection, segregation, storage and disposal of all schedule waste and domestic waste. <p>Sabahan Estate</p> <ul style="list-style-type: none"> • To minimize air pollution • To promote the biodiversity present in the field are safe from being poisoned or killed the proliferation of beneficial soil, flora and fauna • To minimize the land contamination through the generating of schedule waste • To protect ant Riparian Reserves or gazetted buffer zone from any plantation activities. <p>Sighted Environmental Aspects and Impacts Evaluation Register for Mill and Estate dated 01/07/2020. Among activities discussed in the operating unit were:</p>	Complied

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		<p>Mill</p> <ul style="list-style-type: none"> • Biogas Operation • Effluent • POME • Boiler <p>Estate</p> <ul style="list-style-type: none"> • Harvesting • Manuring • Spraying • Landfill 	
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>PROCEDURAL NOTE: The RSPO metrics template is awaiting decision/agreement by RSPO and the issue is still being discussed. Until such metrics is agreed and developed, companies will carry on with existing reporting e.g. PalmGHG, Annual Communication of Progress (ACOP) reporting, and information provided to Certification Body and feedback via RSPO Secretariat is required. - Minor Compliance -</p>	<p>RSPO metrics template submitted was verified its data to be reflective of raw data sources from each operating units.</p>	Complied
<p>Criterion 3.3: Operating procedures are Appropriately documented, consistently implemented and monitored.</p>			
3.3.1	<p>(C) Standard Operating Procedures (SOPs) for the unit of certification are in place. - Critical (Major) compliance -</p>	<p>All operation in the mill and estates were guided by the Standard Operating procedures, Work Instruction and Forms established by the company. The SOP were listed in the Document Masterlist with categorized into Human Resource, admin, purchasing, finance, training and development, Sustainability, Quality Department,</p>	Complied

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		<p>Environment, Occupational Safety and Health, Palm Oil Mill/Estates.</p> <p>Reviewed the SOP as follows:</p> <ol style="list-style-type: none"> 1. Covid – 19 Emergency Preparedness and Response Guideline, rev. 0 dated 20/03/2020. 2. Store Purchase (SOP System), TSHR/PR/SOP02, rev. 2 dated 25/02/2020 3. Supply Chain, TSHR/SUST/SOP05, rev 5 dated 20/02/2020 4. Child Labour, TSHR/POL/SOP07, rev. 1 dated 20/02/2020 5. Water Management, TSHR/ENV/SOP02, rev 3 dated 20/02/2020 6. Waste Management, TSHR/ENV/SOP03 dated 20/02/2020 	
<p>3.3.2</p>	<p>A mechanism to check consistent implementation of procedures is in place. - Minor Compliance -</p>	<p>The mechanism of ensure to consistent implementation of procedure was available in TSH plantation. In term of Sustainability implementation based on RSPO, MSPO and also Legal & Other related requirements.</p> <p>The operating units maintain all records of monitoring and actions taken form the reports. Reviewed the sampled reports as follows:</p> <p>Sabahan POM</p> <ol style="list-style-type: none"> 1. Internal audit report for Principle and Criteria dated 29 – 30/03/2021. No non-conformity were raised during the audit 2. Internal Audit for Legal and Other Requirement date 29 – 30/03/2021. 1 non-conformity were raised during the audit <p>Sabahan Estate</p> <ol style="list-style-type: none"> 1. Internal audit report for Principle and Criteria dated 29 – 30/03/2021. 1 major non-conformity were raised during the audit. The estate has submitted corrective action plan no. IA/KNK/2021/RSPO/EST/01 dated 31/03/2021. 	<p>Non-compliance</p>

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		<p>Implementation of SOP in the Sabahan POM were not fully demonstrated.</p> <p>During site visit at Sabahan POM, it was found the availability of PPE in the Effluent Station were not according to their guideline. The cotton glove was used for chemical mixing instead of nitrile glove when handling HK6201 – Flocculant and HK6102 – Coagulant for water treatment. It was against SOP Occupational Safety and Health Handbook – POM Section (F),(a),No.5 Personal Protective Equipment (PPE): Latex glove protects hand from direct contact with chemical residue on parts; Document Number TSHR/OSH/SOP05 dated 04/07/2016.</p> <p>Verified through interview and site visit, the attendant also do grass cutting surround the effluent station for upkeep the area however, it was found petrol for Niken Cutter were stored in the 4 inappropriate containers. It was against SOP "Stor:POL Panduan Kerja Selamat" dated 20/10/2016 by TSHR SHO, stated that "Bekas bahan kimia yang di tetapkan sahaja boleh di gunakan untuk penyimpanan sementara POL(Petrol, Oil, Lubricant).</p> <p>During site visit at Workshop Area, it was found the Flash back arrestor were not installed at the Oxygen and Acetylene tank. Verified through interview with assistant foreman, the flash back arrestor were not consistently installed. It will installed when necessary based on type of work. It was against SOP Kimpalan Panduan Kerja Selamat section 10. "Flashback arrestor hendaklah di pasang pada setiap tangka gas kimpalan" Document number TSHR SHO dated 05/08/2016.</p>	
3.3.3	<p>Records of monitoring and any actions taken are maintained and available.</p> <p>- Minor Compliance -</p>	<p>The monitoring of the SOP implementation was closely made by all levels of the supervisory personnel with records maintained and verified by the top management and Quality, Environment, Safety & Health (QESH) Team. Among others the records are:</p>	Complied

		<p>Sabahan POM</p> <ul style="list-style-type: none"> • Water Treatment plant Monitoring Sheet • Daily Power Distribution Record • Boiler Operation Monitoring Record • Daily cages Performance Monitoring Sheet • Shovel Inspection Checklist • Maintenance Report • Daily Oil Losses Analysis <p>Sabahan Estate</p> <ul style="list-style-type: none"> • Scheduled Waste Store Maintenance Records • Environment Monitoring Record • Return of Empty Chemical Container Record • PPE Monitoring Record • Animal sighting record • HCV monitoring record 	
<p>Criterion 3.4: A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.</p>			
<p>3.4.1</p>	<p>(C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/out-grower scheme, is documented.</p> <p>- Critical (Major) compliance -</p>	<p>No new planting activity at Sabahan POM and supply bases. The operating units has conducted the assessment as per report Social Impact Assessment for Oil Palm Plantation of 121.99 Hectares at Sabahan 1 Estate and Sabahan Palm Oil Mill, District of Kunak, Sabah; report prepared by Kiwiheng Environmental Consultants Sdn Bhd; Ref.: KEC-(EV)/18/02; Dated May 2018.</p> <p>Based on the assessment, for all impacts identified, management plan was established as per TSH Resources Berhad Social Continual Improvement Plan (Kunak Region); Rev. # 0; Effective date: 1/1/2016 with latest review on 15/12/2020.</p>	<p>Complied</p>

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		<p>The operating units also conducted Environmental Aspect Impact Identification and Environmental Impact Evaluation as per procedure, refer doc no. TSHR/ENV/SOP04, rev. 1, 01/07/2020. Latest review was conducted on 15/12/2020. All significant impact were recorded in Significant Impact Register section. Environmental Management Plan has been established base on the significant impact identified.</p>	
<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. - Minor Compliance -</p>	<p>TSH has established environmental policy which was endorsed by the Managing Director. TSH has conducted Environmental Aspect Impact Identification and Environmental Impact Evaluation as per procedure, refer doc no. TSHR/ENV/SOP04, rev. 1, 01/07/2020. SIA available as per report Social Impact Assessment for Oil Palm Plantation of 121.99 Hectares at Sabahan 1 Estate and Sabahan Palm Oil Mill, District of Kunak, Sabah; report prepared by Kiwiheng Environmental Consultants Sdn Bhd; Ref.: KEC-(EV)/18/02; Dated May 2018.</p> <p>Based on the assessment, for all impacts identified, management plan was established as per TSH Resources Berhad Social Continual Improvement Plan (Kunak Region); Rev. # 0; Effective date: 1/1/2016 with latest review on 15/12/2020.</p> <p>The plan was implemented to monitor the effectiveness of the mitigation measures. The plan covers the environmental objective, target (time frame), program, person responsible and action. The plan was reviewed on annual basis. Latest review was conducted on 15/12/2020.</p> <p>The environmental management plan was established base on Environmental Aspect Impact Identification and Environmental Impact Evaluation and documented in Environmental Continual Improvement Plan 2021 - 2025.</p>	<p>Complied</p>

		The plan was implemented to monitor the effectiveness of the mitigation measures. The plan covers the environmental objective, target (time frame), program, person responsible and action. The plan was reviewed on annual basis. Latest review was conducted on 15/12/2020.	
3.4.3	<p>(C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.</p> <p>- Critical (Major) compliance -</p>	<p>Social Continual Improvement Plan updated 15/12/2020 has been established to monitor the implementation of management plan. The plan is being reviewed on yearly basis and status of completion will be updated in plan as well.</p> <p>The mill has established environmental continual Improvement plan. Reviewed the implementation as follows:</p> <ol style="list-style-type: none"> 1. The mill monitored the usage of diesel on monthly basis. FY 2020, the diesel usage per ton FFB process was recorded at 2.16 L/ton FFB. 2. Wildlife monitoring was conducted twice a year. Reviewed the HCV (Wildlife) Monitoring Reports dated 21/12/2020. Among the wildlife observed during the monitoring were monkey, hawk, white stork, butterfly and insects. 3. The mill provided the Sabahan Mill and Sabahan Estate workers access of clean water through Water Treatment plant. Treated water and drinking water sampling was conducted on quarterly basis. Reviewed the water sampling reports dated 07/09/2020, 02/12/2020 and 24/03/2021. 	Complied
Criterion 3.5: A system for managing human resources is in place.			
3.5.1	<p>Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable.</p> <p>- Minor Compliance -</p>	The employment procedure established as Staffing & Recruitment SOP; TSHR/HR/SOP01; Rev. # 0; Date: 17/8/2015 and made available to workers.	Complied

3.5.2	<p>Employment procedures are implemented, and records are maintained.</p> <p>- Minor Compliance -</p>	<p>Due to low incoming crops from both Sabahan Estate and external FFB suppliers, a total of 16 Sabahan POM workers were transferred to sister mills and estates effective on 15/11/2020 as following:</p> <ol style="list-style-type: none"> 1. Kunak POM: 2 workers 2. Lahad Datu POM: 8 workers 3. Sabahan Estate: 1 worker 4. Sri Jaya Industry POM: 5 workers <p>All transfers were implemented as per employment procedure of Staffing & Recruitment SOP; TSHR/HR/SOP01; Rev. # 0; Date: 17/8/2015. Particulars of employees transferred available in the Head Count Transfer List of Statistic Labour (Transfer) 2020.</p>	Complied
Criterion 3.6: An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.			
3.6.1	<p>(C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.</p> <p>- Critical (Major) compliance -</p>	<p>TSH Plantations has established SOP for Hazard Identification Risk Assessments and Determining Control (HIRADC), TSHR/OSH/SOP01, rev.0 dated 01/09/2015.</p> <p>The operating units has conducted assessment on health and Safety issue in their operation and documented in the HIRARC register. The HIRARC register was reviewed during accident occur or changes in the operation or every 2 years</p> <p>The HIRARC review for Sabahan POM due to accident or changes in operation was conducted on 10/06/2019 with revision to the workshop and welding activities. Latest HIRARC review was conducted on 01/04/2020 with no changes since last review.</p> <p>Latest HIRARC review for Sabahan Estate was conducted on 01/04/2020 with no changes since last review.</p> <p>The company has conducted HIRARC for COVID 19 Pandemic dated 23/02/2020</p>	Complied

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		<p>Latest Chemical Hazard Risk Analysis for the mill was conducted on 16/07/2017. Refer report no. RSSB/CHRA/2017-011.</p> <p>Latest Chemical Hazard Risk Analysis for the estate was conducted on 20/03/2019. Refer report no. RSSB/CHRA/2019-010.</p> <p>The mill has conducted noise risk assessment on 10/02/2020. Refer report no. RSSB/NOISE/2020-007.</p> <p>The estate has conducted noise risk assessment on 22/06/2021. Refer report no. RSSB/NOISE/2021-037.</p>	
3.6.2	<p>(C) The effectiveness of the H&S plan to address health and safety risks to people is monitored.</p> <p>- Critical (Major) compliance -</p>	<p>The operating units has established Safety and Health plan and documented in the Continuous Improvement of OSH Performance and Management System.</p> <p>Reviewed the implementation of the management plan as follows: Sabahan POM</p> <ol style="list-style-type: none"> 1. The mill conducted inspection/monitoring for fire extinguishers on monthly basis and recorded in the Fire Extinguisher Inspection form, refer TSHR/OSH/F18. Reviewed the monitoring records FY 2021 for equipment no. FEX/CO2-02/07/07, FEX/CO2-02/06/07, FEX/DP-9/28/39, FEX/DP-9/21/39 and FEX/DP-9/16/39. 2. Latest annual audiometric test was conducted as per recommendation in risk assessment report no. RSSB/NOISE/2020-007 on 21/09/2021 by assessor with reg. no. HQ/19/DOC/00/00399. 22 workers was sent for test and 1 were found with abnormal audiogram and required to be examine by OHD. The workers were sent to OHD for further examination on 22/11/2021 and found to have potential hearing impairment. 3. The mill conducted PPE monitoring for the workers on weekly basis and recorded on PPE Spot-check form. Reviewed the 	Complied

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		<p>monitoring form for the month of September and October 2021.</p> <ol style="list-style-type: none"> 4. The mill conducted vehicle inspection on daily basis before start working to ensure the safety and recorded in "Senarai semak pemeriksaan jentera bulanan". Reviewed the inspection records for vehicles no. ST3190M for month of September, October and November 2021. 5. Medical surveillance was conducted for workers involved in handling hexane and Manganese on annually basis as per recommendation in CHRA report no. RSSB/CHRA/2017-011. Latest medical surveillance was conducted for 12 workers on 15/07/2021. <p>Sabahan Estate</p> <ol style="list-style-type: none"> 1. The estate has conducted noise risk assessment on 22/06/2021 by assessor with reg. no. HQ/19/PEB/00/00032. Refer report no. RSSB/NOISE/2021-037. 2. Latest annual audiometric test was conducted on 21/09/2021. The worker tested were found with normal hearing. 3. Latest medical surveillance for sprayers were conducted on 15/07/2021. 4 workers were sent for surveillance all and were found fit to work as chemical handlers. 4. The estate conducted vehicle inspection on daily basis before start working to ensure the safety and recorded in Shovel Inspection Checklist. Reviewed the inspection records for vehicles/shovel no. ST493J dated 01 – 04/12/2021. 	
<p>Criterion 3.7: All staff, workers, Scheme Smallholders, out-growers, and contract workers are appropriately trained.</p>			
<p>3.7.1</p>	<p>(C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and out-growers, taking into account gender-specific needs, and which covers applicable</p>	<p>A training programme was developed and available in the TSH Training Matrix Mill & Estate 2021. The trainings were sighted to have included Gender Specific Training and involves staffs and</p>	<p>Complied</p>

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	<p>aspects of the RSPOP&C, in a form they understand, and which includes assessments of training.</p> <p>- Critical (Major) compliance -</p>	<p>workers. Covid-19 training and briefings documents were also available for the mill and estates.</p>	
<p>3.7.2</p>	<p>Records of training are maintained.</p> <p>- Minor Compliance -</p>	<p>The operating units maintained the training records conducted. Reviewed the training records as follows:</p> <ol style="list-style-type: none"> 1. OSH committee training (Roles and Responsibility) dated 09/02/2021 2. OSH Policy, SOP and Work Instruction training dated 09/02/2021 3. Firefighting training dated 01/03/2021 4. Emergency Response Team (fire drill) training dated 01/03/2021 5. Personal Protective Equipment training dated 01/12/2021 6. Hearing conservation training dated 01/12/2021 7. First aid box training dated 18/08/2021 8. Safe handling of chemical training dated 18/10/2021 9. Sustainability awareness training dated 09/02/2021 10. Environmental Impact Assessment training dated 09/02/2021 11. Mill SOP and Work Instruction training dated 02/03/2021 12. Manuring SOP training dated 11/03/2021 13. Spraying SOP training dated 06/01/2021 14. Safety handling of chemical training dated 06/01/2021 15. First aid kit and CPR skill training dated 15/01/2021 16. Plantation SOP training dated 10/20/2021 17. Chemical buy-off training dated 19/04/2020 18. Safety handling of chemical training dated 19/08/2020 	<p>Complied</p>

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		<p>19. First aid kit and CPR skill training dated 09/04/2020</p> <p>20. Firefighting skills training dated 24/04/2020</p> <p>21. ERT Drill training dated 01/02/2020</p> <p>22. Confined space training dated 22 – 24/01/2020</p> <p>23. Hearing conservation training dated 12/01/2020</p>	
3.7.3	<p>Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.</p> <p>- Minor Compliance -</p>	<p>The mill has identified personnel involve in supply chain as per organisation chart dated 24/11/2021. The mill continuously provided training to all personnel involved in SCCS.</p> <p>Latest SCCS training was conducted on 07/12/2021.</p>	Complied
<p>Criterion 3.8: Supply chain requirement for mills (note: All supply chain requirements are considered as Critical (C). However it will not contribute to suspension if there is more than 5 non-compliance within a principle)</p>			
3.8.1	<p>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&C), or against the Group Certification scheme.</p> <p>Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Mass Balance Module is applicable.</p>	<p>Sabahan POM receives and process both certified and non-certified FFB. Hence it uses the Mass Balance supply chain system and module. During the remote 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.</p>	Complied
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</p>	<p>Sabahan POM receives and process both certified and non-certified FFB. Hence it uses the Mass Balance supply chain system and module. During the remote assessment, the audit team verified the volumes and sources of certified and non-</p>	Complied

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	only the volume of oil palm products produced from processing of the certified FFB as MB.	certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified Products.	
3.8.3	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in Table 10 of this public summary report.	Complied
3.8.4	The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO IT platform.	Sabahan POM is a subsidiary of TSH Resources Berhad with RSPO membership number: 1-0173-14-000-00 since 17/11/2014. The mill registration info available in PalmTrace as following: Member Name: TSH Plantations Sdn Bhd (Sabahan Mill) Members ID: RSPO_PO1000004839 Type of Business: Oil Mill	Complied
3.8.5	Documented procedures The mill shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. b) Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). 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	a) A revised SOP on Supply Chain, Doc. No.: TSHR/SUST/SOP05, Rev. No. 5 dated 20/02/20 was available for verification. The scope of the Mass Balance Model procedure in POM covers the entire supply chain activities and record data from the intake of certified and non-certified raw material till the delivery of certified and non-certified products and the implementation of the supply chain module requirements throughout the process. This procedure is developed and revised based on the RSPO P&C 2018 - Supply Chain Requirements for Mills. b) Complete and up to date records and reports were available to demonstrate compliance with the supply chain model requirements in the mill. Sustainability Supply Chain Standard	Complied

	<p>to demonstrate awareness of the mill’s procedures for the implementation of this standard.</p> <p>d) The mill shall have documented procedures for receiving and processing certified and non-certified FFBs including ensuring no contamination in the IP mill.</p>	<p>Training was conducted on 9/2/2021 for all personals involved in the supply chain process such as Mill Assistant Managers, Supervisors, Weighbridge Clerks, Auxiliary Polices and Ramp Attendants.</p> <p>c) The mill manager has the responsibility to implement, manage and verify all the overall Mass Balance Traceability activities and confirm traceability figures are accurate on monthly basis in accordance to the certification system requirements as per appointment letter dated 1/3/2021 undersigned by the Group Executive Director.</p> <p>d) The Supply Chain SOP have included procedures for receiving and processing certified and non-certified FFBs in the mill.</p>	
<p>3.8.6</p>	<p>Internal Audit</p> <p>i) The mill shall have a written procedure to conduct annual internal audit to determine whether the mill:</p> <p>a. Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <p>b. Effectively implements and maintains the standard requirements within its organisation.</p> <p>ii) Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The mill shall maintain the internal audit records and reports.</p>	<p>i) Internal Audit Procedures were available referred document TSHR/QD/SOP03 Rev: 3 dated 26/9/2019. As per verification Internal Audit plan, the internal audit was conduct using RSPO P&C 2018. The latest internal audit for Supply Chain was carried out on 29-30/3/2021. From the audit report, there were no finding raised and records were maintained accordingly and available for verification.</p> <p>ii) The management review has been done annually to review the internal audit finding done on 22/4/2021 at TSH HQ Meeting room at Tawau. The meeting covered issues such as review of previous meeting, Audit results, nonconformities and corrective actions, customer feedbacks, compliances, any changes internal and external, opportunities of improvement and any other business.</p>	<p>Complied</p>
<p>3.8.7</p>	<p>Purchasing and Goods In</p>	<p>Incoming FFB for both certified and non-certified are monitored and recorded in the mass balance sheet and SAP system. Records</p>	<p>Complied</p>

	<ul style="list-style-type: none"> i) The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received. ii) The mill shall inform the CB immediately if there is a projected overproduction of certified tonnage. iii) The mill shall have a mechanism in place for handling non-conforming FFB and/or documents. 	<p>of certified FFB checked from own supply base. No overproduction recorded from the last review period since last audit.</p> <p>Sampled the purchase of FFB as following:</p> <ul style="list-style-type: none"> i. Certified FFB Supplier: Sabahan Estate <ul style="list-style-type: none"> - Weighbridge ticket # 162602 - Delivery Date: 11/6/2021 - Vehicle Number: SD 2580 C - FFB Tonnage Nett Weight: 2,640 Kg ii. Non-certified FFB Supplier: Felcra Urus Estet Sdn. Bhd. <ul style="list-style-type: none"> - Weighbridge ticket # 162591 - Delivery Date: 11/6/2021 - Vehicle Number: SD 6012 F - FFB Tonnage Nett Weight: 26,120 Kg 	
<p>3.8.8</p>	<p>Sales and Goods Out</p> <p>The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form. The information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation):</p> <ul style="list-style-type: none"> a) The name and address of the buyer; b) The name and address of the seller; c) The loading or shipment / delivery date; d) The date on which the documents were issued; e) RSPO certificate number; 	<p>Sabahan POM has ensured the required information is available in document form. Sampled certified sales made for both CPO and PK since last audit sighted as following:</p> <p><u>CSPO</u></p> <ul style="list-style-type: none"> - Buyer: TSH-Wilmar Sdn Bhd, KM 1, Jalan Kampung Kunak Jaya, 91207, Kunak, Sabah, Malaysia - Seller: TSH Plantation Sdn. Bhd. (TSH Sabahan Palm Oil Mill), TB9, KM7 Apas Road, Tawau, Sabah - Shipping date: 30/6/2020 - Confirmation date: 24/7/2020 - Transaction ID # TR-82c487da-fa5c - Product Name: CSPO - Supply Chain Model: Mass Balance - Volume: 99.98 MT 	<p>Complied</p>

	<p>f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations);</p> <p>g) The quantity of the products delivered;</p> <p>h) Any related transport documentation;</p> <p>i) A unique identification number.</p>	<p><u>CSPK</u></p> <ul style="list-style-type: none"> - Buyer: Lahad Datu Edible Oils Sdn Bhd (KCP), MDLD1089, Jalan Raya 6, Taman Public Villa, Sabah, 91100 Lahad Datu, Sabah, Malaysia - Seller: TSH Plantation Sdn. Bhd. (TSH Sabahan Palm Oil Mill), TB9, KM7 Apas Road, Tawau, Sabah - Shipping date: 30/9/2020 - Confirmation date: 30/10/2020 - Transaction ID # TR-64ebd832-86d7 - Product Name: CSPK - Supply Chain Model: Mass Balance - Volume: 35.23 MT <p>Sampled conventional sales documents as following:</p> <p><u>CPO</u></p> <ul style="list-style-type: none"> - Buyer: TSH-Wilmar Sdn Bhd, KM 1, Jalan Kampung Kunak Jaya, 91207, Kunak, Sabah, Malaysia - Seller: TSH Plantation Sdn. Bhd. (TSH Sabahan Palm Oil Mill), TB9, KM7 Apas Road, Tawau, Sabah - Delivery date: 11/6/2021 - Issued date: 11/6/2021 - Product: CPO - Net weight: 33,410 - D/O # 4710009065 - Weighbridge ticket # WHK10122247 <p><u>PK</u></p> <ul style="list-style-type: none"> - Buyer: TSH-Wilmar Sdn Bhd, KM 1, Jalan Kampung Kunak Jaya, 91207, Kunak, Sabah, Malaysia - Seller: TSH Plantation Sdn. Bhd. (TSH Sabahan Palm Oil Mill), TB9, KM7 Apas Road, Tawau, Sabah - Delivery date: 11/6/2021 	
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		<ul style="list-style-type: none"> - Issued date: 11/6/2021 - Product: PK - Net weight: 29,730 - D/O # 1000006595 - Weighbridge ticket # 69387 	
3.8.9	<p>Outsourcing Activities</p> <p>i) The mill shall not outsource its milling activities. In cases where he mill outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO Supply Chain Certification</p> <p>ii) The mill shall ensure the following:</p> <p>a) The mill has legal ownership of all input material to be included in outsourced processes</p> <p>b) The mill has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the mill to ensure that certification body (CB) has access to the outsourcing contractor or operation if an audit is deemed necessary.</p> <p>c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p> <p>d) The mill shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and all information, when this is announced in advance.</p>	<p>1. Outsource only involved transportation of products, i.e. CSPO and CSPK, subjected to the buyers' contractual requirements either ex-mill or delivered. Mostly delivered contracts involved CSPO and CSPK. Delivery implementation for CSPO was based on the procedure Crude Palm Oil (CPO); Doc. # TSHPOM/LB/SOP01; Rev. # 3; Effective date: 7/12/17; Section D: CPO Dispatch – D1 (Before CPO Filling Process) & D2 (After CPO Filling Process).</p> <p>2. The mill ensures the following:</p> <ul style="list-style-type: none"> - The mill trades CSPO and CSPK with its buyers among refineries and/or kernel crushing plants. Based on agreements, transporter has no ownership of transported products. - Sighted the recent contract as per following: <ul style="list-style-type: none"> • Transportation Agreement; Transporter: HMK Transport Sdn. Bhd.; Commodity: PK; Date: 16/5/2020. - Written documented procedures was established; Supply Chain; Doc. # TSHR/SUST/SOP05; Rev: 05; dated 20/02/20 with Mass Balance (MB) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB. <p>The CSPK transporter 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</p>	Complied

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		announced in advance as per Contract addendum to include RSPO and MSPO Requirements.	
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> <ul style="list-style-type: none"> 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. 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. 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. iv) For Mass Balance Module, the mill: <ul style="list-style-type: none"> 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. 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. c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three 	<p>Sabahan POM maintained the accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements.</p> <p>The facility opted for three monthly basis record and balance. Excel format is used for the mass balance calculation. Among the information available in the format is month, FFB processed, OER, CPO amount [opening, produced and closing], dispatch of CPO & PK and balance of CPO & PK both in virtual and physical.</p>	Complied

	(3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock.		
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>	Conversion factor of CPO and PK production is depending on the actual OER and KER. The previous actual OER & KER can be seen in Table 10 of this report. The OER and KER is monitored daily and compiled on monthly basis.	Complied
3.8.14	Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.	Conversion factor of CPO and PK production is depending on the actual OER and KER. The previous actual OER & KER can be seen in Table 10 of this report. Thus, periodic update is not necessary. The OER and KER is monitored daily and compiled on monthly basis.	Complied
3.8.15	<p>Processing</p> <p>For Identity Preserved Module, the mill shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation.</p>	Sabahan POM receives and process both certified and non-certified FFB. Hence it uses the Mass Balance supply chain system and module.	Complied
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>	Based on the announcement summary, all the registrations were found to be in order.	Complied

3.8.17	<p>Claims</p> <p>The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.</p>	<p>RSPO trademark was not use. Nonetheless, the facility is aware with the requirements of the RSPO Rules on Market Communications and Claims.</p>	Complied
General corporate communications			
4.1	<p>A corporate communication is one made by any RSPO member that highlights its membership of the RSPO and/or its commitment to the principles of the RSPO. Corporate communication is an 'off-product' claim.</p>	<p>Sabahan POM has not made any claims for its sustainable products. Hence, this requirement is not applicable.</p>	Not Applicable
4.2	<p>In corporate communications a member is allowed to:</p> <ul style="list-style-type: none"> a. Display its RSPO membership status b. Display the RSPO web address (www.rspo.org) c. State that the member supports the work of the RSPO d. State the member's history with regard to the RSPO. e. Use the RSPO trademark to promote its membership of the RSPO. <p>Additionally, where an RSPO member displays the RSPO trademark in digital format this must be accompanied by the text 'Check our progress at www.rspo.org' where the link must lead to the member's profile page.</p>	<p>Sabahan POM has not made any claims for its sustainable products. Hence, this requirement is not applicable.</p>	Not Applicable
4.3	<p>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.</p>	<p>Sabahan POM has not made any claims for its sustainable products. Hence, this requirement is not applicable.</p>	Not Applicable
4.4	<p>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.</p>	<p>Sabahan POM has not made any claims for its sustainable products. Hence, this requirement is not applicable.</p>	Not Applicable
4.5	<p>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.</p>	<p>Sabahan POM has not made any claims for its sustainable products. Hence, this requirement is not applicable.</p>	Not Applicable

Business to business communications			
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.	Sabahan POM has not made any claims for its sustainable products. Hence, this requirement is not applicable.	Not Applicable
5.2	When confirming the sale of certified oil palm products, members must adhere to the requirements of the RSPO SCCS. This includes stating the supply chain model and certificate number under which the claim is being made.	Sabahan POM has not made any claims for its sustainable products. Hence, this requirement is not applicable.	Not Applicable
5.3	Where a distributor or wholesaler takes title to products containing certified sustainable oil palm products, the requirements of the RSPO SCCS can follow either of two options: a. If the distributor or wholesaler holds only a Distributor license, it may only communicate RSPO-certified oil palm products by linking the product to the manufacturer using the manufacturer’s SCCS certificate number. This covers both brand and own brand products. However, in the case of own brand products it is essential that customers are aware that the product has been made on behalf of the distributor or wholesaler, with specific evidence either through on-pack claims or documentation. b. If the distributor or wholesaler is supply chain-certified they should follow the requirements outlined in section 5.2.	Sabahan POM has not made any claims for its sustainable products. Hence, this requirement is not applicable.	Not Applicable
Business to consumer communication			
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.	Sabahan POM has not made any claims for its sustainable products. Hence, this requirement is not applicable.	Not Applicable

6.2	Only RSPO members who have supply chain certification are authorised to use the RSPO trademark and/or RSPO label, with the exception of RSPO Credits and of retailers in accordance with 6.8 below.	Sabahan POM has not made any claims for its sustainable products. Hence, this requirement is not applicable.	Not Applicable
6.3	When on-pack claims on RSPO-certified sustainable oil palm products are used, the RSPO trademark and associated identification number must be present.	Sabahan POM has not made any claims for its sustainable products. Hence, this requirement is not applicable.	Not Applicable
6.4	Business to consumer communication shall not include information about the claimant's RSPO membership status.	Sabahan POM has not made any claims for its sustainable products. Hence, this requirement is not applicable.	Not Applicable
6.5	Members shall not communicate to consumers' information about their suppliers' RSPO membership status.	Sabahan POM has not made any claims for its sustainable products. Hence, this requirement is not applicable.	Not Applicable
6.6	Use of the RSPO trademark is restricted to claims about RSPO-certified sustainable palm oil products and it is not authorised for use in relation to any other ingredient.	Sabahan POM has not made any claims for its sustainable products. Hence, this requirement is not applicable.	Not Applicable
6.7	Use of any other trademark or logo to highlight the presence of RSPO-certified sustainable oil palm products is an unauthorised product-specific claim.	Sabahan POM has not made any claims for its sustainable products. Hence, this requirement is not applicable.	Not Applicable
6.8	RSPO members who are retailers or food service companies can apply for an RSPO trademark license for use in business to consumer communications, provided they can demonstrate the validity of these claims to an RSPO-accredited certification body (CB). This will be undertaken via a remote audit, prior to the trademark use, during which the retailer or food service company will need to demonstrate that the use of the trademark is in compliance with the rules contained within this document and that the claim itself can be supported through a certified supply chain. Any other palm oil claims, including those highlighting the absence of palm oil, must be highlighted to the CB during the audit to ensure that all claims comply with the requirements of these rules. The CB will confirm the outcome of these audits, to be conducted annually, to	Sabahan POM has not made any claims for its sustainable products. Hence, this requirement is not applicable.	Not Applicable

	<p>RSPO who may continue to grant a trademark license or withdraw permission based upon the audit findings. This is in keeping with the rules applying to RSPO supply chain certified members. The guidance document for audits is available on www.rsपो.org.</p>		
MODULE B – MASS BALANCE SPECIFIC RULES			
Minimum Mass Balance content			
	<p>95% or above of the oil palm content must be RSPO MB-certified.</p>	<p>The CPO & PK produced from Sabahan POM is 100% RSPO MB certified.</p>	<p>Complied</p>
	<p>Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for moving to fully certified oil palm must be in place, in accordance with the requirements of the RSPO SCCS. In addition, the non-certified volume must be covered by equivalent volume of RSPO Credits.</p>	<p>The CPO & PK produced from Sabahan POM is 100% RSPO MB certified.</p>	<p>Complied</p>
Labelling and trademark (MB)			
	<p>Members are allowed to use the RSPO label in one of the following ways:</p> <ul style="list-style-type: none"> • Surrounded by the text: 'Certified sustainable palm oil'. • 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. • The RSPO label can also include the statement: '[The palm oil contained in this product] contributes to the production of certified sustainable palm oil'. • Wherever the RSPO trademark is displayed, the applicable trademark license number must be shown immediately under or next to the 	<p>Sabahan POM is not using or claim RSPO Label and Trademark for MB.</p>	<p>Complied</p>

	<p>trademark or the 'statement'. Font must be Calibri, font size must be at least 4 pt (1.4 mm or 0.06 inch).</p> <ul style="list-style-type: none"> 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 & Claims document. 		
Messaging (MB)			
	<p>Messaging ALLOWED in storytelling in product-related communications includes:</p> <ul style="list-style-type: none"> [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. 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. <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"> Anything that can lead consumers to believe that RSPO-certified palm products are (certified to be) part of the product. 	<p>Sabahan POM is not using or claim RSPO Label and Trademark for MB.</p>	<p>Complied</p>
Principle 4: Respect community and human rights and deliver benefits			
Criterion 4.1: The unit of Certification respects human rights, which includes respecting the rights of Human Rights Defenders.			
4.1.1	<p>(C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the</p>	<p>TSH Group has established the Human Rights & Responsible Business Practices; ST-POL09-03; Date: 21/7/2020; Signed by Managing Director. The policy refresher training was latest</p>	<p>Complied</p>

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	unit of certification and contracted services, including contracted security forces. - Critical (Major) compliance -	conducted on 19/8/2020 as per records of Training Attendance Form; TSHR/TD/F01; Rev. # 1; Effective Date: 1/3/2016.	
4.1.2	The unit of certification does not instigate violence or use any form of harassment in their operations. - Minor compliance -	Consultation with stakeholders shown no evidence that the unit of certification instigate violence or use any form of harassment in their operations.	Complied
Criterion 4.2: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties			
4.2.1	(C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistleblowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD. - Critical (Major) compliance -	Complaints or grievances received from external stakeholders were handled as per established Communication & Consultation Procedure (TSHR/SUST/SOP02, Rev. No. 2, Dated 1/11/2017). Mechanisms use including direct consultation meeting and/or Free Prior Informed Consent (FPIC) if necessary. For internal stakeholders, complaints or grievances handled as per established Employee Grievance Procedure (TSHR/HR/SOP06, Rev. No. 0, Dated 12/1/2016). The procedure developed to ensure the effectiveness of administration and implementation of Employee Grievances Policy to achieve conformity with the required qualifications and conduct in a manner that is uniform and consistent with the objectives and vision of the company. Time frame to resolve the grievances was clearly stated in the grievance process flow which is within 1 month	Complied
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 procedures available as per documented Standard Operating Procedure Communication, Consultation and Participation; TSHR/SUST/SOP02; Rev. # 03; Effective Date: 19/11/2019. Various communications implemented through forms, letters and emails of consultation in place of meeting that was unable to be conducted due to COVID-19 MCO as per sample sighted as following:	Complied

		Email dated on 10/5/2021 to all external stakeholders on cancellation of stakeholder meeting and sending of previous minutes of meeting, feedbacks form, stakeholder booklet, flowchart of suggestion and complaint process	
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 -	Request and response from internal & external stakeholders as per sample records of <i>Borang Cadangan & Aduan</i> (Suggestion & Complaint Form); Rev. # 0; Effective date: 19/11/2019 sighted. Sample requests made are as following: 5. Request by customer (TSH-Wilmar Sdn. Bhd.) to complete and return supplier audit questionnaire form; Date: 27/11/2020 6. Request by workers to increase water supply time for workers quarters located at furthest distance of water supply pipeline; Date: 1/6/2020 All requests were responded back to grievance parties within agreed timeframe as acknowledge in the records.	Complied
4.2.4	The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator. - Minor compliance -	Conflict resolution mechanism process included in the procedure for Legal, Customary Rights and Compensation; TSHR/SUST/SOP03; Rev. # 2; Date: 1/11/17.	Complied
Criterion 4.3: The unit of Certification contributes to local sustainable development as agreed by local communities.			
4.3.1	Contributions to community development that are based on the results of consultation with local communities are demonstrated. - Minor compliance -	TSH Resources Berhad has participated in a Strategic Collaboration Outreach of Kunak District's National Covid-19 Immunisation Program (PICK) with Sabahan POM as the location host of the program conducted on 5/9/2021. The strategic collaboration involved amongst all the Ministry of Health, Sabah State Government and QL Resources Berhad, a neighbouring company to TSH.	Complied

Criterion 4.4: Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.			
4.4.1	<p>(C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents Related to the history of land tenure and the actual legal or customary use of the land are available.</p> <p>- Critical (Major) compliance -</p>	<p>Documents showing legal ownership i.e. land title sighted available for both Sabahan Estate and Sabahan POM as per sample as following:</p> <p>7. Title # Country Lease 245338587; Area: 208.00 acres; Register memo no.: 30297962; dated 7/10/2002</p> <p>8. Title # Country Lease 245337197; Area: 14.67 acres; Register memo no.: 30294448; dated 9/4/2002</p> <p>No issues of land dispute issue occur in all Sabahan Estate since the last audit.</p>	Complied
4.4.2	<p>Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
4.4.2a	<p>Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making.</p> <p>- Minor compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied

4.4.2b	<p>Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken.</p> <p>- Minor compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
4.4.2c	<p>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.</p> <p>- Minor compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
4.4.3	<p>(C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>- Critical (Major) compliance -</p>	<p>Maps available for Sabahan Estate with appropriate scales showing estate's boundaries with neighbours. The maps in-line with area specified in individual land titles.</p>	Complied
4.4.4	<p>All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>- Minor compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for</p>	Complied

		maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	
4.4.5	<p>(C) Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose.</p> <p>- Critical (Major) compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
4.4.6	<p>There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties.</p> <p>- Minor compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
<p>Criterion 4.5: No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</p>			
4.5.1	<p>(C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available.</p> <p>- Critical (Major) compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for</p>	Complied

		maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	
4.5.2	<p>(C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation.</p> <p>- Critical (Major) compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
4.5.3	<p>Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations.</p> <p>- Minor compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
4.5.4	<p>To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.</p> <p>- Minor compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied

4.5.5	<p>Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.</p> <p>- Minor compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
4.5.6	<p>Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator.</p> <p>- Minor compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
4.5.7	<p>New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations.</p> <p>- Minor compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.</p>	Complied
4.5.8	<p>(C) New lands are not acquired in areas inhabited by communities in voluntary isolation.</p> <p>- Critical (Major) compliance -</p>	<p>There is no land dispute recorded. This was verified through stakeholders' consultation.</p> <p>In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03,</p>	Complied

		Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	
Criterion 4.6: Any negotiations Concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
4.6.1	(C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place. - Critical (Major) compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation. In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	Complied
4.6.2	(C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. - Critical (Major) compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation. In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	Complied
4.6.3	Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings. - Minor compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation. In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the	Complied

		process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	
4.6.4	The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them. - Minor compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation. In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	Complied
Criterion 4.7: Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.			
4.7.1	(C) A mutually agreed procedure for identifying people entitled to compensation is in place. - Critical (Major) compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation. In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	Complied
4.7.2	(C) A mutually agreed procedure for calculating and distributing fair and gender-equal compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. - Critical (Major) compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation. In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and	Complied

		distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	
4.7.3	Communities that have lost access and rights to land for plantation expansion are given opportunities including employment and supply contracts to benefit from plantation development. - Minor compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation. In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	Complied
Criterion 4.8: The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights.			
4.8.1	Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC. - Minor compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation. In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	Complied
4.8.2	(C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms. - Critical (Major) compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation. In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for	Complied

		maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	
4.8.3	Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4) - Minor compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation. In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	Complied
4.8.4	For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). - Minor compliance -	There is no land dispute recorded. This was verified through stakeholders' consultation. In case of any, the process will be based on the established Legal, Customary Rights & Compensation Procedure (TSHR/SUST/SOP03, Rev. No. 2, Dated 1/11/2017). The procedure has detailing the process of identifying legal and customary rights and calculating and distributing fair compensation. Negotiation will be conducted for maximum 3 rounds if the issue could not be solved and will engaged a lawyer to assist in this matter.	Complied
Principle 5: Support smallholder inclusion			
Criterion 5.1: The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.			
5.1.1	Current and previous period prices paid for FFB are publicly available and accessible by smallholders. - Minor compliance -	Current and previous FFB prices available and calculated based on MPOB price and average monthly price for the region. The FFB admin will updated the FFB prices to the mill on monthly basis. The FFB prices were displayed at the weighbridge station at the mill. Reviewed the price for the month of December 2021 at RM 1046.00 as per memo dated 07/12/2021.	Complied

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		Other than displaying at weighbridge, Sabahan POM provided the current and previous period prices paid for FFB in the Final FFB Statement to external FFB suppliers.									
5.1.2	<p>(C) Evidence is available that the unit of certification explains the FFB pricing to smallholders on request from individual smallholders (at least once a year or upon request).</p> <p>- Critical (Major) compliance -</p>	<p>The certification units explain the FFB pricing to the FFB supplier during personnel meeting with the supplier. Reviewed the meeting records in the FFB Visiting Log Book as follows:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Supplier Name</th> </tr> </thead> <tbody> <tr> <td>25/08/2021</td> <td>Rahima bt. Saibat</td> </tr> <tr> <td>23/09/2021</td> <td>Kakuma Sdn. Bhd.</td> </tr> <tr> <td>09/10/2021</td> <td>Etma Plantations</td> </tr> </tbody> </table>	Date	Supplier Name	25/08/2021	Rahima bt. Saibat	23/09/2021	Kakuma Sdn. Bhd.	09/10/2021	Etma Plantations	Complied
Date	Supplier Name										
25/08/2021	Rahima bt. Saibat										
23/09/2021	Kakuma Sdn. Bhd.										
09/10/2021	Etma Plantations										
5.1.3	<p>(C) Fair pricing, calculated as a portion of the international CPO price less costs is provided to smallholders in the supply base and documented.</p> <p>- Critical (Major) compliance -</p>	<p>Current and previous FFB prices available and calculated based on MPOB price and average monthly price for the region. The FFB admin will updated the FFB prices to the mill on monthly basis.</p> <p>The FFB prices were displayed at the weighbridge station at the mill.</p> <p>Other than displaying at weighbridge, Sabahan POM provided the current and previous period prices paid for FFB in the Final FFB Statement to external FFB suppliers</p>	Complied								
5.1.4	<p>(C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable.</p> <p>- Critical (Major) compliance -</p>	<p>The FFB Suppliers are not restricted to only send the FFB to Sabahan POM as they are not bound by the contract agreement to send the FFB to Sabahan Mill. Therefore, they are not involved in any decision making process of the mill not does the mill assist in the financing of the smallholders.</p>	Complied								

5.1.5	<p>Contracts are fair, legal and transparent and have an agreed timeframe.</p> <p>- Minor compliance -</p>	<p>Not all FFB Suppliers have a contract with Sabahan POM as they are not obligated to send their FFB to Sabahan POM and have the right to choose where they wish to sell their FFB to. Nevertheless Sabahan POM has a written agreement with this FFB Suppliers stating the terms and conditions, prices and agreed timeframe of payment to the FFB suppliers. The agreement were available for verification and was deemed to be fair, legal and transparent.</p> <ol style="list-style-type: none"> 1. Reviewed the sample FFB contract as follows:Supplier: Etma Plantations Sdn. Bhd.; Contract: Purchase of Fresh Fruit Bunches (FFB) Agreement; Date: 01/07/2020 2. Supplier: Gemisetia Sdn. Bhd.; Contract: Purchase of Fresh Fruit Bunches (FFB) Agreement; Date: 01/07/2020 	Complied																				
5.1.6	<p>(C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.</p> <p>- Critical (Major) compliance -</p>	<p>Based on the agreements, the final FFB payment is on 15th of the following month. Advance payment is available upon request. The monthly FFB price shall be on Market Price, determined by market forces in the region. Records shown all payments were made on time.</p> <p>Reviewed the sampled payment for the month of November 2021 as follows:</p> <table border="1" data-bbox="1137 1034 1935 1393"> <thead> <tr> <th>Supplier</th> <th>P/I no.</th> <th>Date</th> <th>Payment Document ref. no.</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Rahima bt. Saibat</td> <td>PI12324</td> <td>11/11/2021</td> <td>SBF02102 021</td> <td>15/11/2021</td> </tr> <tr> <td>Yunus b. Jainullah</td> <td>PI12330</td> <td>11/11/2021</td> <td>SBF02102 021</td> <td>15/11/2021</td> </tr> <tr> <td>TSB Collection</td> <td>PI12298</td> <td>08/10/2021</td> <td>SBF02092 021</td> <td>12/10/2021</td> </tr> </tbody> </table>	Supplier	P/I no.	Date	Payment Document ref. no.	Date	Rahima bt. Saibat	PI12324	11/11/2021	SBF02102 021	15/11/2021	Yunus b. Jainullah	PI12330	11/11/2021	SBF02102 021	15/11/2021	TSB Collection	PI12298	08/10/2021	SBF02092 021	12/10/2021	Complied
Supplier	P/I no.	Date	Payment Document ref. no.	Date																			
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		Centre Sdn. Bhd.					
		Chong Lip Chong	PI08019	11/10/2021	DMF0109 2021	12/10/2021	
5.1.7	<p>Weighbridges used for determining payment to smallholders are verified by an independent third party on a regular basis (this can be government).</p> <p>- Minor compliance -</p>	<p>Sabahan POM verified its weighing equipment as per mandatory requirements of Weights and Measures Act 1972 as per latest records of stamping by Metrology Corporation Malaysia Sdn. Bhd. as following:</p> <ol style="list-style-type: none"> 1. Calibration Cert. no. B1698898; Weighbridge brand: Mettler Toledo IND310; Serial no. 01120086KJ; Limit: 60,000 kg; Date: 17/05/2021 2. Calibration Cert. no. B1692522; Weighbridge brand: Mettler Toledo IND310; Serial no. 01120056KJ; Limit: 60,000 kg; Date: 17/12/2020 					Complied
5.1.8	<p>The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material.</p> <p>- Minor compliance -</p>	<p>All the Independent Smallholders that supply FFB to Sabahan POM are not RSPO certified therefore this indicator is not applicable.</p>					Not Applicable
5.1.9	<p>(C) 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.</p> <ul style="list-style-type: none"> - Complainant fill in the form "Borang Cadangan dan Aduan" and then deposit it in Suggestion Box or give it to Person in Charge 					Complied

		<p>(PIC) on site. The procedure also provides a mechanism for addressing complaints received, and accords protection and confidentiality to complainant.</p> <ul style="list-style-type: none"> - The PIC shall investigate complaint and provide solution within 20 working days or based on due date given owing to certain circumstances. - 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>If the complainant is dissatisfied with the solution given and need advice from Government Agencies / NGO or related third party, the TSH Manager / HOD shall forward the issues to these parties. The third party involved shall inform in writing to complainant and HOD/ Manager their findings and recommendations. Once the complaints are settled and complainant is satisfied, the complainant shall verify and closed the complaint.</p>	
Criterion 5.2: The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.			
5.2.1	<p>The Company consults with interested smallholders (irrespective of type) within the Unit of Certification, including women or other partners in their supply base, to assess their needs for support to improve their livelihoods and their interest in RSPO certification.</p> <p>- Minor compliance -</p>	<p>Not applicable since there is no Scheme Smallholders supplying to the mill.</p> <p>There are no smallholders in the Unit of Certification as defined by RSPO P&C 2018 (MYNI 2019). Therefore, this indicator is not applicable.</p>	Not Applicable
5.2.2	<p>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).</p> <p>- Minor compliance -</p>	<p>Not applicable since there is no Scheme Smallholders supplying to the mill.</p> <p>There are no smallholders in the Unit of Certification as defined by RSPO P&C 2018 (MYNI 2019). Therefore, this indicator is not applicable.</p>	Not Applicable

5.2.3	Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production. - Minor compliance -	Not applicable since there is no Scheme Smallholders supplying to the mill. There are no smallholders in the Unit of Certification as defined by RSPO P&C 2018 (MYNI 2019). Therefore, this indicator is not applicable.	Not Applicable
5.2.4	(C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. - Critical (Major) compliance -	Not applicable since there is no Scheme Smallholders supplying to the mill. There are no smallholders in the Unit of Certification as defined by RSPO P&C 2018 (MYNI 2019). Therefore, this indicator is not applicable.	Not Applicable
5.2.5	The unit of certification regularly reviews and publicly reports on the progress of the Smallholder support programme. - Minor compliance -	Not applicable since there is no Scheme Smallholders supplying to the mill. There are no smallholders in the Unit of Certification as defined by RSPO P&C 2018 (MYNI 2019). Therefore, this indicator is not applicable.	Not Applicable
Principle 6: Respect workers' rights and conditions			
Criterion 6.1: Any form of discrimination is prohibited.			
6.1.1	(C) A publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age. - Critical (Major) compliance -	Sabahan POM and estates implemented the company's Equal Opportunity & Discrimination; ST-POL03-02; Date: 15/10/2015 as part of TSHR/POL/SOP03 procedures; Signed by Managing Director. Regular briefing also conducted to all employees as per sample sighted for latest policy training dated on 2/3/2021.	Complied
6.1.2	(C) 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. - Critical (Major) compliance -	Verified pays lips and master name list found that the company has recruited male and female workers, local and foreign workers. They were treated equally without any discrimination. Interviewed with the female and male workers confirmed that they were allowed to	Complied

		transfer to other work stations if they found they are unfit for the job.	
6.1.3	The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available. - Minor compliance -	Sabahan POM and estates implemented its recruitment based on the company's employment procedure established as Staffing & Recruitment SOP; TSHR/HR/SOP01; Rev. # 0; Date: 17/8/2015. Sighted sample advertisements and records of new employee's recruitments as well as promotion of exiting employees confirmed that it was based on skills, capabilities, qualities and medical fitness necessary.	Complied
6.1.4	Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women. - Minor compliance -	Management has conducted the In-House Quarterly Pregnancy Test for Sprayer and Manurer by Medical Assistant for both Sabahan POM and Sabahan Estate with latest completed as per " <i>Laporan Ibu Mengandung Dari Klinik Ladang</i> "; Form # KIB 201 1/2021 latest Urine Pregnancy Test (UPT) dated 20/10/2021.	Complied
6.1.5	(C) A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women. - Critical (Major) compliance -	Gender committee available as a combined committee for all operating units within Sabahan POM and estates where the committee members responsible to raise awareness, identify and address issues of concern as well as opportunities and improvements for women through various activities and events. Sighted sample minutes of meeting records for gender committee meeting latest conducted on 6/12/2021; Q4/2021. Previous meeting was conducted on 9/9/2021; Q3/2021.	Complied
6.1.6	There is evidence of equal pay for the same work scope. - Minor compliance -	Evidence of equal pay for the same work scope available as per sample sighted as following: Sabahan POM: 1. Female employee ID # 01-0691; Post: Store Attendant; May 2021 salary: RM 1,100.00 2. Male employee ID # 03-0603; Post: Capstan Operator; May 2021 salary: RM 1,187.26	Complied

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		<p>3. Female employee ID # 01-0645; Post: Weighbridge Clerk; November 2020 salary: RM 1,276.02</p> <p>4. Male employee ID # 03-0590; Post: Clarification Attendant; May 2021 salary: RM 1,234.86</p> <p>5. Female employee ID # 01-0530; Post: Weighbridge Clerk; July 2021 salary: RM 1,082.26</p> <p>6. Male employee ID # 03-0592; Post: Loading Ramp Attendant; November 2020 salary: RM 1,181.97</p> <p>Sabahan Estate:</p> <p>7. Female employee ID # 0213; Post: General Worker; Jan 2021 salary: RM 1406.15</p> <p>8. Male employee ID # 0493; Post: General Worker; Jan 2021 salary: RM 1225.06</p> <p>9. Female employee ID # 0500; Post: General Worker; Nov 2021 salary: RM 1100.00</p> <p>10. Male employee ID # 0507; Post: Harvester; Nov 2021 salary: RM 1100.00</p> <p>11. Female employee ID # 0366; Post: Manuring/Sprayer; Nov 2021 salary: RM 1100.00</p> <p>12. Male employee ID # 0407; Post: Driver; Nov 2021 salary: RM 1387.64</p>	
<p>Criterion 6.2: Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).</p>			
6.2.1	<p>(C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand.</p>	<p>Collective agreements and documentations of pay and conditions available to the workers for sample employees sighted as per indicator 6.1.6 above. Explanation made from time to time upon updates of salary related changes mainly the Minimum Wages Order</p>	Complied

	- Critical (Major) compliance -	as per sample sighted for Sabahan POM briefing of company's policies and procedures of employment dated on 2/3/2021 by the mill management.	
6.2.2	<p>(C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.</p> <p>- Critical (Major) compliance -</p>	<p>Employment contracts detailing payments and conditions of employment available to the workers for sample employees sighted as per indicator 6.1.6 above. Regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. found in compliance with Sabah Labour Ordinance and Minimum Wages Order except for an employee of Sabahan POM as following:</p> <p>1. Female employee ID # 01-0530; Post: Weighbridge Clerk; July 2021 salary: RM 1,082.26 – records of Time and Attendance Report (thumbprint report) for July 2021 found the employee Clock In at 07:00 and Clock Out at 21:00 with total working time of 14 hours which resulted in 5 hours overtime. However no overtime payment made and reflected in the employee's July 2021 payslip.</p> <p>Hence, a Critical noncompliance has been raised on the matter.</p>	Non-compliance
6.2.3	<p>(C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.</p> <p>- Critical (Major) compliance -</p>	Records of payslip and check-roll documents available to the workers for sample employees sighted as per indicator 6.1.6 above shown evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.	Complied
6.2.4	<p>(C) The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the</p>	Sabahan certification unit conducted the bi-weekly housing and facilities inspection as per Housing, Community Hall, Nursery & School Inspection Form; Ref. # TSHP/CL/F14; Rev. # 1; Effective date: 1/8/2016. For the month of November 2021, inspections were conducted on 6/11/2021, 13/11/2021, 22/11/2021 & 30/11/2021.	Complied

	<p>upgrade of infrastructure. A reasonable time (5years) is allowed to upgrade the infrastructure.</p> <p>- Critical (Major) compliance -</p>	<p>No issues highlighted by the Medical Assistant who conducted the inspection.</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 management ensured the access to adequate, sufficient and affordable food by signing a Grocery Store and Canteen Contract Agreement with an operator Jirimas Trading on annual basis with the recent on-going agreement valid from 1/1/2021 – 31/12/2021. Food price were monitored as per Sabahan Canteen General Groceries Price Monitoring records conducted on periodical basis at least once every 6 months.</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>PROCEDURAL NOTE: STATEMENT FROM THE RSPO STANDARDS STANDING COMMITTEE REGARDING INDICATOR 6.2.6 ON DECENT LIVING WAGE</p> <p>With reference to procedural note of indicator 6.2.6, the RSPO has published a guidance on the DLW calculation in June 2019. The RSPO Secretariat will endeavour to carry out DLW country benchmarks for palm oil producing countries in which RSPO members operate and for which no Global Living Wage Coalition (GLWC) benchmarks exist (As of September 2019, GLWC has developed national benchmarks in Bangladesh, Belize, Brazil, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Ethiopia, Ghana, Guatemala, India, Kenya, Malawi, Mexico, Nicaragua, Pakistan, South Africa, Sri Lanka, Uganda and Vietnam These benchmarks are developed based on banana, coffee, floriculture, textile, manufacturing, seafood processing and tea industry. The RSPO is in the process of commissioning benchmarks for Malaysia and Indonesia for the palm oil sector and will develop methods to calculate and/or define DLW applicability for all palm oil producing countries in which RSPO members operate).</p> <p><i>Where a GLWC living wage standard (benchmark), or one that fulfils the basic requirements of the RSPO-endorsed living wage methodology, has been established in the country or region of operation, the same should be used as benchmarks.</i></p> <p>In the absence of such benchmarks, the RSPO will collaborate with the GLWC and/or local experts on developing oil palm industry benchmarks (Benchmark in this context may include other approaches and/or methods to calculate the applicability of DLW in the country or</p>	<p>As of audit date, no DLW established for reference in Sabah. TSH has provided wages for both local and foreign workers based on RSPO Guidance on Calculating Prevailing Wages. All sampled workers receive at least minimum wages on average of RM 1100 to 1300. In addition, the certification unit also have carried out the calculation of prevailing wages and in-kind benefits. It includes food, non-food non-house (NFNH), housing, unexpected events, medical, electricity and water utility for a total gross living wage.</p>	Complied

	<p>region in accordance to the RSPO endorsed method for determining a DLW. Local applicability for benchmarks is important and it may differ based on the needs of each locality or country). These benchmarks will be developed in collaboration and consultation with relevant stakeholders such as palm oil industry members, workers' union, authorities and/or relevant organisations.</p> <p><i>For countries where no living wage standard is established, until such time that an RSPO endorsed benchmark for the country is in place, national minimum wages shall be paid to all workers. In addition to the payment of minimum wages, the Unit of Certification (UoC) shall conduct an assessment of the prevailing wages and in-kind benefits provided to workers in the Unit of Certification aligned with the RSPO Guidance for Implementing a Decent Living Wage (RSPO Guidance for Implementing a Decent Living Wage. The RSPO will also develop further guidance and tools to calculate DLW in line with the RSPO endorsed methodology which may include independent studies by local experts in their respective region or country).</i></p> <p>Once these benchmarks are available, this procedural note is no longer applicable. UoC shall have an implementation plan towards the payment of a DLW with specific targets, and a phased implementation process including:</p> <ul style="list-style-type: none"> • Updated assessment on prevailing wages and in-kind benefits • There is annual progress on the implementation of living wages • Where a minimum wage, based on equivalent of baskets of goods, is stipulated in Collective Bargaining Agreements (CBAs), this should be used as the foundation for the gradual implementation of the living wage payment • The UoC may choose to implement the living wage payment in a specific section as a pilot project; the pilot will then be evaluated and adapted before eventual scale up of the living wage implementation. <p>- Minor compliance -</p>		
6.2.7	<p>Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</p> <p>- Minor compliance -</p>	<p>There are no casual workers hired in Sabahan POM and estate. All employees are permanent employee (for locals) and contracted employee (for foreign workers). All permanent and full-time employment used as the general worker, mandore, staff, etc. based on their employment contract sighted in clause 6.2.2.</p>	Complied
<p>Criterion 6.3: The unit of Certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>			

6.3.1	<p>(C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented.</p> <p>- Critical (Major) compliance -</p>	<p>A statement on recognising freedom of association was published in the Freedom of Association Policy; ST-POL04-02; Date: 15/10/2015; Signed by both Managing Director. The policy stated that the management will respect the right of employees to join any association freely. Regular briefing also conducted to all employees as per sample sighted for Sabahan POM briefing of company's policies and procedures of employment dated on 2/3/2021 by the mill management.</p>	Complied
6.3.2	<p>Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request.</p> <p>- Minor compliance -</p>	<p>A Workers Welfare Committee was established among the workers as representatives for collective agreement with the management. Sighted the minutes of meeting records for latest meeting conducted on 6/12/2021; Meeting Q4/2021 documented and available in national languages. Previous meeting was conducted on 9/9/2021; Meeting Q3/2021. Agenda of meetings included the following:</p> <ul style="list-style-type: none"> • Previous minutes of meeting status • General livelihood condition • Welfare and amenities • Pay rates and benefits • Complains and grievances • Matters arising 	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>There are no casual workers hired in Sabahan POM and estate. All employees are permanent employee (for locals) and contracted employee (for foreign workers). All permanent and full-time employment used as the general worker, mandore, staff, etc. based on their employment contract sighted in clause 6.2.2.</p>	Complied
<p>Criterion 6.4: Children are not employed or exploited.</p>			

6.4.1	<p>A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.</p> <p>- Minor compliance -</p>	<p>A formal policy for the protection of children, including prohibition of child labour was in place as Child Labour Policy; ST-POL07-02; Date: 15/10/2015; Signed by Managing Director. Child Labour Policy also included in supplier agreements as per sample sighted as following:</p> <ul style="list-style-type: none"> • Contractor: L.A.K Weighing System Sdn. Bhd.; Maintenance Contract; Ref. # TSHSPOM/CON/1271/19; Period: 18/6/2019 – 17/6/2022 • Contractor: GEA Westfalia Separator (Malaysia) Sdn. Bhd.; 3-Years All-Inclusive Maintenance Agreement; Ref. # SLA2018-06-0171-R1; Period: 1/7/2019 – 30/6/2022 	Complied
6.4.2	<p>(C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure.</p> <p>- Critical (Major) compliance -</p>	<p>Records of employee master lists for sampled estates and mill within Sabahan POM and estates shown the birth date of them that indicated the minimum age requirements are met. However, the documented age screening verification procedure could be further spelt-out its process steps.</p> <p>Hence, an OFI has been raised on the matter.</p>	Complied
6.4.3	<p>(C) Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work.</p> <p>- Critical (Major) compliance -</p>	<p>Based on the records of Sabahan POM Labour Statistic November 2021, all employees working in the mill aged more than 18 years old. Consultation with employees' representative confirmed that no child labour employed in the mill.</p>	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>	<p>As per sample Gemisetia Sdn. Bhd. Purchase of Fresh Fruit Bunches (FFB) Agreement; Date: 1/7/2020 which included the Business Codes of Ethics containing "no child labour" as per Child Labour Policy; TSHR/POL/SOP07; Dated 16/10/2015.</p>	Complied
<p>Criterion 6.5: There is no harassment or abuse in the workplace, and reproductive rights are protected.</p>			

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6.5.1	<p>(C) 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>Sabahan POM and estates implemented the company's Sexual Harassment Policy; ST-POL05-02; Date: 15/10/2015; Signed by Managing Director. Regular briefing also conducted to all employees as per sample sighted for Sabahan POM briefing of company's policies and procedures of employment dated on 2/3/2021 by the mill management.</p>	Complied
6.5.2	<p>(C) 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>Sabahan POM and estates implemented the company's Reproductive Rights Policy; ST-POL06-02; Date: 15/10/2015; Signed by Managing Director. Regular briefing also conducted to all employees as per sample sighted for Sabahan POM briefing of company's policies and procedures of employment dated on 2/3/2021 by the mill management.</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>The management has identified new mothers via internal memorandum form by Medical Assistant i.e. Notification for Resume Work; Rev. # 00; Effective Date: 1/12/2020 and conducted the consultation via form Pregnancy & New Mother Assessment; Rev. # 00; Effective Date: 1/12/2020. For Sabahan POM and Sabahan Estate, there are two new mothers resumed back to work on 3/8/2021 and 18/9/2021.</p>	Complied
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>No sexual harassment case been report and confirmed through interview with the gender committee members and female workers.</p>	Complied
<p>Criterion 6.6: No forms of forced or trafficked labour are used.</p>			
6.6.1	<p>(C) All workers have entered into employment voluntarily and the following are prohibited:</p> <ul style="list-style-type: none"> Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes) 	<p>Employment contracts detailing payments and conditions of employment available to the workers for sample employees sighted as per indicator 6.1.6 above. Each employment contracts were</p>	Complied

	<ul style="list-style-type: none"> • Charging the workers for recruitment fees. • Contract substitution • Involuntary overtime • Lack of freedom of workers to resign • Penalty for termination of employment • Debt bondage • Withholding of wages <p>- Critical (Major) compliance -</p>	<p>agreed and signed by both employee and employer which confirmed that all work is voluntary and force labour are prohibited.</p>	
6.6.2	<p>(C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented.</p> <p>- Critical (Major) compliance -</p>	<p>Sabahan POM and estates implemented the company's Special Labour Policy; TSHR/POL/SOP10; Rev # 2; Dated: 26/11/18 in case of any temporary or migrant workers are employed. Records of employment shown no temporary or migrant recruitment take place since last audit.</p>	Complied
<p>Criterion 6.7: The unit of certification ensures that the working environment under its control is safe and without undue risk to health.</p>			
6.7.1	<p>(C) The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.</p> <p>- Critical (Major) compliance -</p>	<p>The management has appointed the Mill Manager as Person Responsible for Safety and Health in both Sabahan Mill and Sabahan Estate. The Mill Manager also hold the responsibility as Chairman for safety and health committee. The mill and estate management has established safety and health committee consist of of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Mill Manager.</p> <p>The safety and health committee meeting was conducted centrally for both mill and estates chaired by the mill manager. The meeting discussed issue related to employee safety and health such as Workplace Accident Statistics, Changes in OSH Committee Members, Safe Operating Procedures, Worksite Inspection, Chemical and Scheduled Waste Handling, Trainings and ERT.</p>	Complied

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		<p>Reviewed the minutes meeting FY 2020 and FY 2021 dated 14/09/2020, 15/12/2020, 15/03/2021, 15/06/2021 and 15/09/2021.</p>	
<p>6.7.2</p>	<p>Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>Accident of emergency procedure is presented in various SOP as follows:</p> <ol style="list-style-type: none"> 1. Emergency response Procedure, SP-MGR-04 2. Environmental, Safety and health monitoring and measurement, SP-MGR-05 3. Notification of accident, dangerous occurrence, occupational poisoning and occupational disease (NADOPOD), SP-MGR-06 <p>The mill and estates maintain the records of accidents including JKPP 6 forms reported to DOSH, medical leaves certificates, accidents investigations reports and HIRARC review.</p> <p>All accident report were recorded in the Safety Tracking Trend Charts and submitted to the Safety Department on monthly basis. Reviewed the data FY 2020 and todate November FY 2021.</p> <p>All accident occur were reported to DOSH by submitting the JKPP 6 form through MyKKP system. Annually, the mill and estate submitted the JKPP 8 form to DOSH through MyKKP system. Reviewed the JKPP 8 form FY 2020 for both Mill and Estate.</p> <p>The mill and estates continuously provided training to the workers on emergency and first aid. Latest training was conducted as follows:</p> <ol style="list-style-type: none"> 1. First aid kit and CPR skill training dated 15/01/2021 2. First aid kit and CPR skill training dated 09/04/2020 3. Firefighting skills training dated 24/04/2020 4. ERT Drill training dated 01/02/2020 5. Confined space training dated 22 – 24/01/2020 	<p>Complied</p>

		<p>6. Firefighting training dated 01/03/2021</p> <p>7. Emergency Response Team (fire drill) training dated 01/03/2021</p> <p>8. First aid box training dated 18/08/2021</p>	
6.7.3	<p>(C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</p> <p>- Critical (Major) compliance -</p>	<p>The management provide appropriate PPE to the employee's base on the job type. The PPE given as per HIRARC and Standard Operating Procedure. Reviewed the PPE issuance records as follows:</p> <p>Reviewed the PPE issuance records for laboratory operators, boiler operators, workshop and sprayers for employee as follows:</p> <p>Sabahan POM</p> <ol style="list-style-type: none"> 1. 03/0595 2. 03/0524 3. 03/0664 4. 01/0735 5. 01/0681 6. 02/0086 7. 02/0540 <p>Sabahan Estate</p> <ol style="list-style-type: none"> 1. 0494 2. 0507 <p>The estate and mill conducted PPE Inspection on weekly basis. Reviewed the PPE inspection records for September, October and November 2021 recorded in PPE Checklist form.</p>	Complied
6.7.4	<p>All workers are provided with medical care and covered by accident insurance. Costs incurred from work-related incidents leading to injury or sickness are covered in accordance with Malaysian law.</p>	<p>Medical care is provided to all the employees. Reviewed on workers profile records found that all workers are covered by the accident insurances.</p>	Complied

	- Minor compliance -	<p>Local and foreign workers covered by SOCSO or Perkeso (Pertubuhan Keselamatan Sosial). Reviewed the form 8A, "Jadual Caruman" for August, September and October 2021 for contribution of all employees including staff.</p> <p>For local workers, they were also covered with Employment Insurance Scheme. Reviewed the SIP form, "Jadual Caruman" for August, September and October 2021 for contribution of all employees including staff.</p> <p>For accident eligible for SOCSO claim, the management submitted application letter with all relevant document to SOCSO.</p>	
6.7.5	Occupational injuries are recorded using Lost Time Accident (LTA) metrics. - Minor compliance -	Records of all accidents are kept. Accident incidences are reviewed during the safety meetings. Records on Lost Time Accident (LTA) metrics was maintained. Accident records are found to be updated. JKKP 8 form were submitted to DOE through MyKKP systems.	Complied
Principle 7: Protect, conserve and enhance ecosystems and the environment			
Criterion 7.1: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.			
7.1.1	(C) IPM plans are implemented and monitored to ensure effective pest control. - Critical (Major) compliance -	<p>Standard Operating Procedures are available on Pest and Disease where IPM are incorporated in the procedures. Among the SOPs are:</p> <ol style="list-style-type: none"> 1. Nursery Pest, P&D-SOP01-00 2. Nursery Disease, P&D-SOP02-00 3. Leaf Pests, P&D-SOP03-02 4. Oryctes, P&D-SOP04-01 5. Termite, P&D-SOP05-01 6. Occasional Insects Pests, P&D-SOP06-00 7. Rat, P&D-SOP07-02 	Complied

		<p>The estate has established Integrated Management Plans. The methods of the management plans includes direct biological control agents (Viruses and Fungi), Predatory animals/insects (snakes, eagles and barn owls) and environmentally friendly pesticides.</p> <p>Reviewed the implementation of the management plan as follows:</p> <ol style="list-style-type: none"> 1. The estate has established pheromone trap at the replanting area and conducted rhinoceros beetle census on weekly basis to monitor the threshold level and determine the appropriate control. The chemical control were only engaged if the threshold level at > 5%. Reviewed the records of rhinoceros beetle census as todate of 1st week of December 2021. 2. The estate has established plan for beneficial plant planting as method to control insect pest. Among the beneficial plant planting such as Tunera, Cassia and Antogonon. Reviewed the beneficial plant planting records as todate of November 2021 at 11,894 m. 	
7.1.2	<p>Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented.</p> <p>- Minor compliance -</p>	<p>This is not practiced in the estates visited. None of species were referenced in the Global Invasive Species Database and CABI.org are used in the management of IPM.</p> <p>Plant species were used for IPM such as Tunera subulata, Cassia cobanensis, and Antigonan leptopus.</p>	Complied
7.1.3	<p>There is no use of fire for pest control unless in exceptional circumstances such as plantation sanitation, i.e. where no other effective methods exist, and with prior approval of government authorities.</p> <p>- Minor compliance -</p>	<p>There is no use of fire for pest control in the estates.</p>	Complied
<p>Criterion 7.2: Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.</p>			

<p>7.2.1</p>	<p>(C) Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised. - Critical (Major) compliance -</p>	<p>Justification of pesticides usage was demonstrated in the IPM Plans; Table 4.0; Justification for Insecticides, Fungicide and Rodenticide usage. The table is divided into type of pest control, Active Ingredient of Chemical, Recommended Rate & Application and Justification for using the pesticides.</p> <p>The justification of herbicide usage was demonstrated in the Improvement plans where the estate has mentioned the intention to reduce the usage of chemicals and to only use Class 3 and above chemicals in their operations. The table is divided into type of application, Active Ingredient of Chemical, Recommended Rate & Application and Justification for using the pesticides. Among the contents are:</p> <table border="1" data-bbox="1137 772 1930 922"> <thead> <tr> <th>Application Method</th> <th>A.I of Chemical</th> <th>Application rate</th> </tr> </thead> <tbody> <tr> <td>CKS</td> <td>Amine 720 60%</td> <td>31ml</td> </tr> <tr> <td>CKS</td> <td>Triclopyr - butotyl</td> <td>6ml</td> </tr> </tbody> </table>	Application Method	A.I of Chemical	Application rate	CKS	Amine 720 60%	31ml	CKS	Triclopyr - butotyl	6ml	<p>Complied</p>			
Application Method	A.I of Chemical	Application rate													
CKS	Amine 720 60%	31ml													
CKS	Triclopyr - butotyl	6ml													
<p>7.2.2</p>	<p>(C) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided. - Critical (Major) compliance -</p>	<p>Records of pesticides used and a.i per Ha is monitored on a monthly basis in the Pesticide Records Issued Form and Pesticides Master List. The records for the year ending 2021 were available for verification as below:</p> <table border="1" data-bbox="1137 1075 1930 1313"> <thead> <tr> <th>Chemical</th> <th>Volume/year</th> <th>Active Ingredient</th> <th>A.I / Ha</th> </tr> </thead> <tbody> <tr> <td>Sentinel</td> <td>50</td> <td>Glufosinate ammonium</td> <td>- 0.02</td> </tr> <tr> <td>Dewana</td> <td>14</td> <td>Glyphosate isopropylammonium</td> <td>- 0.10</td> </tr> </tbody> </table>	Chemical	Volume/year	Active Ingredient	A.I / Ha	Sentinel	50	Glufosinate ammonium	- 0.02	Dewana	14	Glyphosate isopropylammonium	- 0.10	<p>Complied</p>
Chemical	Volume/year	Active Ingredient	A.I / Ha												
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7.2.3	<p>(C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans. - Critical (Major) compliance -</p>	<p>The estates have implemented an Integrated Pest Management Plan and a Continuous Improvement Plan where they have stated the intention to reduce the usage of chemical through implementation of Integrated Pest Management Plan. Sighted during the site visit at the estate, the establishment of barn owl box at immature areas as well as placed at strategic areas. Paraquat was eliminated. In its place, alternatives such as Glyphosate is used instead.</p>	Complied
7.2.4	<p>There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines. - Minor compliance -</p>	<p>There is no prophylactic use of pesticides in estate 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. The due diligence refers to: a) Judgment of the threat and verify why this is a major threat b) Why there is no other alternative which can be used c) Which process was applied to verify why there is no other less hazardous alternative d) What is the process to limit the negative impacts of the application e) Estimation of the timescale of the application and steps taken to limit application to the specific outbreak. - Minor compliance -</p>	<p>As stated in the Environmental Continual Improvement plan FY 2021-2025 under section Estate Significant impact, the estate to ban the usage of class 1a and 1b pesticides. The estate has established Pesticides Masterlist FY 2021. Reviewed the masterlist established and showed that only class II, III & IV pesticides were used at Sabahan Estate. Paraquat has been eliminated and alternatives such as Glyphosate was used instead.</p>	Complied
7.2.6	<p>(C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance</p>	<p>The pesticides operators has been given training regarding the usage safety and health issue and proper way for chemical</p>	Complied

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	<p>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>application. The training was conducted by the personnel with knowledge on pesticide application such as Estate Manager, Asst. Manager, and pesticide supplier. Reviewed the training records as follows:</p> <ol style="list-style-type: none"> 1. Spraying SOP training dated 06/01/2021 2. Safety handling of chemical training dated 06/01/2021 3. Chemical buy-off training dated 19/04/2020 4. Safety handling of chemical training dated 19/08/2020 	
7.2.7	<p>(C) Storage of all pesticides is in accordance with recognised best practices.</p> <p>- Critical (Major) compliance -</p>	<p>Pesticides were found stored in the mill and all estate’s Chemical Store in accordance with the Occupational Safety and Health Act 1994 (Act 514) and Pesticides Act 1974 (Act 149) and their Regulations. The stores were at all times locked and at the time of visit the storekeeper was seen to unlock the pad-lock to open entrance door for auditor to inspect the store. At the entrance door, signage requiring donning of PPE were visibly posted. The Chemical Store signage with required Hazard Symbols were available at the entrance. The facility ventilation fan was found working with adequate ventilation available, up-to-date chemical register, trade and generic names, and their Safety Data Sheet were available.</p>	Complied
7.2.8	<p>All pesticide containers are triple rinsed and punctured before being disposed of and/or handled responsibly if used for other purposes.</p> <p>- Minor compliance -</p>	<p>Pesticide containers were found to be recycled and used as premix containers for field spraying operations. The access containers were all triple rinsed and punctured and stored at the designated store before they are disposed to the licensed recycle waste collector.</p>	Complied
7.2.9	<p>(C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.</p>	<p>No aerial spraying for pesticide were done in Sabahan Estate.</p>	Complied

	- Critical (Major) compliance -		
7.2.10	<p>(C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.</p> <p>- Critical (Major) compliance -</p>	<p>Medical Surveillance was conducted on 4 (chemical handlers) workers on 15/07/2021 where blood and urine test were done to monitor the presence of cholinesterase in the samples. All four workers were declared fit to work with no abnormal results produced. Refer Report by DAB OH Sdn Bhd and Test Certificate by PATHLAB Sandakan.</p>	Complied
7.2.11	<p>(C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.</p> <p>- Critical (Major) compliance -</p>	<p>TSH Plantations Sdn. Bhd. has prohibited woman workers who are confirmed pregnant or breast-feeding to handle pesticides as per Reproductive Rights Policy; Revision 1; Effective Date: 21/03/2016; Section B: Not permit pregnant or breast-feeding employees to handle any type of chemical which pose a threat to such employee and/or her child.</p> <p>Interview with female workers during the site visit showed awareness that they are prohibited from chemical related works during pregnancy and breastfeeding.</p>	Complied
Criterion 7.3: 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>Continual improvement plan has been developed for Sabahan POM and Sabahan Estate. Refer Section related waste management in the Environment Continual Improvement Plan (2021 – 2025) prepared on 15/12/2020 with effective date on 01/01/2021. Among topics discussed were:</p> <p>Sabahan Mill</p> <ul style="list-style-type: none"> To improve wastewater treatment To avoid the infection from the generating of clinical waste To improve the collection, segregation, storage and disposal of all schedule waste and domestic waste. <p>Sabahan Estate</p>	Complied

		<ul style="list-style-type: none"> To minimize the land contamination through the generating of schedule waste <p>TSH has established SOP for Waste management, refer document no. TSHR/ENV/SOP03, rev. no. 3 dated 20/02/2020.</p> <p>TSH has established waste management plan base on the identification and source of pollutions and documented in Waste Identification and Disposal Plan.</p> <p>Sabahan POM</p> <p>The mill has conducted waste identification for all area in mill operation and established waste management plan base on waste identified.</p> <ol style="list-style-type: none"> Area – e.g. store, lab, workshop, generator room, WTP, mill processing, canteen/shop, office, etc. Major wastes identified – paper, plastic, scrap iron, discarded electrical products, chemical containers, spent chemicals, spent lubricants, used oil & filter, EFB, plant sludge, mesocarp fibre, boiler ash, etc. Handling methods – kept in designated store, triple rinsed and pierced, etc. Disposal plan – e.g. sent to licensed recyclers, SW contractors, reused for landscape decoration, landfill at estate <p>Inventory of SW record was sighted latest on 03/12/2021 for SW102, SW305, SW306, SW322, SW408, SW409, and SW410 with file reference number ASSH/TWU(B)31/152/000/041.</p> <p>Disposal has been made through licensed contractor Lagenda Bumimas Sdn Bhd dated 25/08/2021. Sighted record of disposal for SW410, SW409, SW408, SW322, and SW305.</p> <p>Sabahan Estates</p>	
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		<p>The estates has conducted waste identification for all area in mill operation and established waste management plan base on waste identified.</p> <ol style="list-style-type: none"> 1. Area – e.g office, clinic, store, Workshop, generators room, estates operation. 2. Major wastes identified – paper, plastic, discarded electrical products, needles, scalpels, dressing treatments wastes, empty drug containers, empty fertilizers bags, empty pesticides containers, discarded PPE, discarded spray equipment, empty paint containers, expired chemicals, spent lubricants, used oil & filter, used tyres, used rags, pruned oil palm fronds. Buffalo dungs, oil palm trunks from replanting, used polybags. 3. Handling methods – kept in designated store, triple rinsed and pierced, etc. 4. Disposal plan – e.g. sent to licensed recyclers, SW contractors, reused for landscape decoration, landfill at estate <p>Inventory of SW record was sighted latest on 09/12/2021 for SW305, and SW410 with file reference number ASSH/TWU(B)95/130/100/245.</p> <p>Disposal has been made through licensed contractor Legenda Bumimas Sdn Bhd dated 25/08/2021. Sighted record of disposal for SW305 and SW410.</p>	
7.3.2	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</p> <p>- Minor compliance -</p>	<p>Competent Person for Scheduled Wastes as required by legal was also verified. Currently, the responsibility is held by the acting mill manager, Certificate No. CePSWaM/185339, validity 15/11/2018-15/11/2019. To continue the license validity, the license holder has submitted his Field Training Report (FTR) to EiMAS on 12/10/2019 and now pending for interview. Verified through interview with person in charge and workers around they aware on management</p>	Complied

		of schedule waste in the estate and mill. The storing of SW was proper maintained in the designated store with labelling.	
7.3.3	The unit of certification does not use open fire for waste disposal. - Minor compliance -	Domestic waste was disposed at Landfill located at Block 93 A. Domestic waste from mill and estate was managed by estate. There is no use open fire for waste disposal. Landfill were barricade and completed with signage of date open/close.	Complied
Criterion 7.4: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
7.4.1	Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts. - Minor compliance -	TSH has established SOP to manage soil fertility to optimise yield and minimise environmental impacts documented in SOP Manuring. Refer document no. TSHP/OPE/SOP08 dated 01/7/16 rev 0. Therein containing information on the following <ol style="list-style-type: none"> 1. Manuring process flow 2. Manuring for mature and immature palms 3. Fertiliser type/timing of application/placement 4. Supervision/Assessment 	Complied
7.4.2	Periodic tissue and soil sampling is carried out by Companies to monitor and manage changes in soil fertility and plant health. - Minor compliance -	Tissue/foliar sampling and soil sampling was conducted on annually basis. The result was documented in Oil Palm Fertiliser Recommendation. Reviewed the Ladang Sabahan 1 Yield/ Foliar Nutrients/ Soils/ Fertilizing Records 2020.	Complied
7.4.3	A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers. - Minor compliance -	TSH has established SOP for nutrient cycle documented in SOP Manuring under section 8 Procedure subsection Q: Palm Oil Mill by-product. Refer document no. TSHP/OPE/SOP08 rev 0 dated 01/07/2016.	Complied
7.4.4	Records of fertiliser inputs are maintained. - Minor compliance -	The estate maintain the records of manuring application as per recommendation by the agronomist. Observed application records as per agronomist recommendation:	Complied

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		<p>Month program: March 2021 Field: 2018A Ha program: 21.00 ha Type: SOA Rate/palm: 1.20 kg/palm Date completed: 17/03/2021</p>	<p>Month program: June 2021 Field: 2019A Ha program: 24.00 ha Type: RP Rate/palm: 0.70 kg/palm Date completed: 22/06/2021</p>					
		<p>Month program: September 2021 Field: 2019A Ha program: 24.00 ha Type: MOP Rate/palm: 0.80 kg/palm Date completed: 18/10/2021</p>	<p>Month program: July 2021 Field: 2020A Ha program: 19.00 ha Type: GML Rate/palm: 1.00 kg/palm Date completed: 20/08/2021</p>					
<p>Criterion 7.5: Practices minimise and control erosion and degradation of soils.</p>								
7.5.1	<p>(C) Maps identifying marginal and fragile soils, including steep terrain, are available. - Critical (Major) compliance -</p>	<p>Maps identifying marginal and fragile soil, including steep terrain were available for verification as per High Conservation Value (HCV) Assessment, Oil Palm Plantation of 98 hectares at Sabahan 1 Estate, District of Kunak, Sabah. Refer report ref. no. KEC/EV/18/06 dated January 2018. Reviewed the soil series maps as follows:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Soil Series/Parent Material</th> </tr> </thead> <tbody> <tr> <td>Sabahan</td> <td>Kinabatangan/Alluvium, Rumidi/mudstone, sandstone and miscellaneous rocks Bang/ mudstone, sandstone and miscellaneous rocks</td> </tr> </tbody> </table>		Estate	Soil Series/Parent Material	Sabahan	Kinabatangan/Alluvium, Rumidi/mudstone, sandstone and miscellaneous rocks Bang/ mudstone, sandstone and miscellaneous rocks	Complied
Estate	Soil Series/Parent Material							
Sabahan	Kinabatangan/Alluvium, Rumidi/mudstone, sandstone and miscellaneous rocks Bang/ mudstone, sandstone and miscellaneous rocks							

		Gumpal/ mudstone, sandstone and miscellaneous rocks	
		No fragile soil were identified in the estate.	
7.5.2	No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25 degrees) larger than 25 Ha within the Unit of Certification. - Minor compliance -	Based on the map mentioned in Indicator 7.5.1, there is no slope above 25° in the estate.	Complied
7.5.3	There is no new planting of oil palm on steep terrain. - Minor compliance -	There is no new planting in the certification unit.	Complied
Criterion 7.6: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.			
7.6.1	(C) To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations. - Critical (Major) compliance -	Maps identifying marginal and fragile soil, including steep terrain were available for verification as per High Conservation Value (HCV) Assessment, Oil Palm Plantation of 98 hectares at Sabahan 1 Estate, District of Kunak, Sabah. Refer report ref. no. KEC/EV/18/06 dated January 2018.	Complied
7.6.2	Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices. - Minor compliance -	NA as there is no new planting in the certification unit.	Complied
7.6.3	Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure.	NA as there is no new planting in the certification unit.	Complied

	- Minor compliance -		
Criterion 7.7: No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.			
7.7.1	(C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas. - Critical (Major) compliance -	Not applicable as there was no peat soil at all the visited estates.	Complied
7.7.2	Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat. PROCEDURAL NOTE: Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below). - Minor compliance -	Not applicable as there was no peat soil at all the visited estates.	Complied
7.7.3	(C) Subsidence of peat is monitored, documented and minimised. - Critical (Major) compliance -	Not applicable as there was no peat soil at all the visited estates.	Complied
7.7.4	(C) A documented water and ground cover management programme is in place. - Critical (Major) compliance -	Not applicable as there was no peat soil at all the visited estates.	Complied
7.7.5	(C) For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the timeframe for future replanting, as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation.	Not applicable as there was no peat soil at all the visited estates.	Complied

	<p>This is subject to transitional (5 years: 2019 to 2024) arrangement stated in the Drainability Assessment Procedure.</p> <p>Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition.</p> <p>- Critical (Major) compliance -</p>		
7.7.6	<p>(C) All existing plantings on peat are managed according to the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', version 2 (2019) and associated audit guidance.</p> <p>- Critical (Major) compliance -</p>	Not applicable as there was no peat soil at all the visited estates.	Complied
7.7.7	<p>(C) All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as "peatland conservation areas"; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the 'RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat', version 2 (2019) and associated audit guidance.</p> <p>- Critical (Major) compliance -</p>	Not applicable as there was no peat soil at all the visited estates.	Complied
<p>Criterion 7.8: Practices maintain the quality and availability of surface and groundwater.</p>			
7.8.1	<p>A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following:</p> <p>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>TSH has established SOP for Water management, refer document no. TSHR/ENV/SOP02, rev. no. 3 dated 20/02/2020.</p> <p>The mill and estates has established water management plan and documented in the Environmental Continual Improvement plan FY 2021-2025. Latest review was conducted on 15/12/2020.</p> <p>Among the plan established as follows:</p> <ul style="list-style-type: none"> • Take account of the efficiency of use and renewability of sources • To ensure that the consumption and management of water by the operation does not result in adverse impacts on other users 	Complied

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		<p>within the catchment area, including local communities and customary water users.</p> <ul style="list-style-type: none"> To avoid contamination of surface and ground water through run off soil, nutrient or chemicals, or as result of inadequate disposal waste including POME. No construction of bunds, weirs, damn across the main rivers or waterways passing through an estate. <p>The mill provided the Sabahan Mill and Sabahan Estate workers access of clean water through Water Treatment plant. Treated water and drinking water sampling was conducted on quarterly basis. Reviewed the water sampling reports as follows:</p> <ul style="list-style-type: none"> Report no. RS/CH/2020/0340 dated 07/10/2020 for sampling date 07/09/2020. Report no. RS/CH/2020/0470 dated 31/12/2020 for sampling date 02/12/2020. Report no. RS/CH/2021/0123 dated 03/03/2021 for sampling date 24/03/2021. Report no. RS/CH/2021/0321 dated 05/07/2021 for sampling date 04/06/2021. Report no. RS/CH/2021/0503 dated 28/09/2021 for sampling date 28/09/2021. 	
7.8.2	<p>(C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or applicable National legislation or specific environmental permit. Smallholders may replant existing planted areas provided there is no evidence of environmental deterioration having occurred during the previous cycle.</p> <p>- Critical (Major) compliance -</p>	<p>Based on site visit, it was observed that 100 m of riparian zone was allocated along Dadong Kechil River crossing Sabahan Estate. The existing palms in the zone were felled during replanting but not replanted. This can be seen at Field #20A [4°49'52" N 118°5'47"E].</p>	Complied

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<p>7.8.3</p>	<p>Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.</p> <p>- Minor compliance -</p>	<p>The mill applies the biological system equipped with ponds in series for its treatment of effluent. The quality of discharged effluent was analysed every month and the parameters are T, pH, BOD, COD, TS, SS, O&G, AN and TN. Based on the independent lab report, the mill has maintained below 20 ppm of BOD for the last 12 months.</p> <p>Mill effluent is treated through biological anaerobic treatment. Regular monitoring was conducted as per requirement. Monthly and quarterly report was submitted to DOE accordingly. reviewed the Quarterly Return Form to DOE FY 2020 as follows:</p> <p>4th quarter FY 2020</p> <table border="1" data-bbox="1137 715 1883 1066"> <thead> <tr> <th>Month</th> <th>Parameter</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td rowspan="2">October</td> <td>BOD</td> <td>19.00</td> </tr> <tr> <td>pH</td> <td>8.13</td> </tr> <tr> <td rowspan="2">November</td> <td>BOD</td> <td>19.00</td> </tr> <tr> <td>pH</td> <td>8.23</td> </tr> <tr> <td rowspan="2">December</td> <td>BOD</td> <td>13.00</td> </tr> <tr> <td>pH</td> <td>7.85</td> </tr> </tbody> </table> <p>1st quarter FY 2021</p> <table border="1" data-bbox="1137 1114 1877 1356"> <thead> <tr> <th>Month</th> <th>Parameter</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td rowspan="2">January</td> <td>BOD</td> <td>10.00</td> </tr> <tr> <td>pH</td> <td>7.79</td> </tr> <tr> <td rowspan="2">February</td> <td>BOD</td> <td>17.00</td> </tr> <tr> <td>pH</td> <td>8.42</td> </tr> </tbody> </table>	Month	Parameter	Results	October	BOD	19.00	pH	8.13	November	BOD	19.00	pH	8.23	December	BOD	13.00	pH	7.85	Month	Parameter	Results	January	BOD	10.00	pH	7.79	February	BOD	17.00	pH	8.42	<p>Complied</p>
Month	Parameter	Results																																
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		March	BOD	19.00				
			pH	8.57				
		2 nd quarter FY 2021						
		Month	Parameter	Results				
		April	BOD	18.00				
			pH	8.58				
		May	BOD	19.00				
			pH	8.56				
		June	BOD	18.00				
			pH	8.66				
		3 rd quarter FY 2021						
		Month	Parameter	Results				
		July	BOD	5.60				
			pH	8.27				
		August	BOD	6.70				
			pH	8.70				
		September	BOD	4.70				
			pH	8.66				
		7.8.4	Mill water use per tonne of FFB is monitored and recorded. - Minor compliance -	The mill monitors the usage usage of water on monthly basis. Refer Monitoring of Mill Water Use per Tonne of FFB. Reviewed the records as follows:			Complied	

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		Month	2020	2021	
		Jan	1.11	1.24	
		Feb	1.04	1.26	
		Mar	1.17	1.15	
		Apr	1.19	1.36	
		May	1.15	1.31	
		Jun	1.13	1.27	
		Jul	1.21	1.35	
		Aug	1.23	1.32	
		Sep	1.20	1.15	
		Oct	1.27	1.28	
		Nov	1.24	1.27	
		Dec	1.20	-	
		Average	1.18	1.27	

Criterion 7.9: Efficiency of fossil fuel use and the use of renewable energy is optimised

7.9.1	A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented. - Minor compliance -	<p>The mill and estate sampled has established plan for efficiency of the use of fossil fuels and to optimise renewable energy and documented in Environmental Continuous Improvement Plan.</p> <p>The mill monitored the usage of diesel on monthly basis. Reviewed the consumption FY 2020 and FY 2021 Todate as follows:</p> <table border="1"> <tr> <td>Operating Unit</td> <td>FY 2020</td> <td>FY 2021 Todate</td> </tr> <tr> <td>Sabahan POM</td> <td>230941.45 L</td> <td>208245.00 L</td> </tr> </table>	Operating Unit	FY 2020	FY 2021 Todate	Sabahan POM	230941.45 L	208245.00 L	Complied
Operating Unit	FY 2020	FY 2021 Todate							
Sabahan POM	230941.45 L	208245.00 L							

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		Sabahan Estate	3469.00 L	3924.50 L
		Sabahan POM	Diesel, L/Mt, FFB	
		Month	2020	2021
		Jan	3.72	6.25
		Feb	2.86	5.45
		Mar	2.60	4.75
		Apr	1.50	3.60
		May	1.42	2.67
		Jun	0.84	1.84
		Jul	1.84	4.69
		Aug	2.47	2.52
		Sep	2.73	1.88
		Oct	2.37	1.92
		Nov	4.61	2.15
		Dec	5.55	-
		Average	2.16	5.85
		Sabahan Estate	Diesel usage, L	
		Month	2020	2021
		Jan	335	260

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		Feb	283	326	
		Mar	442	317	
		Apr	263	255	
		May	242	308	
		Jun	320	209.50	
		Jul	247	318	
		Aug	152	416	
		Sep	310	471	
		Oct	317	476	
		Nov	383	568	
		Dec	175	-	
		Total	3469	3924.50	
<p>Criterion 7.10: Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.</p>					
7.10.1	<p>(C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported.</p> <p>- Critical (Major) compliance -</p>	<p>Sighted GHG Emission Reduction Plan has been established in the Environment Continual Improvement Plan (2021-2025). Among topics discussed were:</p> <ul style="list-style-type: none"> To maintain monthly transportation emission below 10 tonnes CO₂eq Maintain GHG Emission at below 400 tonnes CO₂eq from processing power and outputs. To maintain monthly transportation emission below 10 tonnes CO₂eq 			Complied

		<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place. Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements. Water samples were regularly taken every month and tested by mill environment officer in charge and analysed to ensure compliance to DOE requirements at final discharge points.</p> <p>Monitoring of the GHG quantity was done through RSPO PalmGHG Calculator Version 4.0 which is submitted to the RSPO Secretariat. Based on verification of various record, the data in the RSPO PalmGHG Calculator was correct.</p>	
7.10.2	<p>(C) Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development).</p> <p>- Critical (Major) compliance -</p>	<p>No development within Sabahan POM and Estate Certification Unit since 2014.</p>	Complied
7.10.3	<p>(C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.</p> <p>- Critical (Major) compliance -</p>	<p>Significant pollutants identification and plans are documented under Pollution Environmental Management Plan FY 2020. Implementation of plan is being monitored by appointed person in charge with target of time frame for completion.</p> <p>Sighted the sampled implementation of the management plan as follows:</p> <p>The mill conducted Stack sampling as per requirement stated in the compliance schedule for DOE license and contradiction license. Sighted the sample stack sampling as follows:</p> <ul style="list-style-type: none"> • 2nd half 2020 <p>Report no: RS/STACK/2020-060</p>	Complied

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		<p>Monitoring date: 21/09/2020 Result: 390.00 mg/m3 at 12% CO2, exceed permissible limit at 150 mg/m3.</p> <ul style="list-style-type: none"> 1st half 2021 <p>Report no: RS/STACK/2021-008 Monitoring date: 16/03/2021 Result: 284.10 mg/m3 at 12% CO2, exceed permissible limit at 150 mg/m3.</p> <p>The mill has obtained DOE contradiction license no. 005166, valid till 30/08/2022. The mill is currently in progress to install VORSEP system in order to comply with Environmental Quality (Clean Air) Regulation 2014</p>	
Criterion 7.11: Fire is not used for preparing land and is prevented in the managed area			
7.11.1	<p>(C) Land for new planting or replanting is not prepared by burning. - Critical (Major) compliance -</p>	<p>There was no new planting and replanting which prepared by burning and in lined with company policies. TSH Plantations Sdn. Bhd. has committed to ensure no fire is used in their operations as stated in the Environmental Policy; Doc No: TSHR/POL/SOP08; Rev No:1; Date 01/11/2017; Part 7: Environment Policy; Commitment: i. Explicitly prohibit the use of fire for the clearing of land and open burnings (Zero Burning). During the field visit at Sabahan Estate, there was no evidence that fire is used to prepare land for replanting and waste disposal.</p>	Complied
7.11.2	<p>The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification. - Minor compliance -</p>	<p>Sabahan POM and Sabahan Estate have implemented fire prevention methods and procedures as stated in the SOP Emergency Preparedness and Response; Doc No: TSHR/OSH/SOP06; Date:04/07/2016; rev No: 01. The emergency response plan for fire outbreak has been implemented and posted at prominent places at the office, mill and workers line site. Emergency Response Team have been trained to handle fire</p>	Complied

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		outbreaks and all workers have been trained by the BOMBA on the fire prevention and fire extinguisher usage. It was sighted at the Mill, Estate Office, Workshop Stores were well equipped with fire extinguishers as a control measure for fire prevention. The location of fire extinguishers is mapped and available at notice boards. Verified sample checked of fire extinguisher found certificate were valid.	
7.11.3	The unit of certification engages with adjacent stakeholders on fire prevention and control measures. - Minor compliance -	Sabahan POM and Estate conduct regular stakeholder meetings where it is attended by adjacent stakeholders as well. The latest stakeholder meeting was rescheduled due to the MCO 2020 restrictions. Nevertheless, the management have provided a booklet to their adjacent stakeholders where the management have stated is commitment to ensure it does not engage in open burning and has implemented a fire prevention plan to handle any fire outbreaks. The management also is committed to assist adjacent stakeholders if the needs arise	Complied
Criterion 7.12: Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.			
7.12.1	(C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests. A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document. - Critical (Major) compliance -	No land clearing was conducted within the Sabahan POM Certification units since November 2005. The certification units has conducted the HCV assessment as per report High Conservation Value (HCV) Assessment, Oil Palm Plantation of 98 hectares at Sabahan Estate, District of Kunak, Sabah. Refer report ref. no. KEC/EV/18/06 dated January 2018.	Complied
7.12.2	(C) HCVs, HCS forests and other conservation areas are identified as follows:	The certification units has conducted the HCV assessment as per report High Conservation Value (HCV) Assessment, Oil Palm Plantation of 98 hectares at Sabahan Estate, District of Kunak, Sabah. Refer report ref. no. KEC/EV/18/06 dated January 2018.	Complied

	<p>a) For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.</p> <p>b) Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.</p> <p>PROCEDURAL NOTE: Requirement is further clarified under the Interpretation of Indicator 7.12.2 and Annex 5 (approved by BOG on 12 June 2019). - Critical (Major) compliance -</p>	<p>The HCV identified has been listed in Table 1 and recommendation for Management and Monitoring has been listed in table 2. Among the HCV identified in the estate is HCV 1.2, HCV 4.2, and HCV 4.3.</p>	
7.12.3	<i>Indicator is not applicable in Malaysia context</i>	Not applicable	Not Applicable
7.12.4	<p>(C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).</p> <p>- Critical (Major) compliance -</p>	<p>There are HCVs identified under HCV 1.2, HCV 4.2, and HCV 4.3. The management has established HCV monitoring program and documented in Environmental Continuous Improvement Plan 2021 - 2025. Latest review was conducted 15/12/2020 with effective date on 01/01/2021. Among the plans established as follows:</p> <ul style="list-style-type: none"> • Create riparian reserve on both sides of river and its tributaries with width adhering to minimum size required by Department of Irrigation and drainage (DID) ,3m-5m buffer, .3m – 20m – 20m buffer. • To initiate and implement workshops and seminars related to Biodiversity Conservation and environment awareness • Develop and implement a management and monitoring plan that should reduce the damage to riparian during replanting exercise • Develop a plantation fire risk and control plan 	Complied

		<ul style="list-style-type: none"> Mapping the boundaries of riparian area and buffer zone also demarcated on the ground. <p>The monitoring was conducted monthly by the operating units and twice a year by the HQ level. Refer HCV Monitoring Form las conducted of month of December 2021. Report of HCV monitoring by internal has been conducted on 1st Half 2021 dated 09/06/2021.</p>	
7.12.5	<p>Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peat land and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.</p> <p>- Minor compliance -</p>	Not applicable since there is no land clearing after November 2005	Complied
7.12.6	<p>All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.</p> <p>- Minor compliance -</p>	<p>The management has established HCV monitoring program and documented in Environmental Continuous Improvement Plan 2021 - 2025. The estate continues to monitor the animal species at the HCV area. The wildlife sighting was summarizing on monthly basis. Reviewed the summary report for the month of October, November, and December 2021.</p> <p>Wildlife monitoring was conducted twice a year. Latest review was conducted on 1st Half 2021 dated 09/06/2021. Among the wildlife observed during the monitoring were monkey, hawk, white stork, butterfly, and insects.</p>	Complied
7.12.7	<p>The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.</p> <p>- Minor compliance -</p>	Not applicable since there is no land clearing after November 2005	Complied

7.12.8	<p>(C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies.</p> <p>- Critical (Major) compliance -</p>	<p>No land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018 within Sabahan Oil Mill certification unit.</p>	<p>Complied</p>
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Appendix B: GHG Reporting Executive Summary

The GHG emissions that were produced in [2020] for [TSH Sabahan Palm Oil Mill] and supply base was calculated using the PalmGHG Calculator version 4. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

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

The summary of the Net GHG emitted in [2020] for [TSH Sabahan Palm Oil Mill] and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	0.04
PKO	0.04

Extraction	%
OER	19.05
KER	5.43

Production	t/yr
FFB Process	120,231.09
CPO Produced	22902.77
PKO Produced	6530.06

Land Use	Ha
OP Planted Area	98.00
OP Planted on peat	0.00
Conservation (forested)	0.00
Conservation (non-forested)	0.00
Total	98.00

Summary of Field Emission and Sink

	Own Crop*		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB
Emission								
Land Conversion	45629.14	0.49	3176.39	0.96	0.00	0.00	48805.53	0.41
CO ₂ Emission from fertilizer	2656.96	0.03	267.13	0.04	0.00	0.00	2924	0.02
NO ₂ Emission	1145.04	0.01	147.73	0.01	0.00	0.00	1292.77	0.01
Fuel Consumption	428.54	0.00	42.72	0.01	0.00	0.00	471.26	0.00
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sink								
Crop Sequestration	-43250.36	-0.46	-3010.79	-0.48	0.00	0.00	-46261.16	-0.38
Conservation Sequestration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	6609.31	0.07	623.17	0.00	0.00	0.00	7232.48	0.06

*Note: Includes both estates and smallholders

Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	19539.44	0.20
Fuel Consumption	24.62	0.00
Grid Electricity Utilization	640.47	0.01
Credit		
Export of Grid Electricity	0.00	0.00
Sales of PKS	0.00	0.00
Sales of EFB	0.00	0.00
Total	20204.53	0.20

Summary of Kernel Crusher Emission and Credit (if applicable)

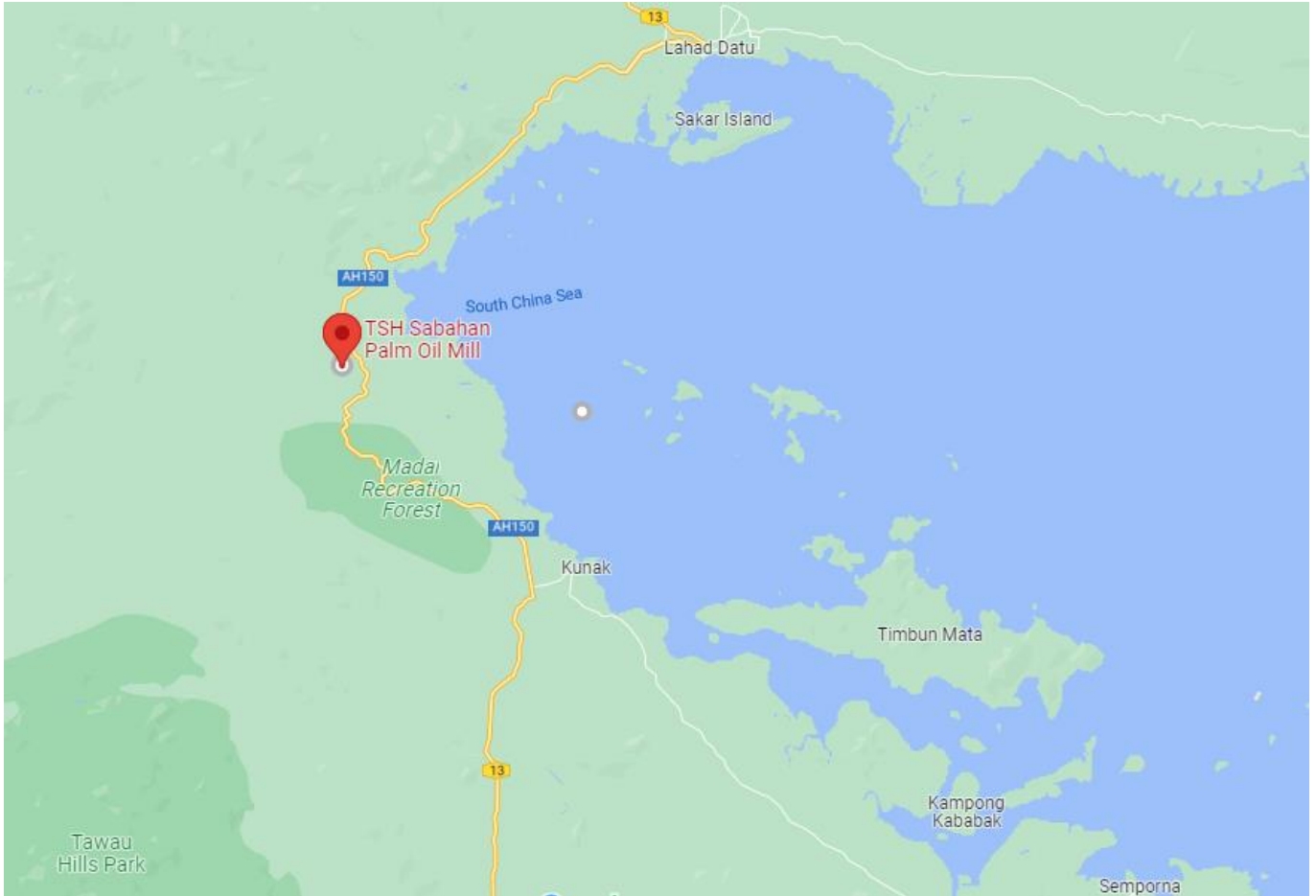
Emissions	tCO₂e
PK from own mill	0.00
PK from other source	0.00
Fuel Consumptions	0.00
Total Crusher emissions	0.00

*This mill has no kernel crusher operation.

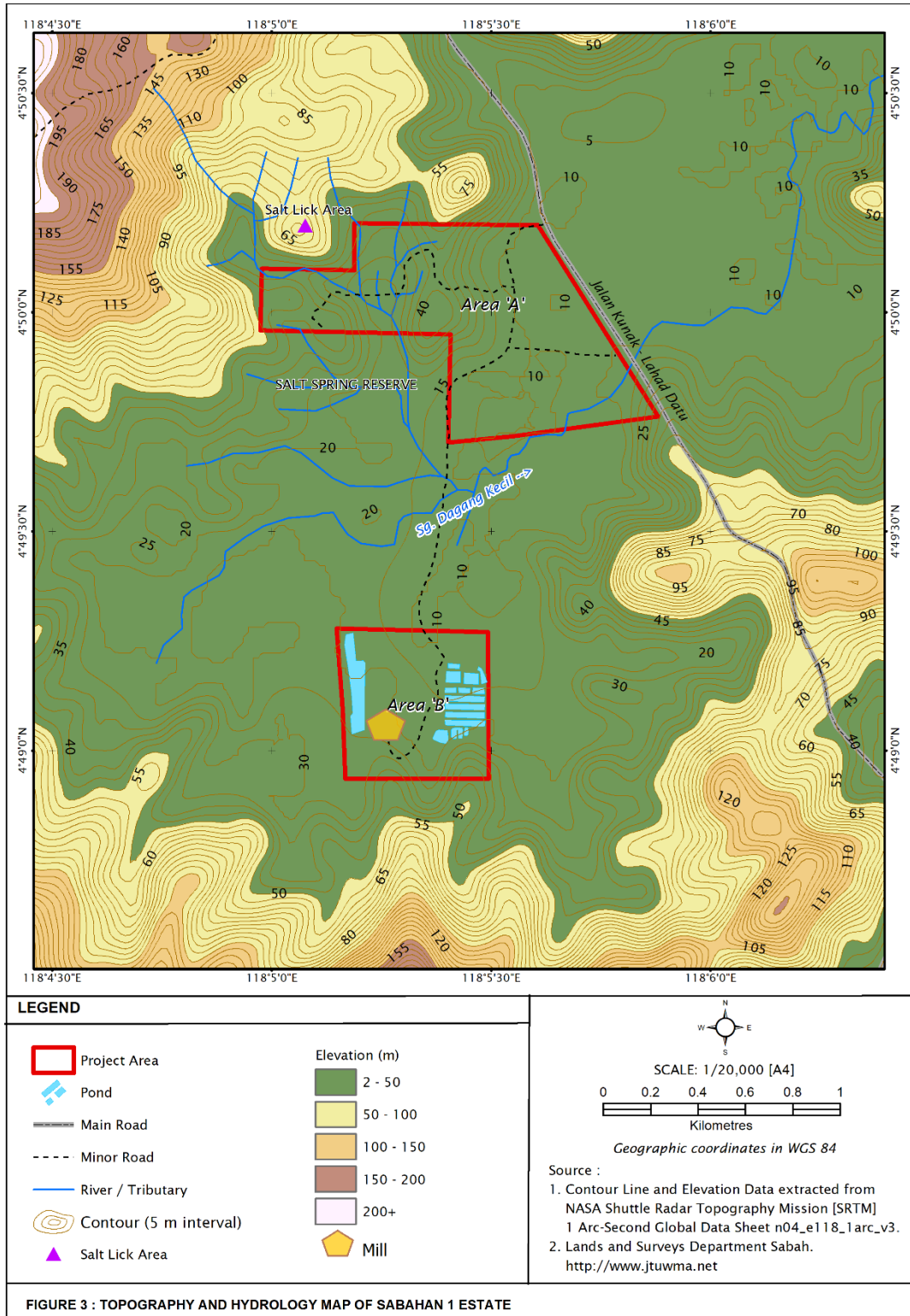
Palm Oil Mill Effluent (POME) Treatment:	
Divert to Compost (%)	0.00
Divert to anaerobic diversion (%)	100.00

POME Diverted to Anaerobic Digestion:	
Divert to anaerobic pond (%)	100.00
Divert to methane captured (flaring) (%)	0.00
Divert to methane captured (energy generation) (%)	0.00

Appendix C: Location Map of Certification Unit and Supply bases



Appendix D: Estate Field Map



Appendix E: List of Smallholder Registered and sampled

Not applicable

Appendix F: List of Abbreviations

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