

**RSPO PRINCIPLE AND CRITERIA –
INITIAL CERTIFICATION ASSESSMENT
Public Summary Report**

TSH Resources Berhad
Head Office: Bangunan TSH, TB 9, KM7, Apas Road, 91000 Tawau, Sabah, Malaysia
Certification Unit: Kunak Palm Oil Mill & supply base Location of Certification Unit: Mile 41, Tawau Kunak Road, 91200 Tawau, Sabah, Malaysia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0173-14-000-00	Membership Approval Date	17/11/2014
Parent Company Name	TSH Resources Berhad		
Address	Head office : Bangunan TSH, TB 9, KM7, Apas Road, 91000 Tawau, Sabah, Malaysia		
Subsidiary	TSH Plantation Management Sdn Bhd – Kunak Palm Oil Mill		
Address	Mile 41, Tawau Kunak Road 91200 Tawau, Sabah, Malaysia		
Contact Name	Rohana Parilla Binti Abdul Salam		
Website	www.tsh.com.my	E-mail	Rohana.SHO@tsh.com.my
Telephone	012-5837275	Facsimile	089-913000

2. Certification Information			
Certificate Number	RSPO 692556	Date of First Certification	23/08/2018
		Certificate Start Date	23/08/2018
		Certificate Expiry Date	22/08/2023
Scope of Certification	Palm oil and Palm Kernel Production from Kunak Palm Oil Mill and Supply Base (LKSK Estate, Landquest Estate and Maju Sawit Estate (including outlaying estate-Wakuba Estate)		
Applicable Standards	RSPO P&C 2013 or National Interpretation ; RSPO Supply Chain Certification Standard 2017 (CPO Mill – Module E)		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
-Nil-			

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4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS Coordinates	
		Latitude	Longitude
Kunak Palm Oil Mill	Mile 41, Tawau Kunak Road, Tawau, Sabah, Malaysia	04° 28' 3.05" N	118° 11'6.57" E
Maju Sawit Estate	Mile 41, Tawau Kunak Road, Tawau, Sabah, Malaysia	04° 27' 53.13" N	118° 10' 56.49" E
LKSK Estate	Mile 38, Apas Balung, Ulu Kalumpang, Tawau, Sabah	04° 29'38.02 " N	118° 04' 9.06" E
Landquest Estae	KM 39, Semporna-Tawau Road, Sabah	04° 25' 43.90" N	118° 20' 08.10" E
Maju Sawit Estate (outlaying estate - Wakuba Estate)	Mile 16, Apas Road, Tawau, Sabah	04° 17' 13.25" N	118° 04' 17.54" E

5. Description of Supply Base					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Maju Sawit Estate	172.00	2.06	61.14	235.20	73.13
LKSK Estate	930.00	10.30	25.70	966.00	96.30
Landquest Estate	365.00	7.68	61.12	433.80	84.14
Maju Sawit Estate (outlaying estate - Wakuba Estate)	15.00	0	1.00	16.00	93.75
Total	1,482.00	20.04	148.96	1,651.00	89.76

6. Plantings & Cycle							
Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Maju Sawit Estate	50.00	11.00	64.00	47.00	0	122.00	50.00
LKSK Estate	0	0	764.00	166.00	0	930.00	0
Landquest Estate	128.00	0	144.00	93.00	50.00	237.00	128.00
Maju Sawit Estate (outlaying estate - Wakuba Estate)	3.00	12.00	0	0	0	12.00	3.00
Total (ha)	181.00	23.00	972.00	306.00	0	1,301.00	181.00

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7. Certified Tonnage of FFB (Own Certified Scope)			
Estate	Tonnage / year		
	Estimated (May 17 – Apr 18)	Actual (May 17 – Apr 18)	Forecast (May 18 – Apr 19)
Maju Sawit Estate	N/A	N/A	3,050.00
LKSK Estate	N/A	N/A	4,706.00
Landquest Estate	N/A	N/A	23,250.00
Maju Sawit Estate (outlying estate - Wakuba Estate)	N/A	N/A	300.00
Total	N/A	N/A	31,306.00

8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *			
Estate	Tonnage / year		
	Estimated (May 17 – Apr 18)	Actual (May 17 – Apr 18)	Forecast (May 18 – Apr 19)
N/A			
Total			

9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable			
Independent FFB Supplier	Tonnage / year		
	Estimated (May 17 – Apr 18)	Actual (May 17 – Apr 18)	Forecast (May 18 – Apr 19)
N/A			
Total			

10. Certified Tonnage			
Mill Capacity: 75 MT/hr SCC Model: MB	Estimated (May 17 – Apr 18)	Actual (May 17 – Apr 18)	Forecast (May 18 – Apr 19)
	FFB	FFB	FFB
	N/A	N/A	31,306.00 mt
	CPO (OER: %)	CPO (OER: %)	CPO (OER: 20.5%)
	N/A	N/A	6,418.00 mt
	PK (KER: %)	PK (KER: %)	PK (KER: 5.5 %)
			1,722.00 mt

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11. Actual Sold Volume (CPO)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
CPO (MT)	N/A				

12. Actual Sold Volume (PK)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
PK (MT)	N/A				

13. Actual Group certification Claims		
	Credit	Physical Volume (MT)
IS-CSPO	n/a	
IS-CSPKO	n/a	
IS-CSPKE	n/a	

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: ASI-ACC-067)
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel +603 2242 4211 Fax +603 2242 4218
Nicholas Cheong: Nicholas.Cheong@bsigroup.com
www.bsigroup.com

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Singapore, Jakarta, Bangkok and Australia which involve in RSPO Certification Program.

2.1 Assessment Methodology, Programme, Site Visits

The on-site initial assessment was conducted from 14-16/05/2018. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates (LKSK Estae and Landquest Estate). A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The audit programmes are included in Section 2.3.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criterias 2013 (MYNI-2014) and RSPO Supply Chain Certification Standard 2017 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment where the stakeholder notification was made on 04/04/2018 through BSI & RSPO website as per following link: https://www.bsigroup.com/globalassets/localfiles/en-my/rspo/Public%20Notification/2018/public-notification-for-initial-assessment_tsh_kunak-pom-and-supply-base-english_v0.pdf

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

- The estates sample were determined based on formula $N = 0.8\sqrt{y}$ where y is the number of estates (*Note: This is applicable until 30th June 2018*).
- The minimum sample size is four estates. Sample size for certification unit with more than four (4) estates were determined based on formula $N = (0.8\sqrt{y}) \times (z)$ where y is the number of estates and where z is the multiplier defined by risk assessment (*Note: This is applicable starting from 1st July 2018*).

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

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

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

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

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

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

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 (Initial Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Kunak Palm Oil Mill	√	√	√	√	√
LKSK Estate	√	√	√	√	√
Landquest Estate	√	√	√	√	√
Maju Sawit Estate (Including outlying estate, Wakuba Estate)	-	√	√	√	√

Tentative Date of Next Visit: May 10, 2019 – May 13, 2019

Total No. of Mandays: 9 mandays

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2.2 BSI Assessment Team:

Team Member Name	Role	Qualification
Mohd Hafiz Mat Hussain	Lead auditor	<p>He holds Bachelor Degree in Plantation Technology and Management, graduated from University Technology Mara (UiTM) on 2009. He has 4 years working experience in oil palm plantation industry. He also has the experiences as an auditor for several standards including ISO 9001, ISO 14001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2014, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2016. He had been involved in ISO9001, ISO14001 and OHSAS 18001 auditing since May 2013 within Malaysia, Brunei, Indonesia and RSPO auditing within Malaysia, Papua New Guinea, Solomon Islands, Gabon and Liberia. During this assessment, he assessed on the aspects of legal, mill best practices, SCC for CPO mill, estate best practices, safety and health, environmental and workers and stakeholders consultation.</p>
Hu Ning Shing	Team member	<p>She holds Bachelor Degree in Science majoring in Applied Chemistry, graduated from University of Malaya on 2011. She has 5 years working experience in rubber and palm oil industry. She also has the experiences as auditor for several standards including ISO 9001, MSPO and RSPO in her previous certification body. She completed the ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&C Lead Auditor Course in 2012 and Endorsed RSPO SCCS Lead Auditor Course in 2015. She had been involved in RSPO auditing since November 2015 in more than various companies in Malaysia. During this assessment, she assessed on the aspects of social. She is fluent in Bahasa Malaysia and English languages</p>
Amir Bahari	Team member	<p>He obtained qualification in B.Sc. (Hons) Chemistry USM 1985 & Diploma in Palm Oil Milling Tech/Management MPOB 1996. He has been in the plantations industry for 30 years, among others managing rubber factories, palm oil mills and estates. During the tenure of employment he has been trained as an auditor in ISO 9001, ISO 14001, OHSAS 18001 & also RSPO. He has accumulated 38 man-days in the auditing profession after ending career in the plantation industry. During the assessment he covered mills and estates best practices, workers consultation and occupational safety & health. He is fluent in both verbal/written in Bahasa Malaysia and English.</p>

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Accompanying Persons:

No.	Name	Role
1	-Nil-	

2.3 Assessment Plan

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

Date	Time	Subjects	HH	AB	HNS
Monday, 14/5/18	07.30 am	Audit team travel from Tawau to Kunak POM	√	√	√
	08.30 am	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan. Presentation by Kunak CU 	√	√	√
	09.00 am – 12.00 pm	Kunak Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders etc	√	√	√
	09.00 am – 12.00 pm	RSPO Supply Chain for CPO mill, weighbridge and storage area.	√		
	10.00 am – 12.00 pm	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)			√
	12.00 pm – 01.00 pm	LUNCH	√	√	√
	01.00 pm – 04.30 pm	Landquest Estate 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.	√	√	√
	04.30 pm – 05.00 pm	Interim Closing Briefing	√	√	√
Tuesday 15/5/18	07.30 am	Audit team travel from Tawau to LKSK Estate	√	√	√
	08.30 am – 12.00 pm	LKSK Estate 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.	√	√	√

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Date	Time	Subjects	HH	AB	HNS
	10.00 am – 12.00 pm	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.) (LKSK Estate and Landquest Estate)			√
	12.00 pm – 01.00 pm	LUNCH	√	√	√
	01.00 pm – 04.30 pm	Document review P1 – P8: (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).	√	√	√
	04.30 pm – 05.00 pm	Interim Closing Briefing	√	√	√
Wednesday, 16/5/18	07.30 am	Audit team travel from Tawau	√	√	√
	08.30 am – 12.00 pm	Landquest Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	12.00 pm – 01.00 pm	LUNCH	√	√	√
	01.00 pm – 03.30 pm	Kunak Palm Oil Mill Document Review P1 – P8: 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 etc.	√	√	√
	03.30 pm	Verify any outstanding issues & Preparation for closing meeting	√	√	√
	04.00 pm	Closing meeting	√	√	√

Section 3: Assessment Findings

3.1 Details of audit results are provided in the following Appendix:

- TSH Resources Bhd Time Bound Plan
- RSPO Supply Chain Certification Checklist June 2017
- RSPO P&C MY-NIWG 2014 Checklist

3.2 Progress against Time Bound Plan

Time Bound Plan		
Requirement	Remarks	Compliance
Summary of the Time Bound Plan		
Does the plan include all subsidiaries, estates and mills?	The time bound plan includes all operating units in Malaysia and Indonesia. Since joining RSPO as processor and trader on 17/11/2014, TSH Resources Bhd. (hereinafter referred to as TSH) has developed its Sustainable Palm Policy as in the Roundtable of Sustainable Palm Oil (RSPO) Manual; Doc. no.: TSHR/RSPO; Rev. no.: 1; dated 12/6/2016. For Malaysia operations, the plan was to certify Lahad Datu operating unit which was in-line with certification audit conducted on November 2016. On 2017 onwards, the plan was to certify Sabahan complex and Kunak complex on annual basis. For Indonesia operations, one unit operation, PT Sarana Multi Niaga Palm Oil Mill, has been certified since May 2016. The plan was also to certify the rest of operating units complex in Indonesia on annual basis in 2017 onwards.	Complied
Have all the estates and mills certified within five years after obtaining RSPO membership?	Certifications of all estates and mills within TSH group were in progress since obtaining of membership in November 2014.	Complied
Is the time bound plan challenging? <ul style="list-style-type: none"> • Age of plantations. • Location. • POM development • Infrastructure. • Compliance with applicable law. 	Based on the age of plantations, location, mill developments, infrastructure and compliance with applicable law, the time bound plan was deemed to be challenging and TSH has demonstrated very high commitment towards compliance with applicable legal requirements. Internal assessment against the standard has been completed for most of the operating units in Malaysia and Indonesia.	Complied

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Have there been any changes since the last audit? Are they justified?	Justified changes as per Approved Time Bound Plan (Appendix B).	Complied
If there have been changes, what circumstances have occurred?	TBP forwarded one year for each uncertified unit.	n/a
Have there been any stakeholder comments?	As of the date of the report being produced, there is no any comment by stakeholder that could be taken action by TSH. TSH continues to engage all affected parties through regular discussions and progress reporting is being made to the RSPO Secretariat.	Complied
Have there been any newly acquired subsidiaries?	There were no any newly acquired subsidiaries as of the date the report being produced. However, it was noted that TSH has been in co-operation with another private plantation company towards RSPO certification.	Complied
If yes, have the newly acquisitions certified within a three-year timeframe?	Not applicable	n/a
Have there been any isolated lapses in implementation of the plan?	No lapses. During the assessment it was reported to the assessment team that PT Andalas Agro Industries & PT Laras Internusa certification process is still on-going.	Complied
Un-Certified Units or Holdings		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Prior to the certification audit, Internal Audit for uncertified units was conducted by Sustainability department to cover the entire criterion stated in the standard. Periodical assessment were also planned and conducted for all operating units in both Malaysia and Indonesia. A positive assurance statement has been produced through this periodical assessment and internal audit.	Complied
No replacement after dates defined in NIs Criterion 7.3: •Primary forest. •Any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3.	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.	Complied
Any new plantings since January 1 st 2010 shall comply with the RSPO New Plantings Procedure.	No new plantings since 2005 except for replanting activity.	Complied

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Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6.	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-of-complaints?keywords=TSH	Complied
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3.	No stakeholder comments or complaints received.	Complied
Any Legal non-compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1	None noted. No stakeholder comments or complaints received.	Complied

3.3 Progress of scheme smallholders and/or outgrowers (if applicable to this assessment)

Progress of scheme smallholders or outgrowers towards compliance with relevant standards		
Requirement	Remarks	Compliance
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification?	Not applicable	N/A

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3.4 Details of findings

The nonconformity is listed below. The summary report of the assessment by criteria is listed in Appendix A.

During the Initial Certification Assessment there were eleven (11) Major & two (2) Minor nonconformities raised. The Kunak Palm Oil Mill Certification Unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for its effectiveness and closed accordingly during onsite major close out on 03/08/2018.

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1633205-201804-M1	Clause & Category (Major/Minor)	RSPO SCCS 5.1.3 Major
Date Issued	16/05/2018	Due Date	15/11/2018
Closed (Yes/No)	Yes	Date of nonconformity closure	03/08/2018
Statement of Nonconformity	Palmtrace system has yet to be registered for Kunak POM.		
Requirement Reference	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.		
Objective Evidence	No palm trace ID number for Kunak POM.		
Corrections	Follow up RSPO eTrace for verification		
Root Cause Analysis	Registration made for e-trace was done before the audit without success due to the registration as subsidiary are yet approved by RSPO Secretariat.		
Corrective Action	Submit the new registered number on 1/6/2018 Palm e-trace for TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill);- RSPO_PO1000007786		
Assessment Conclusion	Verification during Major Close Out: Palm trace registration for TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill) ;- RSPO_PO1000007786. Sighted the email communication between TSH and UTZ&Rainforest Alliance. Thus, the major was effectively closed on 03/08/2018.		

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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1633205-201804-M2	Clause & Category (Major/Minor)	RSPO SCCS 5.3.2 Major
Date Issued	16/05/2018	Due Date	15/11/2018
Closed (Yes/No)	Yes	Date of nonconformity closure	03/08/2018
Statement of Nonconformity	The internal audit has yet to be conducted.		
Requirement Reference	The site shall have a written procedure to conduct annual internal audit to determine whether the organization; i) conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents. ii) effectively implements and maintains the standard requirements within its organization		
Objective Evidence	Kunak POM: No internal audit for supply chain was conducted		
Corrections	To conduct separate RSPO SC Internal audit for KPOM – 11/5/2018		
Root Cause Analysis	The RSPO Supply Chain Certification Standard 2017 has not been prepared and implemented during the previous RSPO Internal Audit (19~22nd Feb 2018). So the audit scope does not cover this Supply Chain Standard.		
Corrective Action	Revised the current Audit Procedure (TSHR/AD/SOP03) to include the RSPO SC Internal audit as scope of audit. – 31/5/2018 Create new RSPO SC internal audit checklist. – 25/5/2018		
Assessment Conclusion	Verification during Major Close Out: 1. Revised Procedure Audit Procedure (TSHR/AD/SOP03) dated 31/5/2018 was include the RSPO SC Internal audit as scope of audit 2. Internal audit was conducted 9/7/2018 by RSPO team at KPOM. 3. Audit plan byRSPO Team was sighted. 4. Internal audit checklist report dated 9/7/2018 was sighted. Thus, the major was effectively closed on 3/8/2018.		

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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1633205-201804-M3	Clause & Category (Major/Minor)	RSPO 5.4.1 Major SCCS
Date Issued	16/05/2018	Due Date	15/11/2018
Closed (Yes/No)	Yes	Date of nonconformity closure	03/08/2018
Statement of Nonconformity	The information of receiving FFB from own estate was not available		
Requirement Reference	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier in document form:</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply Chain certificate number of the seller; • A unique identification number • 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). 		
Objective Evidence	LKSK Estate: No record (eg: despatch note) available at Kunak POM since the transportation done by Bukit Tajam Collecting Centre.		
Corrections	<ol style="list-style-type: none"> 1. Separate Ramp for LKSK FFB daily basis from the small holder FFB – 1/6/2018 2. Separate Truck on this LKSK FFB delivery to KPOM on daily basis – 1/6/2018 3. Separate filing of LKSK FFB truck weighbridge ticket at both BTCC and KPOM – 1/6/2018 4. KPOM the LKSK FFB truck weighbridge ticket will be stamped with Certificate No & SC model Type – TBA (Once RSPO Certificate Received) 		
Root Cause Analysis	Daily weighbridge ticket only kept at LKSK & Bukit Tajam Collecting Centre. Only monthly summary of FBB records send to Kunak POM as the FFB are mixed with others Stakeholders.		
Corrective Action	Revised BTCC WI (TSHP/OPE/WI05) to incorporate these requirements and arrangement of traceability – 31/5/2018		
Assessment Conclusion	<p>Verification during Major Close Out:</p> <ol style="list-style-type: none"> 1. Site visit to the ramp- there was separate area between certified FFB and noncertified FFB 2. The management practice to separate the truck on this LKSK FFB delivery to KPOM and smallholders FFB. Sighted the weighbridge ticket dated 29/6/2018, 14/6/2018, 7/6/2018 stated that the FFB source from LKSK Estate. 3. The filling system was separated for both smallholders and LKSK Estate at KPOM. 		

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	<p>4. Sampled of weighbridge ticket dated 29/6/2018, 14/6/2018, 7/6/2018. 5. Revised BTCC WI (TSHP/OPE/WI05) dated 31/5/2018 was include the requirements and arrangement of traceability</p> <p>Thus, the major was effectively closed on 3/8/2018.</p>
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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1633205-201804-M4	Clause & Category (Major/Minor)	RSPO SCCS 5.13.2 Major
Date Issued	16/05/2018	Due Date	15/11/2018
Closed (Yes/No)	Yes	Date of nonconformity closure	03/08/2018
Statement of Nonconformity	The discussion on the input during management review was not adequate.		
Requirement Reference	<p>The input to management review shall include information on:</p> <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 		
Objective Evidence	The management review was conducted on 28/2/2018 where the meeting was chaired by Group Executive Director. All the input was discussed accordingly during management review meeting except Results of internal audits covering RSPO Supply Chain Certification Standard and Customer feedback.		
Corrections	To conduct a separate MRM meeting specifically to include customer feedback and Internal Audit Findings of RSPO Supply Chain. – 12/6/2018		
Root Cause Analysis	Since the audit for RSPO Supply Chain Certification Standard 2017 has not been conducted during the previous RSPO Internal Audit (19~22nd Feb 2018). So the audit results, CAP and the Customer feedback are not covered during the MRM meeting conducted on 28th Feb 2018.		
Corrective Action	To come out with standard meeting invitation of MRM, Presentation Slides and format of Minutes of Meeting to include both RSPO supply Chain and RSPO P&C agenda.- 19/5/2018		
Assessment Conclusion	<p>Verification during Major Close Out:</p> <ol style="list-style-type: none"> 1. Separate management review meeting was conducted on 10/7/2018 2. The standard notice/invitation of MRM, Presentation Slides and format of Minutes of Meeting was sighted 3. The notice of MRM dated 4/7/2018 was sighted. <p>Thus, the major was effectively closed on 3/8/2018.</p>		

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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1633205-201804-M5	Clause & Category (Major/Minor)	Indicator 5.3.2 Major
Date Issued	16/05/2018	Due Date	15/11/2018
Closed (Yes/No)	Yes	Date of nonconformity closure	03/08/2018
Statement of Nonconformity	The disposal of empty chemical container was not fully implemented		
Requirement Reference	All chemicals and their containers shall be disposed of responsibly.		
Objective Evidence	The disposal of empty container was not fully implemented since it was sighted that the waste was disposed at the landfill area. For example: Landquest Estate and LKSK Estate – found empty chemical containers		
Corrections	Remove all scheduled waste and recyclable material from the landfill and return to the scheduled waste store or at recyclable collection tank/station – 16/5/2018		
Root Cause Analysis	Awareness/knowledge of waste management system is not fully understood and complied by workers especially from family of workers.		
Corrective Action	Improved awareness of waste management system at both estates through training, campaign and brochure dissemination. – 23/5/2018		
Assessment Conclusion	<p>Verification during Major Close Out:</p> <ol style="list-style-type: none"> 1. The training at LKSK Estate was conducted on 23/5/2018. The slides and attendance list were sighted. The management had installed drum for recycle waste at the estate. 2. The training at Landquest Estate was conducted on 22/5/2018. The slides and attendance list were sighted. The management had installed drum for recycle waste at the estate. <p>Thus, the major was effectively closed on 3/8/2018.</p>		

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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1633205-20104-M6	Clause & Category (Major/Minor)	Indicator 4.6.2 Major
Date Issued	16/05/2018	Due Date	15/11/2018
Closed (Yes/No)	Yes	Date of nonconformity closure	03/08/2018
Statement of Nonconformity	The a.i/ha was not established.		
Requirement Reference	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.		
Objective Evidence	Both the estates LKSK and Landquest has not established the utilization of pesticides a.i. / ha. The existing data only shows the formulation of chemicals as per the manufacturer's recommendations.		
Corrections	Calculate the data based on the actual volume applied into the field – 17/5/2018		
Root Cause Analysis	Current tracking format found insufficient as it did not included the actual A.I/Ha application per annum.		
Corrective Action	Revised the current format used to include the calculation of actual A.I/Ha application per annum – 17/5/2018 Train respective PIC on using this format and formula of calculations – 7/6/2018		
Assessment Conclusion	Verification during Major Close Out: 1. The revised format used had include the calculation of actual A.I/Ha application per annum. 2. The ai/ha for Landquest Estate and LKSK Estate for the year 2017 was sighted. 2. Training for Justification of AI/ha for pesticide usage and calculation was conducted on 7/6/2018. The attendance list was sighted. Thus, the major was effectively closed on 3/8/2018.		

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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1633205-201804-M7	Clause & Category (Major/Minor)	Indicator 4.7.4 Major
Date Issued	16/05/2018	Due Date	15/11/2018
Closed (Yes/No)	Yes	Date of nonconformity closure	03/08/2018
Statement of Nonconformity	There was no proper agenda discussed in the safety meeting.		
Requirement Reference	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.		
Objective Evidence	Both estates and the mill have not adequately provided specific agendas for discussion on issues concerning safety and health. There was no salient subjects i.e. a) Workplace inspection b) Accident and incident report .		
Corrections	Conduct Q2'18 OSH Committee Meeting and follow the required agenda as stated under the Safety and Health Committee Regulations, 1997 – KPOM - 28/5/2018 LKSK – 28/6/2018 LQ – 27/6/2018		
Root Cause Analysis	The standard of agenda has been provided by the SHO incorporated into the monthly meeting slide of audit. Unfortunately during Minutes Writing this items are not clearly reported, stated or classified under different headings.		
Corrective Action	Standard of OSH Minutes of Meeting format to be provided to the respective OSH Committee secretary for each unit mill or estate- 19/5/2018 Train the OSH Committee Secretary on writing complete and complied Minutes of Meeting. KPOM - 28/5/2018 LKSK – 28/6/2018 LQ – 27/6/2018		
Assessment Conclusion	<p>Verification during Major Close Out:</p> <ol style="list-style-type: none"> 1. OSH Committee Meeting was conducted accordingly at KPOM, LKSK Estate and Landquest Estate and the required agenda as stated under the Safety and Health Committee Regulations, 1997 was discussed accordingly. 2. Sighted the standard agenda that has been provided by SHO. 3. Sighted the OSH committee meeting minutes dated 27/6/2018 (Landquest Estate), 22/6/2018 (LKSK Estate), 28/5/2018 (KPOM). 4. Training for the OSH Committee Secretary on writing complete and complied Minutes of Meeting was conducted dafter the safety and health committe meeting. <p>Thus, the major was effectively closed on 3/8/2018.</p>		

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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1633205-201804-M8	Clause & Category (Major/Minor)	Indicator 6.1.1 Major
Date Issued	16/05/2018	Due Date	15/11/2018
Closed (Yes/No)	Yes	Date of nonconformity closure	03/08/2018
Statement of Nonconformity	SIA was not conducted for Kunak POM.		
Requirement Reference	A social impact assessment (SIA) including records of meetings shall be documented.		
Objective Evidence	SIA was not conducted for Kunak POM.		
Corrections	Report discussion to be made with the Consultant to revise/rephrase the report to ensure that it's included KPOM as one of the assessed unit – 19/6/2018		
Root Cause Analysis	The SIA Report was conducted for KPOM & Maju Sawit, unfortunately the phrasing and report writing are showing that the assessment was conducted as if KPOM are the Maju Sawit Stakeholder.		
Corrective Action	Ensure all report are correctly verify with all relevant units and properly indicated with signature & date of the verifier. – 22/6/2018		
Assessment Conclusion	Verification during Major Close Out: The amended SIA report by the consultant, Kiwiheng Environmental Consultants Sdn Bhd was sighted to include Kunak POM. Thus, the major was effectively closed on 3/8/2018.		

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1633205-201804-M9	Clause & Category (Major/Minor)	Indicator 6.1.2 Major
Date Issued	16/05/2018	Due Date	15/11/2018
Closed (Yes/No)	Yes	Date of nonconformity closure	03/08/2018
Statement of Nonconformity	SIA was not conducted for Kunak POM and therefore, no evidence of the assessment has been conducted with participation of affected parties.		
Requirement Reference	There shall be evidence that the assessment has been done with the participation of affected parties.		
Objective Evidence	SIA was not conducted for Kunak POM and therefore, no evidence of the assessment has been conducted with participation of affected parties.		
Corrections	Report discussion to be made with the Consultant to revise/rephrase the report to ensure that it's included KPOM as one of the assessed unit. – 19/6/2018		
Root Cause Analysis	The SIA Report was conducted for KPOM & Maju Sawit, unfortunately the phrasing and report writing are showing that the assessment was conducted as if KPOM are the Maju Sawit Stakeholder.		
Corrective Action	Ensure all report are correctly verify with all relevant units and properly indicated with signature & date of the verifier.- 22/6/2018		

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Assessment Conclusion	<p>Verification during Major Close Out: The amended SIA report by the consultant, Kiwiheng Environmental Consultants Sdn Bhd was sighted to include Kunak POM. The assessment has been conducted with participation of affected parties.</p> <p>Thus, the major was effectively closed on 3/8/2018.</p>
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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1633205-201804-M10	Clause & Category (Major/Minor)	Indicator 6.1.3 Major
Date Issued	16/05/2018	Due Date	15/11/2018
Closed (Yes/No)	Yes	Date of nonconformity closure	03/08/2018
Statement of Nonconformity	Negative issues raised during SIA were not incorporated into the Social Continual Improvement Plan.		
Requirement Reference	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.		
Objective Evidence	Some of the negative issues reported during the assessment by stakeholders were not incorporated into the continual improvement plan in LKSK Estate and Landquest Estate. For eg: The workers in LKSK Estate reported that the power supply was insufficient and inadequate. They requested the company to extend the operating hour of the power generator.		
Corrections	To revised the SIA plan to include all the negative issues and proof of evidence of completion. – 22/6/2018		
Root Cause Analysis	All the negative issues during SIA Assessment has been closed before the report even published and submitted on-site by the consultant. So the plan for SIA only prepared for those which yet closed. – 19/6/2018		
Corrective Action	SIA Plan format to include both positive and negative issue. 22/6/2018		
Assessment Conclusion	<p>Verification during Major Close Out: Social Continual Improvement Plan for KPOM and all supply bases was revised to include all the negative issues and status of completion. The plan was revised on 11/7/2018.</p> <p>Thus, the major was effectively closed on 3/8/2018.</p>		

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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1633205-201804-M11	Clause & Category (Major/Minor)	Indicator 2.1.1 Major
Date Issued	16/05/2018	Due Date	15/11/2018
Closed (Yes/No)	Yes	Date of nonconformity closure	03/08/2018
Statement of Nonconformity	Kunak POM's management did not comply with the Sabah Labour Ordinance (Sabah Cap. 67).		
Requirement Reference	Evidence of compliance with relevant legal requirements shall be available.		
Objective Evidence	<p>Document reviewed on the payslips, check-roll, thumb print attendance record and interviewed with the workers in Kunak POM found that they are not paid and treated according to Sabah Labour Ordinance (Sabah Cap. 67) as below:</p> <p>a. Sampled of workers below found have worked more than 8 hours per day without paying overtime. For eg: 10 hours, 11 hours, 12 hours, 14 hours and 16 hours. (Clause 104 Subsection (1))</p> <p>b. Sampled of workers below found worked for 7 days per week without any one day of rest day per week. (Clause 104B Subsection 1))</p> <p>Sampled of workers as below:</p> <p>i. Employee No.: 03-0294</p> <p>ii. Employee No.: 01-0345</p> <p>iii. Employee No.: 05-0904</p>		
Corrections	<p>1. All workers working hours are 8 hours + 1 hour break.</p> <p>2. Process operator working in shifts will have 4 staggered working hours within 24 hours shifts.</p> <p>3. All workers will have 1 day off within 7 days of work/1 week.</p> <p>4. Should OT required, it will be paid as per Sabah Labour Ordinance rate.</p>		
Root Cause Analysis	TSH KPOM are paying the workers with piece rate of tan FFB processed/month rather than basic rate before the enforcement of minimum wages order.		
Corrective Action	<p>Revised the current contract agreement to clearly indicated on these requirement; 1/6/2018</p> <p>a. 1 Off Day /week</p> <p>b. Working hours per day 9 hour with 1 hour break time</p> <p>c. OT rate as per Sabah Labour Ordinance</p> <p>d. Pay rate calculation / methods.</p>		
Assessment Conclusion	<p>Verification during Major Close Out:</p> <p>i. Employee No.: 03-0294 (operation mandore - off day on Monday). The new employment contract dated 1/6/2018 was sighted. Time and attendance report for the month of June 2018 was reviewed (Off day on 4/6/18, 11/6/18, 18/6/18 and 25/6/18). OT for June 18 (Basic pay: RM1400, OT- 39hrs x RM10.09615 = RM393.75)</p> <p>ii. Employee No.: 01-0345 (weighbridge operator - Off Day on Friday). The new employment contract dated 1/6/2018 was sighted. Time and attendance report for the month of June 2018 was reviewed (Off day on 1/6/18, 8/6/18, 15/6/18, 22/6/18 and 29/6/18). OT for June 18 (Basic pay: RM950, OT- 49.5hrs x RM6.850961 = RM339.12)</p>		

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	<p>iii. Employee No.: 05-0904 (security leader-non shift working from Monday to Saturday). Payslip for the month of June 2018 was sighted. The new employment contract dated 1/6/2018 was sighted. Time and attendance report for the month of June 2018 was reviewed (Off day on 3/6/18, 10/6/18, 17/6/18 and 24/6/18). OT for June 18 (Basic pay: RM950, OT- 20hrs x RM6.850961 = RM137.0192, rest day- 1dayx RM36.53846, PH-1day x RM73.076923, OT PH- 3.5hrsx13.7019225=RM47.9567, Total= RM294.60)</p> <p>Thus, the major was effectively closed on 3/8/2018.</p>
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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1633205-201804-N1	Clause & Category (Major/Minor)	Indicator 6.2.3 Minor
Date Issued	16/05/2018	Due Date	15/05/2019
Closed (Yes/No)	No	Date of nonconformity closure	"open"
Statement of Nonconformity	Stakeholder list for Landquest Estate and LKSK Estate was incomplete.		
Requirement Reference	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.		
Objective Evidence	Stakeholder list was developed in Landquest Estate and LKSK Estate. However, the list was incomplete where government authorities and NGO was not included in the list.		
Corrections	To implement the same format from mill to estates– 8/6/2018		
Root Cause Analysis	The format used for the stakeholder list at estates are not the same format used and implemented at mill.		
Corrective Action	Update the stakeholder list of relevant NGOs and authorities – 8/6/2018		
Assessment Conclusion	The CAP was accepted. The effectiveness of the corrective action will be verified during next assessment.		

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1633205-201804-N2	Clause & Category (Major/Minor)	Indicator 6.9.3 Minor
Date Issued	16/05/2018	Due Date	15/05/2019
Closed (Yes/No)	No	Date of nonconformity closure	"open"
Statement of Nonconformity	Meeting was not conducted as per the frequency stated in Communication & Consultation Procedure (TSHR/SUST/SOP02, Rev. 2) in Landquest Estate and LKSK Estate.		

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Requirement Reference	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.
Objective Evidence	The last meeting was conducted on 20/12/2017 in Landquest Estate and 14/12/2017 in LKSK Estate. However, the meeting was not conducted as per the frequency stated in Communication & Consultation Procedure (TSHR/SUST/SOP02, Rev. 2) where the frequency was at least 3 months once in Landquest Estate and LKSK Estate.
Corrections	Annual Meeting plan to be published at communication board and meeting minutes to be completed within 10 working days.
Root Cause Analysis	Estates PIC not follow the annual meeting plan and the Minutes of Meeting not properly filed.
Corrective Action	To conduct meeting for Q2'18. Both Welfare and Gender Annual Meeting plan and minutes of meeting will be submitted to RSPO Team for verification.
Assessment Conclusion	The CAP was accepted. The effectiveness of the corrective action will be verified during next assessment.

Opportunity for Improvements	
OFI #	Description
OFI 1	Nil

Positive Findings	
PF #	Description
PF 1	Good commitment from management
PF 2	Positive comments from all stakeholders interviewed
PF 3	Consistent implementation of monitoring as per DOE license compliance schedule

3.4.1 Status of Nonconformities Previously Identified and Observations

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	-Nil-	Clause & Category (Major/Minor)	
Closed (Yes/No)		Date of nonconformity closure	
Statement of Nonconformity			
Requirement Reference			
Objective Evidence			
Corrective Action			
Assessment Conclusion			

Opportunity for Improvement	
OFI#	Description
OFI 1	Nil

3.4.2 Summary of the Nonconformities and Status

CAR Ref.	CATEGORY (MAJOR/ MINOR)	ISSUED	STATUS & DATE (Closure)
1633205-201804-M1	Major: SC 5.1.3	IAV: 16/05/2018	Closed on 03/08/2018
1633205-201804-M2	Major: SC 5.3.2	IAV: 16/05/2018	Closed on 03/08/2018
1633205-201804-M3	Major: SC 5.4.1	IAV: 16/05/2018	Closed on 03/08/2018
1633205-201804-M4	Major: SC 5.13.2	IAV: 16/05/2018	Closed on 03/08/2018
1633205-201804-M5	Major: 5.3.2	IAV: 16/05/2018	Closed on 03/08/2018
1633205-201804-M6	Major: 4.6.2	IAV: 16/05/2018	Closed on 03/08/2018
1633205-201804-M7	Major: 4.7.4	IAV: 16/05/2018	Closed on 03/08/2018
1633205-201804-M8	Major: 6.1.1	IAV: 16/05/2018	Closed on 03/08/2018
1633205-201804-M9	Major: 6.1.2	IAV: 16/05/2018	Closed on 03/08/2018
1633205-201804-M10	Major: 6.1.3	IAV: 16/05/2018	Closed on 03/08/2018
1633205-201804-M11	Major: 2.1.1	IAV: 16/05/2018	Closed on 03/08/2018
1633205-201804-N1	Minor: 6.2.3	IAV: 16/05/2018	"open"
1633205-201804-N2	Minor: 6.9.3	IAV: 16/05/2018	"open"

3.5. Stakeholders 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 Kunak Palm Oil Mill Certification Unit's environmental and social performance, legal and any known dispute issues.

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



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

List of Stakeholders Contacted	
<p>Internal Stakeholders</p> <p>Workers' Representative Gender Committee Mill Operators Sprayer Harvester</p>	<p>Union/Contractors/Local Communities</p> <p>Smallholders</p>
<p>Government Departments</p> <p>Teacher from CLC Jabatan Tenaga Kerja Tawau (phone call)</p> <p>Stakeholder consultation invitation was done on 7/5/2018 for NGO/government department related to Kunak POM certification unit. No response from NGO and Government departments contacted.</p>	<p>NGO</p> <p>Stakeholder consultation invitation was done on 7/5/2018 for NGO/government department related to Kunak POM certification unit. No response from NGO and Government departments contacted.</p>

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IS #	Description
1	<p>Issues: Smallholders – They have good relationship with the management and no encroachment of land by the company. Boundaries were clearly demarcated with boundary stones, trenches and pegging. They were understood the complaint procedure and the payment method made by the mill.</p> <p>Management Responses: The management will ensure the boundaries are maintaining properly and no encroachment of land by the company.</p> <p>Audit Team Findings: No further issue.</p>
2	<p>Issues: Teacher from CLC – She informed that the parents do not need to pay any school fees as it was covered by Indonesia government. Condition of the building was unsatisfied and she already reported to the management and the management has approved to upgrade the building in the coming month.</p> <p>Management Responses: The management has engaged a contractor to carry out the upgrading work in CLC building and the work will be conducted after the students have completed their exam.</p> <p>Audit Team Findings: Verified the contract that the management of LKSK Estate has appointed contractor to carry out the upgrading work. The complete work will be further verified during next assessment.</p>
3	<p>Issues: Workers’ Representatives – The workers in the Kunak POM has complaint that the working hours were too long which was 12 hours per day and were paid at piece rated without overtime paid. They also informed that they worked for 30 days per month without any rest day in a week.</p> <p>Management Responses: The management acknowledged and will improved the system.</p> <p>Audit Team Findings: A non-conformity raised at Criteria 2.1.1.</p>
4	<p>Issues: Gender Committee – No sexual harassment or violence case reported so far. They were treated equally without any discrimination based on gender.</p> <p>Management Responses: The management will monitor to ensure no case of sexual harassment and violence happened in the company.</p> <p>Audit Team Findings: No further issue.</p>
5	<p>Issues: Jabatan Tenaga Kerja Tawau – Through phone interview with the officer confirmed that overtime must be paid after work for 8 hours and must granted 1 rest day to workers in a week.</p> <p>Management Responses: The management will comply to the legal requirement.</p> <p>Audit Team Findings: No further issue.</p>

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Formal Signing-off of Assessment Conclusion and Recommendation	
<p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that FGVP (M) Besout Palm Oil Mill Certification Unit has complied with the RSPO P&C MYNI 2014, RSPO Supply Chain Certification Standard (June 2017) and audit criteria identified within the audit report. It is deemed that the management system continues to achieve its intended outcomes. Therefore, it is recommended that the certification of Kunak Palm Oil Mill Certification Unit is approved.</p>	
Report prepared by	Acceptance of Assessment Conclusion
Name: Mohd Hafiz Mat Hussain	Name: Suhaimi Suwiti
Company Name: BSI Services Malaysia Sdn Bhd	Company Name: TSH Plantation Management Sdn Bhd
Title: Lead auditor	Title: Asst. General Manager
Signature: 	Signature: <p><i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i></p> 
Date: 09/08/2018	Date: 10/08/2018

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance	
Principle 1: Commitment to Transparency			
Criterion 1.1:			
Growers and millers provide 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>There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>- Minor compliance -</p>	<p>TSH Resources Berhad has developed and implemented Transparency Policy and Transparency Procedure (TSHR/POL/SOP01, Rev. No. 0, Dated 16/10.2915). The company conducted its operations in an open and transparent manner and disseminate accurate information to stakeholders of all level.</p> <p>Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Information on environmental, social and legal issues relevant to RSPO Criteria was made available to relevant stakeholders for effective participation in decision making. Publicly available documents such as land title, OSH plan, HCV documents, complaint records, RSPO public summary reports, Continuous Improvement Plans and company policies are available. Stakeholder list was updated if there are any changes of the stakeholders.</p>	Complied
1.1.2	<p>Records of requests for information and responses shall be maintained.</p> <p>-Major compliance</p>	<p>TSH Resources Berhad has developed Information Request Procedure (Doc. No.: TSHR/SUST/SOP01, Rev. 2 dated 1/11/2017) to established the handling of information request in TSH Group Companies of Sabah Operation. The procedure has clearly identified the process flow for the information request. Types of information that are available to the public included land titles, occupational health and safety plan, HCV documentation, policies, continual improvement plan and pollution prevention and reduction plans. Department/ Person in charge for handling request are appointed by the mill or estate manager. Timeframe to acknowledge to the requester within 3 – 5 working days and full reply to requested within 20 working days from the request.</p> <p>In Kunak POM, there was only one request since implementation of RSPO. The request was registered in the Stakeholder Registration Form. Records such as formal request letter from the SMK Balung and attendance list of the students that attended the meeting was sighted.</p>	Complied
Criterion 1.2:			
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			

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<p>1.2.1</p> <p>Publicly available documents shall include, but are not necessary limited to:</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). <p>- Major compliance –</p>	<p>Publicly available management documents cover Land titles, OHS plans, HCV documentation, Pollution prevention and reduction plans, records of complaints and grievances, RSPO Public Summary Report, company policies and Continual improvement plans. All operating units have individual documents and records to demonstrate compliance to this indicator.</p> <p>Company information can be access through www.tsh.com.my such as vision and mission, corporate responsibility and whistle-blowing.</p>	<p>Complied</p>
<p>Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.</p>		
<p>1.3.1</p> <p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>-Minor compliance</p>	<p>TSH Resources Berhad has established and implemented Human Rights & Responsible Business Practices Policy dated 16/10/2015. The company is fully committed in actively eradicating human rights, violations, while conducting its business practices in an ethical and responsible manner.</p> <p>Human Rights & Responsible Business Procedure (TSHR/POL/SOP09, Rev. No. 0, Dated 16/10.2915) was developed where the company respect the fair conduct of business and prohibit the fraudulent use of funds and resources. The company also ensure that employees or third parties acting on its behalf are prevented from assuming that offering or paying, directly or indirectly, any money, goods, services or other things of value in the form of a bribe to any official in connection with business.</p> <p>The policy was briefed to all the stakeholders during stakeholder meeting and on 25/1/2018 to the workers and was publicly displayed at the notice board at the office and housing area.</p>	<p>Complied</p>
<p>Principle 2: Compliance with applicable laws and regulations</p>		
<p>Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.</p>		

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<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>TSH Management complies with legal requirements as per indicator at all operating sites. Compliance to each applicable law and regulation is monitored by the operating units. TSH Management had obtained and renewed license and permits as required by the law.</p> <p>Sample of licenses or permit viewed were :</p> <p><u>Landquest Estate</u></p> <ul style="list-style-type: none"> • Permit to buy diesel, S010290 , valid until 14/06/2018 (12,000Ltr) • MPOB license- 502362102000 valid until 31/10/2018 • Environment Protection Department Approval Report, Ref#JPAS/PP/SPA/600-1/11/1/293(28), dated 26 April 2018. <p><u>LKSK Estate</u></p> <ul style="list-style-type: none"> • Permit to buy diesel, S006405, valid until 08/04/2019 (20,000Ltr) • MPOB license- 503210802000 valid until 31/08/2018 <p><u>Kunak POM</u></p> <ul style="list-style-type: none"> • DOE License: 001875. Valid until 30/6/18. • Certificate of fitness for all machineries still valid. The inspection was done on 7/11/2017 and 3/4/2018 by DOSH officer however the CF yet to be issued by DOSH using MyKKP (online). • MPOB License: 508719104000, valid until 31/5/2018 • Permit to buy diesel, S006365 , valid until 3/10/2018 (14,000Ltr) • Lesen Pepasangan Persendirian, valid until 28/4/2019 <p>Document reviewed on the payslips, check-roll, thumb print attendance record and interviewed with the workers in Kunak POM found that they are not paid and treated according to Sabah Labour Ordinance (Sabah Cap. 67) as below:</p> <ol style="list-style-type: none"> i. Sampled of workers below found have worked more than 8 hours per day without paying overtime. For eg: 10 hours, 11 hours, 12 hours, 14 hours and 16 hours. (Clause 104 Subsection (1)) ii. Sampled of workers below found worked for 7 days per week without any one day of rest day per week. (Clause 104B Subsection 1)) <p>Sampled of workers as below:</p> <ol style="list-style-type: none"> i. Employee No.: 03-0294 ii. Employee No.: 01-0345 iii. Employee No.: 05-0904 <p>Thus, major non-conformance was raised.</p>	<p>Major nonconformance</p>

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2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	All Estates and Mill maintain documented system for identifying, evaluating, reviewing and updating applicable regulations and other requirements. The legal register at all sites were updated on a yearly basis / as and when needed for new updates/licenses as per Legal and other requirements procedure (TSHR/SUST/SOP04), Rev:2 dated 1/11/17. The LORR was included OSHA, OSH (USECHH) Regulation, OSH (NADOPOD) Reg, FMA, FM (Noise exposure) Reg, FM (Notification, certificate of fitness and inspection) Reg, Electricity supply act, Pesticides Act, Poison Regulation, EQA, EQ (Scheduled waste) Reg, Wildlife Reg, Protection of wildlife act, Minimum Wages Order and employment act.	Complied
2.1.3 A mechanism for ensuring compliance shall be implemented. - Minor compliance -	Each operating unit evaluate its own LORR as following: i) Landquest Estate was done the evaluation on 12/4/2018 ii) LKSK Estate was done the evaluation on 11/4/2018 iii) Kunak POM was done the evaluation on LORR sighted available and updated.	Complied
2.1.4 A system for tracking any changes in the law shall be implemented. - Minor compliance -	Tracking system was available for all 3 sites to identify changes in the relevant regulations through head office, internal audits/visit and the information are communicated from the headquarters. On the site verification, Interviews with office personnel and records indicate that the system is appropriate to the operations and is being recorded accordingly. Further evidence of verification was reviewed in the legal registers at all the 3 sites. As per procedure Legal and Other Requirements TSHR/RSPO/SOP04 Rev. 2 dated 1/11/2017 – Evaluation of compliance completed.	Complied
Criterion 2.2: 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.		
2.2.1 Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -	Land title for Kunak POM was under Wakuba Estate. Land title for Landquest Estate was sighted and available: Title no. Country Lease 125319244; Quit rent payment records dated 14/5/2018 was sighted. Land title for LKSK Estate was sighted: Title no. Country Lease 105365955. Quit rent payment records dated 14/5/2018 was sighted.	Complied
2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	During the field visit it was noted that legal boundaries are clearly demarcated and visibly maintained throughout the estate.(eg: Landquest Estate at field 93 boundary with smallholder and LKSK Estate at field 96B boundary with Wullersdorf Forest and smallholder)	Complied

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Criterion / Indicator	Assessment Findings	Compliance
2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the Landquest Estate and LKSK Estate at the time of audit verified through interviewed with the smallholders. The land belongs to Landquest Sdn Bhd and LKSK Sdn Bhd where Landquest Sdn Bhd and LKSK Sdn Bhd is subsidiary of TSH Resources Berhad and land ownership documents verified.	Complied
2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute in the Landquest Estate and LKSK Estate at the time of audit verified through interviewed with the smallholders. The land belongs to Landquest Sdn Bhd and LKSK Sdn Bhd where Landquest Sdn Bhd and LKSK Sdn Bhd is subsidiary of TSH Resources Berhad and land ownership documents verified.	Complied
2.2.5 For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There is no land dispute in the Landquest Estate and LKSK Estate at the time of audit verified through interviewed with the smallholders. The land belongs to Landquest Sdn Bhd and LKSK Sdn Bhd where Landquest Sdn Bhd and LKSK Sdn Bhd is subsidiary of TSH Resources Berhad and land ownership documents verified.	Complied
2.2.6 To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	There is no land dispute in the Landquest Estate and LKSK Estate at the time of audit verified through interviewed with the smallholders. The land belongs to Landquest Sdn Bhd and LKSK Sdn Bhd where Landquest Sdn Bhd and LKSK Sdn Bhd is subsidiary of TSH Resources Berhad and land ownership documents verified.	Complied
Criterion 2.3: Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.		
2.3.1 Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Major compliance -	TSH Resources Berhad has 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. There was no land dispute case reported in Landquest Estate and LKSK Estate. Interviewed with the sampled smallholders confirmed that the estates' management has demarcated the boundaries by installed boundary stones, gate and pegging.	Complied

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2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for 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 company's title, concession or lease on the land. - Minor compliance -	There was no land dispute case reported in Landquest Estate and LKSK Estate. Interviewed with the sampled smallholders confirmed that the estates' management has demarcated the boundaries by installed boundary stones, gate and pegging.	Complied
2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	There was no land dispute case reported in Landquest Estate and LKSK Estate. Interviewed with the sampled smallholders confirmed that the estates' management has demarcated the boundaries by installed boundary stones, gate and pegging.	Complied
2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	There was no land dispute case reported in Landquest Estate and LKSK Estate. Interviewed with the sampled smallholders confirmed that the estates' management has demarcated the boundaries by installed boundary stones, gate and pegging.	Complied

Principle 3: Commitment to long-term economic and financial viability

Criterion 3.1:

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

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Criterion / Indicator	Assessment Findings	Compliance																					
<p>3.1.1</p> <p>A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -</p>	<p>The annual business plan is available as per the Group Financial Procedure. & Guidelines. Both estates and the mill had a similar format i.e. in the form of annual budget with a 3 year projection. (Budget year, PY2, PY3) This business plan is prepared as guidance for the forthcoming year and future planning.</p> <p>The mill budget (<i>75 mt milling capacity</i>) had the following component in the expenditure details.</p> <ul style="list-style-type: none"> a) Manning Level - Total no of employees required at each station. b) FFB Source and annual estimate c) Extraction ratios OER, KER d) Expenditure on Administration / Staff salary / Compound Upkeep / Medical e) Maintenance / Consumables / PPE / Tools <p>Similarly the estates budget contain the following information;</p> <ul style="list-style-type: none"> a) Palm year of planting, age categories, and FFB production. b) Component of operating expenditure includes; <ul style="list-style-type: none"> - Administration/labour overhead - harvesting & collection, - field upkeep - transportation, road and bridges, - EVIT (running accounts for engines, vehicles, implements & tractors . <p>Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement / upgrading of building, vehicles replacement, workers amenities. The budget for 2018 for both the estates/mill was sighted and verified. This was prepared in 2017. Towards the year end similarly the budget for 2019 will be prepared by the management henceforth.</p>	<p>Complied</p>																					
<p>3.1.2</p> <p>An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -</p>	<p>Both estates established a replanting program spanned over a 5 year period till 2024. All programs were sighted with details extracted as follows;</p> <table border="1" data-bbox="660 1491 1217 1632"> <thead> <tr> <th>FY</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>LQ Estate</td> <td>67 ha</td> <td>0</td> <td>60 ha</td> <td>41 ha</td> <td>60 ha</td> <td>0</td> </tr> <tr> <td>LKSK Estate</td> <td>58 ha</td> <td>108 ha</td> <td>100 ha</td> <td>100 ha</td> <td>100 ha</td> <td>166 ha</td> </tr> </tbody> </table> <p>Sizes of fields identified for replanting varies subject to factors i.e. hilly, yield. All replanting program and planning in all the Group Estates are monitored by Senior Manager with prior approval from the GED office. Agronomist assistance and audit by the Head Office personnel are performed minimum 2x/year.</p>	FY	2019	2020	2021	2022	2023	2024	LQ Estate	67 ha	0	60 ha	41 ha	60 ha	0	LKSK Estate	58 ha	108 ha	100 ha	100 ha	100 ha	166 ha	<p>Complied</p>
FY	2019	2020	2021	2022	2023	2024																	
LQ Estate	67 ha	0	60 ha	41 ha	60 ha	0																	
LKSK Estate	58 ha	108 ha	100 ha	100 ha	100 ha	166 ha																	

Principle 4: Use of appropriate best practices by growers and millers

Criterion 4.1:

Operating procedures are appropriately documented, consistently implemented and monitored.

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -</p>	<p>Both the estates and the mill had a documented Standard Operating Procedures as a guidance for the day-to day operation There are 3 types of documents adopted by the estates ;</p> <ul style="list-style-type: none"> a) Pest And Diseases Management (established in Oct 2009) b) Standard Operating Procedures (SOP). TSHP/OPE/SOP 01-10 It covers the following work operations i.e. <ul style="list-style-type: none"> - Land clearing and preparation - Nursery - Cover crop - Planting & supplies / in filling - Weeding - Pruning & sanitation - FFB harvesting & despatchment - manuirng - ablation - replanting c) Work Instruction (WI) TSHP/OPE/W0101-W103 <ul style="list-style-type: none"> - Kerbau Mekanikal (applicable in LKSK estate) - Pengumpulan Biji Lerai - Penandaan Batu Sempadan <p>Similarly the mill adopted a similar system of documentation shown below;</p> <ul style="list-style-type: none"> a) Kunak POM Work Instruction (WI) (last reviewed on 26/9/2016) b) Occupational Safety & Health Handbook For Palm Oil Mill (last reviewed on 04/7/2016) <p>All the mentioned documents were sighted and verified.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance																				
<p>4.1.2</p> <p>A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -</p>	<p>Both LKSK and Landquest Estates had in place a mechanism to check consistent implementation of procedures. Both estates monitored the good agricultural practices as per SOPs through on-site supervision, visits, inspections and discussions with relevant personnel. The estates Supervisors and Executives maintained the following document among others to monitor the estates daily operations;</p> <ul style="list-style-type: none"> a) Harvesting assessment record b) Circle and path assessment record c) Manuring assessment record. d) Daily FFB record – Actual vs Budget <p>There were also assessments and audits such as;</p> <ul style="list-style-type: none"> a) Field audits 6x /year b) PA visits and Agronomist performed once a year. <p>The PA report dated 27/7/2017 was sighted. Therein observation and agricultural recommendation were given for the estates to follow. The report is for a combined visit for both LKSK and Landquest Estates. Among others the following was extracted in the PA report.</p> <table border="1" data-bbox="660 1055 1294 1496"> <thead> <tr> <th></th> <th>Observations</th> <th>Datelines</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>LKSK-Block 99C spot spray (<i>hedyyotis verticillata</i>)</td> <td>Oct</td> <td>Complete eradication of this weed</td> </tr> <tr> <td>2</td> <td>Repair bad stretches MB tracks</td> <td>On-going</td> <td>Facilitate access</td> </tr> <tr> <td>3</td> <td>LQ-Block 96 – spot spray clidemia hirta</td> <td>Aug</td> <td>Complete eradication of this weed</td> </tr> <tr> <td>4</td> <td>LQ Block 98B- Steps on steep slopes for access</td> <td>Nov</td> <td>Facilitate access</td> </tr> </tbody> </table> <p>Random interview with the estate workers showed that they understood the requirement stated in the SOPs. During the site visit (LKSK P98C & LQ P96B) it was observed that harvesting standards and fertiliser application had been properly understood by the interviewed harvesters and workers respectively</p>		Observations	Datelines	Remarks	1	LKSK-Block 99C spot spray (<i>hedyyotis verticillata</i>)	Oct	Complete eradication of this weed	2	Repair bad stretches MB tracks	On-going	Facilitate access	3	LQ-Block 96 – spot spray clidemia hirta	Aug	Complete eradication of this weed	4	LQ Block 98B- Steps on steep slopes for access	Nov	Facilitate access	<p>Complied</p>
	Observations	Datelines	Remarks																			
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4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	<p>Records of monitoring and the actions taken by both estates were maintained and kept for a minimum of 12 months. Monthly Costing and Annual Reports on monitoring of all activities were made available. Among those records sighted at the estates</p> <ul style="list-style-type: none"> a) Harvesting assessment record b) Circle and path assessment record c) Manuring assessment record. d) Daily FFB record – Actual vs Budget <p>Inclusive are also Work Program Sheets, Bin cards, Monthly Progress & Report Account, rainfall data, rat damage census. Records on FFB quality control for individual harvesters, the action taken on them and corrective action records were sighted. Harvesting rounds were monitored using harvesting interval records.</p>	Complied
4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	<p>The mill has records of all third party sourced FFB on daily basis. The mill is currently receives FFB from independent outside supplier and traders. All suppliers signed Letter of Declaration on Compliance to Sustainable Sourcing of FFB and ensure legality of FFB.(Eg: Muis Melewar Plantation S/B and Kaya Permata Plantation Sdn Bhd)</p>	Complied
<p>Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>		
4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	<p>Fertiliser application for both the estates are made through recommendation by the Agronomist. The recommendation was based on annual leaf analysis. In both estates, soil fertility was maintained as per the SOPs through the management been managed by recycling of biomass like frond stacking, water management in low lying areas, maintenance of soft weeds, leguminous cover crops, and <i>nephrolepis biserrata</i> in the interline and terrace areas.</p> <p>The following soil analysis dated 31/10/2017 for LKSK estate was sighted. The analysis was made by an independent lab owned by "Borneo Samudra Sdn Bhd"</p>	Complied

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<p>4.2.2</p> <p>Records of fertiliser inputs shall be maintained. - Minor compliance -</p>	<p>Records of programs and applications of fertilisers were maintained and adopted for operation monitoring by both the estates. The fertilisers applied in the estates are; SOA / MOP / MRP / Kieserite / GML / Borate.</p> <p>The rate of application as per the Agronomist recommendations as sampled for the records are as follows;</p> <p>Landquest Estate</p> <table border="1" data-bbox="662 678 1327 860"> <thead> <tr> <th></th> <th>Fertiliser</th> <th>Month Program</th> <th>Field No</th> <th>Ha</th> <th>Dosage/palm</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>SOA</td> <td>Jan</td> <td>OP96</td> <td>35</td> <td>1.50</td> </tr> <tr> <td>2</td> <td>SOA</td> <td>April</td> <td>OP97</td> <td>16</td> <td>1.50</td> </tr> <tr> <td>3</td> <td>SOA</td> <td>July</td> <td>OP98</td> <td>35</td> <td>1.50</td> </tr> <tr> <td>4</td> <td>SOA</td> <td>Oct</td> <td>OP00</td> <td>37</td> <td>1.50</td> </tr> </tbody> </table> <p>Records of application were maintained. The methodology used is to repack into the dosage intended packing e.g. 1.5 kg from the 50 kg bags. All applied palm are displayed with the empty plastic small bags to indicate that the palm has been applied with fertiliser. Empty bags were thereafter reconciled and recorded.</p>		Fertiliser	Month Program	Field No	Ha	Dosage/palm	1	SOA	Jan	OP96	35	1.50	2	SOA	April	OP97	16	1.50	3	SOA	July	OP98	35	1.50	4	SOA	Oct	OP00	37	1.50	<p>Complied</p>
	Fertiliser	Month Program	Field No	Ha	Dosage/palm																											
1	SOA	Jan	OP96	35	1.50																											
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3	SOA	July	OP98	35	1.50																											
4	SOA	Oct	OP00	37	1.50																											
<p>4.2.3</p> <p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -</p>	<p>The agronomist performed the periodic foliar and soil sampling to monitor changes in nutrient status. The results of foliar sampling carried out in Sept 2017 for Landquest Estate was sampled with details given below;</p> <p>Upon obtaining the foliar results the fertiliser type and dosage will be determined. Thereafter the management will place the fertiliser order and set the application program.</p>	<p>Complied</p>																														
<p>4.2.4</p> <p>A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -</p>	<p>Both estates had a nutrient recycling strategy in place. Palm fronds were stacked in the fields to decompose.</p> <p>There was no EFB applied in the fields as the entire stocks are processed in the power generation plant to produce electricity.</p> <p>There was no POME applied in LKSK estates due to the distance from the mill. Landquest Estate received the treated effluent for its land application.</p>	<p>Complied</p>																														
<p>Criterion 4.3: Practices minimise and control erosion and degradation of soils.</p>																																

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Criterion / Indicator	Assessment Findings	Compliance																								
4.3.1 Maps of any fragile soils shall be available. - Major compliance -	<p>Both estates maintained soil maps each having details as follows;</p> <table border="1" data-bbox="659 506 1326 831"> <thead> <tr> <th></th> <th>LKSK</th> <th>Landquest</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Brantian/alluvium</td> <td>Kinabatangan/alluvium</td> </tr> <tr> <td>2</td> <td>Apas/intermediate & acid igneous rocks</td> <td>Apas/intermediate & acid igneous rocks</td> </tr> <tr> <td>3</td> <td>tinagat/intermediate & acid igneous rocks</td> <td>tinagat/intermediate & acid igneous rocks</td> </tr> <tr> <td>4</td> <td>wullersdorf/intermediate & acid igneous rocks</td> <td>wullersdorf/intermediate & acid igneous rocks</td> </tr> <tr> <td>5</td> <td>Gumpal/mudstone, sandstone & miscellaneous rocks</td> <td>-</td> </tr> </tbody> </table> <p>There were no fragile/marginal soils in both Landquest & LKSK Estates. The soil maps for both the estates were sighted and verified.</p>		LKSK	Landquest	1	Brantian/alluvium	Kinabatangan/alluvium	2	Apas/intermediate & acid igneous rocks	Apas/intermediate & acid igneous rocks	3	tinagat/intermediate & acid igneous rocks	tinagat/intermediate & acid igneous rocks	4	wullersdorf/intermediate & acid igneous rocks	wullersdorf/intermediate & acid igneous rocks	5	Gumpal/mudstone, sandstone & miscellaneous rocks	-	Complied						
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4.3.2 A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	<p>Both estates possessed the topography maps. The terrain/slope details are shown below;</p> <table border="1" data-bbox="659 1079 1214 1386"> <thead> <tr> <th></th> <th>Range / degree</th> <th>LKSK</th> <th>Landquest</th> </tr> <tr> <th></th> <th></th> <th>%</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>1</td> <td><15</td> <td>93.1</td> <td>86.3</td> </tr> <tr> <td>2</td> <td>>15<25</td> <td>6.4</td> <td>11.9</td> </tr> <tr> <td>3</td> <td>>25</td> <td>5.3</td> <td>1.8</td> </tr> <tr> <td>4</td> <td>Total</td> <td>100.0</td> <td>100.0</td> </tr> </tbody> </table> <p>Both estates continued to have in place management strategy for plantings on slopes between 15 - 25 degrees. The procedure on land clearing and preparation for undulating to steep land is covered in Standard Operating Procedure 2016.</p> <ul style="list-style-type: none"> a) No planting being made on areas having slope of more than 25 degree. b) Both estates practiced soil erosion control by constructing terraces in all sloping areas with bund at regular interval of 20 meters to retain water. c) Slopes especially along some road side had well established <i>Mucuna bracteata</i>. 		Range / degree	LKSK	Landquest			%	%	1	<15	93.1	86.3	2	>15<25	6.4	11.9	3	>25	5.3	1.8	4	Total	100.0	100.0	Complied
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4.3.3 A road maintenance programme shall be in place. - Minor compliance -	During the field visit, it was noted that road conditions were well maintained and accessibility were made possible by regular road maintenance programmes which consist of; a) road resurfacing, b) grading & compacting c) culvert maintenance. The financial support for these programs was sighted in the annual budgets. It was observed during the visit that most roads in both LKSK and Landquest Estates were well paved with stones. The major works for the road maintenance are outsourced.	Complied
4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There were no peat soils in both the estates. This is made evidence in the soil map kept by the estates. Monitoring is made by the Agronomist/PA during their scheduled visits.	Complied
4.3.5 Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	Not applicable as there was no replanting due on the peat soil in both the estates.	Not applicable
4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	Such soil series (sandy, low organic matter, acid sulphate soils) are not available in both the estates.	Not applicable
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.		
4.4.1 An implemented water management plan shall be in place. - Minor compliance -	Water Management plan was established dated 5/3/18 for POM and all estate to include: 1. The efficiency of use and renewability of sources. 2. Management of water by the operation 3. Avoid contamination of surface and ground water 4. Ensure plantation activities do not cause adverse impacts to the water sources of local communities, workers and their families 5. No construction of bund/weirs/dams across the main rivers or waterways passing through an estate 6. Ensure the natural waterways not effected by the estate and mill activities. Analysis river water and drinking water monitoring was done every 6 months (landquest Estate-as per Replanting proposed mitigation measure by EPD) and annually (LKSK Estate), last done on 21/10/2017 (Landquest Estate and LKSK Estate) by Dynakey Laboratories Sdn Bhd. The report dated 20/11/2017 was sighted. The analysis was compared as per National Standard for drinking water quality, MOH. All the parameters found within the limit. Analysis for upstream and downstream was done accordingly, latest on 6/4/2018 by Rehpro Scientific Sdn Bhd. All the parameters were within the limit.	Complied

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4.4.2	<p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.</p> <p>- Major compliance -</p>	<p>Buffer zone established as per "Syarat-syarat Alam Sekitar" as following:</p> <ul style="list-style-type: none"> - Stream > 3m; buffer = 20m - Stream < 3m; buffer = 5m <p>During site visit at field 98 (Landquest Estate) and field 98E (LKSK Estate), found that the buffer was maintained as per proposed mitigation measure from Env. Protection Department Sabah.</p>	Complied
4.4.3	<p>Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6).</p> <p>- Minor compliance -</p>	<p>DOE License: 001875. Valid until 30/6/18. BOD 20mg/l</p> <p>External analysis for final discharge last was done on 6/4/2018 by Rehpro Scientific Sdn Bhd. Certificate of analysis was sighted (RS/CH/2018/0177(B), dated 18/4/2018). All parameter found within the limit. Corrective action report was raised due to off-spec of BOD (30mg/l) for sampling conducted on 2/3/2018. All the action was initiate and implemented.</p> <p>Quarterly report was submitted to DOE accordingly, last was submitted on 9/4/2018 (1th Quarter 2018).</p>	Complied
4.4.4	<p>Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.</p> <p>- Minor compliance -</p>	<p>Record for Mill water use per tonne of Fresh Fruit Bunches (FFB) was established and monitored on monthly basis. Latest record for April 2018 was 0.39m³ /mt FFB.</p>	Complied
<p>Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>			
4.5.1	<p>Implementation of Integrated Pest Management (IPM) plans shall be monitored.</p> <p>- Major compliance -</p>	<p>Both LKSK and Landquest Estates continued to implement IPM as per;</p> <ol style="list-style-type: none"> a) Company's Pest & Disease Management and b) The Plantation Operations SOP/Work Instructions. <p>In order to minimize the use of pesticides, both estates planted beneficial plants i.e. <i>cassisa</i>, <i>tunera subulata</i>, and <i>antigonon leptopus</i>. Guidelines are provided in the SOP as follows; Beneficial plant ratio is 40 m: ha</p> <ul style="list-style-type: none"> - 8 m <i>Antigonon</i> - 8 m <i>Tunera</i> - 24 m <i>Cassia</i> <p>The estates continued to carry out monthly detection and observation of pest and disease through the daily supervision, Agronomist and PA visits. Records showed that there was no outbreak had taken place. Rat damage had been addressed through rat baiting response program as and when deemed necessary.</p>	Complied

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<p>4.5.2 Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -</p>	<p>Both the estates had training sessions in relation to the IPM implementation. Trainings were organised by internally and also by Head Office personnel.</p> <p>a) LSKS Estate</p> <table border="1" data-bbox="660 562 1311 714"> <thead> <tr> <th></th> <th>Date</th> <th>Title</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>01/3/18</td> <td>IPM Plan</td> <td>5</td> </tr> <tr> <td>2</td> <td>18/1/18</td> <td>Environmental awareness</td> <td>4</td> </tr> <tr> <td>3</td> <td>25/1/18</td> <td>Sustainability management</td> <td>10</td> </tr> <tr> <td>4</td> <td>21/3/17</td> <td>RSPO awareness</td> <td>4</td> </tr> </tbody> </table> <p>b) Landquest Estate</p> <table border="1" data-bbox="660 801 1311 922"> <thead> <tr> <th></th> <th>Date</th> <th>Title</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>12/2/18</td> <td>Environmental awareness</td> <td>2</td> </tr> <tr> <td>2</td> <td>06/3/18</td> <td>RSPO P&C</td> <td>10</td> </tr> <tr> <td>3</td> <td>06/3/18</td> <td>Chemical justification.</td> <td>10</td> </tr> </tbody> </table> <p>The annual training matrix mill and estates incorporated the following training in relation to IPM management.</p> <p>a) Integrated Pest Management IPM b) Environmental Aspects And Impacts c) Environmental training d) Safe handling of chemicals e) Riparian protection training</p>		Date	Title	Attendees	1	01/3/18	IPM Plan	5	2	18/1/18	Environmental awareness	4	3	25/1/18	Sustainability management	10	4	21/3/17	RSPO awareness	4		Date	Title	Attendees	1	12/2/18	Environmental awareness	2	2	06/3/18	RSPO P&C	10	3	06/3/18	Chemical justification.	10	<p>Complied</p>
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<p>Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment</p>																																						
<p>4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -</p>	<p>Both the estates continued to use agrochemicals based on the following manuals</p> <p>a) Company's Pest & Disease Management and b) The Plantation Operations SOP/Work Instructions.</p> <p>The manual has included a chemical register list which indicates;</p> <p>a) the purpose of usage (intended target), b) hazards signage, c) trade and generic names as well as the specific targets d) the correct dosage of agrochemicals to be used.</p> <p>All chemicals usage was based on the "need to do basis" to enhance field operations. It was found that no Class I & II chemicals had been used. Additionally, paraquat had not been used for a no of substantial years. The pesticides used were only for the control of weeds in the field upkeep.</p>	<p>Complied</p>																																				
<p>4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -</p>	<p>Both estates has yet to establish the required records of pesticides usage, Active ingredient to be calculated on a ha ratio basis. Similarly the LD 50 for the field applied has yet to be documented by both the estates.</p> <p>Thus, Major non-conformance was raised.</p>	<p>Major nonconformance</p>																																				

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<p>4.6.3</p> <p>Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines.</p> <p>- Major compliance -</p>	<p>All pesticides used are approved by the Agronomist and the Planting Advisors. The type and selection of chemical are further endorsed by the GED prior to the utilisation in the estates and mill.</p> <p>The selection is to minimise the consumption and having minimal effect to the environment.</p>	<p>Complied</p>																																				
<p>4.6.4</p> <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, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance -</p>	<p>During the audit, it was noted that both the estates had not use chemicals categorized as World Health Organization (WHO) type 1A or 1B or listed by the Stockholm or Rotterdam Conventions. This is made evidence through the store issues, interviews of staff, sprayers and the procedures provided in the SOP.</p> <p>Among others the chemicals used by both the estates are;</p> <p>a) Amine / Comet/ metfuron b) Sentry / kisol / kenfuran / mitac</p>	<p>Complied</p>																																				
<p>4.6.5</p> <p>Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Records showed that pesticides were handled, used and applied by trained persons and as per the MSDS of the pesticide. The staff and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involved and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to the workers through the MSDS/CSDS training. It was also noted that MSDS/CSDS are available at all sites during the audit.</p> <p>Among others the training conducted by the management for the chemicals handlers are listed below;</p> <p>a) LKSK estate</p> <table border="1" data-bbox="660 1373 1294 1527"> <thead> <tr> <th></th> <th>Date</th> <th>Subjects</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>16/4/18</td> <td>Panduan Kerja Selamat Mengendali Racun</td> </tr> <tr> <td>2</td> <td>16/4/18</td> <td>Panduan Kerja Selamat Mengendali Baja</td> </tr> <tr> <td>3</td> <td>31/1/18</td> <td>OSHA compliance</td> </tr> <tr> <td>4</td> <td>05/4/18</td> <td>Safety & Health</td> </tr> </tbody> </table> <p>b) Landquest estate</p> <table border="1" data-bbox="660 1615 1294 1733"> <thead> <tr> <th></th> <th>Date</th> <th>Subjects</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>06/3/18</td> <td>Chemicals master list and justification</td> </tr> <tr> <td>2</td> <td>27/3/18</td> <td>SDS and chemical handlings</td> </tr> <tr> <td>3</td> <td>05/4/17</td> <td>Safety/Health training</td> </tr> </tbody> </table> <p>c) Kunak POM</p> <table border="1" data-bbox="660 1821 1294 1912"> <thead> <tr> <th></th> <th>Date</th> <th>Subjects</th> </tr> </thead> <tbody> <tr> <td></td> <td>15/2/18</td> <td>Chemical Buy-off training</td> </tr> <tr> <td></td> <td>15/1/18</td> <td>Scheduled waste handling</td> </tr> </tbody> </table>		Date	Subjects	1	16/4/18	Panduan Kerja Selamat Mengendali Racun	2	16/4/18	Panduan Kerja Selamat Mengendali Baja	3	31/1/18	OSHA compliance	4	05/4/18	Safety & Health		Date	Subjects	1	06/3/18	Chemicals master list and justification	2	27/3/18	SDS and chemical handlings	3	05/4/17	Safety/Health training		Date	Subjects		15/2/18	Chemical Buy-off training		15/1/18	Scheduled waste handling	<p>Complied</p>
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<p>4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -</p>	<p>The chemical stores in all estates were observed to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149) and Regulations.</p> <ul style="list-style-type: none"> a) Record of the purchase, storage and use had been properly maintained. b) All of the stores were locked, well ventilated. c) Only authorized personnel was allowed to handle the chemicals. d) All the chemicals were stored and segregated accordingly. <p>Empty pesticides containers had been triple rinsed, holes punched in them and stored separately in the schedule waste store pending proper disposal.</p>	<p>Complied</p>
<p>4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -</p>	<p>Pesticide applications were guided by the following manuals;</p> <ul style="list-style-type: none"> a) Company's Pest & Disease Management b) The Plantation Operations SOP/Work Instructions c) CHRA / MSDS supplied by the manufacturers. <p>All necessary PPE was used as per requirement provided in the CHRA, HIRARC and MSDS. As mentioned under 4.6.5 pesticides were handled only by trained personnel. (refer training records in 4.6.6 above)</p> <p>Fertiliser application workers interviewed in the field during visit were observed to be in the appropriate PPE. During the time of audit no spraying activities were carried out due to inadequate chemicals stocks and coupled with the fertiliser application programmed month.</p> <p>All activity and operations have been risk assessed and documented.</p>	<p>Complied</p>
<p>4.6.8 Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -</p>	<p>No aerial spraying was carried out at both LKSK and Landquest Estates</p>	<p>Complied</p>
<p>4.6.9 Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -</p>	<p>The auditor from the random interviews conducted it was evident that;</p> <ul style="list-style-type: none"> a) the staff and workers such as the storekeepers, sprayers, fertilizer, rat bait workers were regularly trained b) They had understood the hazards involved and how the chemicals should be used in a safe manner. <p>Both estates had conduct training related to pesticide handling as described in Indicator 4.6.5.</p>	<p>Complied</p>

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4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers. Workers interview reveal that they are aware of the zero burning policy including domestic waste are not allowed to be burned. Management of waste material disposal such as empty chemical container as in accordance with scheduled waste and domestic waste regulations and guidelines.	Complied
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -	Both the estates and the mill conducted the annual medical surveillance for the sprayers, water treatment plant operators and the workshop personnel respectively as identified in the CHRA report and recommendations. The medical surveillance was performed by a registered OHD (DOSH registration no. HQ/10/DOC/00/167). a) Landquest Estate on 05/4/18 for 9 sprayers and 1 storekeeper. b) LKSK Estate dated 05/4/18 performed for a total of 20 employees i.e. gen-set operator, sprayers, fertiliser applicators, and workshop personnel. c) Kunak POM made on 05/4/18 for workshop personnel dealing with welding, chemicals handlers at the laboratory, boiler and WTP The reports were sighted at random and verified. All employees examined were concluded FIT to continue working at their respective workplace and job description.	Complied
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	Both estates comply with the Company's procedure which stated that "no work with pesticides was given to pregnant or breast-feeding women". A circular in Bahasa Malaysia was displayed in all office notice boards and signed by the respective Executive in charge. This circular was sighted and verified. The list of sprayers were maintained by both estates. Identification of pregnancy was made at the district government clinics. Pregnancy test was conducted on doubtful cases. . Field interviews with the lady workers confirm that such a regulation is a standard practice in the estates and in compliance.	Complied
<p>Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:</p>			

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<p>4.7.1</p> <p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p>	<p>The Group Occupational Safety Policy has been established and implemented. The policy was signed by the Managing Director of TSH Resources Sdn Bhd. on 16 Oct 2016 and displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy is implemented through the OSH activities by the on-site Safety Officers and monitored by OSH Dept based at Head Office. Included in the policy among others are statement;</p> <ul style="list-style-type: none"> a) Providing and maintaining a safe and healthy working environment of its employees & contractors & visitors. b) Commitment to comply with all the relevant legislative requirement. c) Commitment to be responsibilities of both employer & employees. d) To provide continuous adequate training to employees in addressing all work hazards e) The policy as committed will be reviewed as deemed appropriate. <p>During interviews with the workers and staff during the site visit revealed that the employees has been briefed and has understood the policy.</p>	<p>Complied</p>
<p>4.7.2</p> <p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p>The risk of all operations were assessed and documented under HIRADC. The HIRADC for the mill/estates operations was recently reviewed on multiple dates and formalised in Dec 2017. HIRADC is revised in event of;</p> <ul style="list-style-type: none"> a) New work process/changes in work method b) Occurrence of accidents in specified stations c) Amendments in the legislative requirement. <p>Among others the HIRADC prepared covers the following station/activities</p> <ul style="list-style-type: none"> a) FFB ramp operation & maintenance of ramp floor. b) sterilizer / thresher cleaning c) kernel station / boiler station / clarification station d) Biogas plant / Laboratory / weigh bridge e) POME and river pump house f) Mill vehicle movement.. <p>The Mill Engineer / Supervisor is responsible as the document controller for the HIRADC.</p> <p>Similarly the estates established HIRADC in relation to the following station/activities;</p> <ul style="list-style-type: none"> a) Harvesting / Mechanical Buffalo / FFB transportation b) Manuring / Transportation of fertilisers c) Spraying / Chemicals Transportation / Premixing d) Control of rats / Control of pest e) Workers transportation / f) Welding machine / Air Compressor g) Security / Office / Store h) FFB internal <p>The HIRADC documented is adequate to address the risk issues of both estates and the mill.</p>	<p>Complied</p>

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<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p>	<p>The annual training program 2018 (TSH Training Matrix Mill & Estate) has been established and significantly covers all aspects of the RSPO requirements. There were also additional subjects including the mill operating procedures, parameters of mill produce, machinery maintenance. The training program also specified the target group of employees to be trained under the allocated subjects. The program incorporated both requirement of the estates and mill. The subjects for the training are issued and assisted by the Head Office personnel. The following topics included in the annual training program 2018 among others are shown below;</p> <ul style="list-style-type: none"> a) Fire safety / ERP Fire Drill/Evacuation b) RSPO training / ISO 14001 awareness c) Environmental Policy / SOPs d) Wildlife survey / EIA / HCV awareness e) Sexual Harassment / Employees Grievances f) PPE awareness g) HIRADC / confined space h) First Aid / ERT / ERP i) Electricity Safety / Heat Stress Management j) Defensive Driving / Confined space k) Boiler UPV Operation Procedure l) Diesel Engine / Biogas Procedure / Preventive Maintenance m) FFB grading / Hot work Procedure / Chemical Hazard / Biological Hazard n) DOSH Inspection Procedure o) SOP / PTW / NADODOP p) Ergonomic & Stress Management / Noise Hazard <p>Similarly the mill/estates have a Training/OSH program for Financial Year 2018. The program list as guided by Sustainability/Safety Unit personnel includes the following activities;</p> <ul style="list-style-type: none"> a) NHO Training – all newly hired employees b) Safe handling of chemicals/ waste c) Health Conservation d) ERT /First Aid Team e) OSH Committee training f) Understanding SDS – store/chemicals handlers g) HIRADC h) Emergency Equipment Inspection i) PPE Safety training & improvement j) Environmental SOP k) Scheduled Waste Management l) Waste Disposal Training <p>Records of training for Kunak Palm Oil Mill, and both LKSK & Landquest Estates were sighted during this audit. Details are shown in indicator 4.8.2. Details of other trainings are available in 4.8.2 under training and competency. OSH programs are also implemented. Common programs were initiated from HQ level e.g. OSH meeting, workplace inspection, inspection on PPE, training on RSPO.</p>	<p>Complied</p>

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	<p>The mill issued PPE to its employees for their protection at workplace. Records of PPE issued are maintained individually to all employees.</p> <p>PPE issued to the workers are;</p> <ul style="list-style-type: none"> a) safety helmets / safety shoes b) leather gloves / ear plugs c) Special PPE for workers assigned to height, confined space. e.g. safety vest, chain strips and helmet harness, mask, half face respirator. <p>The management had a checklist system for the compliance of PPE by the employees. This is conducted by the shift Supervisors prior and during the mill operations. During the site visit the staff/workers were noted to be equipped with their proper attire & PPE. Acknowledgement of receipt was recorded and sighted..</p> <p>The estates provide PPE to the employees such as apron, safety helmets, safety shoes relevant to the work handled by the workers. Records of PPE issuance for both estates were sighted. During the site visit workers was observed to be in PPE.</p> <p>The management had a checklist system for the compliance of PPE by the employees. This is conducted by the Field Staff/Conductors prior and during the estates work/operations. During the site visit the staff/workers were noted to be equipped with their proper attire & PPE. Acknowledgement of receipt was recorded and sighted.</p>	

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<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. - Major compliance -</p>	<p>The Mill Senior Manager is appointed as the Chairman of the ESH committee hence fully responsible for the mill workers' safety and health. The letter of appointment is issued by The General Manager on 25/4/2017. The Manager in turn delegates the duties to the Mill Engineers and staff for the ESH implementation in the mill.</p> <p>The communication forum used in Kunak Palm Oil Mill is through the safety meeting (<i>mesyuarat j/kuasa keselamatan & kesihatan pekerjaan</i>) apart from other dialogue session and briefing during the weekly gathering. The safety meeting is held every 3 monthly. Sighted the minutes of meeting as follows;</p> <table border="1" data-bbox="660 741 1007 891"> <thead> <tr> <th></th> <th>Date of meeting</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>26/2/18</td> </tr> <tr> <td>2</td> <td>04/11/17</td> </tr> <tr> <td>3</td> <td>22/7/17</td> </tr> <tr> <td>4</td> <td>17/4/17</td> </tr> </tbody> </table> <p>The agenda discussed follows the guidelines provided by Safety Unit. Discussions as sighted in the minutes dated 04/11/17 & 22/7/17 are bilateral involving participation from both employer and employees. There was no specific agenda discussed during the meeting thus missing the salient subject /issues to address the safety management and operation in the mill and estates i.e.</p> <ul style="list-style-type: none"> a) Workplace inspection b) Accident Incidences /investigation c) PPE monitoring d) Training / Campaign e) Legal Compliance / Amendment / Changes <p>Similarly for the LKSK and Landquest Estates the Estate's Senior Manager and the Assistant in charge were appointed as the respective Chairman of the ESH committee. Hence fully responsible for the estates workers' safety and health.</p> <p>The letter of appointment is issued by The Group Executive Director dated 10/2/2017. The Manager in turn delegated the duties to the Assistant Managers /staff for the ESH implementation in the estates..</p> <p>The communication forum used in both LKSK & Landquest Estates is through the safety meeting (<i>mesyuarat j/kuasa keselamatan & kesihatan pekerjaan</i>) apart from other dialogue session and briefing during the weekly gathering. The safety meeting is held every 3 monthly.</p> <p>Sighted the minutes of meeting as follows</p> <table border="1" data-bbox="660 1809 1174 1957"> <thead> <tr> <th></th> <th>LKSK Estate</th> <th>Landquest Estate</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>27/2/18</td> <td>25/4/18</td> </tr> <tr> <td>2</td> <td>15/12/17</td> <td>20/12/17</td> </tr> <tr> <td>3</td> <td>29/9/17</td> <td>24/8/17</td> </tr> <tr> <td>4</td> <td>19/6/17</td> <td>22/6/17</td> </tr> </tbody> </table>		Date of meeting	1	26/2/18	2	04/11/17	3	22/7/17	4	17/4/17		LKSK Estate	Landquest Estate	1	27/2/18	25/4/18	2	15/12/17	20/12/17	3	29/9/17	24/8/17	4	19/6/17	22/6/17	<p>Major nonconformance</p>
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<p>4.7.5</p> <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>The procedures for accident and emergencies has been established. There are formations of ERP Team & ERP for all the identified incidences. In addition the procedures have been summarised in a chart flow form and displayed for information of all employees in the mill and estates.</p> <p>They includes emergencies relating to;</p> <ul style="list-style-type: none"> a) Fire Hazard (Mill & Estate) b) Injury At Site (Mill & Estate) c) Electrocution /Electric shock (Mill) d) Gas Release/Leaks (Mill) e) Exposion Incident (Mill) f) Emergency Procedure & Rescueretrieval A Worker From Confined Space (Mill) <p>ERT members will receive training and practice in emergency procedures appropriate to their respective workplace and degree of risk. The trainings are conducted by an accredited or qualified organisation who can demonstrate their suitability to provide training. Among others the training held are as follows;</p> <table border="1" data-bbox="660 999 1235 1332"> <thead> <tr> <th></th> <th>Date</th> <th>Subject</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>11/12/17</td> <td>ERT & Fire drill and siren system</td> </tr> <tr> <td>2</td> <td>20/11/17</td> <td>ERT & Fire drill and siren system</td> </tr> <tr> <td>3</td> <td>20/11/17</td> <td>Confined training & PPE</td> </tr> <tr> <td>4</td> <td>16/11/17</td> <td>ERT & Fire drill and siren system</td> </tr> <tr> <td>5</td> <td>11/11/17</td> <td>ERT & Fire drill and siren system</td> </tr> <tr> <td>6</td> <td>16/8/17</td> <td>Latihan Pemadam Api & Pemeriksaan</td> </tr> <tr> <td>7</td> <td>8/8/17</td> <td>Fire fighting - BOMBA</td> </tr> <tr> <td>8</td> <td>4/9/17</td> <td>Basic occupational & First Aid</td> </tr> <tr> <td>9</td> <td>4/5/17</td> <td>First aid training by CERT Academy</td> </tr> </tbody> </table> <p>The trained personnel for the First Aid were among the employees working in the mill on shift and also the estates staff/mandores. The first aid boxes were available at various points in the mill complex including laboratory, office, workshop, process control room.</p> <p>Similarly the estates distributed the first aid box to the mandores and brought along to the field during operations. In addition there are also first aid boxes kept in the office, store and workshops.</p> <p>Similar trainings for the estates personnel are also conducted. Details as shown in indicator 4.8.2.</p>		Date	Subject	1	11/12/17	ERT & Fire drill and siren system	2	20/11/17	ERT & Fire drill and siren system	3	20/11/17	Confined training & PPE	4	16/11/17	ERT & Fire drill and siren system	5	11/11/17	ERT & Fire drill and siren system	6	16/8/17	Latihan Pemadam Api & Pemeriksaan	7	8/8/17	Fire fighting - BOMBA	8	4/9/17	Basic occupational & First Aid	9	4/5/17	First aid training by CERT Academy	<p>Complied</p>
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4.7.6 All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -	<p>The Mill and both the Estates provide medical care and insurance coverage for all the workers. Random records checked confirmed the following;</p> <ul style="list-style-type: none"> a) Local Workers – covered by SOCSO Verified through 'Jadual Caruman Bulanan' Borang 8A - April 18 for mill and estate workers b) Foreign workers were provided with group insurance as required under the Workmen Compensation Act 1992. Details as extracted at random are as follows; <ul style="list-style-type: none"> - Landquest Estate insurance from Allianz Insurance Malaysia Berhad Policy no: 18PTW5000545-00 period of coverage 28/3/18 to 27/3/19 issued for 9 workers - LKSK Estate insurance from Allianz Insurance Malaysia Berhad Policy no: 18PTW5000585-00 period of coverage 19/3/18 to 18/3/19 issued for 1 worker. <p>Both estates and mill provide medical care to all workers using <i>Klinik Kesihatan</i> at their respective district. Cases requiring additional/serious treatment are referred to Hospital Tawau or Kunak some 20 km away.</p>	Complied
4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	<p>Records of all accidents are kept and filed. The methodology of occupational injuries is recorded using LTA. (Lost Man day MC.) This is summarized officially in the JKKP 8. Records are kept for a minimum 10 years in the office. Summary for the year is described in the JKKP 8 a mandatory requirement for submission to DOSH by Jan of the subsequent year.</p>	Complied
<p>Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.</p>		

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<p>4.8.1</p>	<p>A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -</p>	<p>The annual training program has been established and significantly covers all aspects of the RSPO requirements. There were also additional subjects including the mill operating procedures, parameters of mill produce, machinery maintenance. The training program also specified the target group of employees to be trained under the allocated subjects. The program mainly covers both requirement of the estates and mill. The subjects for the training are issued and assisted by the Head Office personnel. The following topics included in the annual training program 2018 among others are shown below;</p> <ul style="list-style-type: none"> a) Fire safety / ERP Fire Drill/Evacuation b) RSPO training / ISO 14001 awareness c) Environmental Policy / SOPs d) Wildlife survey / EIA / HCV awareness e) Sexual Harassment / Employees Grievances f) PPE awareness g) HIRADC / confined space h) First Aid / ERT / ERP i) Electricity Safety / Heat Stress Management j) Defensive Driving / Confined space k) Boiler UPV Operation Procedure l) Diesel Engine / Biogas Procedure / Preventive Maintenance m) FFB grading / Hot work Procedure / Chemical Hazard / Biological Hazard n) DOSH Inspection Procedure o) SOP / PTW / NADODOP p) Ergonomic & Stress Management / Noise Hazard <p>Similarly the mill/estates have a Training/OSH program for Financial Year 2018. The program list as guided by Sustainability/Safety Unit personnel includes the following activities;</p> <ul style="list-style-type: none"> m) NHO Training – all newly hired employees n) Safe handling of chemicals/ waste o) Health Conservation p) ERT /First Aid Team q) OSH Committee training r) Understanding SDS – store/chemicals handlers s) HIRADC t) Emergency Equipment Inspection u) PPE Safety training & improvement v) Environmental SOP w) Scheduled Waste Management x) Waste Disposal Training <p>Training needs are made to identify the training required for the group type of employees. Information is compiled in the training needs analysis TNA forms. Therein both employer and employees will provide information which is summarized into the training requirement for the employees endorsed by the superior. The furnished form dated 12/1/2016 is sighted and verified.</p> <p>On completion of certain trainings evaluation is made through an assessment form for the trainee to furnish. There are</p>	<p>Complied</p>
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	<p>scorings to indicate the level of acceptance and understanding of the training given.</p>																																																																																								
<p>4.8.2 Records of training for each employee shall be maintained. - Minor compliance -</p>	<p>Training program is made on annual basis. It is subject for review during the financial year should need arises. This training program is renewable on a yearly basis. Details as given in indicator 4.8.1</p> <p>The trainings conducted by the mill/estates are given below. These training are made to ensure employees are trained in their job and on to update on current development adopted by the organisation. Among others records as captured as shown below.</p> <p>a) Kunak Palm Oil Mill.</p> <table border="1" data-bbox="660 790 1347 1697"> <thead> <tr> <th></th> <th>Date</th> <th>Title of training</th> </tr> </thead> <tbody> <tr><td>1</td><td>23/4/18</td><td>New Employee Briefing</td></tr> <tr><td>2</td><td>16/3/18</td><td>Taklimat Menjalankan Tugas Ringan</td></tr> <tr><td>3</td><td>15/2/18</td><td>Chemical Buy-Off Training</td></tr> <tr><td>4</td><td>15/2/18</td><td>Hearing & Conservation Contractor /Transporter</td></tr> <tr><td>5</td><td>01/2/18</td><td>SOP for workplace – discipline</td></tr> <tr><td>6</td><td>28/4/18</td><td>FFB Grading</td></tr> <tr><td>7</td><td>20/3/18</td><td>Wildlife Warden Training</td></tr> <tr><td>8</td><td>18/1/18</td><td>In-house training for RSPO</td></tr> <tr><td>9</td><td>15/1/18</td><td>Scheduled Waste Management</td></tr> <tr><td>10</td><td>19/4/18</td><td>INA & FAG Products and technical training</td></tr> <tr><td>11</td><td>15/1/18</td><td>Quality – internal audit</td></tr> <tr><td>12</td><td>23/4/18</td><td>RSPO New employees briefing</td></tr> <tr><td>13</td><td>29/3/18</td><td>SIA Plan review</td></tr> <tr><td>14</td><td>2/3/18</td><td>Sustainability Principle & criteria</td></tr> <tr><td>15</td><td>2/3/18</td><td>LORR and SOP</td></tr> <tr><td>16</td><td>1/2/18</td><td>RSPO/MSPO and Company Policies</td></tr> <tr><td>17</td><td>24/3./18</td><td>Security CPO despatch</td></tr> <tr><td>14</td><td>1/3/18</td><td>Company policies</td></tr> <tr><td>15</td><td>21/3/18</td><td>Documentation Controller</td></tr> <tr><td>16</td><td>21/3/18</td><td>Awarenes RSPO Certification</td></tr> <tr><td>17</td><td>27/3/18</td><td>First Aid Kit Training</td></tr> <tr><td>18</td><td>28/3/18</td><td>Training Workshop</td></tr> <tr><td>19</td><td>28/3/18</td><td>Wild life Department Warden</td></tr> <tr><td>20</td><td>22/3/18</td><td>Warden Keselamatan Kehidupan Liar</td></tr> <tr><td>21</td><td>05/4/18</td><td>Safety and Health</td></tr> <tr><td>22</td><td>16/4/18</td><td>Panduan Kerja selamat Mengendali Racun</td></tr> <tr><td>23</td><td>16/4/18</td><td>Panduan Kerja Selamat Mengendali Baja</td></tr> <tr><td>24</td><td>07/3/18</td><td>IPM plan</td></tr> </tbody> </table>		Date	Title of training	1	23/4/18	New Employee Briefing	2	16/3/18	Taklimat Menjalankan Tugas Ringan	3	15/2/18	Chemical Buy-Off Training	4	15/2/18	Hearing & Conservation Contractor /Transporter	5	01/2/18	SOP for workplace – discipline	6	28/4/18	FFB Grading	7	20/3/18	Wildlife Warden Training	8	18/1/18	In-house training for RSPO	9	15/1/18	Scheduled Waste Management	10	19/4/18	INA & FAG Products and technical training	11	15/1/18	Quality – internal audit	12	23/4/18	RSPO New employees briefing	13	29/3/18	SIA Plan review	14	2/3/18	Sustainability Principle & criteria	15	2/3/18	LORR and SOP	16	1/2/18	RSPO/MSPO and Company Policies	17	24/3./18	Security CPO despatch	14	1/3/18	Company policies	15	21/3/18	Documentation Controller	16	21/3/18	Awarenes RSPO Certification	17	27/3/18	First Aid Kit Training	18	28/3/18	Training Workshop	19	28/3/18	Wild life Department Warden	20	22/3/18	Warden Keselamatan Kehidupan Liar	21	05/4/18	Safety and Health	22	16/4/18	Panduan Kerja selamat Mengendali Racun	23	16/4/18	Panduan Kerja Selamat Mengendali Baja	24	07/3/18	IPM plan	<p>Complied</p>
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	<p>Similarly both the estates continued to train their employees to for competency / skill and knowledge /safety enhancement. The trainings conducted by the estates are listed below. These training are made to ensure employees are trained in their job and on to update on current development adopted by the organisation.</p> <p>a) Landquest Estate</p> <table border="1" data-bbox="660 618 1326 1279"> <thead> <tr> <th></th> <th>Date</th> <th>Title of training</th> <th>Attendees</th> </tr> </thead> <tbody> <tr><td>1</td><td>22/3/18</td><td>EIA Training</td><td>2</td></tr> <tr><td>2</td><td>27/3/18</td><td>ERP/fire extinguishers</td><td>4</td></tr> <tr><td>3</td><td>12/2/18</td><td>ESH & policies briefing</td><td>6</td></tr> <tr><td>4</td><td>12/2/18</td><td>Environmental / SW / Safety Briefing</td><td>2</td></tr> <tr><td>5</td><td>12/2/18</td><td>PPE adherence</td><td>2</td></tr> <tr><td>6</td><td>27/3/18</td><td>CDS 7 Chemicals handlings</td><td>7</td></tr> <tr><td>7</td><td>29/8/17</td><td>ESH – Contractors Briefing</td><td>10</td></tr> <tr><td>8</td><td>5/4/17</td><td>ESH – safety & health briefing</td><td></td></tr> <tr><td>9</td><td>5/2/18</td><td>First Aid</td><td></td></tr> <tr><td>10</td><td>28/3/18</td><td>OSH form compliance</td><td></td></tr> <tr><td>11</td><td>28/4/18</td><td>FFB Grading</td><td></td></tr> <tr><td>12</td><td>20-22/3/18</td><td>Wildlife warden</td><td></td></tr> <tr><td>13</td><td>6/3/18</td><td>Chemical master list & justification</td><td></td></tr> <tr><td>14</td><td>6/3/18</td><td>SW Labelling</td><td></td></tr> <tr><td>15</td><td>6/3/18</td><td>RSPO briefing</td><td></td></tr> </tbody> </table> <p>a) LKSK Estate</p> <table border="1" data-bbox="660 1337 1326 1785"> <thead> <tr> <th></th> <th>Date</th> <th>Title of training</th> <th>Attendees</th> </tr> </thead> <tbody> <tr><td>1</td><td>24/1/18</td><td>Filling log book</td><td>2</td></tr> <tr><td>2</td><td>5/3/18</td><td>RSPO P& C</td><td>3</td></tr> <tr><td>3</td><td>16/1/18</td><td>On- site safety training</td><td>2</td></tr> <tr><td>4</td><td>18/4/18</td><td>HR workshop – Policies briefing</td><td>3</td></tr> <tr><td>5</td><td>14/8/17</td><td>Employees grievance</td><td>2</td></tr> <tr><td>6</td><td>7/3/17</td><td>Policies RSPO</td><td>14</td></tr> <tr><td>7</td><td>14/6/17</td><td>Safety Statistics</td><td>1</td></tr> <tr><td>8</td><td>31/1/18</td><td>OSHA Briefing</td><td>9</td></tr> <tr><td>9</td><td>5/2/18</td><td>PPE awareness</td><td>13</td></tr> <tr><td>10</td><td>31/1/18</td><td>Environmental awareness</td><td>9</td></tr> <tr><td>11</td><td>25/1/18</td><td>Sustainability briefing</td><td>10</td></tr> <tr><td>12</td><td>7/3/18</td><td>Sexual harassment</td><td>15</td></tr> <tr><td>13</td><td>7/3/18</td><td>Social Plan</td><td>1</td></tr> </tbody> </table>		Date	Title of training	Attendees	1	22/3/18	EIA Training	2	2	27/3/18	ERP/fire extinguishers	4	3	12/2/18	ESH & policies briefing	6	4	12/2/18	Environmental / SW / Safety Briefing	2	5	12/2/18	PPE adherence	2	6	27/3/18	CDS 7 Chemicals handlings	7	7	29/8/17	ESH – Contractors Briefing	10	8	5/4/17	ESH – safety & health briefing		9	5/2/18	First Aid		10	28/3/18	OSH form compliance		11	28/4/18	FFB Grading		12	20-22/3/18	Wildlife warden		13	6/3/18	Chemical master list & justification		14	6/3/18	SW Labelling		15	6/3/18	RSPO briefing			Date	Title of training	Attendees	1	24/1/18	Filling log book	2	2	5/3/18	RSPO P& C	3	3	16/1/18	On- site safety training	2	4	18/4/18	HR workshop – Policies briefing	3	5	14/8/17	Employees grievance	2	6	7/3/17	Policies RSPO	14	7	14/6/17	Safety Statistics	1	8	31/1/18	OSHA Briefing	9	9	5/2/18	PPE awareness	13	10	31/1/18	Environmental awareness	9	11	25/1/18	Sustainability briefing	10	12	7/3/18	Sexual harassment	15	13	7/3/18	Social Plan	1	
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Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

Criterion 5.1:

Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

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Criterion / Indicator	Assessment Findings	Compliance
5.1.1 An environmental impact assessment (EIA) shall be documented. - Major compliance -	TSHRSB Environmental Aspect and Impact Assessment Sheet; Form. No.: TSHR/ENV/F01; Effective date 1/9/2015 Rev. 0. Last reviewed was done on 26/1/2018 (Landquest Estate) Environmental Impact Assessment studies were conducted in October 2017 as following title: Proposed Replanting of 370 Hectares Oil Palm Plantation at Landquest Estate on CL. 125319244, District of Semporna, Sabah by TSH Resources Berhad dated 26/4/2018 was sighted. Proposed Replanting of 936 Hectares Oil Palm Plantation at LKSK Estate and, District of Tawau, Sabah by TSH Resources Berhad dated 22/1/2018 was sighted.	Complied
5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -	TSHRSB Environmental Aspect and Impact Assessment Sheet; Form. No.: TSHR/ENV/F01; Effective date 1/9/2015 Rev. 0 and Significant Aspect, Form No: TSHR/ENV/F02, Effective date 1/9/2015 Rev0. Last reviewed was done on 26/1/2018 (Landquest Estate) and 14/5/2018 (LKSK Estate). All the management plan was established and implemented accordingly. The management plan had included the timeline, person in-charge and mitigation control.	Complied
5.1.3 This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. - Minor compliance -	All the management plan was established and implemented accordingly. The management plan had included the timeline, person in-charge and mitigation control. Last reviewed was done on 26/1/2018 (Landquest Estate) and 14/5/2018 (LKSK Estate).	Complied

Criterion 5.2:
The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.

5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -	High Conservation Value Assessment (HCV) was done in 2017. The report for LKSK Estate (KEC-(EV)/18/09) and Landquest Estate (KEC-(EV)/18/08) dated January 2018 was sighted. The assessment was done by Kiwiheng Environmental Consultants Sdn Bhd.	Complied
5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan. - Major compliance -	No RTE species found in the estate. However, the monitoring for RTE was established. The record namely TSH resources Berhad HCV monitoring form was sighted and updated. The record has shown that last sighting was pig-tailed macaque at field 96A by the harvester on 9/5/2018 at LKSK Estate and Borneon Bearded Pig at field 2000A by workers on 27/4/2018 at Landquest Estate.	Complied

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5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance -	The briefing was conducted by the management to educate the workforce about HCV especially the status of the RTE species. The briefing was done on 22/1/2018 during muster call by the staff in-charge for the HCV to the employees.	Complied
5.2.4 Where a management plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. - Minor compliance -	High Conservation Value Assessment (HCV) was done in 2017. The report (KEC-(EV)/18/09) dated January 2018 was sighted. . The management plan 2015-2020 was established, For example: provide buffer zone, create riparian reserve, training on HCV, sighting of wildlife logbook, management and monitoring plan during replanting exercise, boundary marking, fire control plan, social plan, maintain "rumah merah" and "children cemetery in the estate.	Complied
5.2.5 Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance -	There are no HCV set-asides for local communities identified in all the estates.	Complied
Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.		

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<p>5.3.1 All waste products and sources of pollution shall be identified and documented. - Major compliance -</p>	<p>Kunak POM and estates showed that all waste products and sources of pollution were identified and inventories recorded, established as Wastes Identification and Disposal Plan; TSHR/ENV/F03; Dated 1/9/2015; Rev. 0. The documentation and identification of all the waste products such as scheduled waste, domestic waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME, Stack emissions and Boiler ashes were maintained and monitored at the Mill.</p> <p>Scheduled Waste identified included spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used chemical containers/drums (SW 409), used filters SW 410) and used batteries (SW 102). Records on the usage and disposal were well recorded and documented. Eg:</p> <ol style="list-style-type: none"> 1. Landquest Estate- Inventory of scheduled waste was up todate, latest was submitted using ESWISS on 14/5/2018. Last disposal was done on 5/12/17 for SW305(80Ltr), SW410 (4kg) and SW408(29kg) by Legenda Bumimas (License No: 003442) 2. LKSK Estate – Inventory of scheduled waste was up todate, latest was submitted using ESwiss on 11/5/2018. Last disposal was done on 5/12/17 for SW410 (19kg) and SW305 (100Ltr) by Legenda Bumimas (License No: 003442). <p>Kunak POM – Inventory of scheduled waste was up todate, latest was submitted using ESwiss on 8/5/2018. Last disposal was done on 5/12/17 for SW410 (6kg), SW409 (4kg), SW322 (4kg) and SW408 (2kg) by Legenda Bumimas (License No: 003442).</p>	<p>Complied</p>
<p>5.3.2 All chemicals and their containers shall be disposed of responsibly. - Major compliance -</p>	<p>The disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned. Stores for scheduled waste were inspected at audited sites i.e. Mill and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment. The mill and estates also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor Legenda Bumimas Sdn Bhd.</p> <p>However, evidence found that the disposal of empty container was not fully implemented since it was sighted that the waste was disposed at the landfill area. For example:</p> <ol style="list-style-type: none"> a) Landquest Estate – found empty chemical container and used filter b) LKSK Estate- found empty chemical container and used tyre <p>Hence a major nonconformance has been raised on this issue.</p>	<p>Major non-conformance</p>

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Criterion / Indicator	Assessment Findings	Compliance	
5.3.3	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>- Minor compliance -</p>	<p>The plan to avoid or reduce pollution has been established accordingly at each operating units namely waste identification and disposal plan. All the disposal plan was identified accordingly. For example, food waste will be collected twice per week and disposed to landfill.</p> <p><u>LKSK Estate (April 2018)</u> 1st week collected on 4/4 and 7/4/18, 2nd week collected on 11/4 and 14/4/2018, 3rd week collected on 18/4 and 21/4/2018, 4th week collected on 25/4 and 28/4/2018.</p> <p><u>Landquest Estate (April 2018)</u> 1st week collected on 2/4 and 9/4/18, 2nd week collected on 6/4 and 13/4/2018, 3rd week collected on 16/4 and 20/4/2018, 4th week collected on 23/4 and 27/4/2018.</p>	Complied
<p>Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>			
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>- Minor compliance -</p>	<p>TSH Kunak POM has established and implemented the plan for improving efficiency of the use of fossil fuels mainly by conducting regular maintenance of diesel genset operation. TSH also optimised the renewable energy use with the operation of biogas plant and bio energy plant with regular monitoring.</p>	Complied
<p>Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>			
5.5.1	<p>There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Major compliance -</p>	<p>During field assessment at immature area (Landquest Estate), no mark of burning was observed. The oil palm was felled and chips and the remaining was still able to be observed at the field.</p>	Complied
5.5.2	<p>Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Minor compliance -</p>	<p>During field assessment at immature area (Landquest Estate), no mark of burning was observed. The oil palm was felled and chips and the remaining was still able to be observed at the field.</p>	Complied
<p>Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>			

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Criterion / Indicator	Assessment Findings	Compliance
5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	TSHRSB Environmental Aspect and Impact Assessment Sheet; Form. No.: TSHR/ENV/F01; Effective date 1/9/2015 Rev. 0 and Significant Aspect, Form No: TSHR/ENV/F02, Effective date 1/9/2015 Rev0. The assessment was include all polluting activities (gaseous emissions, effluent, manuring, genset) Last reviewed was done on 26/1/2018 (Landquest Estate) and 14/5/2018 (LKSK Estate). All the management plan was established and implemented accordingly. The management plan had included the timeline, person in-charge and mitigation control. Dust emission monitoring report for Boiler No. 1 and 2 1st half year 2018; Report ref. no.: RS/STACK/18-022; Sampling date: 27 th March 2018; Report was done by Rehpro Scientific Sdn Bhd. Result of sampling for both boiler showed that the emission levels of particulate matter lower than permissible limit.	Complied
5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	At the mill operations, the management has installed biogas plants. The recovered methane will be utilized for energy generations.	Complied
5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	The GHG emissions due to the operations is identified and recorded in the palm GHG version 3.01. The management had communicated the GHG report to the RSPO accordingly on 2/5/2018.	Complied

Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.

Criterion 6.1:

Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	Social Impact Assessment for Landquest Estate was carried out on 22/6/2017 and 12/7/2017 and 20-21/6/2017 and 13/7/2017 for LKSK Estate by Kiwiheng Environment Consultants Sdn Bhd. The methods of assessment were through site visit, interview and documentation review. Socio economic survey was conducted to relevant affected stakeholders such as internal workers and neighboring plantations' workers. Seen the meeting minutes for the Social Impact Assessment study dated 12/7/2017 and 13/7/2017. However, SIA was not conducted for Kunak POM. Thus, major nonconformance was raised.	Major non-conformance
6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	The SIA has involved the participation of relevant stakeholders such as local communities, internal workers and neighboring plantations' workers in Landquest Estate and LKSK Estate. SIA was not conducted for Kunak POM and therefore, no evidence of the assessment has been conducted with participation of affected parties. Thus, major nonconformance was raised.	Major non-conformance

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Criterion / Indicator	Assessment Findings	Compliance
6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	Social Continual Improvement Plan was developed and prepared by Engineer on 29/3/2018. For eg: to make sure that all workers get adequate housing and facilities by monitor the current maintenance records workers' relevant accommodation, to mitigate impact toward local community by organized stakeholder meeting and CSR plan. Responsibility and timeframe was clearly identified in the improvement plan. However, some of the negative issues reported during the assessment by stakeholders were not incorporated into the continual improvement plan in LKSK Estate and Landquest Estate. For eg: The workers in LKSK Estate reported that the power supply was insufficient and inadequate. They requested the company to extend the operating hour of the power generator. Thus, major nonconformance was raised.	Major non-conformance
6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	Not applicable as this is the Initial Assessment Visit.	Not applicable
6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	Not applicable as there was no scheme smallholders involved in the certification unit.	Not applicable
Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
6.2.1 Consultation and communication procedures shall be documented. - Major compliance -	TSH Resources Berhad has established Communication & Consultation Procedure (TSHR/SUST/SOP02, Rev. No. 2, Dated 1/11/2017). There are three communication and consultation mechanisms such as consultation with internal & external stakeholders, gender committee and Free Prior Informed Consent (FPIC). The procedure has been communicated to the stakeholders such as local communities, workers, schools' representative and smallholders during the Stakeholder meeting conducted on 17/4/2018.	Complied
6.2.2 A management official responsible for these issues shall be nominated. - Minor compliance -	Assistant Manager of Landquest Estate has been appointed by Senior Estate Manager to be the Social Officer for Landquest Sdn Bhd (Landquest Estate). Seen the appointment letter dated 7/3/2018. Assistant Manager of LKSK Estate has been appointed as Social Officer by Senior Estate Manager and seen the appointment letter dated 7/3/2018.	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
6.2.3	<p>A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>- Minor compliance -</p>	<p>Kunak POM has maintained stakeholder lists based on categories such as government/ NGO, good suppliers and contractors, FFB suppliers and internal stakeholders. The last updated was on 12/1/2018.</p> <p>Stakeholder list was developed in Landquest Estate and LKSK Estate. However, the list was incomplete where government authorities and NGO was not included in the list.</p> <p>Stakeholder meeting was conducted on 17/4/2018 for the whole Tawau Region. The stakeholders that have attended the meeting were such as local communities, neighbouring plantations, FFB suppliers, government authorities, smallholders and internal staffs. Meeting minutes was sighted and no issue was raised during the meeting. Thus, minor nonconformance was raised.</p>	Minor non-conformance
<p>Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.</p>			
6.3.1	<p>The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.</p> <p>- Major compliance -</p>	<p>Employee Grievance Procedure (TSHR/HR/SOP06, Rev. No. 0, Dated 12/1/2016) was developed to ensure the effectiveness of administration and implementation of Employee Grievances Policy in order 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 flowchart. Besides, Communication & Consultation Procedure (TSHR/SUST/SOP02, Rev. No. 2, Dated 1/11/2017) was available to solve the issues raised by external stakeholders.</p>	Complied
6.3.2	<p>Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>- Major compliance –</p>	<p>Employee Grievance Report was implemented in Landquest Estate and LKSK Estate. However, there was no complaint received since the implementation of RSPO. Issues related to housing repair was reported during the JCC meeting and actions have been taken to repair the issues. Verified the Store Issuance Report found that issuance of materials to repair the defects were recorded. For eg: Zinc nail and zinc sheet were issued on November 2017 for labour accommodation.</p>	Complied
<p>Criterion 6.4: 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.</p>			
6.4.1	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p>- Major compliance -</p>	<p>TSH Resources Berhad has 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

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Criterion / Indicator	Assessment Findings	Compliance
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance -	Procedure as the above Indicator 6.4.1. Complied
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders to date. Complied
Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.		
6.5.1	Documentation of pay and conditions shall be available. - Major compliance -	The mill and estates consist of local workers and foreign workers. The management has included basic pay, net pay, gross pay, deduction of salary and holiday pay on the pay slip. Sampled of payslip for July 2017 (Landuqest Estate – low crop), October 2017 (LKSK Estate – low crop), March 2018 (high crop) and April 2018 as below: <ul style="list-style-type: none"> i. Employee No.: 02-0864 (LQE) ii. Employee No.: 01-0589 (LQE) iii. Employee No.: 02-0447 (LQE) iv. Employee No.: 01-0622 (LQE) v. Employee No.: 02-0488 (LQE) vi. Employee No.: 02-0637 (LQE) vii. Employee No.: 02-0619 (LQE) viii. Employee No.: 01-0527 (LKSKE) ix. Employee No.: 04-0942 (LKSKE) x. Employee No.: 05-0893 (LKSKE) xi. Employee No.: 05-0886 (LKSKE) xii. Employee No.: 07-0910 (LKSKE) xiii. Employee No.: 09-1370 (LKSKE) xiv. Employee No.: 03-0294 (KPOM) xv. Employee No.: 05-0904 (KPOM) xvi. Employee No.: 01-0345 (KPOM) xvii. Employee No.: 05-0764 (KPOM) xviii. Employee No.: 003-0913 (KPOM) All the sampled workers were achieved Minimum Wage Order 2016. Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>6.5.2</p> <p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p>	<p>Employment contract are available and explained in language that understood by workers. The contract was signed by the workers as below:</p> <ul style="list-style-type: none"> i. Employee No.: 02-0864 (LQE) ii. Employee No.: 01-0589 (LQE) iii. Employee No.: 02-0447 (LQE) iv. Employee No.: 01-0622 (LQE) v. Employee No.: 02-0488 (LQE) vi. Employee No.: 02-0637 (LQE) vii. Employee No.: 02-0619 (LQE) viii. Employee No.: 01-0527 (LKSKE) ix. Employee No.: 04-0942 (LKSKE) x. Employee No.: 05-0893 (LKSKE) xi. Employee No.: 05-0886 (LKSKE) xii. Employee No.: 07-0910 (LKSKE) xiii. Employee No.: 09-1370 (LKSKE) xiv. Employee No.: 03-0294 (KPOM) xv. Employee No.: 05-0904 (KPOM) xvi. Employee No.: 01-0345 (KPOM) xvii. Employee No.: 05-0764 (KPOM) xviii. Employee No.: 003-0913 (KPOM) <p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p>	<p>Complied</p>
<p>6.5.3</p> <p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>- Minor compliance –</p>	<p>Linesite inspection was carried out on weekly basis in LKSK Estate and Landquest Estate. Seen the Housing Inspection, Community Hall, Crèche and School records from January 2018 to May 2018. The last inspection was carried out on 12/5/2018 in LKSK Estate.</p>	<p>Complied</p>
<p>6.5.4</p> <p>Growers and millers shall make demonstrable efforts to monitor and improve workers’ access to adequate, sufficient and affordable food.</p> <p>- Minor compliance –</p>	<p>There were sundry shops found inside the mill and estates’ compound. Site visit to the shops found that prices are displayed at the items sold in the shops. Interviewed with the workers found that the pricing of the goods and foods are fair.</p>	<p>Complied</p>
<p>Criterion 6.6: The employer 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>		

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Criterion / Indicator	Assessment Findings	Compliance
6.6.1 A published statement in local languages recognising freedom of association shall be available. - Major compliance -	Freedom of Association Policy dated 16/10/2015 was established and implemented in TSH Resources Berhad in Bahasa Malaysia and English. They acknowledged the right of its employees to the freedom of association as part of its obligation to local and international laws. They respected and facilitated the freedom of association and collective bargaining in an effort to enrich the rights and morale of employees towards a balanced level of productivity and enhancement of the company's relations. Workplace welfare committees was established throughout the company as a communication channel for the employees. The policy was publicly displayed at the notice board outside the office and at the housing area. Besides, the company has developed Freedom of Association Procedure (TSHR/POL/SOP04, Rev. No. 0, Dated 16/10/2015). The procedure explained the intention of the policy and commitment of the company towards the implementation of the policy.	Complied
6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Joint Consultative Committee (JCC)/ Welfare Committee was established in Landquest Estate which chaired by Assistant Manager. The meeting was conducted once every 3 months and seen the meeting minutes dated 25/4/2018, 20/12/2017 and 24/8/2017. Issues raised during the meeting were recorded in the meeting minutes with action plan incorporated. JCC meeting was conducted on 27/2/2018 and issues reported were recorded in the minutes with action plan. For eg: the worker requested to extend the source of electricity duration hour. Action Plan: Approval from Estate Manager is required with the request letter write in the management for special occasion.	Complied
Criterion 6.7: Children are not employed or exploited.		
6.7.1 There shall be documentary evidence that minimum age requirements are met. - Major compliance -	TSH Resources Berhad has developed and implemented Child Labour Policy dated 16/10/2015 where the company is strongly against the use of children for work and is fully committed in eradicating the occurrence of child labour in its workforces. Child Labour Procedure (TSHR/POL/SOP07, Rev. No. 0, Dated 16/10/2015) was established to explain the commitment of the company toward the implementation of the policy. The minimum age of employment in TSH Resources Berhad was 18 years of age and above and verified the master list of employees and registration profile found that all the employees recruited were above 18 years old. Besides, interviewed and site visit to the field confirmed that no use of child labour in the company.	Complied
Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		

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Criterion / Indicator	Assessment Findings	Compliance
6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	TSH Resources Berhad has developed and implemented Equal Opportunity & Discrimination Policy dated 16/10/2015 acknowledged by Managing Director, Dato' Tan Aik Sim. The company is strongly against the discrimination of any person based on age, caste, race, nationality, religion and gender. The company promotes equal opportunity in the right to work and advancement on the basis of merit, ability, potential and experience that is free from prejudice. The policy was briefed to the stakeholders and has displayed at the notice board outside the office and in the housing area. In addition, Equal Opportunity & Discrimination Procedure (TSHR/POL/SOP03, Rev. No. 0, Dated 16/10/2015) was established. The procedure explained the intention of the policy and commitment of the company towards the implementation of the policy.	Complied
6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Verified payslips and master name list found that the company has recruited male and female workers, local and foreign workers. They were treated equally without any discrimination. Interviewed with the female and male workers confirmed that they were allowed to transfer to other work stations if they found they are unfit for the job. All of the workers have received the same benefit such as they were given with cooking oil, rice once every 2 months, free medical assistance and overtime was offered to everyone who wants to work.	Complied
6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	The Equal Opportunity & Discrimination Procedure has clearly stated the selection of recruitment, hiring, placement, training, compensation and advancement at the company was based on qualifications, performance, skills and experience. Besides, Staffing & Recruitment Procedure (TSHR/HR/SOP01, Rev. No. 0, Dated 17/8/2015) has clearly stated the physical health and fitness required to fulfilled the duties set shall be meet. The recruitment process by sourcing from employee database, advertisement and professional recruitment services or agent.	Complied
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.		
6.9.1 Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	TSH Resources Berhad has established Sexual Harassment Policy dated 16/10/2015 where the company is committed in maintaining a positive work environment that is free from sexual harassment within its group and its subsidiaries. Sexual Harassment Procedure (TSHR/POL/SOP05, Rev. No. 0, Dated 16/10/2015) was developed to explain the commitment of company to implement the policy. The policy has been briefed to all the internal workers on 25/1/2018 and external stakeholders during stakeholder meeting and the policy was displayed publicly at the notice board in the office area and housing area.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	<p>Reproductive Rights Policy dated 16/10/2015 was developed and implemented in TSH Resources Berhad. The company affirms the value of human life and is fully committed in supporting the reproductive rights of its employees and its legal obligation to local and international law within its group and its subsidiaries. The company promotes the accessibility to reproduction related health care and preserves provisions for employees at work principally during the delicate days of pregnancy and breast-feeding including the reassignment of work, adequate days off and increased frequency of breaks.</p> <p>Reproductive Rights Procedure (tSHR/POL/SOP06, Rev. No. 1, Dated 21/3/2016 was developed to explain the purpose and the commitment of the company towards the implementation of the policy.</p> <p>The policy has been briefed to all the internal workers on 25/1/2018 and external stakeholders during stakeholder meeting and the policy was displayed publicly at the notice board in the office area and housing area.</p>	Complied
6.9.3 A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	<p>Gender Committee was established in the Landquest Estate and LKSK Estate and led by Chief Clerk. Seen the appointment letters issued to the committee members. Meeting was conducted and seen the meeting minutes. The last meeting was conducted on 20/12/2017 in Landquest Estate and 14/12/2017 in LKSK Estate. However, the meeting was not conducted as per the frequency stated in Communication & Consultation Procedure (TSHR/SUST/SOP02, Rev. 2) where the frequency was at least 3 months once in Landquest Estate and LKSK Estate.</p> <p>No sexual harassment reported so far through interviewed with the female workers. Social activities were organized for all the female workers such as Zumba and celebration of festive season. Thus, minor nonconformance was raised.</p>	Minor non-conformance
<p>Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.</p>		
6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	The mill has displayed the FFB pricing for the particular month at the weighbridge area. The pricing was displayed in front of the weighbridge counter.	Complied
6.10.2 Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	<p>The smallholders and collection centers were not binding with any contract agreement to send the FFB to Kunak POM. They could send the crop anytime if they wish to. Pricing of the FFB was displayed on the weighbridge on monthly basis. The smallholders and collection centers will refer to the pricing displayed. The payment to the FFB suppliers were sighted. Sampled of the Final FFB Statement on monthly basis as below:</p> <ul style="list-style-type: none"> i. P/I No.: PI330584 dated 10/4/2018 ii. P/I No.: PI30460 dated 9/3/2018 iii. P/I No.: PI30637 dated 10/4/2018 iv. P/I No.: PI30418 dated 9/3/2018 <p>Interviewed with the smallholder confirmed that the payment was made according to the price displayed.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Contract agreement was sighted and sampled as below: i. Contract No.: TSH-loa/LKSK/18/03/wt dated 19/4/2018 for modification of school at LKSK Estate and valid until 25/6/2018. Sundry/ Petty Contract No.: LQ/01/2017 dated 1/12/2017 for land preparation for replanting in Landquest Estate and valid until 31/6/2018.	Complied
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Payment to Contractor was based on the actual work completed and seen the payment vouchers that the job completed by the contractor on the particular month. Interviewed with the contractor confirmed that payment was made promptly.	Complied
Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	LKSK Estate has developed Corporate Social Responsibility Gantt Chart dated 29/3/2018 to plan the CSR to be conducted throughout 5-years. For eg: donation to school, collaborate with MPOB to train local villagers and stakeholders on Good Agricultural Practice, friendly matches and health care campaign. Landquest Estate has provided free school bus to send the children to school outside the plantations. Both estates have provided free water and electricity supply to all the workers staying in the plantation.	Complied
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance –	Not applicable as there was no scheme smallholder involved in the certification unit.	Not applicable
Criterion 6.12: No forms of forced or trafficked labour are used.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>6.12.1</p> <p>There shall be evidence that no forms of forced or trafficked labour are used.</p> <p>- Major compliance -</p>	<p>The company has recruited all the employees with legal identification for local and valid passport and work permit for foreign workers. Contract of employment was signed by the workers prior to work. Sampled of foreign workers with valid work permit as below:</p> <ul style="list-style-type: none"> i. Permit No.: PD 7066880 valid until 17/6/2018 (LQE) ii. Permit No.: PD 8633623 valid until 23/10/2018 (LQE) iii. Permit No.: PE 0067798 valid until 16/6/2018 (LQE) iv. Permit No.: PD 9582840 valid until 14/2/2019 (LQE) v. Permit No.: PD 7646810 valid until 19/6/2018 (LQE) vi. Permit No.: PD 8633625 valid until 23/10/2018 (LQE) vii. Permit No.: PD 9582410 valid until 30/1/2019 (LQE) viii. Permit No.: PD 9105352 valid until 6/11/2018 (LQE) ix. Permit No.: PD 8633634 valid until 23/10/2018 (LKSKE) x. Permit No.: PD 9109814 valid until 30/1/2019 (LKSKE) xi. Permit No.: PD 9106682 valid until 3/12/2018 (LKSKE) xii. Permit No.: PD 8633633 valid until 23/10/2018 (LKSKE) xiii. Permit No.: PD 8446162 valid until 8/9/2018 (LKSKE) xiv. Permit No.: PD 8631339 valid until 12/9/2018 (LKSKE) xv. Permit No.: PD 9583837 valid until 16/2/2019 (LKSKE) xvi. Permit No.: PD 9583498 valid until 1/2/2019 (KPOM) xvii. Permit No.: PD 8603400 valid until 23/10/2018 (KPOM) xviii. Permit No.: PD 8633410 valid until 28/9/2018 (KPOM) xix. Permit No.: PD 9102827 valid until 23/10/2018 (KPOM) <p>Interviewed with the foreign workers confirmed that they have freedom to go out from the compound during off day. They kept their passport by their own and handed to management when they need to renew the passport or work permit.</p>	<p>Complied</p>
<p>6.12.2</p> <p>Where applicable, it shall be demonstrated that no contract substitution has occurred.</p> <p>- Minor compliance –</p>	<p>Interviewed with the foreign workers from Indonesia confirmed that no contract substitution has occurred. The terms and conditions stated in the agreement they signed in home country were the same as they signed in TSH Resources Berhad.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	TSH Resources Berhad has developed a Special Labour Policy and it has included the following: i. Promoting equal opportunity and eliminating discrimination whether local or foreign workers. ii. No employment contract substitution. iii. Newly recruited foreign workers given orientation to explain the differences in languages, safety rules, labour laws and culture. iv. All foreign workers are covered by insurance and provided with standard housing as per Malaysia Minimum Standards of Housing and Amenities Act, 1990 (No. 446) Interviewed with the workers confirmed that they were briefed on the workplace, safety and wages during their arrival to plantation at EPP by Training Department. Seen the training attendance form for the sampled workers.	Complied
Criterion 6.13: Growers and millers respect human rights.		
6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	TSH Resources Berhad has implemented Human Rights & Responsible Business Practices Policy dated 16/10/2015 where the company acknowledged the importance of human rights protection and fully committed in actively eradicating human rights violations, while conducting its business practices in an ethical and responsible manner. Human Rights & Responsible Business Procedure (TSHR/POL/SOP09, Rev. No. 0, Dated 16/10/2015) was established to explain the purpose of the policy where the company promote the advancement of fundamental human rights, eliminate human rights violations within its workforce and conduct business practises in an ethical and responsible manner. The policy has been briefed to all the internal workers on 25/1/2018 and external stakeholders during stakeholder meeting and the policy was displayed publicly at the notice board in the office area and housing area.	Complied
6.13.2 As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	CLC was available in LKSK Estate for the children of Indonesian workers to have a chance to access to education. One of the teacher was from Indonesia and paid by Indonesia government whereas the other three teachers were paid by the company. The parents do not need to pay any school fees as it covered by Indonesia government. Besides, the maintenance of the building was carried out by the company where the company has the plan to upgrade the building as the current condition was unsatisfied. Seen the quotation with Ref. No. SPI(Q) – 18/18 dated 16/4/2018 where the company has approved the budget to renovate the CLC school.	Complied
Principle 7: Responsible development of new plantings		
Kunak Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this annual surveillance assessment. The immature areas are replanted area.		
Principle 8: Commitment to continual improvement in key areas of activity		

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Criterion / Indicator	Assessment Findings	Compliance	
<p>Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p>			
<p>8.1.1</p>	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); <ul style="list-style-type: none"> • Optimising the yield of the supply base. <p>- Major compliance -</p>	<p>The management has been established continuous improvement plan:</p> <ol style="list-style-type: none"> 1. Mitigate impact towards local community 2. Provide adequate PPE for workers 3. Ensure work and pay conditions are achieve minimum standard of Labour Law 4. Monitor waterways 5. Monitor environmental condition 6. Drainage system 7. Minimize air pollution 8. Minimize land contamination 9. Minimize soil erosion 10. Reduce usage of chemical 11. Apply the fertilizer as per recommendation 12. Maximize utilization of Biogas Plant and Bio Energy Plant 	<p>Complied</p>

Appendix B: Approved Time Bound Plan

RSPO Certification of TSH Mills and Supply bases						
Companies	2016	2017	2018	2019	2020	2021
Malaysia						
TSH Plantation Management Sdn Bhd			Kunak POM & Maju Sawit Estate	Sabahan POM		
TSH Resources Berhas		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 Plantations Sdn Bhd		Lahad Datu POM ¹		Sabahan Estate ³		
RT Plantations Sdn Bhd				RT Estate ²		
Indonesia						
PT Andalas Agro Industri		AAI POM ⁵				
PT Laras Internusa		LIN Estate ⁵				
PT Andalas Wahana Berjaya						
PT Sarana Prima Multi Niaga	SPMN POM ⁴ & SPMN Estate ⁴					
PT Mitra Jaya Cemerlang					MJC Estate ⁴	
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* & BCAP Estate
PT Andalas Wahana Sukses						AWS POM* & AWS Estate
<p>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. 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.</p>						

Appendix C: GHG Reporting Executive Summary

The GHG emissions that were produced in 2017 for Kunak Palm Oil Mill and supply base was calculated using the PalmGHG Calculator version 3.0.1. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

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

The summary of the Net GHG emitted in [2017] for [Kunak Palm Oil Mill] and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	0.06
PK	0.06

Extraction	%
OER	19.9
KER	5.66

Production	t/yr
FFB Process	453,104.90
CPO Produced	87,315.662
PKO Produced	0

Land Use	Ha
OP Planted Area	1,482.00
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	20.04
Total	1,502.04

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	1,448.64	0.04	0	0	0	0	1,448.64	0.04
CO ₂ Emission from fertilizer	780.92	0.02	0	0	0	0	780.92	0.02
NO ₂ Emmision	2,427.35	0.07	0	0	0	0	2,427.35	0.07
Fuel Consumption	151.61	0	0	0	0	0	151.61	0
Peat Oxidation	0	0	0	0	0	0	0	0
Sink								
Crop Sequestration	-10,311.28	-0.29	0	0	0	0	-10,311.28	-0.29
Conservation Sequestration	0	0	0	0	0	0	0	0
Total	-5502.76	-3.78	0	0	0	0	-5502.76	-3.78

*Note: Includes all estates

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Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	14620.99	0.03
Fuel Consumption	235.64	0
Grid Electricity Utilisation	0	0
Credit		
Export of Grid Electricity	-4.30	0
Sales of PKS	376.20	0
Sales of EFB	-2081.82	0
Total	12394.30	0.03

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO ₂ e
PK from own mill	-
PK from other source	-
Fuel Consumptions	-
Total Crusher emissions	-

*This mill has no kernel crusher operation.

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

POME Diverted to Anaerobic Digestion:	
Divert to anaerobic pond (%)	100
Divert to methane captured (flaring) (%)	30
Divert to methane captured (energy generation) (%)	70

Appendix D : General Chain of Custody Requirements for the Supply Chain

5.1 Applicability of the general chain of custody requirements for the supply chain			
	Requirement	Evidence	Compliance
5.1.1	The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.	Kunak POM has the physically handle the RSPO Certified Sustainable oil palm products. All trading, contract and sales are managed by Sales department at HQ.	Yes
5.1.2	Traders and distributors require a licence obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.	Kunak POM is not a trader or distributor.	Yes
5.1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.	Company has yet to registered in PalmTrace system for Kunak POM. Thus Major NC was raised.	No
5.1.4	Processing aids do not need to be included within an organization's scope of certification.	Processing aids was not in used at Kunak Palm oil Mill.	Yes
5.2 Supply chain model			
5.2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	The Palm Oil Mill receives and process both certified and non-certified FFB. Therefore, it uses the Mass Balance supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified and non-certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified Products.	Yes
5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	Kunak Palm Oil Mill will be certified with Mass Balance Module	Yes
5.3. Documented Procedures			

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<p>5.3.1</p>	<p>The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ul style="list-style-type: none"> • Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. 	<p>Written documented procedures was established; Supply Chain Procedure, TSHR/SUST/SOP05; Rev. no.: 1; dated 14/5/2018 with Mass Balance (MB) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB. The mill manager (Ast. General Manager) has the responsibility to ensure implementation assisted by the on-site compliance executive. The MB model is used because certified and noncertified (OCP crop) FFB is received and processed at Kunak Palm Oil Mill.</p> <p>The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p>	<p>Yes</p>
	<ul style="list-style-type: none"> • Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). 	<p>Written documented procedures was established; Supply Chain Procedure, TSHR/SUST/SOP05; Rev. no.: 1; dated 14/5/2018 with Mass Balance (MB) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB. The mill manager (Ast. General Manager) has the responsibility to ensure implementation assisted by the on-site compliance executive. The MB model is used because certified and noncertified (OCP crop) FFB is received and processed at Kunak Palm Oil Mill.</p> <p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and noncertified FFB.</p> <p>Last training was conducted on 15/3/2018 by Quality Assistant</p>	<p>Yes</p>

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		Manager which involved Admin Exec, Ast Chief Clerk and Ast General Manager. Sighted the minutes of the training and attendance list.	
	<ul style="list-style-type: none"> • Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization's procedures for the implementation of this standard. 	Written documented procedures was established; Supply Chain Procedure, TSHR/SUST/SOP05; Rev. no.: 1; dated 14/5/2018 with Mass Balance (MB) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB. The mill manager (Ast. General Manager) has the responsibility to ensure implementation assisted by the on-site compliance executive. Through an interview, the mill manager can demonstrate awareness of the procedure for the implementation of supply chain at Kunak POM. The MB model is used because certified and noncertified (OCP crop) FFB is received and processed at Kunak Palm Oil Mill.	Yes
5.3.2	The site shall have a written procedure to conduct annual internal audit to determine whether the organization;	Procedure namely Audit Procedure, TSHR/QD/SOP03, Rev:02, dated 31/01/2018 was established however no internal audit was conducted at Kunak POM. Refer to Major NC raised under clause 5.3.2.ii.	No
	i) conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.		
	ii) effectively implements and maintains the standard requirements within its organization	No internal audit was conducted at Kunak POM. Thus, the Major was raised.	No
5.4. Purchasing and goods in			
5.4.1	The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier in document form: <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity 	The daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified by internal and external audit. Kunak POM has system to verify at the weighbridge. Sighted weighbridge ticket as following: A) Within Kunak Certification Unit 1. Landquest Estate	No

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	<p>Preserved, Segregated or Mass Balance or the approved abbreviations);</p> <ul style="list-style-type: none"> • The quantity of the products delivered; • Any related transport documentation; • Supply Chain certificate number of the seller; • A unique identification number 	<p>Despatch Note:313229 Date: 1/3/2018 Field:OP96 Tonnage:9430 kg Transporter: TSH Logistic Sdn Bhd</p> <p>2. Wakuba Estate Despatch Note:313705 Date: 7/3/2018 Field:97A Tonnage:2930 kg Transporter: LKSK</p> <p>3. Majusawit Estate Despatch Note:313233 Date: 1/3/2018 Field:98A Tonnage:2930 kg Transporter: Estate Tractor</p> <p>4. LKSK Estate- no record (eg: despatch note) available at Kunak POM since the transportation done by Bukit Tajam Collecting Centre.</p> <p>Thus, the Major NC was raised.</p> <p>B) Non-certified Supplier</p> <p>1. Muis Melewar Plantation S/B Despatch Note: 319778 Date: 30/4/2018 Tonnage: 10120 kg Transporter: Muis Melewar Plantation S/B</p> <p>2. Kaya Permata Plantation Sdn Bhd Despatch Note: 313274 Date: 3/3/2018 Tonnage: 8770 kg Transporter: Kaya Permata Plantation Sdn Bhd</p> <p>The FFB supplier list was established (dated 11/1/2018). Total external supplier (FFB) was 434 suppliers.</p>	
	<ul style="list-style-type: none"> • 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 	<p>The daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB.</p>	<p>No</p>

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	<p>documents and specification documentation).</p>	<p>Records verified by internal and external audit.</p> <p>Kunak POM has system to verify at the weighbridge. Sighted weighbridge ticket as following:</p> <p>A) Within Kunak Certification Unit</p> <ol style="list-style-type: none"> 1. Landquest Estate Despatch Note:313229 Date: 1/3/2018 Field:OP96 Tonnage:9430 kg Transporter: TSH Logistic Sdn Bhd 2. Wakuba Estate Despatch Note:313705 Date: 7/3/2018 Field:97A Tonnage:2930 kg Transporter: LKSK 3. Majusawit Estate Despatch Note:313233 Date: 1/3/2018 Field:98A Tonnage:2930 kg Transporter: Estate Tractor 4. LKSK Estate- no record (eg: despatch note) available at Kunak POM since the transportation done by Bukit Tajam Collecting Centre. <p>Thus, the Major NC was raised.</p> <p>B) Non-certified Supplier</p> <ol style="list-style-type: none"> 1. Muis Melewar Plantation S/B Despatch Note: 319778 Date: 30/4/2018 Tonnage: 10120 kg Transporter: Muis Melewar Plantation S/B 2. Kaya Permata Plantation Sdn Bhd Despatch Note: 313274 Date: 3/3/2018 Tonnage: 8770 kg 	
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		<p>Transporter: Kaya Permata Plantation Sdn Bhd</p> <p>The FFB supplier list was established (dated 11/1/2018). Total external supplier (FFB) was 434 suppliers.</p>	
	<ul style="list-style-type: none"> The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group shipments. Refer to section 5.7.1 of this document for further guidance. 	Kunak POM still not has been certified with RSPO SCCS.	N/A
	<ul style="list-style-type: none"> A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements. 	Kunak POM still not has been certified with RSPO SCCS.	N/A
	<ul style="list-style-type: none"> The validity of licence for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements / announcements. 	Not applicable	N/A
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.	Written documented procedures was established; Supply Chain Procedure, TSHR/SUST/SOP05; Rev. no.: 1; dated 14/5/2018 with Mass Balance (MB) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB.	Yes
5.5. Outsourcing activities			
5.5.1	In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and	No outsource activity at Kunak POM.	N/A

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	<p>independment mil cannot outsource processing activities like refining or crushing.</p> <p>This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the certified organization (not the tank farm manager).</p>		
5.5.2	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <p>a. The site has legal ownership of all input material to be included in outsourced processes;</p>	No outsource activity at Kunak POM.	N/A
	<p>b. The site 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 site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</p>	No outsource activity at Kunak POM.	N/A
	<p>c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p>	No outsource activity at Kunak POM.	N/A
	<p>d. The site seeking or holding certification 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 any and all information, when this is announced in advance.</p>	No outsource activity at Kunak POM.	N/A
5.5.3	<p>The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.</p>	No outsource activity at Kunak POM.	N/A
5.5.4	<p>The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products.</p>	No outsource activity at Kunak POM.	N/A

5.6. Sales and goods out

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5.6.1	<p>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form.</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/ delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; • A unique identification number 	No sales of RSPO certified products, since Kunak POM still not has been certified with RSPO SCCS.	Yes
	<ul style="list-style-type: none"> • 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). 	No sales of RSPO certified products, since Kunak POM still not has been certified with RSPO SCCS.	Yes
	<ul style="list-style-type: none"> • For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. 	No sales of RSPO certified products, since Kunak POM still not has been certified with RSPO SCCS.	Yes
5.7. Registration of transactions			
5.7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> • are mills, traders, crushers and refineries and; • take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, Refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable. 	Company has yet to registered in PalmTrace system for Kunak POM. Refer to Major NC under clause SC 5.1.3.	No

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5.7.2	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. 	<p>A written documented procedure was established; Supply Chain Procedure, TSHR/SUST/SOP05; Rev. no.: 1; dated 14/5/2018. Sales Department (Employee ID:RS00003) at HQ was responsible to do announcement in the RSPO IT Platform.</p>	Yes
	<ul style="list-style-type: none"> Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. 	<p>No sales of RSPO certified products, since Kunak POM still not has been certified with RSPO SCCS.</p>	Yes
	<ul style="list-style-type: none"> Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. 	<p>No sales of RSPO certified products, since Kunak POM still not has been certified with RSPO SCCS.</p>	Yes
	<ul style="list-style-type: none"> Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	<p>No sales of RSPO certified products, since Kunak POM still not has been certified with RSPO SCCS.</p>	Yes
5.8. Training			
5.8.1	<p>The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff.</p>	<p>Training plan was established. Last training for supply chain was conducted on 15/3/2018 by Quality Assistant Manager which involved Admin Exec, Assistant Chief Clerk and Assistant General Manager. Sighted the minutes of the training and attendance list.</p>	Yes
5.8.2	<p>Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed.</p>	<p>Last training for supply chain was conducted on 15/3/2018 by Quality Assistant Manager which involved Admin Exec, Assistant Chief Clerk and Assistant General Manager. Sighted the minutes of the training and attendance list.</p>	Yes
5.9. Record Keeping			
5.9.1	<p>The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these</p>	<p>Kunak Palm Oil Mill has maintained the accurate, complete, up-to-date and accessible records and reports</p>	Yes

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	RSPO Supply Chain Certification Standard requirements.	covering all aspects of these RSPO Supply Chain Certification requirements.	
5.9.2	Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	The procedure for Control of records (TSHR/QD/SOP02), Rev:1 dated 12/7/2016 was established to include the retention time for all records and reports (2 years kept on site).	Yes
5.9.3	The organization shall be able to provide the estimate volume of palm oil/palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	The forecast volume for May 2018 – April 2019: CSPO: 6,418.00 mt CSPK: 1,722.00 mt	Yes
5.10. Conversion factors			
5.10.1	Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries.	Not applicable	N/A
5.10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	Not applicable	N/A
5.11. Claims			
5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	Not in use	N/A
5.12. Complaints			
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	The grievance procedure (TSHR/HR/SOP06), Rev:0 dated 12/1/2016 and communication & consultation procedure (TSHR/SUST/SOP02), Rev:2 dated 1/11/2017 were established to include	Yes

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		the internal and external stakeholder complaints.	
5.13. Management Review			
5.13.1	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken.	Management review meeting procedure (TSHR/QD/SOP04), Rev:2 dated 1/11/2017 was established. The management review was conducted on 28/2/2018 where the meeting was chaired by Group Executive Director.	Yes
5.13.2	The input to management review shall include information on: <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	The management review was conducted on 28/2/2018 where the meeting was chaired by Group Executive Director. All the input was discussed accordingly during management review meeting except Results of internal audits covering RSPO Supply Chain Certification Standard and Customer feedback. Thus, the major NC was raised.	No
5.13.3	The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	The management review was conducted on 28/2/2018 where the meeting was chaired by Group Executive Director. All the output was discussed accordingly during management review meeting.	Yes

Appendix E: CPO Mill Supply Chain Assessment Report (Module E - CPO Mills: Mass Balance)

Requirements	Compliance
E.1 Definition	
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	<p>Kunak POM received from own certification unit and non-certified FFB supplier. Kunak POM will be certify with SC Module E: Mass Balance. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products</p>
E.2 Explanation	
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the CB in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products shall be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>
<p>E.2.2 The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</p>	<p>Company has yet to registered in PalmTrace system for Kunak POM. Refer to Major NC under clause SC General COC, clause 5.1.3.</p>
E.3 Documented procedures	
<p>E.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p>	<p>Written documented procedures was established; Supply Chain Procedure, TSHR/SUST/SOP05; Rev. no.: 1; dated 14/5/2018 with Mass Balance (MB) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB. The mill manager (Ast. General Manager) has the responsibility to ensure implementation assisted by the on-site compliance executive. The MB model is used because certified and noncertified (OCP crop) FFB is received and processed at Kunak Palm Oil Mill.</p> <p>The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p>
<p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable</p>	<p>The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation</p>

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requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.	of these requirements and compliance with all applicable requirements.
E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	Written documented procedures was established; Supply Chain Procedure, TSHR/SUST/SOP05; Rev. no.: 1; dated 14/5/2018 with Mass Balance (MB) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB. The mill manager (Ast. General Manager) has the responsibility to ensure implementation assisted by the on-site compliance executive. The MB model is used because certified and noncertified (OCP crop) FFB is received and processed at Kunak Palm Oil Mill.
E.4 Purchasing and goods in	
E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.	Kunak POM received FFB from own estate and non-certified FFB supplier. Kunak POM has system to verify the tonnage and sources of FFB at the weighbridge.
E.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The documented procedure above specified the mechanism to notify CB in case of any projected overproduction of certified tonnage. Verification on-site confirmed that the relevant person-in-charge of supply chain aware of this procedure.
E.5 Record keeping	
E.5.1 a) The site 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.	All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. Computerized system in place. No PKO and Palm kernel expeller at Kunak Palm Oil mill. Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the FFB received.
(b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.	No sales/delivery of RSPO certified products, since Kunak POM still not has been certified with RSPO SCCS.
c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)	No sales/delivery of RSPO certified products, since Kunak POM still not has been certified with RSPO SCCS.

Supply Chain Declaration

A. Monthly Records of Certified and Uncertified FFB Received since the last audit				
No.	Month - Year	Volume of FFB from certified supply bases (MT)	Volume of FFB from uncertified supply bases (MT)	Total FFB/Month (mt)
1	N/A			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
	TOTAL			

B. Monthly Records of Certified CPO & PK since the last audit			
No.	Month - Year	Certified CPO (MT)	Certified PK (MT)
1	N/A		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
	TOTAL		

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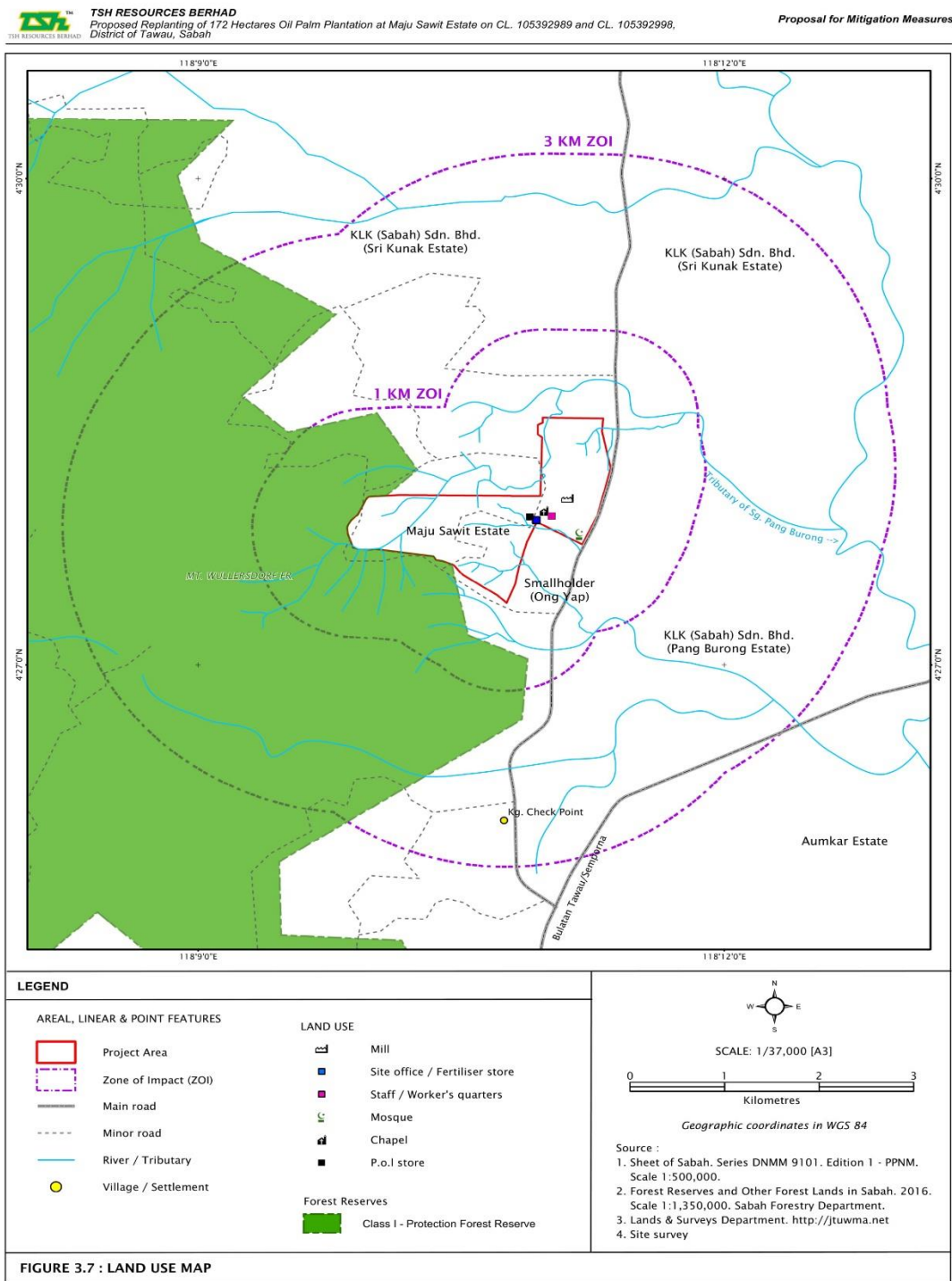
C. Records of Certified CPO & PK Sold under PalmTrace to Buyers since the last audit (if any)				
No.	Buyers Name	Palmtrace Trading No	Certified CPO Sold (MT)	Certified PK Sold (MT)
1	N/A			
2				
3				
	TOTAL			

D. Records of CPO & PK Sold under other schemes to Buyers since the last audit (if any)				
No.	Buyers Name	Scheme Name	CPO Sold (MT)	PK Sold (MT)
N/A				

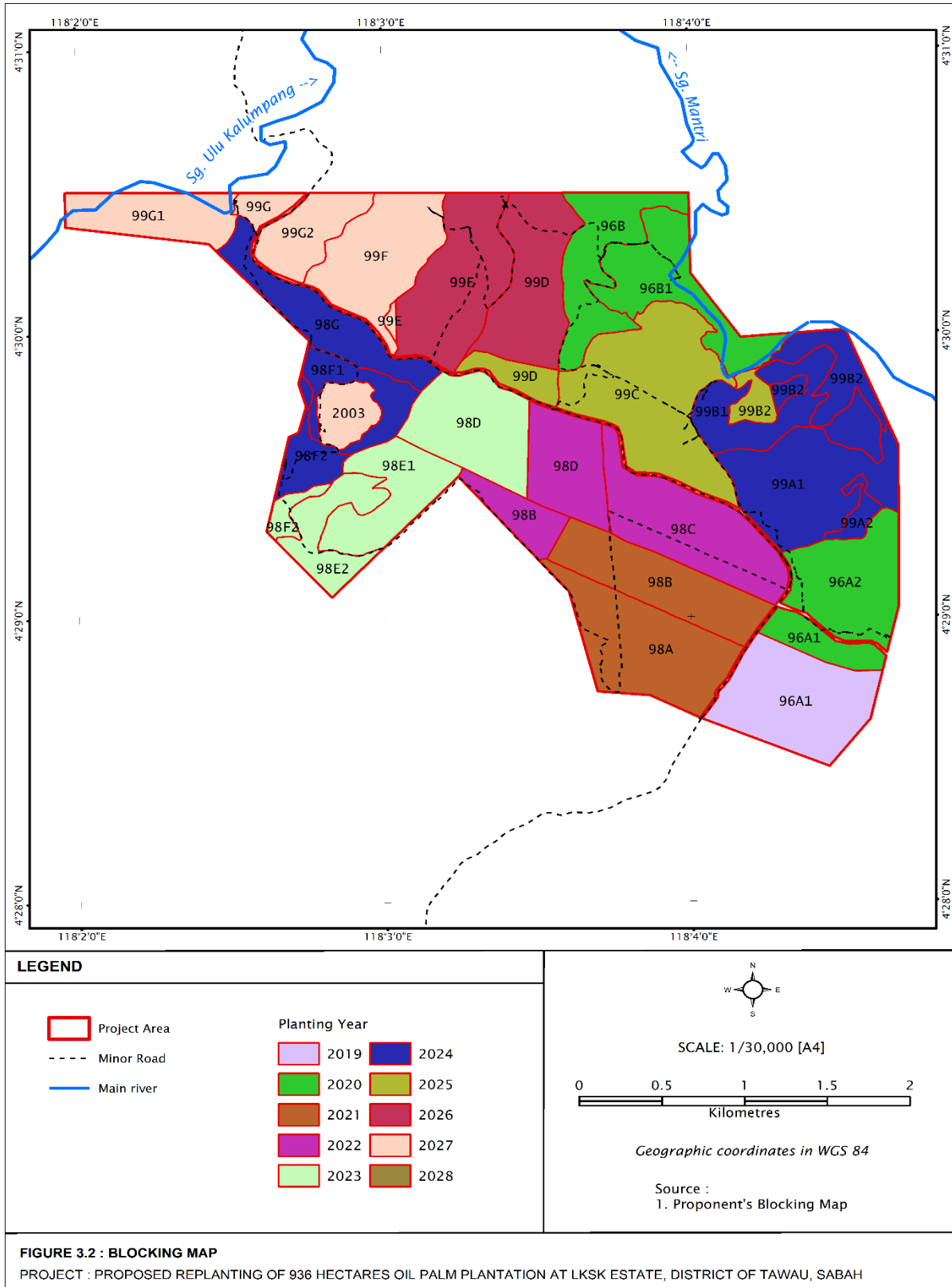
E. Records of CPO & PK Sold as conventional to Buyers since the last audit (if any)				
No.	Buyers Name	CPO Sold (MT)	PK Sold (MT)	
N/A				

F. Records of Certified CPO Sold under RSPO Credits to Buyers since the last audit (if any)			
No.	Buyers Name	PalmTrace Trading No	RSPO Credits of Certified CPO Sold (MT)
N/A			

Appendix F: Location Map of Kunak Palm Oil Mill and Supply bases



Appendix G: LKSK Estate Field Map



Appendix H: Landquest Estate Field Map

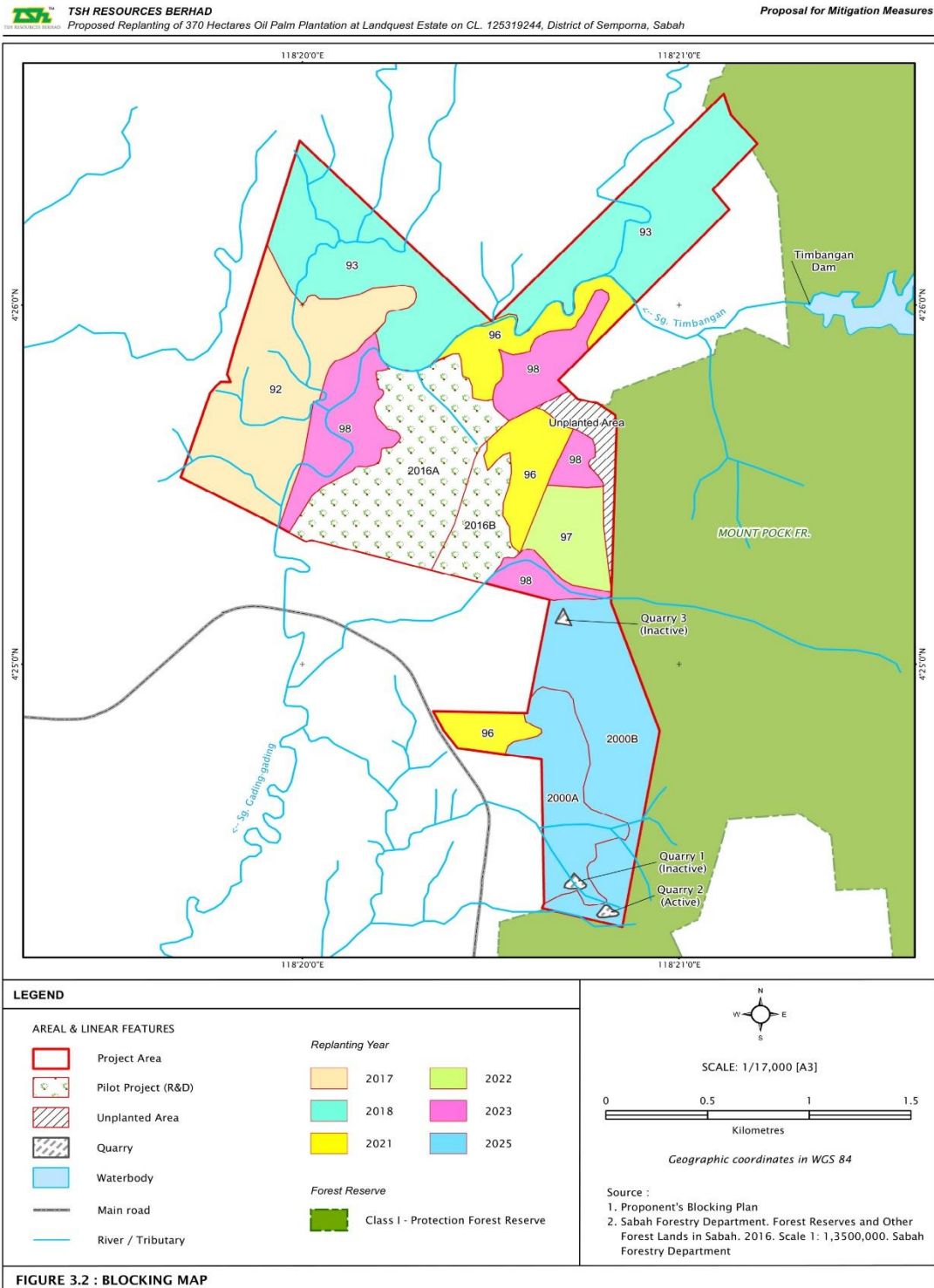


FIGURE 3.2 : BLOCKING MAP

Appendix I: List of Smallholder Sampled *(If applicable – scheme/associated/group certification)*

Not applicable

Appendix J: List of Abbreviations

AI	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
CU	Certification Unit
EFB	Empty Fruit Bunch
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior, Informed and Consent
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
GPS	Global Positioning System
HCV	High Conservation Value
IPM	Integrated Pest Management
IP	Identity Preserved
IS - CSPO	Independent Smallholder Certified Sustainable Palm Oil
IS – CSPKO	Independent Smallholder Certified Sustainable Palm Kernel Oil
IS – CSPKE	Independent Smallholder Certified Sustainable Palm Kernel Expeller
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MB	Mass Balance
MSDS	Material Safety Data Sheet
MRM	Management Review Meeting
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