

**RSPO PRINCIPLE AND CRITERIA
PUBLIC SUMMARY REPORT**

- ☐ Initial Assessment
- ☒ Annual Surveillance Assessment (1_1)
- ☐ Recertification Assessment (Choose an item.)
- ☐ Extension of Scope

Client Company Name / Parent Company: TSH Resources Berhad
Client Company / Parent Company Address: Menara TSH, No. 8, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
Certification Unit: TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill) Location of Certification Unit: KM 56, Tawau- Kunak Highway, Tawau 91000 Sabah, Malaysia
Date of Final Report: 20/08/2024

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Section 1: Scope of the Assessment

1. Company Details			
Parent Company	TSH Resources Berhad		
RSPO Membership Number	1-0173-14-000-00	Membership Approval Date	17/11/2014
Address	Menara TSH, No. 8, Jalan Semantan, Damansara Heights, 50490, Kuala Lumpur, Malaysia.		
Palm Oil Mill / Group Manager / Estate (Certification Unit)	TSH Plantation Management Sdn Bhd (TSH Kunak Palm Oil Mill)		
Location / Address	KM 56, Tawau- Kunak Highway, Tawau 91000 Sabah, Malaysia		
Website	www.tsh.com.my		
Management Representative	Rohana Parilla Binti Abdul Salam	E-mail	Rohana.SHO@tsh.com.my
Telephone	+60 89-912020	Facsimile	+60 89-913000

2. Certification Information			
Certificate Number	RSPO 692556	Certificate Start Date	23/08/2023
Date of First Certification	23/08/2018	Certificate Expiry Date	22/08/2028
Scope of Certification	Production of Sustainable Crude Palm Oil (CPO) and Palm Kernel (PK)		
Visit Objectives	<ul style="list-style-type: none"> • Determination of the conformity of the client's management system, or parts of it, with audit criteria. • Evaluation of the ability of the management system to ensure the client organization meets applicable statutory, regulatory and contractual requirements. 		
Assessment Cycle	<input type="checkbox"/> Pre Assessment (Choose an item.) <input type="checkbox"/> Initial Assessment <input checked="" type="checkbox"/> Annual Surveillance Assessment (ASA 1_1) <input type="checkbox"/> Recertification Assessment (Choose an item.) <input type="checkbox"/> Scope Extension		
Applicable Standards / Normative Reference	RSPO Certification System for P&C and RSPO ISH 2020 <input checked="" type="checkbox"/> Malaysia National Interpretation 2019 of the RSPO P&C 2018		
Supply Chain Module	<input type="checkbox"/> Identity Preserved; <input checked="" type="checkbox"/> Mass Balance	Mill Capacity	75 mt/hr
ISH certification Phase	<input type="checkbox"/> Eligibility <input type="checkbox"/> Milestone A <input type="checkbox"/> Milestone B <input checked="" type="checkbox"/> Not Applicable		
Is this a remote audit or on-site audit	<input checked="" type="checkbox"/> On-site audit (Option AI)	<input type="checkbox"/> On-site audit (Option AII)	<input type="checkbox"/> Remote audit (Option B)

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3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSPO/2018/08	MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders	Rehpro Certification Sdn Bhd	6/10/2024
MSPO/2018/09	MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills		6/10/2024

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base / Group Manager / Smallholders)	Location	GPS Coordinates	
		Latitude	Longitude
TSH Plantation Management Sdn Bhd (Kunak Palm Oil Mill)	KM 56, Tawau- Kunak Highway, Tawau 91000 Sabah, Malaysia	04° 28' 3.05" N	118° 11'06.57" E
TSH Kunak Plantation Management Sdn Bhd (Maju Sawit Estate)	Mile 41, Tawau Kunak Road, Sabah, Malaysia	04° 27' 53.13" N	118° 10' 56.49" E
LKSK Sdn Bhd (LKSK Estate)	KM 39, Semporna-Tawau Road, Sabah, Malaysia	04° 29'38.02" N	118° 04' 09.06" E
Landquest Sdn Bhd (Landquest Estate)	Mile 16, Apas Road, Tawau, Sabah, Malaysia	04° 25' 43.90" N	118° 20' 08.10" E
Tan Soon Hong Holdings (Wakuba Division)	Batu 16, Wakuba, Jalan Tawau-Kunak Highway, Sabah, Malaysia	04° 17' 13.25" N	118° 04' 17.54" E
Sabahan 1 Estate	KM48, Lahad Datu – Kunak Highway	04° 49' 07.50"N	118° 05' 29.40" E

5. Description of Supply Base					
New Planting Development	<input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes	
Estate / Smallholders	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Maju Sawit Estate	157.00	2.06	59.82	218.88	71.73
LKSK Estate	930.00	20.30	15.70	966.00	96.27
Landquest Estate	365.00	7.94	59.06	432.00	84.49
Maju Sawit Estate - Wakuba Division	15.00	0	1.00	16.00	93.75
Sabahan 1 Estate	99.00	0	23.00	122.00	81.15
Total	1,566.00	30.30	158.88	1,754.88	

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Note: Since 2020; Maju Sawit hectarage (235.22 ha) removed 39.83 (16.12ha) acre as it is own by different operating unit & entity; 11ha planted in 2010 – has been double counting by the Estate Asst Manager in 2023 reporting.
Sabahan 1 – 1 ha add on from infrastructure area (previously road within estate) and become planted after replanting relay layout procedure
Landquest Estate – Additional of 0.26 ha in the HCV due to resurvey conducted in December 2023.

6. Plantings & Cycle

Estate / Smallholders	Age (Years) - ha				Mature	Immature
	0 - 3	4 - 14	15 - 25	>25		
Maju Sawit Estate	16.00	77.00	-	64.00	141.00	16.00
LKSK Estate	94.00	166.00	404.00	266.00	836.00	94.00
Landquest Estate	-	219.00	60.00	86.00	365.00	-
Maju Sawit Estate - Wakuba Division	-	3.00	-	12.00	15.00	-
Sabahan 1 Estate	15.00	84.00	-	-	84.00	15.00
Total (ha)	125.00	549.00	464.00	428.00	1,441.00	125.00

Note: Only Mature area is considered as production area

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

Estate / Smallholders	Tonnage (MT) / year			
	Estimated last year (Aug 23 – July 24)	Actual (June 23 - April 24)		Forecast (Aug 24 – Jul 25)
		Previous license period (June 23 – Aug 23)	Current license period (Sep 23 – April 24)	
Maju Sawit Estate	2,098.97	503.40	1,450.39	2,452.48
LKSK Estate	19,708.48	4,156.77	11,834.61	17,762.71
Landquest Estate	6,866.19	1,649.82	4,167.68	6,620.38
Maju Sawit Estate - Wakuba Division	466.87	106.67	211.31	402.33
Sabahan 1 Estate	848.31	275.19	1,013.46	1,309.33
Total	29,988.82	25,369.30		28,547.23

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

Estate / Smallholders	Tonnage (MT) / year			
	Estimated last year (Aug 23 – July 24)	Actual (June 23 - April 24)		Forecast (Aug 24 – Jul 25)
		Previous license period (June 23 – Aug 23)	Current license period (Sep 23 – April 24)	

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N/A		N/A	N/A	
Total		N/A		

9. Summary of Non-Certified Tonnage of FFB (outside supplier – excluded from certificate)				
Out growers / smallholders	Tonnage (MT) / year			
	Estimated last year (Aug 23 – July 24)	Actual (June 23 – April 24)		Forecast (Aug 24 – Jul 25)
		Previous license period (June 23 – Aug 23)	Current license period (Sep 23 – April 24)	
Outgrowers	82,280.96	23,093.46	56,791.21	96,801.13
Smallholders	193,961.42	54,553.40	142,765.80	228,189.90
Total	276,242.38	277,203.87		324,991.03

9A. Monthly Records of Certified and Uncertified FFB Received since the last audit				
No.	Month - Year	Volume of FFB from certified supply base (mt)	Volume of FFB from uncertified supply base (mt)	Total FFB/Month (mt)
1	June - 23	2,232.70	24,744.09	26,976.79
2	July - 23	2,329.68	26,176.02	28,505.70
3	August - 23	2,129.47	26,726.75	28,856.22
4	September - 23	2,217.11	27,456.25	29,673.36
5	October - 23	2,670.51	27,619.35	30,289.86
6	November - 23	2,549.98	26,281.92	28,831.90
7	December - 23	2,393.67	23,788.05	26,181.72
8	January - 24	2,171.78	23,190.65	25,362.43
9	February - 24	2,132.94	20,876.68	23,009.62
10	March - 24	2,209.62	24,860.73	27,070.35
11	April - 24	2,331.84	25,483.38	27,815.22
TOTAL		25,369.30	277,203.87	302,573.17

10. Summary of Certified Tonnage (MT) (not applicable for ISS)			
Estimated last year (Aug 23 – July 24)	Actual (June 23 - April 24)		Forecast (Aug 24 – Jul 25)
	Previous license period (June 23 – Aug 23)	Current license period (Sep 23 – April 24)	
FFB	FFB		FFB

29,988.82 mt	6,691.85 mt	18,677.45 mt	28,547.23 mt
	TOTAL	25,369.30 mt	
CPO (OER: 20.5%)	CPO (OER: 18.26 %)	(OER: 18.50%)	CPO (OER: 20.5%)
6,147.71 mt	1,220.88 mt	3,464.36 mt	5,852.19 mt
	TOTAL	4,685.24 mt	
PK (KER: 5.5%)	PK (KER: 5.19%)	(KER: 4.99%)	PK (KER: 5.5%)
1,649.38 mt	347.17 mt	941.36 mt	1,570.10 mt
	TOTAL	1,288.53 mt	

10A. Monthly Records of Certified CPO & PK since the last audit			
No.	Month - Year	Certified CPO (MT)	Certified PK (MT)
1	June - 23	404.63	112.28
2	July - 23	416.46	119.64
3	August - 23	399.79	115.25
4	September - 23	420.82	119.05
5	October - 23	503.77	133.89
6	November - 23	483.40	126.55
7	December - 23	436.62	116.27
8	January - 24	398.30	107.07
9	February - 24	388.41	104.09
10	March - 24	402.81	114.90
11	April - 24	430.22	119.86
TOTAL		4,685.23	1,288.85

11. Summary of Actual Volume sold					
Current License period (Sep 2023 – Apr 2024)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	Others		
CPO (MT)	-	-	-		-
PK (MT)	617.49	-	-	500.24	1,117.73
Credits	-	-	-	-	-
Previous License period (June 2023 – Aug2023)					
CPO (MT)	-	-	-	3634.14	3634.14

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PK (MT)	60.06	-	-	-	60.06
Credits	-	-	-	-	-
Note: Conventional is RSPO certified material but sold as non-RSPO.					

11A. Records of Certified CPO & PK Sold under PalmTrace since the last audit (if any)				
No.	Buyers Name	PalmTrace Trading License Number	Certified CPO Sold (MT)	Certified PK Sold (MT)
1	QQQ	TR-63d1fe21-e3b0	-	22.99
2	RRR	TR-cad152a9-e00e	-	193.79
3	XXX	TR-e8d49541-9627	-	62.08
4	YYY	TR-eac3f3d4-419d	-	214.89
5	ZZZ	TR-c5dec624-c6f8	-	123.74
6	AAA	TR-2c3977cd-bcdb	-	60.06
TOTAL			-	677.55

11B. Records of certified CPO & PK Sold under other schemes since the last audit (if any)				
No.	Buyers Name	Scheme Name	Certified CPO Sold (MT)	Certified PK Sold (MT)
1	N/A	N/A	N/A	N/A
TOTAL			N/A	N/A

11C. Records of CPO & PK Sold as conventional since the last audit (if any)			
No.	Buyers Name	CPO Sold (MT)	PK Sold (MT)
1	Buyer AAA	3,634.14	500.24
TOTAL		3,634.14	500.24

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

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12. Independent Smallholders Certified Tonnage (MT) / Volume									
	Estimated last year (Not Applicable)			Actual (Not Applicable)			Forecast (Not Applicable)		
Phase	Eligibility	MS A	MS B	Eligibility	MS A	MS B	Eligibility	MS A	MS B
	40%	70%	100%	40%	70%	100%	40%	70%	100%
FFB			N/A			N/A			N/A
IS-CSPO	N/A	N/A		N/A	N/A		N/A	N/A	
IS-CSPKO	N/A	N/A		N/A	N/A		N/A	N/A	
IS-CSPKE	N/A	N/A		N/A	N/A		N/A	N/A	
CSPK	N/A	N/A		N/A	N/A		N/A	N/A	

12A. Monthly Records of Certified CPO, PK & PKE (equivalent) produced since the last audit						
No.	Month - Year	FFB (MT)	Certified CPO (MT)	Certified PK (MT)	Certified PKO (MT)	Certified PKE (MT)
1	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL		N/A	N/A	N/A	N/A	N/A
Note: 1 mt = 1 credit						

13. Independent Smallholders Actual Sold Tonnage / Volume							
	FFB	FFB Conventional	FFB Other schemes	IS-CSPO	CSPK	IS-CSPKO	IS-CSPKE
Current License period (Sep 2023 – Apr 2024)							
Credits				N/A	N/A	N/A	N/A
Physical	N/A	N/A	N/A				
Previous License period (June 2023 – Aug2023)							
Credits				N/A	N/A	N/A	N/A
Physical	N/A	N/A	N/A				

13A. Records of Certified FFB, CPO, PK & PKE (including credits) sold since the last audit							
No.	Buyers Name	PalmTrace Trading License Number	FFB Sold (MT)	Certified CPO Sold (MT/credit)	Certified PK Sold (MT/credit)	Certified PKO Sold (MT/credit)	Certified PKE Sold (MT/credit)
1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL			N/A	N/A	N/A	N/A	N/A

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn. Bhd. (ASI Accreditation Number: ASI-ACC-067)

Suite 29.01 Level 29, The Gardens North Tower,

Mid Valley City, Lingkaran Syed Putra,

59200 Kuala Lumpur, Malaysia.

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BSI is a leading global provider of management systems assessment and certification, with more than 92,000 certified locations and clients in over 193 countries. BSI is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia.

2.1 Assessment Methodology, Programme, Site Visits

The on-site assessment was conducted on **13/05/2024 – 17/05/2024**. The audit programme is included as Section 2.3.

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

The Critical NC close out on-site assessment was conducted on 13/08/2024. The audit programs are included in Section 2.3.

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

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

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

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Section 3.4.

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

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

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

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

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

Assessment Program					
Name (Mill / Supply Base)	Year 1 (Re-Certification)	Year 2 (ASA1-1)	Year 3 (ASA1-2)	Year 4 (ASA1-3)	Year 5 (ASA1-4)
Maju Sawit Estate	✓	✓	✓	✓	✓
LKSK Estate	✓	✓	✓	✓	✓
Landquest Estate	✓	✓	✓	✓	✓
Maju Sawit Estate - Wakuba Division	✓	✓	✓	✓	✓
Sabahan 1 Estate	✓	✓	✓	✓	✓

Tentative Date of Next Visit: May 13, 2025 - May 17, 2025

Total Number of Mandays: 15 Mandays

2.2 BSI Assessment Team

Name	Role	Competency
Ahmad Rufi Bin Abu Talib Khan (ARK)	Team Leader	<p>Education: Bachelor Degree In Mechanical Engineering from Universiti Teknologi MARA Shah Alam, graduated in 2015</p> <p>Work Experience: He started his career as Assistant Mill Manager, managing the day-to-day mill operations. In his five years' experience, he has experience handling the certification of ISO 9001, OHSAS 18001, ISO 14001 as well as Malaysia Sustainable Palm Oil (MSPO). He is a qualified Lead Auditor for MS 2530:2013 and has accumulated more than 300 audit days throughout his current career as the auditor for multiple disciplines covering all over Malaysia</p> <p>Training attended: He has completed CQI – IRCA approved ISO 9001, ISO 14001 and ISO 45001 Lead Auditor Course, MSPO 2530:2013 Lead Auditor Course, Endorsed RSPO Lead Auditor and RSPO SCC Auditor course.</p> <p>Language proficiency: Fluent in in both verbal/written Bahasa Malaysia and English</p> <p>Aspect covered in this audit:</p> <p><input checked="" type="checkbox"/> Good Agriculture Practice <input type="checkbox"/> Health and Safety <input checked="" type="checkbox"/> Supply chain requirements</p> <p><input type="checkbox"/> Social <input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Market Communication and claim requirements</p>

		<input type="checkbox"/> ISH context (ICS, internal audit, policy, business planning and trading system)
Fahmi Bin Othman (FBO)	Team Member	<p>Education: Bachelor's Degree in Industrial Biology from Universiti Teknologi Malaysia, graduated in 2010.</p> <p>Work Experience: He gained his working exposure in the plantation sector, serving as an Assistant Manager with FGV Plantation (M) Sdn Bhd managing the day-to-day plantation operations before joining FGV Holdings Berhad as Sustainability Officer for another significant numbers of years. In his career at FGV, Fahmi had accumulated more than 7 years of sustainability implementation experience including workers' welfare, workers' occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans</p> <p>Training attended: He has completed CQI – IRCA approved ISO 9001, and ISO 45001 Lead Auditor Course, MSPO 2530:2013 Lead Auditor Course, Endorsed RSPO Lead Auditor and RSPO SCC Auditor course as well as SA 8000.</p> <p>Language proficiency: Fluent in in both verbal/written Bahasa Malaysia and English</p> <p>Aspect covered in this audit:</p> <p> <input type="checkbox"/> Good Agriculture Practice <input type="checkbox"/> Health and Safety <input type="checkbox"/> Supply chain requirements <input checked="" type="checkbox"/> Social <input type="checkbox"/> Environmental <input type="checkbox"/> Market Communication and claim requirements <input type="checkbox"/> ISH context (ICS, internal audit, policy, business planning and trading system) </p>
Hafriazhar Bin Mohd Mokhtar (HMM)	Team Member	<p>Education: Bachelor of Engineering (Hons.) Chemical Engineering, UTM</p> <p>Work Experience: Environmental Officer (2002-2003), Mill Engineer (2003-2008), Project Control Engineer (2008-2011), Auditor/Client Manager (2011-present)</p> <p>Training attended: Social Auditing & SMETA Training (2021), ISO 45001 LA Training (2018), RSPO LA Training (2017), RSPO SCCS LA Training (2016), RSPO P&C LA Training (2015), ISO 9001 LA Training (2013), ISO 50001 LA Training (2012), ISO 14001 LA Training (2011)</p> <p>Language proficiency: Fluent in in both verbal/written Bahasa Malaysia and English Language.</p> <p>Aspect covered in this audit:</p> <p> <input type="checkbox"/> Good Agriculture Practice <input checked="" type="checkbox"/> Health and Safety <input type="checkbox"/> Supply chain requirements <input type="checkbox"/> Social <input checked="" type="checkbox"/> Environmental <input type="checkbox"/> Market Communication and claim requirements <input type="checkbox"/> ISH context (ICS, internal audit, policy, business planning and trading system) </p>

Accompanying Persons:

Name	Role
Mohamed Hidhir Bin Zainal Abidin	Observer – Qualifying Reviewer
Nor'ain Binti Mohamad Nasir	Observer

2.3 Assessment Plan

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

Date	Time	Subjects	ARK	HMM	FBO
Sunday, 12/05/2024	PM	Audit team travel to Tawau	✓	✓	✓
Monday, 13/05/2024 Day 1 Maju Sawit Estate & Wakuba Division	9:00 AM – 9:30 AM	Opening meeting @ Maju Sawit Estate • Opening presentation by audit team leader • Confirmation of assessment scope and finalize audit plan	✓	✓	✓
	9:30 AM – 12:30 PM	Maju Sawit Estate & Wakuba Division 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.	✓	✓	✓
	10:30 AM – 12:30 PM	Meeting with stakeholders (Government, village representatives, smallholders, employee union representatives, vendor etc.)	-	-	✓
	12:30 PM – 1:30 PM	Lunch break	✓	✓	✓
	1:30 PM – 4:30 PM	Document Assessment P1 – P7: General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM, HCV records, SEIA documents & records, OSH records, assessment on pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation & etc.)	✓	✓	✓
	4:30 PM – 5:00 PM	• Auditors discussion • Day 1 Interim Closing Briefing	✓	✓	✓
Tuesday, 14/05/2024 Day 2 Kunak Palm Oil Mill	9:00 AM – 12:30 PM	Kunak POM Mill visit: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, lab, weighbridge, and palm product storage area etc.	✓	✓	✓

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Date	Time	Subjects	ARK	HMM	FBO
	10:30 AM – 12:30 PM	Meeting with stakeholders (Government, village representatives, smallholders, employee union representatives, vendor etc.)	-	-	✓
	12:30 PM – 1:30 PM	Lunch break	✓	✓	✓
	1:30 PM – 4:30 PM	Document Assessment P1 – P7: SOPs, assessment on management plans, SEIA documents, GHG records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation Supply Chain Requirement.	✓	✓	✓
	4:30 PM – 5:00 PM	<ul style="list-style-type: none"> Auditors' discussion Day 2 Interim Closing Briefing 	✓	✓	✓
Wednesday, 15/05/2024 Day 3 Sabahan 1 Estate	9:00 AM – 12:30 PM	Sabahan 1 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.	✓	✓	✓
	10:30 AM – 12:30 PM	Meeting with stakeholders (Government, village representatives, smallholders, employee union representatives, vendor etc.)	-	-	✓
	12:30 PM – 1:30 PM	Lunch break	✓	✓	✓
	1:30 PM – 4:30 PM	Document Review P1 – P7: SOPs, review on management plans, SEIA documents, GHG records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation	✓	✓	✓
	4:30 PM – 5:00 PM	<ul style="list-style-type: none"> Auditors' discussion Day 3 Interim Closing Briefing 	✓	✓	✓

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Date	Time	Subjects	ARK	HMM	FBO
Thursday, 16/05/2024 Day 4 LKSK Estate	9:00 AM – 12:30 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.	✓	✓	✓
	10:30 AM – 12:30 PM	Meeting with stakeholders (Government, village representatives, smallholders, employee union representatives, vendor etc.)	-	-	✓
	12:30 PM – 1:30 PM	Lunch break	✓	✓	✓
	1:30 PM – 4:30 PM	Document Assessment P1 – P7: SOPs, assessment on management plans, SEIA documents, GHG records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation	✓	✓	✓
	4:30 PM – 5:00 PM	<ul style="list-style-type: none"> Auditors' discussion Day 4 Interim Closing Briefing 	✓	✓	✓
Friday, 17/05/2024 Day 5 Landquest Estate	9:00 AM – 12:30 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.	✓	✓	✓
	10:30 AM – 12:30 PM	Meeting with stakeholders (Government, village representatives, smallholders, employee union representatives, vendor etc.)	-	-	✓
	12:30 PM – 1:30 PM	Lunch break	✓	✓	✓
	1:30 PM – 4:00 PM	Document Assessment P1 – P7: SOPs, assessment on management plans, SEIA documents, GHG records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation	✓	✓	✓
	4:00 PM – 4:30 PM	<ul style="list-style-type: none"> Auditors' discussion Preparation for Closing Meeting 	✓	✓	✓

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Date	Time	Subjects	ARK	HMM	FBO
	4:30 PM – 5:00 PM	Closing Meeting	✓	✓	✓

Major Non Conformance Assessment Visit Plan

Date	Time	Subjects	ARK
Monday, 12/08/2024	PM	Audit team travel to Tawau	✓
Tuesday, 13/08/2024	9:00 AM – 9:30 AM	Opening meeting @ Maju Sawit Estate • Opening briefing by audit team leader	✓
	9:30 AM – 12:30 PM	Verification on Major NC closure evidence. Document review, site observation, workers/stakeholder interview (individual and group session) for: 1. 2495827-202405-M1 2. 2495827-202405-M2 3. 2495827-202405-M3 4. 2495827-202405-M4	✓
	12:30 PM – 1:30 PM	Lunch break	✓
	1:30 PM – 4:30 PM	Verification on Major NC closure evidence. Document review, site observation, workers/stakeholder interview (individual and group session) for: 1. 2495827-202405-M5 2. 2495827-202405-M6 3. 2495827-202405-M7	✓
	4:30 PM – 5:00 PM	• Closing meeting	✓

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Section 3: Assessment Findings

3.1 Multiple Management Units and Time Bound Plan

Requirement	Assessment	Compliance
Does the time bound plan include all current subsidiaries, estates and mills that is under the control and/or minor shareholding of the holding company?	Yes, the time bound plan submitted annually to RSPO via ACOP has included all TSH majority owned and managed subsidiaries.	Complied
Have all the estates and mills certified within five (5) years after obtaining RSPO membership? If no, has RSPO Secretariat approval obtained? Was the submission according to the template as announced by the RSPO Secretariat on 21/12/2021	No, there is a pending HGU, HCV, and LUCA approval. <ul style="list-style-type: none"> - LUCA for PT MJC, PT PSM, and PT AWS is currently under review. - LUCA for PT AWB has already passed and is awaiting approval of the RaCP Concept Note submission. - LUCA for PT FDB has already passed and is awaiting approval of the RaCP Concept Note submission. - The HCV assessment has been completed for PT FDB (FDB estate, PT TSS, PT MWJP). - The HCV assessment for PT AWB and PT AWS has been completed and is currently under review due to boundary changes. - HCV for PT PSM is in progress. - HGU for PT MJC is in progress, with the cadastral map already completed. - HGU for PT PSM is in progress (peta bidang in progress). - LUCA for RT Estate in Sabah is in the process of re-calculation and will be re-submitted for RSPO approval. Time bound plan has been approved on 18/08/2023.	Complied
Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three (3) years from the date of acquisition. Certification plan for the new acquisition shall be available. If no, has RSPO Secretariat approval obtained? Was the submission according to the template as announced by the RSPO Secretariat on 21/12/2021.	There is no new acquisitions as per the latest TBP 2023.	Complied
Any deviations from the maximum periods requires approval by the RSPO Secretariat.	Although there are deviation has been identified at those Indonesia management units but it has been justified as described above and included in ACOP submission.	Complied

Have there been any changes to the time-bound plan since the last audit (both new acquisition and existing)? If yes, justification is required. Is this consistent with the ACOP reporting?	Yes, changes as described above has been included in latest ACOP 2022 submissions. The approval from RSPO was available as per email from RSPO Secretariat dated on 15/8/2023.	Complied
Have there been any isolated lapses in implementation of the plan? If yes a Minor non-compliance shall be raised	No isolated lapses since The approval was obtained from the RSPO secretariat on 15/8/2023.	Complied
Have there been any fundamental failure (e.g. unable to justify delay in planning the assessments) to proceed with implementation of the plan? If yes a Major non-compliance shall be raised	No fundamental failure to proceed with the implementation of the plan.	Complied
Un-Certified Units or Holdings		
No replacement of primary forest or any area required to maintain or enhance HCVs and HCS in accordance with RSPO P&C criterion 7.12.	<p>Since November 2005, no primary forests have been replaced. HCV assessments are done before any new planting, and all new plantings follow RSPO New Planting Procedures. Here is a summary of new oil planting plans for the group:</p> <p>Indonesia: New planting has happened after December 1, 2010. Almost all estates are going through NPP or are waiting for the compensation panel's decision, except for PT AAI/LIN, PT SPMN, and PT AWB.</p> <p>Malaysia No new planting has happened after December 1, 2010, except for RT Estate. Further checks for non-compliant clearing are being done through the ongoing LUCA process.</p> <p>Based on RSPO RaCP Tracker website link as following:</p> <p>There are 11 management unit (MUs) with potential liability with LUCA submitted for all 11 Mus. LUCA review completed for 6 MUs with 10 MUs required Concept Note and Remediation Plan, 3 CN submitted.</p>	Complied
Any new plantings since January 1 st 2010 shall comply with the RSPO New Plantings Procedure.	New plantings was only declared by TSH in ACOP 2015 submissions for a total area of 427.75 ha without NPP notifications submitted to RSPO. No declarations in subsequent years ACOP until latest 2023	Complied
Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8.	There is no land conflict being resolved through RSPO Complaint System. The company has established conflict resolution procedure. Land disputes are being resolved through the mechanism.	Complied

Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 4.2	There is no labour dispute being resolved through RSPO complaint system.	Complied
Any Legal non- compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1	There is no legal non-compliance recorded. The company has mechanism for legal compliance.	Complied
Did the company conduct internal audit for those uncertified estates against the uncertified management units requirement and covering the RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12? If yes, a positive assurance statement shall be available and justified.	Yes. The company has conducted the annual internal audit by the Sustainability Team and the report has covering all the criterion to be complied with the corrective action taken. All nonconformities raised being closed accordingly and positive assurance statement been produced.	Complied
Are there any Critical (Major) non-compliance raised against any of the RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12 during the last internal audit of the uncertified estates? If yes is the NC(s) actively addressed with RSPO?	Yes. The company has conducted the annual internal audit by the Sustainability Team and the report has covering all the criterion to be complied with the corrective action taken. All nonconformities raised being closed accordingly and positive assurance statement been produced.	Complied
Have there been any stakeholder (including NGO) consultation conducted?	Stakeholder Consultations are conducted regularly to include workers, suppliers, contractors, NGO's, Government Bodies Neighbouring estates and smallholders. Stakeholder comments are recorded in the Stakeholder Meeting Minutes. No negative comments were obtained from the stakeholders except for suggestions and recommendation taken into consideration by the company	Complied

3.2 Progress of scheme smallholders and/or outgrowers

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

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Approved Time Bound Plan

Name of the Unit of Certification (UoC)	Country	Name of the Mills and Supply Bases	Location Address	GPS Coordinates (in decimal degree)		Total Managed Area (Ha)	Certification Status (Certified / Not certified)	Plan Year for Certification	Actual Certification Year	Date of Last TBP Verified and Approved by CB	REVISION OF THE TBP (Only applicable when revision is made)			
				Latitude	Longitude						Any revision from the last approved TBP? (Yes / No)	New Proposed Year for Certification	Justification of changes for each UoC	Date of approval from RSPO
PT Sarana Prima Multi Niaga	Indonesia	PT Sarana Prima Multi Niaga (Mill and Estate)	Sub District Cempaga Hulu and Parenggean, Kabupaten Kota Waringan Timur, Kalimantan Tengah, Indonesia.	-1.953194	112.928078	7,114	Certified	2017	2016	2022	No			
		PT Mitra Jaya Cemerlang	Desa Tumbang Tanjung, Kecamatan Pulau Malan, Kabupaten Katingan, Provinsi Kalimantan Tengah	-1.499775	113.208228	4,610	Not Certified	2023		2022	Yes	2025	LUCA Finalisation in progress	15-Aug-23

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		Kop Lahang Bumi Lestari	Desa Tumbang Lahang Kec. Katingan Tengah, Kab. Katingan, Provinsi Kalimantan Tengah	-1.53008	113.16275	169.02	Not Certified	2023		2022	Yes	2026	Inclusion of PLASMA certification planning. Certification year to be 3 years after 2023 TBP approval since mill was certified earlier.	15-Aug-23
		Kop Hapakat Membangun	Desa Tumbang Tanjung RT 001/ RW 001 Kec. Pulau Malan, Kab. Katingan, Provinsi Kalimantan Tengah	-1.50986	113.12136	219.65	Not Certified	2023		2022	Yes	2026	Inclusion of PLASMA certification planning. Certification year to be 3 years after 2023 TBP approval since mill was certified earlier.	15-Aug-23
PT Andalas Agro Industri	Indonesia	PT Andalas Agro Industri (Mill Only)	Air Rau Village, Kinali Sub District, Pasaman Barat District, Sumatera Barat Province, Indonesia.	-0.053889	99.9725		Certified	2016	2019	2022	No			
		PT Laras Inter Nusa	Sidodadi Village, Kinali Sub District, Pasaman Barat District, Sumatera Barat	-0.111111	99.911667	6,316	Certified	2016	2019	2022	No			

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			Province, Indonesia.											
		Kop Mandiingin Langgam Kinali Sejahtera	Jorong Mandiingin, Nagari Katiagan, Kec. Kinali, Pasaman Barat, Provinsi Sumatera Barat	-0.05433	99.9045	287	Not Certified	2023		2022	Yes	2026	Inclusion of PLASMA certification planning. Certification year to be 3 years after 2023 TBP approval since mill was certified earlier.	15-Aug- 23
PT Andalas Wahana Berjaya	Indonesia	PT Andalas Wahana Berjaya (Mill and Estate)	Desa Koto Padang, Kecamatan Koto Baru, Kabupaten Dharmasraya, Provinsi Sumatera Barat, Indonesia.	-1.120097	101.551494	3,096.75	Not Certified	2023		2022	Yes	2024	RaCP submission in progress	15-Aug- 23
		Kop Pusako Ninik Mamak	Nagari Sikabau, Kecamatan Pulau Punjung, Kabupaten Dharmasraya, Provinsi Sumatera Barat	-0.990837	101.554822	1,080.68	Not Certified	2023		2022	Yes	2026	Inclusion of PLASMA certification planning. Certification year to be 3 years after the mill is certified in 2024.	15-Aug- 23

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		Kop Datuk Nan Sembilan	Nagari Gunung Medan, Kecamatan Sitiung, Kabupaten Dharmasraya, Provinsi Sumatera Barat	-1.025194	101.609028	484.44	Not Certified	2023		2022	Yes	2026	Inclusion of PLASMA certification planning. Certification year to be 3 years after the mill is certified in 2024.	15-Aug-23
		Kop Usaha Bundo	Jorong Batang Tabek, Kanagarian Tebing Tinggi, Kecamatan Pulau Punjung, Kabupaten Dharmasraya, Provinsi Sumatera Barat	-1.014429	101.585210	112.93	Not Certified	2023		2022	Yes	2026	Inclusion of PLASMA certification planning. Certification year to be 3 years after the mill is certified in 2024.	15-Aug-23
		Kop Koto Padang	Nagari Koto Padang, Kecamatan Koto Baru, Kabupaten Dharmasraya, Provinsi Sumatera Barat	-1.055306	101.645667	230.89	Not Certified	2023		2022	Yes	2026	Inclusion of PLASMA certification planning. Certification year to be 3 years after the mill is certified in 2024.	15-Aug-23
PT Farinda Bersaudara	Indonesia	PT Farinda Bersaudara (Mill and Estate)	Desa Penawai, Kecamatan Bongan, Kabupaten Kutai Barat, Kalimantan	-0.695582	116.261963	12,093	Not Certified	2023		2022	Yes	2025	RaCP submission in progress	15-Aug-23

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			Timur, Indonesia.											
		PT Teguh Swakarsa Sejahtera	Desa Muara Siram, Kecamatan Bongan dan Jempang, Kabupaten Kutai Barat, Kalimantan Timur, Indonesia.	-0.743773	116.136559	10,282	Not Certified	2023		2022	Yes	2025	RaCP submission in progress	15-Aug- 23
		PT Munte Waniq Jaya Perkasa	Kampung Ponaq, Kecamatan Siluq Ngurai, Kabupaten Kutai Barat, Kalimantan Timur, Indonesia.	-0.648704	115.972893	8,016	Not Certified	2023		2022	Yes	2025	RaCP submission in progress	15-Aug- 23
		PT PSM	Kampung Kiak, Kecamatan Siluq Ngurai, Kabupaten Kutai Barat, Kalimantan Timur, Indonesia.	-0.718227	115.872978	5,084	Not Certified	2023		2022	Yes	2025	LUCA Finalisation in progress	15-Aug- 23
		Koperasi Serba Usaha Sawit Mitra Bongan Raya	Kampung Jambuk, Kecamatan Bongan, Kabupaten Kutai Barat, Provinsi	-0.7026839	116.307236	1,298	Not Certified	2023		2022	Yes	2026	Inclusion of PLASMA certification planning. Certification year to be 3 years after	15-Aug- 23

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			Kalimantan Timur										the mill is certified in 2025.	
		Koperasi Sawit Mitra Bongan Jempang	Kampung Resak, Kecamatan Bongan, Kabupaten Kutai Barat, Provinsi Kalimantan Timur	-0.74697	116.23944	115	Not Certified	2023		2022	Yes	2026	Inclusion of PLASMA certification planning. Certification year to be 3 years after the mill is certified in 2025.	15-Aug-23
		Koperasi Mitra Sawit Jaya Makmur Perkasa	Kampung Muhur, Kecamatan Siluq Ngurai, Kabupaten Kutai Barat, Provinsi Kalimantan Timur	-0.67853	115.96278	133	Not Certified	2023		2022	Yes	2026	Inclusion of PLASMA certification planning. Certification year to be 3 years after the mill is certified in 2025.	15-Aug-23
Lahat Datu Palm Oil Mill	Malaysia	Lahat Dato Palm Oil Mill	KM 48 Lahat Datu Sandakan Highway, 90200 Kinabatangan, Sabah, Malaysia.	118.042972	5.32475		Certified	2017	2017	2022	No	2023	The mill was sold off to third party and no longer under TSH management since February 2022	
		Ong Yan Ho Estate		5.32475		1,905	Certified		2017	2022	No	2023	The mill was sold off to third party and no longer under	

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													TSH management since February 2022	
		Gomantong Estate				895	Certified		2017	2022	No	2023	The mill was sold off to third party and no longer under TSH management since February 2022	
Kunak Palm Oil Mill	Malaysia	Kunak Palm Oil Mill	Mile 41, Tawau Kunak Road, 91200 Tawau, Sabah, Malaysia.	4.4675	118.1852		Certified	2016	2018	2022	No			
		Maju Sawit Estate & Wakuba	Batu 41, Jalan Tawau-Kunak Highway	4.6997	118.4278	251	Certified		2018	2022	No			
		LKSK Estate	KM 35, Jalan Bukit Mull, Balung, Tawau, Sabah.	4.6597	118.1078	960	Certified		2018	2022	No			
		Landquest Estate	KM 39, Jalan Semporna - Tawau highway, Semporna, Sabah.	4.5533	118.0030	438	Certified		2018	2022	No			
		Wakuba Estate	Batu 16, Jalan Tawau-Kunak Highway,	4.3939	118.1275	16	Certified		2018	2022	No			

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			Wakuba, Sabah											
RT Plantation (Without Mill)	Malaysia	RT Plantation (Without Mill)	KM7, Apas Road, Tawau, Sabah	4.5654	117.0738	2,601	Not Certified	2023		2022	Yes	2026	LUCA Finalisation in progress	15-Aug- 23
Sabahan Palm Oil Mill	Malaysia	Sabahan Estate	KM38 Lahat Datu Kunak Highway, 91700 Sabah, Malaysia.	4.818175	118.087878	122	Certified	2015	2019	2022	No			
PT Andalas Wahana Sukses (Without Mill)	Indonesia	PT Andalas Wahana Sukses (Plantation Only)	Desa Tepian Makmur, Kecamatan Rantau Pulung, Kabupaten Kutai Timur, Kalimantan Timur, Indonesia	0.720702	117.148917	3,732	Not Certified	2023		2022	Yes	2025	LUCA Finalisation in Progress	15-Aug- 23
		KUD Karya Bersama II	Jl. Kampung Baru Dusun Pantai, Desa/ Kelurahan Singa Geweh, Kec. Sangatta Selatan, Kab. Kutai Timur, 75683, Kalimantan Timur	0.61875	117.27639	79	Not Certified	2023		2022	Yes	2026	Inclusion of PLASMA certification planning. Certification year to be 3 years after the mill is certified in 2025.	15-Aug- 23
PT Bulungan Citra Agro Persada (Without Mill)	Indonesia	PT Bulungan Citra Agro Persada (Plantation Only)	Desa Tanah Kuning, Kecamatan Tanjung Palas Timur, Kabupaten	2.656163	117.764067	14,156	Not Certified	2023		2022	Yes	2025	LUCA Finalisation in Progress	15-Aug- 23

			Bulungan, Kalimantan Utara, Indonesia.											
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3.3 Details of Nonconformities

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

During this Assessment there were seven (7) Critical; four (4) Minor nonconformities and one (1) Opportunity For Improvement raised. The TSH Resources Berhad - Kunak POM & Supply Base Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Non-conformity											
NCR Ref #	2495827-202405-M1	Issued Date	17/05/2024								
Due Date	15/08/2024	Closure Date	13/08/2024								
Indicator & Category (Critical / Minor)	2.2.2 – Critical										
Statement of Nonconformity:	The appointed contractor is unable to showcase compliance with legal requirements, and there is no evidence of having undertaken due diligence.										
Requirement Reference:	All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available.										
Objective Evidence:	All contracted parties/vendors were provided by a transportation agreement which highlighted commitment to avoid fraud and corruption, labour and Human Rights as well as RSPO & MSPO compliance.										
	Transportation agreements were verified for sampled contractors which contained specific clauses on meeting applicable legal requirements to be demonstrated by the clause K.1 – K.3 and clause L.1. Sighted sampled of CPO & PK transporter at Kunak POM as table below:										
	<table><tr><td>Contractor</td><td>Status</td><td>Contract Validity</td></tr><tr><td>HMK Transport</td><td>CPO Transporter</td><td>1/01/2022 – 31/12/2024</td></tr><tr><td>Pemborong Setia Jaya</td><td>PK Transporter</td><td>1/01/2023 – 31/12/2024</td></tr></table>			Contractor	Status	Contract Validity	HMK Transport	CPO Transporter	1/01/2022 – 31/12/2024	Pemborong Setia Jaya	PK Transporter
Contractor	Status	Contract Validity									
HMK Transport	CPO Transporter	1/01/2022 – 31/12/2024									
Pemborong Setia Jaya	PK Transporter	1/01/2023 – 31/12/2024									
	However, both contractors were unable to demonstrate compliance to legal requirement and there is no evidence of due diligence available. No evidence of worker’ details, worker’s employment contract, or other legal obligations has been provided for verification. Since this issue is raise under same indicator in previous assessment, the Minor NC is escalated to Critical.										

Corrections:	All Logistic transporter to provide their copy of employees contract agreement – June'24
Root Cause Analysis:	Current Practice TSH Logistic only kept the copy of Contractor Services with TSH and Copy of latest Salary Payslip of the Logistic Contractor. This is due to the contractor's said the contract agreement considered as Personal Information. Only after this Major NC submitted to them they gave a confirmation that they'll provide the additional documents requested.
Corrective Actions:	Make arrangement with transporter to update their employees contract agreement on annual basis should there any new driver handling TSH Operation & Products.
Assessment Conclusion:	TSH Management issued a memo on 19/07/2024 to the affected contractors, requiring the submission of agreements and salary slips for the due diligence process as per RSPO 2.2.2 Criteria, with the contractors acknowledging receipt on 31/07/2024. Employment contracts and supporting documents, including salary slips and EPF contribution records for HMK Transport, Pemborong Setia Jaya, and Pengangkutan Sri Mediyudusin, are available for verification and review. The contractors will receive a briefing on the due diligence process during the stakeholder meeting on 14/08/2024. The Major Non-Conformance was effectively closed on 13/08/2024.

Non-conformity			
NCR Ref #	2495827-202405-M2	Issued Date	17/05/2024
Due Date	15/08/2024	Closure Date	13/08/2024
Indicator & Category (Critical / Minor)	3.6.2 – Critical		
Statement of Nonconformity:	Monitoring of effectiveness for the H&S plan to address health and safety risks to people is insufficient.		
Requirement Reference:	The effectiveness of the H&S plan to address health and safety risks to people is monitored.		
Objective Evidence:	<p><u>Kunak POM</u></p> <p>During mill visit and observation of Shovel operations in FFB Ramp, it was found that the Shovel was operated without honk, incomplete front lights, side mirrors and rear-view mirrors, missing reverse alarm and missing rotary alarm light. The front tyre thread also found almost fully worn off. Trailing of documented H&S Plan based on HIRADC; Form # TSHR/OSH/F01; Rev. # 0; Effective date: 01/09/2015; Area/Process/Section: Reception; indicated that the risks associated to the safe operational conditions of the shovel was insufficiently assessed and monitored which led to ineffective maintenance of shovel safety equipment/features above. Monitoring on the shovel maintenance is insufficiently conducted.</p> <p><u>Landquest Estate</u></p> <p>Visit to Landquest Estate field OP2017 spraying operation found the sprayers use a Hierbik Glyphosate-Potassium 48.7% SL for their circle spraying activity. Trailing of SDS and existing CHRA Report Ref. # RSSB/CHRA/2022-025 by ChM Suzanna J Rice Oxley of Rehpro Scientific Sdn. Bhd. for assessment date: 29/11/2022 found</p>		

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	the chemical Hierbik Glyphosate-Potassium 48.7% SL not included in the assessment hence, its H&S plan including PPE use deemed insufficient
Corrections:	<ol style="list-style-type: none"> 1. The main shovel's tyre has been replaced on 14th May and the old unit shovel has been return back as standby. The standby unit shovel, service provider came to inspect on 17th May. PR and PO has been issued and expected to be fully completed by 20th June 2024. 2. Conduct additional CHRA for 1 type of chemical which can be completed by July 2024 since PR/PO has been issued by each estate by 10th of June 2024.
Root Cause Analysis:	<ol style="list-style-type: none"> 1. This Shovel is a standby unit which pending for repair which is yet to received Quotation. On 14th May, the main shovel with tyre was found punctured causing Grading Operation to use the faulty unit. 2. Overlooked by the Estate Management on the requirement for this new chemical to report to QESH as Store didn't fully understood that this new chemical come with new AI type & %. This is new chemical is proposed by Agronomist effective March'2024.
Corrective Actions:	<ol style="list-style-type: none"> 1. The daily Shovel inspection form issues to be reported into the Plant Breakdown Notification should there are any faulty/breakdown found by Supervisor at the end of every shifts. On daily basis, the Maintenance Engineer & Mill Manager then to determine either to be repaired internally by Workshop department or to arrange for external service provider. 2. Training of the S/O Management & store PIC on the Chemical Buy-off form & linked with Purchasing Department should any new chemical with new AI, further notification to QESH department are required.
Assessment Conclusion:	On 22/06/2024, TSH Kunak Palm Oil Mill issued a Purchase Order (PO No: 781001088) based on the quotation dated 21/05/2024 for the repair of the electrical system, including the horn, reverse alarm, and tail lamp. The repair work was completed on 14/06/2024, and a site visit confirmed that the machinery was repaired, with all electrical components functioning properly. Management has emphasized the use of a shovel inspection checklist, where workers are responsible for checking and reporting any damages for repair by either mill workshop personnel or external contractors. A sample of the shovel inspection checklist was taken on 13/07/2024. Additionally, Landquest Estate conducted an additional Chemical Health Risk Assessment (CHRA) on 10/07/2024, including Hierbik and Eventus. A training session on the chemical buy-off form, along with CHRA training, was conducted on 19/07/2024. The evidence supporting these actions is available for review, and as a result, the Major Non-Conformance was effectively closed on 13/08/2024.

Non-conformity			
NCR Ref #	2495827-202405-M3	Issued Date	17/05/2024
Due Date	15/08/2024	Closure Date	13/08/2024
Indicator & Category (Critical / Minor)	3.8.7 – Critical		

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Statement of Nonconformity:	The mill does not inform the CB immediately when there was a projected overproduction of certified tonnage.
Requirement Reference:	Purchasing and Goods In i) The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received. ii) The mill shall inform the CB immediately if there is a projected overproduction of certified tonnage. iii) The mill shall have a mechanism in place for handling non-conforming FFB and/or documents.
Objective Evidence:	Verification of Mass Balance sheet on the production of Certified CPO and PK found that in the previous license in the month of October 2023 and November 2023 with the total of 425.11 mt for CPO in November 2023 and 194.68 mt for PK in November 2023. However, the mill does not inform the CB regarding the overproduction.
Corrections:	Discussed and informed CB Admin for this issues.
Root Cause Analysis:	Since the CSPO has been sold as conventional CPO, the FFB Admin & Mill Operation Admin overlooked on this requirement of notification of overproduction and extension of volume to CB including the CSPK production. The format tracking of CSFFB and production of CSPO & CSPK are not comprehensive as it is. The current format only tracking the CSFFB/CSPO/CSPK from certified estate and FFB/PK/CPO from external sources. Not included the volume of approved certified CSFFB/CSPO/CSPK so the comparison for immediate notification of overproduction issues not easily found in the the tracking format.
Corrective Actions:	Revised the current CSPO/CSPK track formatting to ensure overproduction VS license volume is easily detectable for immediate update to CB by 25 th May 2024.
Assessment Conclusion:	The review of the CSPO/CSPK tracking format confirmed the inclusion of total production versus the licensed volume. Verification of the Mass Balance Sheet for July 2024 revealed no overproduction of CPO and PK within the current approved license volume. As a result, the Major Non-Conformance was effectively closed on 13/08/2024.

Non-conformity			
NCR Ref #	2495827-202405-M4	Issued Date	17/05/2024
Due Date	15/08/2024	Closure Date	13/08/2024
Indicator & Category (Critical / Minor)	3.8.16 – Critical		
Statement of Nonconformity:	The process of removing the RSPO certified volume sold as conventional from RSPO IT Platform is not evident.		
Requirement Reference:	Registration of Transactions i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being		

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	the Bill of Lading or the dispatch documentation date. ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform.
Objective Evidence:	Based on verification of Mass Balance Record 2023 and CPO Stock dated 30/11/2023 (CPO Balance: 1270.262 mt) and interview with the mill management found that the certified CPO was sold as conventional, and the mill does not sell certified CPO throughout the license period. Verification with RSPO IT Platform (Palm Trace), there is no evidence of removal has been made for the CPO.
Corrections:	Attend official training related to RSPO SCCS /Palm Trace system by the Sustainability & Palm Trace PIC on this requirements – Aug'24.
Root Cause Analysis:	Since the CSPO has been sold as conventional CPO, the FFB Admin & Mill Operation Admin overlooked on this requirement of notification removal of CSPO from the Palm Trace license since previously we are briefed only for stock /shipping announcement only. The Sustainability PIC haven't attended any Official training related to RSPO SCCS and Palm trace reporting. So when they started to sell under conventional last year the removal of products reporting is not captured as previous PIC (resigned) only trained related to the stocks sold as certified product.
Corrective Actions:	For any CSPO sold as conventional we need to declare the stock removal from the palm trace either on monthly basis or before the end of the current license to ensure the stock are deducted from the volume inside the license. Module training of the Palm trace operation set-up, trained to all FFB Admin PIC and to be kept as reference documents for FFB Admin Operation on RSPO Palm Trace system application
Assessment Conclusion:	The management registered a participant for the RSPO P&C Lead Auditor training scheduled for 19/06/2024, with the training initially planned for 29/07/2024 to 04/08/2024, but later postponed to 23-28/09/2024. An invoice dated 09/07/2024, with Reference Number PHS-01/17-TAWAU/ENG/07/24, was verified. Stock removal has been conducted under the current license on 06/06/2024 (476.86 mt), 03/07/2024 (363.83 mt), and 06/06/2024 (2512.1 mt). Training for the FFB Admin Operation will be conducted by the appointed person after the training is completed. The Major Non-Conformance was effectively closed on 13/08/2024.

Non-conformity			
NCR Ref #	2495827-202405-M5	Issued Date	17/05/2024
Due Date	15/08/2024	Closure Date	13/08/2024
Indicator & Category (Critical / Minor)	6.2.2 – Critical		
Statement of Nonconformity:	The information provided in employment contracts and payroll documents was incomplete and inaccurately represented.		
Requirement Reference:	Employment contracts and related documents detailing payments and conditions of employment (e.g., regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give		

	accurate information on compensation for all work performed. This includes a form of record for work done by family members.
Objective Evidence:	<p>Document review on sampled workers' employment agreement, sighted the document established stipulates with terms of conditions of service such position, period of employment, types of work, responsibilities of employer, responsibilities of employee, salary payable, working hours, annual leave, sick leave, mutual termination of contract, facilities, deductions, overtime, holiday entitlement, maternity leave, and period of notice. Payroll documents were sampled for three months: August 2023 (lowest FFB produced), February 2024 (average FFB produced), and April 2024 (highest FFB produced). The payslips listed all details of daily-rated wages, piece-rated wages, payment for any overtime work done, public holiday pay, and salary deductions.</p> <p>Based on document reviews and interviews with workers, it was found that the employment agreement did not reflect the actual conditions. Additional incentives such as the harvesting incentive, muster attendance incentive, village head allowance are not specifically mentioned in the agreement or other informational documents. In the payslips, these allowances and incentives are listed in earnings category and under the items 'Other Pay EPF' and 'Other NEPF,' which confused the workers.</p> <p>While during payslips review of sampled foreign workers at Kunak POM, sighted deduction of RM68.60 under item 'Passport'. Further verification found that the deduction is made for 'Skim Kemasukan Hospital & Pembedahan Pekerja' (SKHPPA) which categorized as group insurance scheme for foreign workers. Noted that TSH has valid certificate approval from Sabah Labour Office; Series No JTKSBH/PMT/113/2023/0300 to deduct wages of workers for Group Insurance Scheme category. However, item 2.2 in the certificate specifies that TSHR shall ensure the availability of an agreed and signed letter for wage deductions by workers. Unfortunately, the worker's signed agreement letter does not include any provision for wage deductions for the purpose of SKHPPA payment.</p>
Corrections:	<ol style="list-style-type: none"> 1. Separate Incentive & allowances for each gang / task for estate will be listed and attached into each employees personal file. This new list will be submitted to employees for their signature and briefing of understanding 2. List each types of incentive & allowances either in "Other Pay EPF" & "Other NEPF" category to be prepared by HR for easy references by Admin Clerk – June'24. This list will be attached together with their Contract Agreement and to be briefed on the next salary payday 3. Deduction list to be revised and specify for each type that may be deducted in 1 year, should any new deductions added or required (as per labour ordinance licenses), new deduction letter to be issued and signed by employees
Root Cause Analysis:	Insufficient training for admin clerk on the payslips, agreement employee understanding by the system holder since both payroll system (SAP) and also contract agreement are newly enforced this year. SAP System only implemented on 1 st April 2024 while the contract agreement on 1 st Feb 2024. So Admin and also the S/O PIC still not fully understand the system.
Corrective Actions:	To ensure continuous understanding and avoid any issues related to this, annual refresher training for Admin clerk & S/O management by HR Department to be

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	<p>conducted and recorded especially if there are any changes under the system or by Law requirements.</p> <p>Will address any changes of either the pay-slips, deductions or contract agreement from HR to ensure smooth communication back to the workers.</p>
Assessment Conclusion:	<p>Incentives and allowances have been established in each estate, with data extracted from the SAP system detailing these for harvesters, sprayers, manurers, and replanting work. A list of "Other Pay EPF" and "Other Pay NEPF" has been established, with clear details on EPF deduction applicability. Training on worker allowances was conducted during the internal stakeholder meeting, along with training for Admin Clerks and Site Operations. The management requested salary deduction approvals from all workers, and samples of these approvals were verified. Interviews with workers confirmed their agreement to the salary deductions as per the permit. Additionally, management has established a new salary slip format to be implemented starting August 2024. The Major Non-Conformance was closed on 13/08/2024, with further verification to occur in the next assessment.</p>

Non-conformity																							
NCR Ref #	2495827-202405-M6	Issued Date	17/05/2024																				
Due Date	15/08/2024	Closure Date	13/08/2024																				
Indicator & Category (Critical / Minor)	6.2.4 – Critical																						
Statement of Nonconformity:	Workers housing condition has not been properly maintained.																						
Requirement Reference:	<p>Workers housing condition has not been properly maintained</p> <p>The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5years) is allowed to upgrade the infrastructure.</p>																						
Objective Evidence:	<p>Line inspection checklist format is available and documented in the "Borang Pemeriksaan Perumahan, Dewan Komuniti Pusat Jagaan Kanak Kanak & Sekolah". As per checklist, line site inspection needs to be conducted for specific parameters in-line with applicable requirements of Workers Minimum Housing and Amenities Standard Act 1990. 3 latest inspections conducted for Kunak POM and its supply based were tabulated below.</p> <table border="1"> <thead> <tr> <th>Mill/Estate</th><th colspan="3">Date of inspection</th></tr> </thead> <tbody> <tr> <td>Maju Sawit Estate</td><td>08/05/2024</td><td>02/05/2024</td><td>23/04/2024</td></tr> <tr> <td>Kunak POM</td><td>08/05/2024</td><td>02/05/2024</td><td>23/04/2024</td></tr> <tr> <td>Sabahan 1 Estate</td><td>10/05/2024</td><td>03/05/2024</td><td>26/04/2024</td></tr> <tr> <td>LKSK Estate</td><td>11/05/2024</td><td>04/05/2024</td><td>27/04/2024</td></tr> </tbody> </table>			Mill/Estate	Date of inspection			Maju Sawit Estate	08/05/2024	02/05/2024	23/04/2024	Kunak POM	08/05/2024	02/05/2024	23/04/2024	Sabahan 1 Estate	10/05/2024	03/05/2024	26/04/2024	LKSK Estate	11/05/2024	04/05/2024	27/04/2024
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LKSK Estate	11/05/2024	04/05/2024	27/04/2024																				

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	Landquest Estate	13/05/2024	06/05/2024	16/04/2024
	As per stated in the inspection records, there are no discrepancies were recorded, and the parameters were met. Nevertheless, during the on-site visit, it was observed that the management of the housing drainage system was inadequate, resulting in blockages in water flow. Additionally, observable damages to ceilings, windows, mosquito nets, and rain gutters were noted, contradicting the findings of the housing inspection.			
Corrections:	<p>1. Identify the total houses in poor conditions & prepare an annual plan for repairing and discussed with management on the steady Houses repairs progress in Annual plan. The worst condition (3 block of housing) quotation comparison (completed 14th June 2024) with costs around RM100K & pending management approval and repairing will commence in Q3'2024. The rest will be planned on annual basis effective 2025 under Annual Budget.</p> <p>2. Once fully repaired, any reported case of critical broken/faulty cases (unsafe condition) will be repaired accordingly based on the budget on that particular year. For non-critical (wear & tear) S/O need to combine the repairing houses as they solely depend on the external contractor and they will only quote or conduct the job when the amount is significant to them.</p>			
Root Cause Analysis:	<ol style="list-style-type: none"> PIC conducting the inspection are without insufficient training Under budgeted for repairing cost causing the site left with insufficient budget vs the unpredictable material costing which consistently increased. 			
Corrective Actions:	<ol style="list-style-type: none"> Training & awareness of both the inspector and the house owner/employees on the responsibility to take care of the provided house. Annual budget for Maintenance of housing will always set for the mill inclusive of repair, changes of electrical wiring, etc. S/O Management to review the Housing Inspection report in current year for next year housing repair and maintenance annual budget. Those findings that required extra budget or not budgeted under the current year will be plan & recorded under the following year annual (repair & maintenance of housing) budget planning. 			
Assessment Conclusion:	The management conducted training for housing inspectors on 17/07/2024 at Kunak Palm Oil Mill and Sabahan 1 Estate, on 18/07/2024 at LKSK Estate, and on 19/07/2024 at Landquest Estate. Repair work for housing has begun, with a sample taken for PO Number 781001109 at the Kunak Palm Oil Mill housing area. Records of material purchases have been verified, and the housing repairs are in progress. The management is preparing the 2025 budget, identifying areas for improvement based on recent inspections. Inspection records have been verified, detailing the areas needing repair. The Major Non-Conformance was effectively closed on 13/08/2024, with further verification to be conducted during the next assessment.			

Non-conformity			
NCR Ref #	2495827-202405-M7	Issued Date	17/05/2024
Due Date	15/08/2024	Closure Date	13/08/2024

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Indicator & Category (Critical / Minor)	7.10.3 – Critical
Statement of Nonconformity:	The significant pollutants identification and plan to reduce or minimize them is not fully implemented.
Requirement Reference:	Other significant pollutants are identified and plans to reduce or minimize them implemented and monitored.
Objective Evidence:	<p>Site visit at Maju Estate tractor parking bay, Sabahan 1 Estate store compound, LKSK Estate workshop area and Genset found spots of oil contaminated the land. Site visit at Kunak Palm Oil Mill effluent pond area found that there was empty lubricant container used to keep water.</p> <p>This is not in line with the Environment Continual Improvement Plan on waste which objective stated to minimize the land contamination through generating of schedule waste, which the program is to collect, segregate, labelling, store and dispose all the scheduled waste through the DOE licensed contractor.</p>
Corrections:	<ol style="list-style-type: none"> 1. Removed the used chemical container from the effluent site & collect the oil spillages as SW408 and submit to SW Store for storage and proper disposal 2. Site Office to buy secondary containment for each tractor to be used whenever there are potential of leakages or during repair & services outside of the workshop area
Root Cause Analysis:	Training & awareness of the employees are still lacking especially for new employees transferred & others employees on returning the emptied chemical container or containment prevention of any spillages. Most employees are also mostly with low level of education causing them unable to correlate the hazards of empty chemical containers/used lubricating oil, hence the enforcement of these requirement do have certain compliance issues. With the SW Characteristic testing conducted (Feb'2024), this can help to point out why these are categorized as SW and their hazards.
Corrective Actions:	<ol style="list-style-type: none"> 1. Training of each employee are to be conducted and monitor by their HOD on the environmental requirements. 2. Mill's Store to take action for any non-returned chemical container. Emptied empty container (Pail/Gallon) will be punctured before return to SW store.
Assessment Conclusion:	The management has removed empty chemical containers from the site and stored them in the scheduled waste store, where they were punctured as required. Secondary containment has been installed for each tractor at the workshop to prevent oil leaks from polluting the land. Training on the procedure for returning empty chemical containers was conducted on 17/07/2024 at both Kunak Palm Oil Mill and Sabahan 1 Estate, on 18/07/2024 at LKSK Estate, and on 19/07/2024 at Landquest Estate. Additionally, the management briefed workers on scheduled waste management during the internal stakeholder meeting. The Major Non-Conformance was effectively closed on 15/08/2024, with further verification to be conducted in the next assessment.

Non-conformity			
NCR Ref #	2495827-202405-N1	Issued Date	17/05/2024

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Due Date	Next Assessment (ASA2_1)	Closure Date	"Open"
Indicator & Category (Critical / Minor)	1.1.5 – Minor		
Statement of Nonconformity:	Details of stakeholders are not updated effectively.		
Requirement Reference:	There is a current list of contact and details of stakeholders and their nominated representatives.		
Objective Evidence:	Kunak POM and its supply base management maintain Stakeholders Contact Details annually. The stakeholders include neighboring estates, service providers, government agencies, schools, CLC education centers, foreign embassies, local communities, contractors, product customers, and suppliers. However, interviews and document reviews across all estates revealed that the existing stakeholder lists are not effectively updated according to further verification conducted. There are other stakeholders are not included in the stakeholders list which were significantly affected.		
Corrections:	Update the current stakeholder list based on the Stakeholder list in the SIA Report		
Root Cause Analysis:	<p>1. Wakuba Estate stakeholder's not included by the Social PIC in the QESH team back in 2017 they missed out the list as they focusing more towards the Mill & MS Estate only while the team understanding of the RSPO requirements are still very minimum at that particular time.</p> <p>2. The monitoring of the stakeholder list after that are focusing more to add on new stakeholder and maintaining the current stakeholders that still conducting business with TSH operation.</p>		
Corrective Actions:	<p>To set that the SIA to conduct an Annual review and update of the Stakeholder list & double confirm with the SIA report for each site of Operation.</p> <p>Annual review of the stakeholder list during the External Stakeholder Meeting to confirm if any changes required for the lists based on each site of operation.</p>		
Assessment Conclusion:	The CAP is accepted, further verification will be conducted in the next assessment		

Non-conformity			
NCR Ref #	2495827-202405-N2	Issued Date	17/05/2024
Due Date	Next Assessment (ASA2_1)	Closure Date	"Open"
Indicator & Category (Critical / Minor)	3.4.2 – Minor		
Statement of Nonconformity:	There is no evidence of participation by affected stakeholders during the development of the social management plan.		
Requirement Reference:	For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.		

Objective Evidence:	<p>TSHR has established a social management plan for both positive and negative impacts identified in the social impact assessment conducted in 2018. This plan is reviewed and updated every five years, with the most recent version covering the period from 2021 to 2025.</p> <p>For internal stakeholder’s concern, the input from the assessment will be review and updated based on information gathered from the meeting from Social Impact Assessment in 2018, annual internal stakeholder meeting, welfare committee meeting, and gender committee meeting which conducted at each of operating units as follow.</p> <table><tr><td>Mill/Estate</td><td>Internal Stakeholder Session</td><td>External Stakeholder Session</td></tr><tr><td>Maju Sawit Estate</td><td rowspan="2">02/06/2023</td><td rowspan="5">26/07/2023</td></tr><tr><td>Kunak POM</td></tr><tr><td>Sabahan 1 Estate</td><td>07/06/2023</td></tr><tr><td>LKSK Estate</td><td>08/06/2023</td></tr><tr><td>Landquest Estate</td><td>06/06/2023</td></tr></table> <p>However, referring to the minutes of the external stakeholder consultation meeting held on 26/07/2023 as well as external stakeholder interview session, there is no evidence that the social management and monitoring plan was discussed and reviewed with the participation of affected external stakeholders regarding the impacts and concerns raised during the assessment.</p>	Mill/Estate	Internal Stakeholder Session	External Stakeholder Session	Maju Sawit Estate	02/06/2023	26/07/2023	Kunak POM	Sabahan 1 Estate	07/06/2023	LKSK Estate	08/06/2023	Landquest Estate	06/06/2023
Mill/Estate	Internal Stakeholder Session	External Stakeholder Session												
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Kunak POM														
Sabahan 1 Estate	07/06/2023													
LKSK Estate	08/06/2023													
Landquest Estate	06/06/2023													
Corrections:	SIA CAPA (Corrective Action & Preventive Action) will be again presented and discussed in the External stakeholder meeting 2024 onwards inclusive of the Replanting Plan for 2024 ~ 2028.													
Root Cause Analysis:	The SIA Plan only reviewed once with the External stakeholder on the 1st SIA report conducted 2018~2019 where the CAPA has been completed. Since 2020 ~2022 no External stakeholder meeting has been conducted (due to Covid’19) but the slides, information request has been shared (email) for feedback & no reply has been received. Hence the meeting 2023 are without any external Stakeholders previous CAPA/SIA plan included.													
Corrective Actions:	Annual planning for External Stakeholder’s will set-up a segment to discuss the CAPA of SIA / revised SIA with the whole stakeholders for their knowledge and feedback - 31 st July 2024 (external stakeholder meeting 2024)													
Assessment Conclusion:	The CAP is accepted, further verification will be conducted in the next asessment													

Non-conformity			
NCR Ref #	2495827-202405-N3	Issued Date	17/05/2024
Due Date	Next Assessment (ASA2_1)	Closure Date	"Open"
Indicator & Category (Critical / Minor)	6.3.3 – Minor		

Statement of Nonconformity:	There is no evidence of workers committees were formed independently from management.
Requirement Reference:	Management does not interfere with the formation or operation of registered unions/ labour organizations or associations, or other freely elected representatives for all workers including migrant and contract workers.
Objective Evidence:	A Welfare Committee was established at each operating unit, with each committee having its own organizational structure. The members of these committees are selected from among the workers. The minutes of the Welfare Committee meetings and worker interview sessions revealed that there was no evidence of a free election process without management influence. It was found that workers' representatives were selected among the Mandores.
Corrections:	Request and informed the employees to conduct free election involving all workers and the whole process to be documented which is conducted without management influences – 1 st ~ 11 th July 2024
Root Cause Analysis:	<p>Selection process of the employees representative back in 2017 are conducted verbally during the internal stakeholder meeting. We request all workers to select their representative based on process/area for the welfare meeting.</p> <p>All workers wholly agreed that mandore's are the best representative for their welfare as most mandore's/ supervisor are literate/higher education and most workers are illiterate.</p> <p>The site management at that particular time had to monitor the process as this is new process for worker's but didn't record the election processes. Since then the S/O deem it's sufficient enough to appointed the selected person as employee's representative in welfare meeting.</p>
Corrective Actions:	<p>Letter of appointment as employees' representative will be issued based on the results of the free election.</p> <p>The frequency will be depending on the employees themselves as they will decide if the elected representative need to change.</p>
Assessment Conclusion:	The CAP is accepted, further verification will be conducted in the next assessment

Non-conformity			
NCR Ref #	2495827-202405-N4	Issued Date	17/05/2024
Due Date	Next Assessment (ASA2_1)	Closure Date	"Open"
Indicator & Category (Critical / Minor)	Accident and emergency procedures in place are not fully understood by all workers.		
Statement of Nonconformity:	Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.		
Requirement Reference:	<u>Kunak POM</u>		

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	<p>The accident reporting was made only on 12th day of LTA case occurred as per records of Kunak POM JKPP 6; SB/SKEM/23/02374; Report Date: 02/11/2023; Accident Date: 21/10/2023 despite that the procedure requires reporting within applicable legal requirement.</p> <p><u>Sabahan 1 Estate, LKSK Estate & Landquest Estate</u></p> <p>The emergency precaution to keep a copy of Safety Data Sheet (SDS) available in a place of work was insufficiently implemented and understood by person in-charge (PIC) mainly among field mandores for operation involving chemicals handling as found during assessment in Sabahan 1 Estate spraying operation, LKSK Estate manuring operation and Landquest Estate spraying operation visits.</p>
Objective Evidence:	Accident and emergency procedures in place are not fully understood by all workers.
Corrections:	<ol style="list-style-type: none"> 1. Refresher training for OSH Committee, admin & HOD on the compliance of time frame for Reporting date for any Accident with MC 5days and Above. 2. SDS file for field worker's stationed at Chemical Store to be taken to the field by mandore whenever there is chemical handling/application to the field.
Root Cause Analysis:	<p>TSHR/OSH/SOP6: ERP didn't specified the timeline for reporting of the NADOPOOD to DOSH through the MYKKP system as we've made reference to the related regulation.</p> <p>b. This accident, the MC received twice, 1st MC only 3 days it's between 21/10~23/11/2023 (without any stated the injured person required for review) and this didn't require for JKPP6 reporting at that particular time. The 2nd MC received for 2 days between 24/10 ~ 25/10/2023. This additional MC come into OSH Committee PIC knowledge only on the 30/10/2024. The Committee then need to review the CAPA and reporting only completed on 2nd Nov 2024.</p> <p>Current TSH Practices for SDS only kept in chemical, fertilizer store & office. SDS keep in the Chemical mixing store are visible to the workers and easy accessible to them. Any chemical accident, the Mandore/staff as trained First Aider will give immediate treatment prior go back to the office for preparation of transport/GL to nearby medical facilities for further treatment & will bring the SDS together as established in the TSHR/OSH/SOP06.</p>
Corrective Actions:	<ol style="list-style-type: none"> 1. Revised TSHR/OSH/SOP06 to includes the NADOPOOD reporting guideline – 1st july 2024. 2. SDS Prepared copies of SDS that will be available for mandore to bring into the field either in hardcopy or soft copy filing – June'2024.
Assessment Conclusion:	The CAP is accepted, further verification will be conducted in the next asesment

Opportunity for Improvements	
OFI #	Description
OFI 1	<p>2495827-202405-I1</p> <p><u>Indicator 6.1.5</u></p> <p>Agenda meeting of the gender committee for each operating unit could be enhanced by focusing more on agenda related to women concerns and issues.</p>

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Positive Findings	
PF #	Description
PF 1	Good Commitment from the Management Team towards RSPO Certification.
PF 2	Good Implementation of Agronomic and Environmental Practices.
PF 3	Good understanding by staffs and workers on GAP, H&S and Environment Protections

3.3.1 Status of Nonconformities Previously Identified and Opportunity for Improvement

Previous Audit Critical (Major) Non-conformity			
NCR Ref #	2354216-202306-M1	Issued Date	24/06/2023
Due Date	21/09/2023	Closure Date	21/09/2023
Indicator & Category (Critical / Minor)	3.6.1 - Critical		
Statement of Nonconformity:	An H&S procedure related to Confined Space found inadequately implemented.		
Requirement Reference:	All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.		
Objective Evidence:	Kunak POM establish Safe Operating Procedure (TSH/OSH/WI03 Rev No:0 dated 26/08/2019) for Confined space where Authorized Entrant must declare that he is fit to perform the job by filing in Health declaration form and confirmation by OHD. However, found no record of health declaration for 4 worker that enter the confined space as per PTW (KPOM/JKKP/VACUUMDRYER2/062022) implementation dated 04/06/2023 Vacuum Dryer No. 2 tank cleaning thus Major NC was raise during this audit.		
Corrections:	Immediately send the lists of registered authorized entrants to conduct the health declaration and confirmation review with OHD – 13th July 2023.		
Root Cause Analysis:	The Authorize entrant doing the job, just recently attended and passed the AESP Training and yet to be arranged for the health declaration and confirmation review with OHD as per SOP.		
Corrective Actions:	Training of Confined Space SOP to all AGTES & AESP.		
Assessment Conclusion:	<p>Due to CAP accepted able to be verified via documented information as approved by RSPO Global Scheme Manager, hence off-site verification conducted for CAP evidence submitted by client as following:</p> <ul style="list-style-type: none"> - Name list dated 25/7/2023 of all AGTES & AESP total 28 person identified by Kunak POM (including 4 workers done the work on 4/6/2023) to be sent for Medical Surveillance by OHD - Letter by OHD of confirmation for Medical Surveillance conducted on 26/7/2023 - Letter by OHD dated 4/8/2023 of Medical Surveillance results and Confined Space inspection. All 28 examined workers found fit and declared to be allowed to perform confined space work 		

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	<p>- Training of Confined Space SOP for all AGTES & AESP from 4/8/2023 until 20/9/2023</p> <p>Verification of CAP found implementation evidently effective to address the issue. Hence, Major NC closed on 21/09/2023.</p>
Effectiveness Closure (for previous audit closed Critical NC):	<p>On 25th July 2023, a list of 28 AGTES and AESP personnel identified by Kunak POM, including 4 workers who had completed tasks on 4th June 2023, was prepared for medical surveillance by OHD. Confirmation of this surveillance was provided by OHD on 26th July 2023. On 4th August 2023, OHD issued a letter detailing the results of the medical surveillance and confined space inspection, affirming that all 28 workers were deemed fit and authorized to perform confined space work. Additionally, training on Confined Space Standard Operating Procedures (SOP) was conducted for all AGTES and AESP personnel from 4th August 2023 to 20th September 2023.</p> <p>Further verification on the site visit and interview conducted, verified that the workers are able to explain on the safety requirement when working in confine space. The Major Non Conformance remained closed.</p>

Previous Audit Minor Non-conformity			
NCR Ref #	2354216-202306-N1	Issued Date	24/6/2023
Due Date	17/05/2024	Closure Date	17/05/2024
Indicator & Category (Critical / Minor)	2.2.2 - Minor		
Statement of Nonconformity:	The evidence of legal due diligence of contracted third parties was insufficiently demonstrated.		
Requirement Reference:	<p>All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party.</p> <p>Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available.</p>		
Objective Evidence:	Based on site visit, the groceries shop at LKSK Estate was found to have been storing rice & sugar and distributing them to the workers. However, there is no evidence that the shop has obtained legal permit from the relevant authority which is not in accordance with Control of Paddy & Rice Act 1994 (Act 522) and Control Supplies Act 1961 (Act 122).		
Corrections:	Served the groceries store the Warning Letter to submit their Legal Permit related to Control of Paddy & Rice Act 1994 (Act 522) and Control Supplies Act 1961 (Act 122) by 10th August 2023.		
Root Cause Analysis:	Lack of awareness in the applicable legal compliances of the groceries shop by LKSK PIC so he didn't request all listed legal licenses and permits required for groceries shop operation as none are stated in the contract agreement.		
Corrective Actions:	Training of PIC for monitoring of applicable legal compliance by grocery shop.		
Assessment Conclusion:	After verification with the management and visiting the grocery shop, it was confirmed that the shop had permanently closed. This closure was due to the vendor's inability to obtain the necessary legal permits in accordance with the Control of Paddy & Rice Act 1994 (Act 522) and Control Supplies Act 1961 (Act 122).		

	A warning letter from the estate management, dated 29/02/2024, had highlighted the status of the legal permit, and the vendor was given until 30/04/2024 to obtain the permit. Unfortunately, the vendor failed to secure the permit, leading to a termination letter from the estate management dated 30/04/2024, with the vendor given a two-week notice to vacate the shop. Currently, the shop is undergoing a tendering process for a new vendor. Thus the Minor Non Conformance is closed.
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Previous Audit Opportunity for Improvement	
OFI#	Description
OFI 1	<p>OFI Statement: 2354216-202306-I1 Indicator 7.9.1</p> <p>The installation of diesel engine nearby the estate's housing and office area for electricity supply at both LKSK & Lanquest Estate could be assessed and monitored further its impact towards house and office occupants since its 24 hours operation aspects on the engine's air pollutants with diesel fumes and noise emissions nuisance too.</p> <p>Verification / Follow-up actions: The management has planned to relocate the genset at LKSK Estate and has relocate the genset at Landquest Estate. This will significantly reduce the noise pollution.</p>

3.3.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Critical / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
2354216-202306-M1	Critical	3.6.1	24/06/2023	21/9/2023
2354216-202306-N1	Minor	2.2.2	24/06/2023	Closed on 17/05/2024
2495827-202405-M1	Critical	2.2.2	17/05/2024	Closed on 13/08/2024
2495827-202405-M2	Critical	3.6.2	17/05/2024	Closed on 13/08/2024
2495827-202405-M3	Critical	3.8.7	17/05/2024	Closed on 13/08/2024
2495827-202405-M4	Critical	3.8.16	17/05/2024	Closed on 13/08/2024
2495827-202405-M5	Critical	6.2.2	17/05/2024	Closed on 13/08/2024
2495827-202405-M6	Critical	6.2.4	17/05/2024	Closed on 13/08/2024
2495827-202405-M7	Critical	7.10.3	17/05/2024	Closed on 13/08/2024
2495827-202405-N1	Minor	1.1.5	17/05/2024	"Open"
2495827-202405-N2	Minor	3.4.2	17/05/2024	"Open"
2495827-202405-N3	Minor	6.3.3	17/05/2024	"Open"
2495827-202405-N4	Minor	6.7.2	17/05/2024	"Open"

3.4 Stakeholders and previous land owner / user consultation

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss TSH Resources Berhad - Kunak POM & Supply Base Certification Unit's environmental and social performance, legal and any known dispute issues.

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

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

Stakeholders contacted		
Type of Stakeholder (e.g. Internal, Union, Contractor, Governmental Department, NGO, External, Communities)	Stakeholder name / organization	Means of communication (e.g. face to face interview, email, phone interview, comment from public notice)
Internal, Gender Representative, Worker's Union	Representative of Gender Committee, Representative of workers union	Face to face
Neighbouring estate	Onn Giap Plantation Sdn Bhd, PEKAH Sdn Bhd	Face to face
Government Agency	Jabatan Veterinar, Sek Keb Kalumpang, Pejabat Perhutanan Daerah Kunak, Sabah Wild Park	Face to face
Local communities	Representative Kg Checkpoint, Village Head of Kg Kalumpang, Restaurant Singgah Dulu Bos	Face to face
Contractor	HMK Transport, Syarikat Kumpau Enterprise	Face to face

Stakeholders comment	
1	<p>Feedbacks: Workers Union Representative & Gender Committee Members</p> <p>Interview session with sample of representative of workers union and gender committee members for each operating unit found that management acknowledged and provide freedom with the establishment of the welfare and gender committee at all unit of certification. Meetings for both organization was conducted regularly and minutes meeting are reviewed and verified. Discussion on workers right, women's rights, complaint channel and any concern were commonly conducted during the meeting.</p> <p>Audit Team verification and response: Managements will always have remained these good communications to feedback from female staffs and workers of any form of harassment or discrimination to comply as company policy.</p> <p>Document review on 'Persatuan Wanita' minutes of meeting from sampled estates verified the meeting is conduct at every three months and attended by female staffs and workers as committee member.</p>

	No further verification required
2	<p>Feedbacks: Onn Giap Plantation Sdn Bhd, PEKAH Sdn Bhd</p> <p>There are no conflict regards to estate's boundaries since it was clearly demarcated with marking, fences, and trenches. Good relationship between both parties is observed with consistent communication and meetings. Both organisations were invited to external stakeholder session and involved directly upon discussion regards to fire prevention measure accordingly.</p> <p>Audit Team verification and response: No further verification required</p>
3	<p>Feedbacks: Jabatan Veterinar, Sek Keb Kalumpang, Pejabat Perhutanan Daerah Kunak, Sabah Wild Park</p> <p>All representative of government agencies acknowledged commitment shown by TSH Resource Berhad for sustainability effort since they were regularly invited to stakeholder consultation session and related concerns.</p> <p>Audit Team verification and response: Managements will always have remained these good communications to the government department which is directly involved in the operation.</p> <p>Review on complaint records and Social Continuous Improvement Plan established verified the no request/complaints/grievance/disputes is included as monitoring by management to take action.</p> <p>No further verification required</p>
4	<p>Feedbacks: Representative Kg Checkpoint, Village Head of Kg Kalumpang, Restaurant Singgah Dulu Bos</p> <p>In general, it was found that relationship between Kunak POM and its supply bases with their local communities was satisfactory. Social contribution by TSH Resource Berhad especially for local employment also appreciated by local communicates which indirectly improve socio-economy of the village area.</p> <p>Audit Team verification and response: Managements will always have remained these good communications to the villager.</p> <p>Document review on stakeholders' minutes of meeting from verified the meeting is attended by head of villager and no request/complaints/grievance/disputes to be discuss during the meeting.</p> <p>Review on complaint records and Social Continuous Improvement Plan established verified the no request/complaints/grievance/disputes is included as monitoring by management to take action.</p> <p>No further verification required</p>
5	<p>Feedbacks: HMK Transport, Syarikat Kumpau Enterprise</p> <p>Interview with contractors which among FFB transporter (estate) and CPO transporter (mill) conducted and found that there is no problem on payment terms. All contractors were regular attendees in stakeholder consultation and related training conducted by estate. In addition, contractors also aware on legal regulation including labour and workers employment terms and condition, wages requirement, safety elements and understanding of environment concern,</p> <p>Audit Team verification and response: No further verification required</p>

List of land owner / user contacted

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

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

3.5 Impartiality and conflict of interest

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

Formal Signing-off of Assessment Conclusion and Recommendation

The audit objectives have been achieved and the certificate scope is appropriate. Based on the results of this audit, it is concluded that TSH Resources Berhad - Kunak POM & Supply Base has complied with the Malaysia National Interpretation 2019 of the RSPO P&C 2018 and audit criteria identified within the audit report. It is deemed that the management system has achieved its intended outcomes. Therefore, it is recommended that TSH Resources Berhad - Kunak POM & Supply Base is remain certified.	
Report prepared by	Acceptance of Assessment Conclusion
Name: AHMAD RUFİ BIN ABU TALİB KHAN	Name: AMRAN BIN AMIRULLA
Company Name: BSI SERVICES MALAYSIA SDN BHD	Company Name: TSH PLANTATION MANAGEMENT SDN BHD – KUNAK PALM OIL MILL
Title: CLIENT MANAGER	Title: ACTING MILL MANAGER
Signature: 	Signature: <i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i>  
Date: 15/08/2024	Date: 15/08/2024

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Appendix A: Summary of Findings

Criterion / Indicator		Assessment Findings	Compliance
Principle 1: Behave ethically and transparently			
Criterion 1.1: The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	(C) Documents that are specified in the RSPO P&C are made available to the public. - Critical (Major) compliance -	<p>TSH utilized their company website: https://www.tsh.com.my/investor-relations/reports/ for sharing their public information and documents. Among publicly available documents are Group Sustainability Policy, Annual Report and Corporate Governance Report, Annual General Meeting, and others.</p> <p>According to the website review, it is evident that TSH Group is committed to realizing a progressive plantation enterprise, prioritizing sustainable production, social accountability, and effective environmental management. Additionally, TSH Group is also dedicated to actively pursuing and upholding certifications such as the Roundtable on Sustainable Palm Oil (RSPO), Indonesia Sustainable Palm Oil (ISPO), and Malaysia Sustainable Palm Oil (MSPO) for all their palm oil plantations and mills, striving for comprehensive coverage across the board.</p> <p>Standard Operating Procedure on Communication, Consultation and Participation, Doc. No. TSH/SUST/SOP02, Rev. No. 03, Effective Date 19/11/2019 has listed type of information available to the public, include but not limited to are Land Titles, Occupational Safety and Health Plan, Plans and impact assessments relating to environmental and social impacts, HCV documentation, Details of</p>	Complied

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		<p>complaints and grievances, Public Summary of certification assessment report and policies.</p> <p>Reviewed in same SOP, it also listed out information that considered as deemed private and confidential. The following are the list of information:</p> <ol style="list-style-type: none"> 1. Detailed personal information about a particular staff 2. Information or emails intended for internal circulation 3. Detailed confidential financial information 4. Classification operational or R&D information which may undermine company's operations or years of research. 5. Sensitive environmental information which divulged may cause the loss biodiversity or the degradation of a protected or HCV area. 6. Marketing information or company's marketing strategies 7. Records describing security plans. 8. Agreement protected information and information protected by company's policies. 	
1.1.2	<p>Information is provided in appropriate languages and accessible to relevant stakeholders.</p> <p>- Minor compliance -</p>	<p>Standard Operating Procedure on Communication, Consultation and Participation, Doc. No. TSH/SUST/SOP02, Rev. No. 03, Effective Date 19/11/2019 has listed type of information available to the public, include but not limited to are Land Titles, Occupational Safety and Health Plan, Plans and impact assessments relating to environmental and social impacts, HCV documentation, Details of complaints and grievances, Public Summary of certification assessment report and policies.</p> <p>In addition, mentioned at Section B, titled Information Request that all requests for information must be documented using the TSH Stakeholder Registration Form. The person in charge (PIC) will then forward the request to the appropriate departments for further</p>	Complied

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		<p>action and a prompt response. The PIC will also record the request in the 'Borang Maklumbalas Permintaan Maklumat' and distribute it to the relevant departments.</p> <p>Documentation review and observation at Kunak POM and its supply bases affirmed that publicly available information was displayed at office notice board and other public places. The language of the information is in Bahasa Malaysia, Bahasa Indonesia and English.</p>	
1.1.3	<p>(C) Records of requests for information and responses are maintained.</p> <p>- Critical (Major) compliance -</p>	<p>Kunak POM and its supply base utilize various channels to maintain and keep records of information requests and responses from their stakeholders. Among channels listed but no limited to are:</p> <ol style="list-style-type: none"> 1. External stakeholder meeting, dated 26/07/2023 2. Internal stakeholder meeting, dated 02/06/2023 3. Workers Welfare Committee meeting, dated 05/03/2024 4. Gender Committee meeting dated 07/03/2023. <p>Additionally, there are survey from external stakeholder for verifying information purpose such as:</p> <ol style="list-style-type: none"> 1. Supplier Audit Questionnaire by Lahad Datu Edible Oils Sdn Bhd, dated 30/08/2024. 2. Survey on the palm kernel shells & empty fruit bunches by MPOB, replied by mill manger, dated 25/04/2023 3. Supplier Audit Questionnaire by TSH-Wilmar Sdn Bhd, dated 15/02/2023. <p>There is no records of direct request report from external stakeholder during the audit.</p>	Complied
1.1.4	<p>(C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative.</p> <p>- Critical (Major) compliance -</p>	<p>TSH has developed Standard Operating Procedure on Communication, Consultation and Participation, Doc. No. TSH/SUST/SOP02, Rev. No. 03, Effective Date 19/11/2019. The</p>	Complied

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		<p>communication of the SOP has been conducted via various channels such as:</p> <ol style="list-style-type: none"> 1. External Stakeholder Consultation dated 26/07/2023 in which TSH explained on flowchart of information request procedure including complaints and grievance channels, business codes of ethics and verification acceptance form. 2. Internal Stakeholder meeting, dated 09/06/2023 for sharing the SOP to employees and workers. 	
1.1.5	<p>There is a current list of contact and details of stakeholders and their nominated representatives.</p> <p>- Minor compliance -</p>	<p>Kunak POM and its supply base management maintain and update External Stakeholders' Contact Details annually. The stakeholders include neighboring estates, service providers, government agencies, schools, CLC education centers, foreign embassies, local communities, contractors, product customers, and suppliers. However, interviews and document reviews across all estates revealed that the existing stakeholder lists are not effectively updated according to further verification conducted. There are other stakeholders that are not included in the stakeholders list although they have been affected significantly.</p> <p>Hence, non-conformity is raised.</p>	Non-compliance
Criterion 1.2: The unit of certification commits to ethical conduct in all business operations and transactions.			
1.2.1	<p>A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.</p> <p>- Minor compliance -</p>	<p>TSH has shown their commitment to creating long-term value for our stakeholders through continuous engagements and employing ethical business practices in all their operation with establishment of their Group Sustainability Policies which aim to achieve:</p> <ol style="list-style-type: none"> 1. Upholding robust governance and ensuring compliance with all legal and regulatory requirements in the markets we serve. 	Complied

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		<ol style="list-style-type: none"> 2. Conducting business with high ethical standards, integrity and transparency. TSH has zero tolerance for any forms of corruption, bribery, extortion or embezzlement. 3. Implementing appropriate data privacy and security measures to safeguard stakeholder's personal data. 	
1.2.2	<p>A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.</p> <p>- Minor compliance -</p>	<p>TSH monitors all its operating units with the assistance of the TSH HQ team to ensure the implementation of policies and overall ethical business practices. This monitoring is based on series of internal audits conducted for all operating units. Reviewed compliance audit conducted as per details below:</p> <ol style="list-style-type: none"> 1. RSPO Internal Audit for Year 2023 by HQ Sustainability Team on 21/02/2024 (Maju Sawit Estate), 20/02/2024 (Kunak POM), 19/02/2024 (Sabahan 1 Estate), 22/02/2024 (LKSK Estate) and 23/02/2024 (Landquest Estate) 2. ESG Internal Audit for 2023 conducted by HQ ESG Team on 5-8/09/2023, Doc No. ESG-IA-2023-001. 3. Operation Internal Audit by KL HQ Internal Team on 27-29/11/2023. 	Complied
Principle 2: Operate legally and respect rights			
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	<p>(C) The Unit of Certification complies with legal requirements</p> <p>- Critical (Major) compliance -</p>	<p><u>Maju Sawit Estate</u></p> <p>MPOB license covered 235.22 ha under license no 617806002000 valid from 1/12/2023 until 30/11/2024.</p> <p>License for Business was available referred CTRPT-TL02-00011826 dated 02/01/2024 with validity until 31/12/2024.</p> <p>License from KPDNHEP (PPDNHEP.TWU 900-3/1/16-2005P) for 18,000L for Diesel valid from 13/11/2021 – 12/11/2024</p>	Complied

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		<p>License to Employ Non-Residential Workers (JTK-Sabah); License Number: -006661/41; License Validity Period: 09/02/2024 – 08/02/2025.</p> <p>Salary deduction permit no. JTKSBH/PMT/102/2022/0015. Validity period 31/10/2022-30/10/2024.</p> <p><u>Kunak POM</u></p> <p>License from MPOB 508719104000 valid from 1/6/2023 until 31/5/2024.</p> <p>BOMBA Fire Certificate (JBPM: SB/7/140/2023) as per series 337506. Valid from 04/08/2023 until 03/08/2024.</p> <p>License from KPDNHEP (PPDNHEP.TWU 900-3/1/16-2005P) for 18,000L for Diesel valid from 13/11/2021 – 12/11/2024</p> <p>SB PMT 1500 (cert PMT-SB/21 44298) for vertical steriliser was valid until 3/9/2024</p> <p>License to Employ Non-Residential Workers (JTK-Sabah); License Number: -006280/01; License Validity Period: 13/06/2024 – 12/06/2024.</p> <p>License for Business was available referred CTRPT-TL02-00011920 dated 02/01/2024 with validity until 31/12/2024.</p> <p><u>Sabahan 1 Estate</u></p> <p>MPOB license covered 84.17 ha under license no 617854002000 valid from 01/01/2024 until 31/12/2024.</p> <p>JTK license from JTK for hired foreigner (Indonesia;15) valid from 31/01/2024 until 12/02/2025.</p>	
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		<p>JTK License for wages deduction for electricity, insurance, PTPTN was available (JTKSBH/PMT/113/2021/0227) and valid from 23/10/2023 – 22/10/2025.</p> <p>License from KPDNHEP (KPDNHEP.SPN.600-1/7/2015/10(P) for 20,000L for Diesel valid from 12/07/2023 – 11/07/2024</p> <p><u>LKSK Estate</u></p> <p>MPOB license for LKSK estate, 503210802000 (966.02 ha) valid from 1/09/2023 until 31/08/2024.</p> <p>License from KPDNHEP, refer to license PPDNHEP TWU 900-1/08-2015 P for Diesel 20,000 liter was valid until 14/06/2024</p> <p>License from JTK for hired foreigner (Indonesia;61) valid from 14/09/2023 until 13/09/2024.</p> <p>License from JTK for Permit Potongan Gaji (JTKSBH/PMT/113/2023/0300) valid from 23/10/2023 until 22/10/2025.</p> <p><u>Landquest Estate</u></p> <p>MPOB license for Landquest estate, 502362102000 (370 ha) valid from 1/11/2023 until 31/10/2024.</p> <p>License from JTK for Permit Potongan Gaji (JTKSBH/PMT/113/2023/0300) valid from 23/10/2023 until 23/10/2025.</p> <p>License from JTK for hired foreigner; JTK.H.SMP 600-4/1/A01/68/13 (Indonesia; 35) valid from 13/08/2023 until 12/08/2024.</p> <p>License for personal installation as per Electrical Supply act 1990 siri no 60667, dated 29/05/2023 until 28/05/2024.</p>	
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		PMT license for air receiver tank (PMT-SB/2471479) dated valid until 07/05/2025. License from KPDNHEP, refer to license PBKB/2023/P/S-000083P for Diesel 12,000 liter was valid until 07/09/2024.	
2.1.2	A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations. - Minor compliance -	TSH Resources Berhad has established a Standard Operating Procedure to ensure legal compliance, documented in "Legal and Other Requirements." Refer to document no. TSH/SUST/SOP04, rev. no. 2, dated 01/11/2017, under section 8, Procedure, subsection B, Track Changes and Implementation. According to the SOP, the Head of Department (HOD) for each department is responsible for monitoring any changes on an annual basis or whenever updates occur through the respective websites or memos published by authoritative bodies.	Complied
2.1.3	Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries. - Minor compliance -	Legal boundary is well demarcated for each estate visited. Sample of the boundary visit is as the following: Maju Sawit Estate – Boundary Stone (No: 351/986) at Block 2018A. Boundary Stone monitoring has been conducted on 23/04/2024. LKSK Estate – Block 2022 with the Sabah Park. Sabahan Estate – Block 2019 with Smallholder.	Complied
Criterion 2.2: All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.			
2.2.1	A list of contracted parties is maintained. - Minor compliance -	Kunak POM management maintains a list of contracted parties documented in the List of Stakeholders. This includes local community heads, FFB suppliers, neighbouring estates, local authorities, union associations, foreign embassies, and vendors, contractors, and suppliers.	Complied

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2.2.2	<p>All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party.</p> <p>Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available.</p> <p>- Minor compliance -</p>	<p>All contracted parties/vendors were provided by a transportation agreement which highlighted commitment to avoid fraud and corruption, labour and Human Rights as well as RSPO & MSPO compliance.</p> <p>Transportation agreements were verified for sampled contractors which contained specific clauses on meeting applicable legal requirements to be demonstrated by the clause K.1 – K.3 and clause L.1.</p> <p>Sighted sampled of CPO & PK transporter at Kunak POM as table below:</p> <table><tr><td>Contractor</td><td>Status</td><td>Contract Validity</td></tr><tr><td>HMK Transport</td><td>CPO Transporter</td><td>1/1/2022-31/12/2024</td></tr><tr><td>Pemborong Setia Jaya</td><td>PK Transporter</td><td>1/1/2023 – 31/12/2024</td></tr></table> <p>However, both contractors were unable to demonstrate compliance to legal requirement and there is no evidence of due diligence available. No evidence of worker’ details, worker’s employment contract, or other legal obligations has been provided for verification.</p> <p>Thus, non-conformity is raised and upgraded to major NC due to minor NC has not been addressed by the time of this following audit.</p>	Contractor	Status	Contract Validity	HMK Transport	CPO Transporter	1/1/2022-31/12/2024	Pemborong Setia Jaya	PK Transporter	1/1/2023 – 31/12/2024	Non-compliance
Contractor	Status	Contract Validity										
HMK Transport	CPO Transporter	1/1/2022-31/12/2024										
Pemborong Setia Jaya	PK Transporter	1/1/2023 – 31/12/2024										
2.2.3	<p>All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.</p> <p>- Minor compliance -</p>	<p>Based on verification of the signed contract agreements dated 01/01/2022 between Pengangkutan Sri Mediyudusin and Kunak POM, verified specific clause K.1-K.3 and clause L.1 which highlighted of commitment to avoid employment of child, forced</p>	Complied									

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		and trafficked labour. Further verification and document review at each sample also enforce same clause for each of their contractor as table below: <table><tr><td>Certification Unit</td><td>Contractor</td></tr><tr><td>Sabahan 1 Estate</td><td>Safiyanah Enterprise</td></tr><tr><td>LKSK Estate</td><td>Syarikat Sofiah Berdikari</td></tr><tr><td>Landquest Estate</td><td>Pemborong AZ Rich</td></tr></table>	Certification Unit	Contractor	Sabahan 1 Estate	Safiyanah Enterprise	LKSK Estate	Syarikat Sofiah Berdikari	Landquest Estate	Pemborong AZ Rich	
Certification Unit	Contractor										
Sabahan 1 Estate	Safiyanah Enterprise										
LKSK Estate	Syarikat Sofiah Berdikari										
Landquest Estate	Pemborong AZ Rich										
Criterion 2.3: All FFB supplies from outside the unit of certification are from legal sources.											
2.3.1	(C) For all directly sourced FFB, the mill requires: <ul style="list-style-type: none">Information on geo-location of FFB originsEvidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholderOne or more supporting documents for claimsValid MPOB license - Critical (Major) compliance -	The Kunak Palm Oil Mill management successfully gathered the necessary information from their direct FFB suppliers. The details provided include: <ul style="list-style-type: none">- The origin of the FFB- The address of the plantation or dealer- The MPOB license and its validity- The coordinates and size of the plantation Sample for internal within the group estate is as the following: <ol style="list-style-type: none">Landquest Sdn Bhd Sample of external direct FFB is as the following: <ol style="list-style-type: none">Leeka Holdings Sdn BhdLih Ji Sdn BhdMagnum TNT Sdn BhdMetun Enterprise Sdn Bhd The management has details each of the FFB supplier as per the criteria requirement.	Complied								

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2.3.2	<p>For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1.</p> <p>- Minor compliance -</p>	<p>The mill has established FFB Supplier List to Collecting Centre, smallholder and smallgrower. Sample on collection centre Segama Collecting Center that send FFB to Kunak POM. Sample the small holder listed for each supplier sample as below:-</p> <ol style="list-style-type: none"> 1. Danum Collecting Center – Aloyah Binti Habib Ali - MSPO Cert No: ECCO-MS2530-0103, MPOB License No: 402050101000 – Land Title No: NT 113007926, Coordinate: 5.003081°N 118.215311°E 2. Danum Collecting Center – Bernard Bin Pius Kimon - MSPO Cert No: ECCO-MS2530-0103, MPOB License No: 746684001018 – Land Title No: PT 89110059, Coordinate: 4.997206°N 118.200139°E 3. Danum Collecting Center – Roslen @ Prisca Binti Pamiyang - MSPO Cert No: ECCO-MS2530-0103, MPOB License No: 832292001018 – Land Title No: PT 2019110398, Coordinate: 5.006875°N 118.195542°E 	Complied
Principle 3: Optimise productivity, efficiency, positive impacts and resilience			
Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.			
3.1.1	<p>(C) A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders.</p> <p>- Critical (Major) compliance -</p>	<p>A business plan for 5 years has been documented. Kunak Palm Oil Mill and Supply Bases certification unit has established and implemented its commitment to long term sustainability and improvements through a capital expenditure programme. Annual business plan in the form of annual budget and the projection for 5 years (2024-2028) were prepared as guidance for future planning.</p> <p>Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. In the 5 years business plan include items as follows:</p>	Complied

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		<ul style="list-style-type: none"> a) Palm oil mill <ul style="list-style-type: none"> i. Mill intake – FFB input ii. Production of CPO iii. Production of PK iv. Total Palm Oil Extraction v. Total Palm Kernel Extraction vi. Mill cost b) Oil Palm Estate <ul style="list-style-type: none"> i. Area Statement ii. Crop (FFB) by year planting and by monthly breakdown <ul style="list-style-type: none"> a. Mature upkeep b. Manuring c. Harvesting and collection d. Transportation e. Nursery iii. Estate administration <ul style="list-style-type: none"> a. Admin Cost iv. Labour overhead v. Details Of Replanting Programme vi. Executive/Staff and Workers Requirement vii. Mature Oil Palm Costing Statement viii. General Charges Statement ix. Capital Expenditure Statement x. Summary Replanting Cost to maturity xi. Replanting Cost Field By Field 	
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		The budget plan was reviewed annually with both actual and forecasted amount for 5 years (up to 2028) and well documented upon request.																															
3.1.2	An annual replanting programme projected for a minimum of five years with yearly review, is available. - Minor compliance -	<p>An annual replanting programme for incoming 5 years has been documented. Refer to Replanting programme 2024 - 2028.</p> <p>Replanting planned for the palm older than 25 years, non-performance field (yield) and Ganoderma infected palm.</p> <p>Sample of the Replanting Plan is as following:</p> <table><tr><td></td><td colspan="5">Replanting (Ha)</td></tr><tr><td>Estate</td><td>2024</td><td>2025</td><td>2026</td><td>2027</td><td>2028</td></tr><tr><td>LKSK Estate</td><td>0</td><td>257</td><td>260</td><td>153</td><td>0</td></tr><tr><td>Landquest Estate</td><td>18</td><td>70</td><td>58</td><td>0</td><td>0</td></tr><tr><td>Maju Sawit Estate</td><td>0</td><td>75</td><td>0</td><td>0</td><td>0</td></tr></table>		Replanting (Ha)					Estate	2024	2025	2026	2027	2028	LKSK Estate	0	257	260	153	0	Landquest Estate	18	70	58	0	0	Maju Sawit Estate	0	75	0	0	0	Complied
	Replanting (Ha)																																
Estate	2024	2025	2026	2027	2028																												
LKSK Estate	0	257	260	153	0																												
Landquest Estate	18	70	58	0	0																												
Maju Sawit Estate	0	75	0	0	0																												
3.1.3	The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertake. - Minor compliance -	<p>Latest management review meeting was conducted at for the certification unit as follows:</p> <ul style="list-style-type: none">- Date: 29/04/2024- Location: TSH Tawau office- Attendance: All Estate Manager, and Executive. <p>The minutes of meeting were verified. The topic discussed in the meeting were:</p> <ol style="list-style-type: none">1. Review Of Previous Minute Meeting2. Review Of Audit Result – Internal & External3. Non Conformities and corrective /preventive action	Complied																														

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		<div>4. Process performance and product conformity</div> <div>5. Customer feedback</div> <div>6. Compliance/LORR monitoring on integrated management system/ESG</div> <div>7. The adequacy of resources</div> <div>8. Opportunities for improvement</div> <div>9. Complaint & Grievances</div> <div>10. Any other business / matters</div>											
Criterion 3.2: The unit of Certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable Continuous improvement in key operations.													
3.2.1	(C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification. - Critical (Major) compliance -	<div>The action plan for continuous improvement based on consideration of the main social and environmental impacts and opportunities is implemented, as per TSH Resources Berhad Environment Continual Improvement Plan (2021-2025);</div> <table><tr><th>Category</th><th>Action</th></tr><tr><td>Welfare/P/001</td><td>Maintenance & upgrading labour & staff housing quarters</td></tr><tr><td>Welfare/P/002</td><td>Futsal court – upgrading</td></tr><tr><td>Welfare/P/003</td><td>Improvement of infrastructures, road and transportation system</td></tr><tr><td>Welfare/P/003</td><td>Upgrading water domestic quality by installation water pipeline for direct supply by government</td></tr></table>	Category	Action	Welfare/P/001	Maintenance & upgrading labour & staff housing quarters	Welfare/P/002	Futsal court – upgrading	Welfare/P/003	Improvement of infrastructures, road and transportation system	Welfare/P/003	Upgrading water domestic quality by installation water pipeline for direct supply by government	Complied
Category	Action												
Welfare/P/001	Maintenance & upgrading labour & staff housing quarters												
Welfare/P/002	Futsal court – upgrading												
Welfare/P/003	Improvement of infrastructures, road and transportation system												
Welfare/P/003	Upgrading water domestic quality by installation water pipeline for direct supply by government												
3.2.2	As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the [RSPO metrics template].	Annual RSPO Metrics report has been submitted. RSPO metric template version 2.1 is used for the reporting of Kunak Palm Oil Mill certification unit’s metrics (economic, social and environment).	Complied										

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	<p>PROCEDURAL NOTE:</p> <p>The RSPO metrics template is awaiting decision/agreement by RSPO and the issue is still being discussed.</p> <p>Until such metrics is agreed and developed, companies will carry on with existing reporting e.g. PalmGHG, Annual Communication of Progress (ACOP) reporting, and information provided to Certification Body and feedback via RSPO Secretariat is required.</p> <p>- Minor Compliance -</p>	Based on verification with input data, no discrepancies of data reported for the said period for all metrics.	
Criterion 3.3: Operating procedures are Appropriately documented, consistently implemented and monitored.			
3.3.1	<p>(C) Standard Operating Procedures (SOPs) for the unit of certification are in place.</p> <p>- Critical (Major) compliance -</p>	<p>Standard Operating Procedures (SOPs) for the unit of certification are in place sighted in the TSH Plantation Document Master List; Rev. # 9; Effective date: 5/7/2017 for samples SOP as following:</p> <ul style="list-style-type: none"> - F. Sustainability Doc. # TSHR/POL/SOP08; Environment; Rev. 1; 1/11/2017 - G. Quality Doc. # TSHR/QD/SOP01; Control of Documents; Rev. 6; 31/12/2022 - G. Quality Doc. # TSHR/QD/F11; Internal Audit Report (RSPO); Rev. 4; 1/3/2023 - H. Environment Doc. # TSHR/ENV/SOP05; Environment Management Programme; Rev. 1; 1/4/2016 	Complied
3.3.2	<p>A mechanism to check consistent implementation of procedures is in place.</p> <p>- Minor Compliance -</p>	<p>Mechanism to check consistent implementation of procedures is in place with implementation of internal audit as part of the monitoring conducted by sustainability team via on-site visit. Sighted latest internal audit was conducted on 19-23/02/2024. Internal audit report documented in Internal Audit Report; Form # TSHR/QD/F09; Rev. 1; Effective date: 26/08/2019. A total of 7 Corrective action requests (CAR) were raised by internal auditors in all operating units. 6 CARs have been closed and 1 CAR still on-going closure.</p>	Complied

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3.3.3	<p>Records of monitoring and any actions taken are maintained and available.</p> <p>- Minor Compliance -</p>	<p>Monitoring included management review meeting latest conducted on 29/04/2024. Records of monitoring and any actions taken are maintained and available as per sample action to comply legal requirements including samples as following:</p> <p><u>Maju Sawit Estate</u></p> <p>As per Maju Sawit Estate Hazard Identification, Risk and Determined Control – HIRADC; Form # TSHR/OSH/F01; Rev. # 0; Eff. Date: 01/09/2015.</p> <p>NRA report was available RSSB/NOISE/2021-038 dated 23 & 24 June 2021 by Jesson Oliver Lian Lee (Assessor DOSH Registration # HQ/19/PEB/00/00032) from REHPRO Scientific Sdn Bhd. From the report, the audiometric test was no need to be conducted as per recommendation from assessor.</p> <p>CHRA report (RSSB/CHRA/2022-030) was conducted on 26/10/2022 by ChM Suzanna J Rice Oxley (Assessor DOSH Registration # HQ/11/ASS/00/290) from REHPRO Scientific SDN BHD.</p> <p><u>LKSK Estate</u></p> <p>CHRA report (RSSB/CHRA/2022-031) was conducted on 03/11/2022 by ChM Suzanna J Rice Oxley (HQ/11/ASS/00/290) from REHPRO Scientific SDN BHD.</p> <p>HIRARC in LKSK was available and already updated for Oct 2022. This update already included noise risk and heat stress.</p> <p>NRA report ref. # RSSB/NOISE/2021-040; Date: 24/06/2021 by Jesson Oliver Lian Lee from REHPRO Scientific Sdn Bhd.</p> <p>Audiometric Assessment Report by Suhaireen Amirhan; DOSH ATC Reg. # JKKP/2023/11-04/00036 and Dr. Donny Cristanto; OHD</p>	Complied
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		<p>Reg. # HQ/19/DOC/00/00399 of Audiometry Test Centre Dab Oh Sdn. Bhd.; Date: 23/11/2023</p> <p>Summary Report Medical Surveillance LKSK Estate; Assessment date: 23/11/2023 by Dr. Donny Cristanto of Dab Oh Sdn. Bhd.</p> <p><u>Landquest Estate</u></p> <p>CHRA report (RSSB/CHRA/2022-025) was conducted on 29/09/2022 by ChM Suzanna J Rice Oxley (HQ/11/ASS/00/290) from REHPRO Scientific Sdn Bhd.</p> <p>Landquest Estate updated HIRARC in Dec 2023. NRA report available ref. # RSSB/NOISE/2021-039 dated 23/06/2021 by Jesson Oliver Lian Lee from REHPRO Scientific Sdn Bhd.</p> <p><u>Sabahan 1 Estate</u></p> <p>NRA report was available RSSB/NOISE/2021-037 dated 22/06/2021 by Jesson Oliver Lian Lee from REHPRO Scientific Sdn Bhd.</p> <p>CHRA report (RSSB/CHRA/2022-032) was conducted on 03/11/2022 by ChM Suzanna J Rice Oxley (HQ/11/ASS/00/290) from REHPRO Scientific Sdn Bhd.</p> <p>Summary Report Medical Surveillance Sabahan 1 Estate; Assessment date: 22/11/2023 by Dr. Donny Cristanto of Dab Oh Sdn. Bhd.</p> <p><u>Kunak POM</u></p> <p>CHRA as per CHRA Report ref. # HQ/11/ASS/00/290-2022/026 by ChM Suzanna J Rice Oxley of Rehpro Scientific Sdn. Bhd.; DOSH Reg. # HQ/11/ASS/00/290; Assessment Date: 29/09/2022.</p>	
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		<p>Periodic Local Exhaust Ventilation Monitoring Report ref. # HQ/22/JII/00/00049-2023/098 by Mohamad Adib Aisar Bin Mohd. Hanapi of Rehpro Scientific Sdn. Bhd.; DOSH Reg # HQ/22/JHII/00049</p> <p>Noise Risk Assessment Report ref. # RSSB/NOISE/2020-008 by Jesson Oliver Lian Lee of Rehpro Scientific Sdn. Bhd.; DOSH Reg. # HQ/10/PEB/00/00032; Assessment date: 11/02/2020</p> <p>Audiometric Test Program Report ref. # TSH/PM/SD/ATP/V.1-67/12; Date: 16/01/2024; Test date: 19/12/2023 by Dr. Ahmad Mansor Osir of Klinik Mansor Sdn. Bhd.; DOSH Reg. # HQ/14/PEB/00/128</p> <p>Medical Surveillance Report ref. # HQ/08/DOC/00/695 – 2023/015; Report date: 26/08/2023 by Dr. Ahmad Mansor Osir of of Klinik Mansor Sdn. Bhd.; DOSH OHD Reg. # HQ/08/DOC/00/695; Surveillance date: 26/07/2023</p>	
Criterion 3.4: A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.			
3.4.1	<p>(C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/out-grower scheme, is documented.</p> <p>- Critical (Major) compliance -</p>	<p>Kunak POM and its supply bases has no new planting activities since from the last assessment. For existing planting and operations, the Social Impact Assessment (SIA) report covers the Oil Palm Plantation with total 251 ha at Maju Sawit Estate, Wakuba Estate and Kunak Palm Oil Mill, District of Tawau, Sabah. The report prepared by third party consultant with Doc. No.: KEC(EV)/18/03 dated May 2018.</p> <p>While for Sabahan 1 Estate, it was noted Social Impact Assessment (SIA) was conducted in May 2018 as well by external third party, Kiwiheng Environmental Consultants Sdn Bhd, Doc. No. KEC-(EV)/18/02.</p>	Complied

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		<p>Social Impact Assessment (SIA) for LKSK Estate also conducted by Kiwiheng Environmental Consultants Sdn Bhd, Doc. No. KEC-(EV)/18 (05) in January 2018. For Landquest Estate, the assessment conducted in January 2018 by same consultant. Refer Doc. No. KEC-(EV)/18/04.</p> <p>The reports established include objectives, categories, actions, frequency, persons in charge, and monitoring periods. The assessment methodology involved onsite interviews with stakeholders, onsite visits, and documentation reviews. The assessment covered affected stakeholders such as contractors, school representatives, CLC teachers, government authority officers, nearby local communities, and internal workers. Issues raised by all stakeholders were incorporated into a management plan which updated every five years. Current social management plant has been updated in 2021.</p> <p>There is no new planting within any of the units under Kunak Palm Oil Mill and its supply base. However, a Social Impact Assessment Management Actin Plans & Continuous Improvement Plans were developed for each operating unit by the Sustainable Palm Oil Department team in collaboration with the respective managers and assistant managers. These assessments were undertaken with the participation of affected stakeholders. Please see Indicators 3.4.2 and 3.4.3 below.</p> <p>Environmental Impact Assessment (EIA) Kunak Palm Oil Mill and Supply Bases has been prepared. The Environment Impact Identification was conducted with reference to the following:</p> <ol style="list-style-type: none">1. Identification and Management of Waste2. Identification and management Plan for Potential Pollutants	
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		3. Identification of Side Products 4. Identification of Integrated Pest management 5. Impact of Replanting and management plan 6. Road construction , culvert maintenance and bridge 7. Water management							
3.4.2	For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders. - Minor Compliance -	<p>Environmental Aspect and Impact Evaluation – Maju Estate – 01/07/2020 conducted for each station.</p> <p>TSH has established a social management plan for both positive and negative impacts identified in the social impact assessment conducted in 2018. This plan is reviewed and updated every five years, with the most recent version covering the period from 2021 to 2025.</p> <p>The implemented plan included with monitoring of effectiveness of mitigation action for negative impacts and promotion of positive impacts. The plan covers the social objective therein describing the objectives, category, action, frequency, person in charge and monitoring period.</p> <p>For internal stakeholder’s concern, the input from the assessment will be review and updated based on information gathered from the meeting from Social Impact Assessment in 2018, annual internal stakeholder meeting, welfare committee meeting, and gender committee meeting which conducted at each of operating units as follow.</p> <table><tr><td>Mill/Estate</td><td>Internal Stakeholder Session</td><td>External Stakeholder Session</td></tr><tr><td>Maju Sawit Estate</td><td>02/06/2023</td><td>26/07/2023</td></tr></table>	Mill/Estate	Internal Stakeholder Session	External Stakeholder Session	Maju Sawit Estate	02/06/2023	26/07/2023	Non-compliance
Mill/Estate	Internal Stakeholder Session	External Stakeholder Session							
Maju Sawit Estate	02/06/2023	26/07/2023							

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		<table><tr><td>Kunak POM</td><td></td></tr><tr><td>Sabahan 1 Estate</td><td>07/06/2023</td></tr><tr><td>LKSK Estate</td><td>08/06/2023</td></tr><tr><td>Landquest Estate</td><td>06/06/2023</td></tr></table> <p>However, refer to the minutes of the external stakeholder consultation minutes meeting conducted on 26/07/2023, there is no evidence the social management and monitoring plan has been discussed and reviewed with the participation of affected external stakeholders regarding the impacts and concerns raised during the assessment.</p> <p>Thus, non-conformity is raised.</p>	Kunak POM		Sabahan 1 Estate	07/06/2023	LKSK Estate	08/06/2023	Landquest Estate	06/06/2023	
Kunak POM											
Sabahan 1 Estate	07/06/2023										
LKSK Estate	08/06/2023										
Landquest Estate	06/06/2023										
3.4.3	<p>(C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.</p> <p>- Critical (Major) compliance -</p>	<p>The management plan established base on operation with significant impact to the environment. The management plan was reviewed annually. The management plan stated the environmental issue, mitigation actions, monitoring plan and person responsible for monitoring implementation.</p> <p>Sighted the Environment Continual Improvement Plan 2021 – 2025 – revision date 01/09/2023. Stated that all the strategies and 5 years planning regarding the environment impact and aspect.</p> <p>TSH has established a social management plan for both positive and negative impacts identified in the social impact assessment. This plan is established for five years plan, however it is reviewed and updated every years,</p> <p>The implemented plan included with monitoring of effectiveness of mitigation action for negative impacts and promotion of positive impacts. The plan covers the social objective therein describing the</p>	Complied								

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		<p>objectives, category, action, frequency, person in charge and monitoring period.</p> <p>For internal stakeholder’s concern, the input from the assessment will be review and updated based on information gathered from the meeting from annual internal stakeholder meeting, welfare committee meeting, and gender committee meeting which conducted at each of operating units as follow.</p>														
		<table><tr><td>Mill/Estate</td><td>Internal Stakeholder Session</td><td>External Stakeholder Session</td></tr><tr><td>Maju Sawit Estate</td><td rowspan="2">02/06/2023</td><td rowspan="5">26/07/2023</td></tr><tr><td>Kunak POM</td></tr><tr><td>Sabahan 1 Estate</td><td>07/06/2023</td></tr><tr><td>LKSK Estate</td><td>08/06/2023</td></tr><tr><td>Landquest Estate</td><td>06/06/2023</td></tr></table>	Mill/Estate	Internal Stakeholder Session	External Stakeholder Session	Maju Sawit Estate	02/06/2023	26/07/2023	Kunak POM	Sabahan 1 Estate	07/06/2023	LKSK Estate	08/06/2023	Landquest Estate	06/06/2023	
Mill/Estate	Internal Stakeholder Session	External Stakeholder Session														
Maju Sawit Estate	02/06/2023	26/07/2023														
Kunak POM																
Sabahan 1 Estate	07/06/2023															
LKSK Estate	08/06/2023															
Landquest Estate	06/06/2023															
Criterion 3.5: A system for managing human resources is in place.																
3.5.1	Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable. - Minor Compliance -	TSH Group established Staffing & Recruitment SOP, documented as TSH/HR/SOP01; Rev.0, dated 17/8/2015, in addition to the Group Human Resources Manual, dated 01/07/2008. This procedure explained details of recruitment, selection, hiring, promotion, retirement, and termination, and is available to workers and their representatives in documented form. It provides guidelines for the recruitment processes of both local and foreign workers. The recruitment of foreign workers is conducted by TSH Headquarters.	Complied													

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3.5.2	Employment procedures are implemented, and records are maintained. - Minor Compliance -	<p>TSH Group established Staffing & Recruitment SOP, documented as TSH/HR/SOP01; Rev.0, dated 17/8/2015, in addition to the Group Human Resources Manual, dated 01/07/2008.</p> <p>Kunak POM and its supply bases established and kept in their workers document such as application form, employment interview assessment form, identity documents, work permits, medical check-up report, offer letter and employment contract. All documents are available to review for both local and foreign workers. The document reviewed and process of employment is as per the established procedure.</p>	Complied
Criterion 3.6: An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.			
3.6.1	<p>(C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.</p> <p>- Critical (Major) compliance -</p>	<p><u>Maju Sawit Estate</u></p> <p>As per Maju Sawit Estate Hazard Identification, Risk and Determined Control – HIRADC; Form # TSHR/OSH/F01; Rev. # 0; Eff. Date: 01/09/2015.</p> <p>NRA report was available RSSB/NOISE/2021-038 dated 23 & 24 June 2021 by Jesson Oliver Lian Lee (Assessor DOSH Registration # HQ/19/PEB/00/00032) from REHPRO Scientific Sdn Bhd. From the report, the audiometric test was no need to be conducted as per recommendation from assessor.</p> <p>CHRA report (RSSB/CHRA/2022-030) was conducted on 26/10/2022 by ChM Suzanna J Rice Oxley (Assessor DOSH Registration # HQ/11/ASS/00/290) from REHPRO Scientific SDN BHD.</p> <p><u>LKSK Estate</u></p>	Complied

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		<p>CHRA report (RSSB/CHRA/2022-031) was conducted on 03/11/2022 by ChM Suzanna J Rice Oxley (HQ/11/ASS/00/290) from REHPRO Scientific SDN BHD.</p> <p>HIRARC in LKSK was available and already updated for Oct 2022. This update already included noise risk and heat stress.</p> <p>NRA report ref. # RSSB/NOISE/2021-040; Date: 24/06/2021 by Jesson Oliver Lian Lee from REHPRO Scientific Sdn Bhd.</p> <p>Audiometric Assessment Report by Suhairan Amirhan; DOSH ATC Reg. # JKPP/2023/11-04/00036 and Dr. Donny Cristanto; OHD Reg. # HQ/19/DOC/00/00399 of Audiometry Test Centre Dab Oh Sdn. Bhd.; Date: 23/11/2023</p> <p>Summary Report Medical Surveillance LKSK Estate; Assessment date: 23/11/2023 by Dr. Donny Cristanto of Dab Oh Sdn. Bhd.</p> <p><u>Landquest Estate</u></p> <p>CHRA report (RSSB/CHRA/2022-025) was conducted on 29/09/2022 by ChM Suzanna J Rice Oxley (HQ/11/ASS/00/290) from REHPRO Scientific Sdn Bhd.</p> <p>Landquest Estate updated HIRARC in Dec 2023. NRA report available ref. # RSSB/NOISE/2021-039 dated 23/06/2021 by Jesson Oliver Lian Lee from REHPRO Scientific Sdn Bhd.</p> <p><u>Sabahan 1 Estate</u></p> <p>NRA report was available RSSB/NOISE/2021-037 dated 22/06/2021 by Jesson Oliver Lian Lee from REHPRO Scientific Sdn Bhd.</p>	
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		<p>CHRA report (RSSB/CHRA/2022-032) was conducted on 03/11/2022 by ChM Suzanna J Rice Oxley (HQ/11/ASS/00/290) from REHPRO Scientific Sdn Bhd.</p> <p>Summary Report Medical Surveillance Sabahan 1 Estate; Assessment date: 22/11/2023 by Dr. Donny Cristanto of Dab Oh Sdn. Bhd.</p> <p><u>Kunak POM</u></p> <p>CHRA as per CHRA Report ref. # HQ/11/ASS/00/290-2022/026 by ChM Suzanna J Rice Oxley of Rehpro Scientific Sdn. Bhd.; DOSH Reg. # HQ/11/ASS/00/290; Assessment Date: 29/09/2022.</p> <p>Periodic Local Exhaust Ventilation Monitoring Report ref. # HQ/22/JII/00/00049-2023/098 by Mohamad Adib Aisar Bin Mohd. Hanapi of Rehpro Scientific Sdn. Bhd.; DOSH Reg # HQ/22/JHII/00049</p> <p>Noise Risk Assessment Report ref. # RSSB/NOISE/2020-008 by Jesson Oliver Lian Lee of Rehpro Scientific Sdn. Bhd.; DOSH Reg. # HQ/10/PEB/00/00032; Assessment date: 11/02/2020</p> <p>Audiometric Test Program Report ref. # TSH/PM/SD/ATP/V.1-67/12; Date: 16/01/2024; Test date: 19/12/2023 by Dr. Ahmad Mansor Osir of Klinik Mansor Sdn. Bhd.; DOSH Reg. # HQ/14/PEB/00/128</p> <p>Medical Surveillance Report ref. # HQ/08/DOC/00/695 – 2023/015; Report date: 26/08/2023 by Dr. Ahmad Mansor Osir of Klinik Mansor Sdn. Bhd.; DOSH OHD Reg. # HQ/08/DOC/00/695; Surveillance date: 26/07/2023</p>	
3.6.2	<p>(C) The effectiveness of the H&S plan to address health and safety risks to people is monitored.</p> <p>- Critical (Major) compliance -</p>	<p>The operating units has established Safety and Health plan and documented in the Continuous Improvement of OSH Performance</p>	Non-compliance

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		<p>and Management System. The plan stated the activities/programs, Premise, Frequency, Person In-Charge and monitoring period.</p> <p>Sabahan 1 Estate HIRADC; Form # TSHR/OSH/F01; Rev. # 0; Effective date: 01/09/2015; Work activity: Pre-mixing, manuring application; Area/Process/Section: Manuring</p> <p>OSH Objective, Target & Program (OTP) Year 2024; Effective date: 13/01/2024.</p> <p>TSH Kunak POM HIRADC; Form # TSHR/OSH/F01; Rev. # 0; Effective date: 01/09/2015; Area/Process/Section: Reception; Work Activity: Significant risk for overall mill process: FFB moved by shovel towards loading ramp; Risk: Shovel over push & hit wall; Overrun to near workers; Workers caught in between body frame during servicing, FFB overflow & fallen down outside the loading ramp zone/conveyor; Existing Control: Trained personnel to drive/servicing; Determined Control: Enforcement speed control & refresher training.</p> <p>During mill visit and observation of Shovel operations in FFB Ramp, it was found that the Shovel was operated without honk, incomplete front lights, side mirrors and rear-view mirrors, missing reverse alarm and missing rotary alarm light. The front tyre thread also found almost fully worn off. Trailing of documented H&S Plan based on HIRADC; Form # TSHR/OSH/F01; Rev. # 0; Effective date: 01/09/2015; Area/Process/Section: Reception; indicated that the risks associated to the safe operational conditions of the shovel was insufficiently assessed and monitored which led to ineffective maintenance of shovel safety equipment/features above. Monitoring on the shovel maintenance is insufficiently conducted</p> <p>During visit to Landquest Estate field OP2017 spraying operation found the sprayers use a Hierbik Glyphosate-Potassium 48.7% SL for their circle spraying activity. Trailing of SDS and existing CHRA</p>	
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		Report Ref. # RSSB/CHRA/2022-025 by ChM Suzanna J Rice Oxley of Rehpro Scientific Sdn. Bhd. for assessment date: 29/11/2022 found the chemical Hierbik Glyphosate Potassium 48.7% SL not included in the assessment hence, its H&S plan including PPE use deemed insufficient. Hence, a Major NC has been raised.	
Criterion 3.7: All staff, workers, Scheme Smallholders, out-growers, and contract workers are appropriately trained.			
3.7.1	(C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and out-growers, taking into account gender-specific needs, and which covers applicable aspects of the RSPOP&C, in a form they understand, and which includes assessments of training. - Critical (Major) compliance -	The estate has established and documented a training plan base on training need analysis conducted on annual basis. Sighted Training programs 2024 which covers all job aspect of the RSPO Principles and Criteria. The training need and program was made available for verification at all visited sites. This training covers social, environmental, safety and health.	Complied
3.7.2	Records of training are maintained. - Minor Compliance -	The operating units maintained the training records conducted. Reviewed the training records sample as following: <ul style="list-style-type: none"> - Maju Sawit Estate: Sustainability Awareness – Social Policies, Complaints & Grievances & Communication Training; Date: 26/02/2024 - Maju Sawit Estate: HIRADC Training; Date: 20/03/2024 - Kunak POM: First Aid & CPR Training; Date: 13-14/09/2023 - Kunak POM: Fire Fighting Skills Training; Date: 22-24/02/2024 - Kunak POM: Safety by Processes Training; Date: 20/03/2024 - Sabahan 1 Estate: Riparian procedure & zero burning training; Date: 09/01/2024 - Sabahan 1 Estate: Safe handling of chemical training; Date: 30/01/2024 	Complied

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		<ul style="list-style-type: none"> - Sabahan 1 Estate: Social policies, complaint & grievances, communications training; Date: 20/02/2024 - Sabahan 1 Estate: HCV & wildlife monitoring training; Date: 23/03/2024 	
3.7.3	<p>Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.</p> <p>- Minor Compliance -</p>	The training on SCCS was available dated on 16/04/2024, this training conducted by Sustainability Department personnel Pn. Rohana & Mr. Anwar which attended by Kunak POM and all estates weighbridge operators, AP, clerk and SCCS coordinator.	Complied
Criterion 3.8: Supply chain requirement for mills (note: All supply chain requirements are considered as Critical (C) . However, it will not contribute to suspension if there is more than 5 non-compliance within a principle)			
3.8.1	<p>Identity Preserved Module</p> <p>A mill is deemed to be Identity Preserved (IP) if the FFB processed by the mill are sourced from plantations/estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme.</p> <p>Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Mass Balance Module is applicable.</p>	This requirement is not applicable because the scope of certification is only MB	Not Applicable
3.8.2	<p>Mass Balance Module</p> <p>A mill is deemed to be Mass Balance (MB) if the mill process FFB from both RSPO certified and uncertified plantations/estates. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	Kunak Palm Oil Mill processes both certified and uncertified Fresh Fruit Bunches (FFB) from their own supply base and third-party sources. They utilize the Mass Balance module to handle uncertified FFB. However, they only process FFB from specific estates - Maju Sawit estate, Landquest estate, Sabahan 1 estate, and LKSK estates - for certified Crude Palm Oil (CPO) and Palm Kernel (PK) production.	Complied

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3.8.3	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report. (Table 10)	Complied
3.8.4	The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO IT platform.	<p>The registration of PalmTrace will be carried out by the Logistic Department in HQ. All transaction will be registered in the PalmTrace. The mill registered license available in PalmTrace as following:</p> <ul style="list-style-type: none"> - Member ID: RSPO_PO1000007786 - Member category: Oil Mill - RSPO Membership No.: 1-0173-14-000-00 - Type: Oil Mill - Supply Chain Model: Mass Balance - License Status – Active (until 22/08/2024) 	Complied
3.8.5	<p>Documented procedures</p> <p>The mill shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ol style="list-style-type: none"> a) Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. b) Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). 	<p>TSH Kunak has established the RSPO Supply Chain Certification procedure (SOP No.: TSHR/SUST/SOP05 Rev:06 dated 15/07/2022) for TSH Kunak POM. The procedure covers the general chain of custody, RSPO SCC Committee, RSPO SCC Supply Chain Verification, claims, RSPO Supply Chain Model, training, complaints, handling of non-conformance, and record retention. The manager is responsible for ensuring compliance with RSPO SCCS in the mill.</p> <p>Complete and up to date SCCS records and reports are maintained and available for verification, such as SCCS training records, RSPO</p>	Complied

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	<p>c) Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the mill's procedures for the implementation of this standard.</p> <p>d) The mill shall have documented procedures for receiving and processing certified and non-certified FFBs including ensuring no contamination in the IP mill.</p>	<p>SCCS Internal Audit Reports, Incoming FFB Weighbridge Tickets, Outgoing CPO, and PK Weighbridge Tickets, among others.</p> <p>Referring to the letter dated 01/01/2021 to Mr. Thomas Gunik, addressed under management functions and job description of the traceability procedure, it is stated that the overall responsibility is assigned to the Mill Manager. The responsibility is to implement and monitor the TSH Kunak POM Supply Chain program. Based on an interview with the person in charge, he was able to demonstrate awareness of the organization's procedures for the implementation of this standard.</p> <p>The procedures for receiving and processing certified and non-certified FFBs are documented in the RSPO Supply Chain Certification procedure (SOP No. TSHR/SUST/SOP05 Rev:06 dated 15/07/2022). The WAT for CSFFB shall be retained and separated with the designated label or stamp which states both supply chain model and certificate number. Samples as per below found that Kunak POM complied with the requirement.</p> <p>Non-certified Collection Center: Bukit Tajam – Non Certified FFB Product: FFB Date of Delivery: 30/03/2024 Vehicle Number: SAB6605F FFB Weight: 23.37 mt</p> <p>Estate: Landquest Sdn Bhd – Certified FFB Weighbridge No: 482979 Product: FFB Date of Delivery: 16/12/2023 Vehicle Number: ST7276Y FFB Weight: 10.94 mt</p>	
3.8.6	<p>Internal Audit</p> <p>i) The mill shall have a written procedure to conduct annual internal audit to determine whether the mill:</p> <p>a. Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p>	<p>The Internal Audit for Sustainability Certification Procedure (SOP No.: TSHR/QD/SOP03 Rev:03 dated 26/08/2019) has been established. The procedure covers the internal audit for RSPO SCCS as well and states that the internal audit is to be conducted annually and before the management review.</p>	Complied

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	<p>b. Effectively implements and maintains the standard requirements within its organisation.</p> <p>ii) Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The mill shall maintain the internal audit records and reports.</p>	<p>The latest RSPO SCCS Internal Audit was conducted from 19-22/02/2024, which raised 2 Critical Non-Conformities. Actions have been taken accordingly.</p> <p>A management review meeting was conducted on 29/04/2024. The outcome of the RSPO SCCS Internal Audit was discussed during the Management Review Meeting.</p>	
3.8.7	<p>Purchasing and Goods In</p> <p>i) The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p> <p>ii) The mill shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p> <p>iii) The mill shall have a mechanism in place for handling non-conforming FFB and/or documents.</p>	<p>Kunak POM receives RSPO Certified FFB from its own Supply Base Estates. The FFB Consignment note is submitted to the mill during the incoming of FFB from the estate. Information from the FFB Consignment note is then recorded in the WB system or stamped by the Weighbridge Operator.</p> <p>Verified sampled Weighbridge Tickets are as follows:</p> <p>Non-certified Collection Center: Bukit Tajam – Non Certified FFB Product: FFB Date of Delivery: 30/03/2024 Vehicle Number: SAB6605F FFB Weight: 23.37 mt</p> <p>Estate: Landquest Sdn Bhd – Certified FFB Weighbridge No: 482979 Product: FFB Date of Delivery: 16/12/2023 Vehicle Number: ST7276Y FFB Weight: 10.94 mt</p> <p>Kunak POM has established the RSPO Supply Chain Certification procedure (SOP No.: TSHR/SUST/SOP05 Rev:06 dated 15/07/2022), where mechanisms for handling non-conformance materials and documents are outlined. Downgrading of products will be done if any non-conformance is identified along the process.</p> <p>Verification of Mass Balance sheet on the production of Certified CPO and PK found that in the previous license in the month of October 2023 and November 2023 with the total of 425.11 mt for CPO in November 2023 and 194.68 mt for PK in November 2023.</p>	Non-compliance

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		However, the mill does not inform the CB regarding the overproduction. NC is raised accordingly	
3.8.8	<p>Sales and Goods Out</p> <p>The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form. The information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation):</p> <ul style="list-style-type: none"> a) The name and address of the buyer; b) The name and address of the seller; c) The loading or shipment / delivery date; d) The date on which the documents were issued; e) RSPO certificate number; f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations); g) The quantity of the products delivered; h) Any related transport documentation; i) A unique identification number. 	<p>Kunak POM has ensured that the required information is available in document form. No CSPO has been sold for the previous certification. A sampled Sales Document is provided below:</p> <p>CSPK</p> <p>Name of buyer: Lahad Datu Edible Oil Sdn Bhd</p> <p>Address: Lahad Datu, Sabah</p> <p>Delivery date: 27/04/2024</p> <p>RSPO Cert: RSPO 692556</p> <p>Description of product: CSPK</p> <p>Quantity of product: 29.81 mt</p> <p>Weighbridge Ticket: 084785</p>	Complied
3.8.9	<p>Outsourcing Activities</p> <ul style="list-style-type: none"> i) The mill shall not outsource its milling activities. In cases where he mill outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO Supply Chain Certification ii) The mill shall ensure the following: 	<ul style="list-style-type: none"> i) The outsourced milling activities in Kunak POM involve only the transporter (HMK Transport Sdn Bhd) for CPO and PK. ii) The material inputs involved in the outsourced process have legal ownership transferred to Kunak POM and are clearly stated in the contract between the transporter and Kunak POM. a) The mill has an agreement with the transporter for CPO and PK (HMK Transport Sdn Bhd), valid from 01/01/2022 until 31/12/2024. The contract includes an attachment (Business Code 	Complied

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	<p>a) The mill has legal ownership of all input material to be included in outsourced processes</p> <p>b) The mill has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the mill to ensure that certification body (CB) has access to the outsourcing contractor or operation if an audit is deemed necessary.</p> <p>c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p> <p>d) The mill shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and all information, when this is announced in advance.</p>	<p>of Ethics) stating that the certification body (CB) has access to the outsourcing contractor or operation if an audit is deemed necessary.</p> <p>b) Outsourcing only involves transportation of products, i.e., CSPO and CSPK, subject to the buyers' contractual requirements either ex-mill or delivered. Mostly delivered contracts involve CSPO and CSPK.</p> <p>c) Implementation for CSPO is based on the procedure for Crude Palm Oil (CPO); Document # TSHR/SUST/SOP05 Rev:06 dated 15/07/2022; Section D: CPO Dispatch – D1 (Before CPO Filling Process) & D2 (After CPO Filling Process). The latest communication with the transporter regarding the SOP was on 28/06/2022.</p> <p>d) The contract also specifies that the transporter must provide relevant access for duly accredited CBs to their respective operations, systems, and all information, when this is announced in advance.</p>	
3.8.10	The mill shall record the names and contact details of all contractors used for the physical handling of RSPO certified oil palm products.	The names and contact details of transporters used for the physical handling of RSPO certified oil palm products have been diligently recorded and meticulously registered in the mill's comprehensive supplier database system.	Complied
3.8.11	The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.	Following a thorough verification of the list of contractors, it was confirmed that there have been no changes in contractors involved in the supply chain. The names and contact details of transporters responsible for the physical handling of RSPO certified oil palm products were duly recorded and meticulously registered in the mill's supplier database system.	Complied

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3.8.12	<p>Record keeping</p> <ul style="list-style-type: none"> i) The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements. ii) Retention times for all records and reports shall be a minimum of two (2) years and shall comply with relevant legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock. iii) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis. iv) For Mass Balance Module, the mill: <ul style="list-style-type: none"> a) Shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. b) All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock. 	<ul style="list-style-type: none"> i) Kunak POM has maintained and updated records and reports covering all aspects of the RSPO supply chain certification standard. ii) All relevant records related to the supply chain have been available for the past 3 years, as per the SOP for Supply Chain. This is stated under E. Resource Management. iii) Not applicable as the Mill operates under the module of mass balance. iv) Based on the Mass Balance Sheet, the volume of CPO and PK has been allocated to both certified and non-certified products. Records are available on the balance of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a 3-monthly basis. Upon verification, it was found that 193.79 mt of PK (TR-cad152a9-e00e) value was deducted in the mass balance sheet under the tracking of certified products. The verification indicates that the mill sold CSPK from the available positive stock. No instances of short selling were verified from the records. 	Complied
3.8.13	<p>Extraction Rate</p> <p>The oil extraction rate (OER) and the kernel extraction rate (KER) shall be applied to provide a reliable estimate of the amount of certified CPO and PK from the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently.</p>	<p>The mill has established the OER and KER on daily basis and its available in daily production records. As per Table 10 above, the OER is 18.50% and KER is around 4.99 for the current license period.</p>	Complied

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3.8.14	Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.	The facility is using the actual extraction rate and therefore updating of rates is not necessary.	Complied
3.8.15	Processing For Identity Preserved Module, the mill shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation.	Only Mass Balance Supply Chain Module is used in Kunak POM.	Not Applicable
3.8.16	Registration of Transactions i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date. ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform.	The palm oil mill, with its products being CPO and PK, falls under Figure 2 and 3, Annex 1 of the RSPO SCCS Standard. Utilizing the downloaded transactions register from the certification unit's Palmtrace, the company successfully demonstrated its consistent registration of transactions in Palmtrace. Upon reviewing the announcement (transaction) summary, all registrations were found to be in compliance and announced within 3 months of the final shipment date. Based on verification of Mass Balance Record 2023 and CPO Stock dated 30/11/2023 (CPO Balance: 1270.262 mt) and interview with the mill management found that the certified CPO was sold as conventional, and the mill does not sell certified CPO throughout the license period. Verification with RSPO IT Platform (Palm Trace), there is no evidence of removal has been made for the CPO, thus Non Conformance is raised	Non-compliance
3.8.17	Claims The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.	Verification on site and interview also internet web site, RSPO trademark was not use. Nonetheless, the facility is aware with the requirements of the RSPO Rules on Market Communications and Claims.	Complied
General corporate communications			

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4.1	A corporate communication is one made by any RSPO member that highlights its RSPO membership and/or its commitment to the objectives and principles of RSPO. Corporate communication is a "non-product related" claim.	Kunak POM has not made any off-product claims, a fact verified through document and site reviews, including examinations of the notice board, business cards, shipping documentation, procurement/purchasing documents, and promotional materials, among others	Complied
4.2	In corporate communications, a member is allowed to: A. display its RSPO membership status B. display the RSPO web address (www.rspo.org) C. state that the member supports the work of RSPO D. state the member's history with regard to RSPO E. use the RSPO Trademark (as shown below) with a valid trademark licence number to promote its RSPO membership	On the parent company's website, it is explicitly mentioned that they are a member of RSPO and are dedicated to adopting RSPO standards.	Complied
4.3	Members are not allowed to use the RSPO corporate logo as shown below. This is for the sole use of the RSPO Secretariat.	Based on site visit and documentation review, verified that RSPO corporate logo is not use by Kunak POM	Complied
4.4	In corporate communications, RSPO members must not make any statement that may lead consumers to believe that RSPO membership by itself implies the selling of RSPO certified palm oil products.	Kunak Palm Oil Mill does not make any statement that may lead to believe that RSPO memberships by itself implies the selling of RSPO certified oil palm product.	Complied
4.5	Additionally, RSPO certified members are allowed to make statements that highlight their RSPO certification status and product-related claims in their corporate communication tools. Some permitted examples include: • "We have been sourcing RSPO certified palm oil since (YEAR)." • "We have used (X) tonnes of RSPO certified palm oil for our products manufactured in the last year." • "We have been RSPO certified since (YEAR)." • "We have (X NUMBER OF PRODUCTS) produced using RSPO certified MB/SG palm oil."	On the parent company's website, it is explicitly mentioned that they are a member of RSPO and are dedicated to adopting RSPO standards. Not applicable as no off-product claim made by the mill as to date.	Complied

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	<ul style="list-style-type: none"> • "In (YEAR), our company sourced (X%) of palm oil derivative volumes that was used across our products manufactured as MB certified." • "Our company covered (X%) of palm oil derivative volumes used across all our products manufactured in (YEAR) with smallholder credits." • "We are RSPO certified. Ask us for our RSPO certified products." 		
4.6	<p>RSPO non-certified members are allowed to make product-related claims in their corporate communication tools by doing the following:</p> <p>A. Use the RSPO Trademark with a valid trademark licence number to promote its membership of RSPO. It is sufficient for non-certified members to indicate this only once in their communication.</p> <p>B. Claim statements are limited to the following examples:</p> <p>i. "The rate of RSPO-certified palm oil procurement was (X%). We aim to achieve (X%) sustainable procurement by fiscal year (YEAR)."</p> <p>ii. X% of palm oil sourced by our organisation are certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance, or (d) Book and Claim.</p> <p>C. In cases wherein an organisation/member would like to indicate their commitment to sourcing RSPO certified volumes, the statement shall be accompanied with a disclaimer: "This reported figure is not audited through RSPO Certification".</p>	Kunak Palm Oil Mill is a RSPO certified unit and TSH Plantations is a certified member. Therefore, this indicator is not applicable.	Complied
Product-specific communications			
5.1 General			
5.1.1	Product-specific communications refer to any public statement about an individual product that contains RSPO certified sustainable palm oil. These product-specific communications can be made on pack and/or off pack such as shipping documents, advertisements, flyers, brochures, posters,	Product specific communications made off pack via shipping documents such as weighbridge tickets, delivery notes and consignment etc. Notwithstanding, this requirement is not applicable as no packings required for the mill products as deliveries made in bulk via tanker for CPO and cargo lorry for PK.	Not Applicable

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	displays, newsletters, websites, emails, letters, offerings, invoices, (annual) reports, or media interviews.	Delivery documents specified only RSPO module i.e. CPO MB and PK MB.	
5.1.2	Product-specific communications are voluntary.	No product-specific communications are being made by Kunak POM. Hence, this requirement is not applicable as no packings required for the mill products as deliveries made in bulk via tanker for CPO and cargo lorry for PK. Delivery documents specified only RSPO module i.e. CPO MB and PK MB.	Not Applicable
5.1.3	Wherever the RSPO Label is displayed for product-specific communications, the applicable trademark licence number must be shown immediately under or next to the RSPO Label or the statement itself.	No RSPO Label used hence, this is not applicable as no packings required for the mill products as deliveries made in bulk via tanker for CPO and cargo lorry for PK. Delivery documents specified only RSPO module i.e. CPO MB and PK MB.	Not Applicable
5.1.4	Use of any other trademark or label to highlight the presence of RSPO certified sustainable palm oil products is an unauthorised product-specific communication.	No other trademark or label use to highlight hence, this is not applicable as no packings required for the mill products as deliveries made in bulk via tanker for CPO and cargo lorry for PK. Delivery documents specified only RSPO module i.e. CPO MB and PK MB.	Not Applicable
5.1.5	<p>If any organisation, which does not further modify end products or does not need to undergo Supply Chain Certification such as retailers, traders or distributors, enters into any agreement whereby the RSPO certified supplier labels products with the retailers/traders/distributors RSPO Trademark licence number, the following conditions shall be met as shown below</p> <ul style="list-style-type: none"> • RSPO members should be registered on the RSPO IT Platform and complete the information under 'description of products' field. • Both parties shall inform their certification body in writing about the agreement. • The RSPO certified supplier is responsible for ensuring that the buyer's RSPO Trademark licence number is used only on products that are supplied to that buyer. 	No on products claims made hence, this is not applicable as no packings required for the mill products as deliveries made in bulk via tanker for CPO and cargo lorry for PK. Delivery documents specified only RSPO module i.e. CPO MB and PK MB.	Not Applicable

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5.1.6	Organisations that do not further modify end products or that do not need to undergo Supply Chain Certification such as retailers, traders, or distributors who intend to use the RSPO Label with their own RSPO Trademark licence number in any of their product-specific communications, can do so by undergoing a remote audit. A remote audit shall be conducted by an RSPO-accredited certification body (CB) prior to the use of the RSPO Label whereby the organisation will need to demonstrate that the use is in compliance with the rules contained within this document and that the claim itself can be supported through a certified supply chain	The mill produced only CPO and PK, no further modify end products hence, this is not applicable as no packings required for the mill products as deliveries made in bulk via tanker for CPO and cargo lorry for PK. Delivery documents specified only RSPO module i.e. CPO MB and PK MB.	Not Applicable
5.2 Off pack claims			
5.2.1	Off pack claims are product-specific communications regarding the certified sustainable palm oil contained within the product(s) made on any communication materials such as shipping documents, advertisements, flyers, brochures, posters, displays, newsletters, websites, emails, letters, offerings, invoices, (annual) reports, or media interviews. The RSPO Label should be used together with the valid trademark licence number wherever an off pack claim is made.	Off-pack claim made through the shipping document hence, no packings required for the mill products as deliveries made in bulk via tanker for CPO and cargo lorry for PK. Delivery documents specified only RSPO module i.e. CPO MB and PK MB. Sample of the shipping document details is the following: CSPK Name of buyer: Lahad Datu Edible Oil Sdn Bhd Address: Lahad Datu, Sabah Delivery date: 27/04/2024 RSPO Cert: RSPO 692556 Description of product: CSPK Quantity of product: 29.81 mt Weighbridge Ticket: 084785	Complied
5.2.2	When confirming the sale of certified palm oil products, members must adhere to the requirements of the RSPO SCCS. This includes stating the supply chain model and certificate number under which the claim is being made.	The mill announced the certified sales while the buyers confirmed the receipt as of Table 11 above via Palm Trace.	Complied

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5.2.3	<p>Where a distributor or wholesaler takes title to products containing certified sustainable palm oil products, the requirements of the RSPO SCCS can follow either one of these two options:</p> <ul style="list-style-type: none"> • If the distributor or wholesaler holds only a distributor licence, it may only communicate RSPO certified palm oil products by linking the product to the manufacturer using the manufacturer's SCCS certificate number. This covers both brand and own brand products. However, in the case of own brand products, it is essential that customers are aware that the products have been made on behalf of the distributor or wholesaler, with specific evidence either through on pack claims or documentation. • If the distributor or wholesaler is supply chain certified, they should follow the requirements outlined in section 5.2.2. 	This is not applicable since the mill is neither a distributor nor wholesaler.	Not Applicable
5.3 On pack claims			
5.3.1	<p>Only RSPO members who have supply chain certification and members who have undergone remote audit as per 5.1.6 are allowed to make on pack claims about the certified sustainable palm oil contained within the product(s) as per Module A, B, C and E. RSPO members who have purchased RSPO Credits are entitled to claim their support for the production of certified sustainable palm oil as per Module D.</p>	No on-pack claims made hence, this is not applicable as no packings required for the mill products as deliveries made in bulk via tanker for CPO and cargo lorry for PK. Delivery documents specified only RSPO module i.e. CPO MB and PK MB.	Not Applicable
5.3.2	<p>In case of limited space, RSPO allows flexibility to use a one-line arrangement claim together with a valid trademark licence number for on pack communications as below without having to use any RSPO Label. The licence number has to measure at least 4pt (1.4mm) in size and the font must be Calibri. The following options shall be considered:</p> <p>A) For Identity Preserved (IP)/ Segregated (SG) Certified Products:</p> <ul style="list-style-type: none"> • RSPO IP/SG CERTIFIED* • Contains RSPO IP/SG palm oil* • Contains RSPO certified palm oil (IP/SG)* 	No on-pack claims made hence, this is not applicable as no packings required for the mill products as deliveries made in bulk via tanker for CPO and cargo lorry for PK. Delivery documents specified only RSPO module i.e. CPO MB and PK MB.	Not Applicable

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	*Add RSPO TM Licence Number below or next to the claim.		
	<p>B) or Mass Balance (MB) Certified Products:</p> <ul style="list-style-type: none"> • RSPO MIXED* • Contributes to the production of RSPO certified palm oil* • Contains RSPO certified palm oil (MB)* <p>*Add RSPO TM Licence Number below or next to the claim.</p>	No on-pack claims made hence, this is not applicable as no packings required for the mill products as deliveries made in bulk via tanker for CPO and cargo lorry for PK. Delivery documents specified only RSPO module i.e. CPO MB and PK MB.	Not Applicable
	<p>C) For Partially Certified Products:</p> <ul style="list-style-type: none"> • RSPO 50% MIXED* • Contains at least 50% RSPO certified palm oil* <p>*Add RSPO TM Licence Number below or next to the claim.</p>	No on-pack claims made hence, this is not applicable as no packings required for the mill products as deliveries made in bulk via tanker for CPO and cargo lorry for PK. Delivery documents specified only RSPO module i.e. CPO MB and PK MB.	Not Applicable
	<p>D) For Products covered with Book and Claim (B&C):</p> <ul style="list-style-type: none"> • RSPO CREDITS* • Supports the production of RSPO certified palm oil* • Contains palm oil covered by the purchase of RSPO Credits* <p>*Add RSPO TM Licence Number below or next to the claim.</p>	No on-pack claims made hence, this is not applicable as no packings required for the mill products as deliveries made in bulk via tanker for CPO and cargo lorry for PK. Delivery documents specified only RSPO module i.e. CPO MB and PK MB.	Not Applicable
5.3.3	On pack claims shall not include information about the claimant's RSPO membership status.	No on-pack claims made hence, this is not applicable as no packings required for the mill products as deliveries made in bulk via tanker for CPO and cargo lorry for PK. Delivery documents specified only RSPO module i.e. CPO MB and PK MB.	Not Applicable
5.3.4	Members shall not communicate to consumers information about their suppliers' RSPO membership status.	No on-pack claims made hence, this is not applicable as no packings required for the mill products as deliveries made in bulk via tanker for CPO and cargo lorry for PK. Delivery documents specified only RSPO module i.e. CPO MB and PK MB.	Not Applicable
5.3.5	Use of the RSPO Label is restricted to claims about RSPO certified sustainable palm oil contained in products and is not authorised for use in relation to any other ingredient.	No on-pack claims made hence, this is not applicable as no packings required for the mill products as deliveries made in bulk via tanker for CPO and cargo lorry for PK. Delivery documents specified only RSPO module i.e. CPO MB and PK MB.	Not Applicable

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5.3.6	All members making on pack claims are encouraged to submit the information and images of their end products that carry the RSPO Label via the MyRSPO portal.	No on-pack claims made hence, this is not applicable as no packings required for the mill products as deliveries made in bulk via tanker for CPO and cargo lorry for PK. Delivery documents specified only RSPO module i.e. CPO MB and PK MB.	Not Applicable
MODULE B – MASS BALANCE SPECIFIC RULES			
Mass Balance palm oil content			
	95% of the palm oil content must be RSPO MB-certified.	Oil palm content is 100% CPO and claim as either RSPO MB certified or conventional.	Complied
	If 100% of RSPO MB certified palm oil content cannot be sourced, a maximum of 5% volume from other non-certified sources is allowed and the reason for this must be fully justified. The volume of the non-certified palm oil content shall be covered by the purchase of RSPO Credits of equivalent volume.	Shipping documentation verified and conformance with the requirements of RSPO SCCS. The weighbridge tickets contained information of product/commodity with SCC model (CPO/Palm Kernel RSPO MB) and RSPO certificate number.	Complied
Messaging			
	<p>Messaging ALLOWED in storytelling in product-specific communications includes:</p> <ul style="list-style-type: none"> • [Palm oil products]/[palm oil]/[palm kernel oil] from RSPO certified mills and plantations were mixed with non-certified palm oil products in the supply chain. • The volume of [palm oil products]/[palm oil]/[palm kernel oil] in this product reflects an equivalent volume of palm oil or palm kernel oil produced by RSPO certified mills and plantations. 	There are no messaging involved since Kunak Palm Oil Mill is producing crude palm product and does not involved in any labelling of end products	Not Applicable
Product-Specific Communications Labelling			
	<p>Members are allowed to use the RSPO Label in one of the following ways:</p> <ul style="list-style-type: none"> • The RSPO Label MUST contain the tag "MIXED". The tag "MIXED" designates palm oil products sourced under the Mass Balance (MB) supply chain system, which administratively balances inputs and outputs of certain palm oil volumes. The tag "MIXED" on a 	There are no product specific communication and labelling being practise as the mill is using the tanker and lorry to transport the CPO and PK. Hence there is no Product-Specific Communications	Not Applicable

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	<p>product does not guarantee that the product itself contains the certified material; some or all of it may reside in a product that does not carry a claim.</p> <ul style="list-style-type: none">The RSPO Label can also include the statement: “[The palm oil contained in this product] contributes to the production of certified sustainable palm oil”.	Labelling being practice by the UoC. Hence, this requirement is not applicable.													
Principle 4: Respect community and human rights and deliver benefits															
Criterion 4.1: The unit of Certification respects human rights, which includes respecting the rights of Human Rights Defenders.															
4.1.1	<p>(C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.</p> <p>- Critical (Major) compliance -</p>	<p>TSH Group maintained the current Human Rights & Responsible Business Practices with Doc. No.: ST-POL09-03 signed by Managing Director dated 21/07/2020.</p> <p>The Human Rights & Responsible Business Practices been communicated by management to internal and external stakeholder during program in table below:</p> <table><tr><td>Mill/Estate</td><td>Internal Stakeholder Session</td><td>External Stakeholder Session</td></tr><tr><td>Maju Sawit Estate</td><td>02/06/2023</td><td rowspan="4">26/07/2023</td></tr><tr><td>Sabahan 1 Estate</td><td>07/06/2023</td></tr><tr><td>LKSK Estate</td><td>08/06/2023</td></tr><tr><td>Landquest Estate</td><td>06/06/2023</td></tr></table>	Mill/Estate	Internal Stakeholder Session	External Stakeholder Session	Maju Sawit Estate	02/06/2023	26/07/2023	Sabahan 1 Estate	07/06/2023	LKSK Estate	08/06/2023	Landquest Estate	06/06/2023	Complied
Mill/Estate	Internal Stakeholder Session	External Stakeholder Session													
Maju Sawit Estate	02/06/2023	26/07/2023													
Sabahan 1 Estate	07/06/2023														
LKSK Estate	08/06/2023														
Landquest Estate	06/06/2023														
4.1.2	<p>The unit of certification does not instigate violence or use any form of harassment in their operations.</p> <p>- Minor compliance -</p>	<p>TSH Group prohibits any form of harassment in their operations, as stated in their policy. Onsite interviews with sampled workers indicated that they have not experienced any form of harassment by the management.</p>	Complied												
Criterion 4.2: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties															

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4.2.1	<p>(C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistle-blowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.</p> <p>- Critical (Major) compliance -</p>	<p>TSH has developed Whistle-blowing Policy which publicly available in company website. The policy is designed to support company's value, ensure stakeholders can raise concern without fear dealing with concerns and to provide a transparent and confidential process for dealing with concerns. Clause 1, 2, and 3 under point of procedure in the policy clearly highlighted the complainant's identity will not be disclosed without prior consent but may be revealed on a need-to-know basis to facilitate investigation process.</p> <p>At the same time, mill and estates strictly implement other SOP such as Standard Operating Procedure for Communication, Consultation, and Participation, Doc. No. TSH/SUST/SOP02, dated 19/11/2019. The procedure outlines the mechanisms utilized, including direct consultation meetings, communication channels, and committee establishment for workers. Additionally, the Employee Grievance Procedure under document number TSH/HR/SOP06, Rev.0, dated 12/01/2016 also enforced.</p>	Complied							
4.2.2	<p>Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties.</p> <p>- Minor compliance -</p>	<p>TSH implemented Standard Operating Procedure for Communication, Consultation, and Participation, Doc. No.: TSH/SUST/SOP02, dated 19/11/2019 and the Employee Grievance Procedure, Doc. No.: TSH/HR/SOP06, Rev.0, dated 12/01/2016. Both procedures have been communicated to external stakeholders during meetings as follows:</p> <table><tr><td>Mill/Estate</td><td>Internal Stakeholder Session</td><td>External Stakeholder Session</td></tr><tr><td>Maju Sawit Estate</td><td rowspan="2">02/06/2023</td><td rowspan="2">26/07/2023</td></tr><tr><td>Kunak POM</td></tr></table>	Mill/Estate	Internal Stakeholder Session	External Stakeholder Session	Maju Sawit Estate	02/06/2023	26/07/2023	Kunak POM	Complied
Mill/Estate	Internal Stakeholder Session	External Stakeholder Session								
Maju Sawit Estate	02/06/2023	26/07/2023								
Kunak POM										

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		<table><tr><td>Sabahan 1 Estate</td><td>07/06/2023</td><td rowspan="3"></td></tr><tr><td>LKSK Estate</td><td>08/06/2023</td></tr><tr><td>Landquest Estate</td><td>06/06/2023</td></tr></table> <p>Interview with internal and external stakeholder session noted that they were briefed and understand with the communication including complaint procedure implemented by TSH.</p>	Sabahan 1 Estate	07/06/2023		LKSK Estate	08/06/2023	Landquest Estate	06/06/2023	
Sabahan 1 Estate	07/06/2023									
LKSK Estate	08/06/2023									
Landquest Estate	06/06/2023									
4.2.3	<p>The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders.</p> <p>- Minor compliance -</p>	<p>TSH upholds the existing Standard Operating Procedures for Communication, Consultation, and Participation, documented as TSHR/SUST/SOP02 dated 19/11/2019, as well as the Employee Grievance Procedure, documented as TSHR/HR/SOP06, Rev.0, dated 12/01/2016.</p> <p>TSH used 'Borang Aduan dan Keluh Kesah' as channel for stakeholders to lodge any complaints especially regards to housing maintenance issues. Based on the document review, all recorded complaints were resolved within the allocated time according to the procedure. Additionally, for complaints requiring more time and additional budget to resolve, there is evidence of acknowledgement by the complainant.</p>	Complied							
4.2.4	<p>The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.</p> <p>- Minor compliance -</p>	<p>TSH Group formulated Standard Operating Procedure for Communication, Consultation, and Participation, Doc. No.: TSH/SUST/SOP02, dated 19/11/2019 and the Employee Grievance Procedure, Doc. No.: TSH/HR/SOP06, Rev.0, dated 12/01/2016. There is also Legal, Customary Rights, and Compensation procedure, Doc. No.: TSH/SUST/SOP03, Rev.2, dated 01/11/2017, which serves as a guideline for management to conduct consultations with relevant on-site stakeholders, ensuring there is no conflict that necessitates a resolution mechanism involving independent legal and technical advice or a third-party mediator.</p>	Complied							

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Criterion 4.3: The unit of Certification contributes to local sustainable development as agreed by local communities.			
4.3.1	Contributions to community development that are based on the results of consultation with local communities are demonstrated. - Minor compliance -	<p>TSH Group is dedicated to serving the communities in which it operates by providing philanthropic support, primarily focusing on the education of the underprivileged and less fortunate, as well as contributing to various social causes. As part of its commitment, TSH Group ensures business sustainability, thereby adding value for its stakeholders.</p> <ol style="list-style-type: none"> 1. TSH donated RM50,000 to Kelab Ragbi Eagles Sandakan, highlighting its commitment to fostering community engagement through support for sports, particularly rugby, dated 06/01/2024. 2. TSH contributed RM50,000 to Hospital Fatimah & another RM50,000 to Assunta Hospital as commitment to enhancing healthcare services. 3. TSH donated RM5,000 to Pertubuhan Perlindungan Haiwan Woo & Meow, demonstrating a commitment to animal welfare and the well-being of our furry companions. 	Complied
Criterion 4.4: Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.			
4.4.1	<p>(C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents Related to the history of land tenure and the actual legal or customary use of the land are available.</p> <p>- Critical (Major) compliance -</p>	<ol style="list-style-type: none"> 1. Maju Sawit Estate maintained the current land title no. Country Lease 10539xxxx with registration memo no.: 3029xxxx; dated 21/05/2002 – 136.5 ha with holding period since 01/01/1969 – 31/12/2067 2. Land title for Sabahan 1 Estate were reviewed. There are total 7 land titles available and kept at the estate's office. Sample one of the land titles with land title no. Country Lease 2453xxxx, register memo no.: 3012xxxx, dated 15/01/1993 with holding period since 01/01/1979 until 31/12/2077. 3. LKSK Estate has current land title no. Country Lease 10536xxxx; Register memo no.: 3024xxxx; dated 29/06/1994 	Complied

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		for 2387.00 acres with holding period from 01/01/1977 until 31/12/2075 4. Landquest Estate maintained the current land title no. Country Lease 12531xxxx; Register memo no.: 3028xxxx; dated 20/07/2000	
4.4.2	Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:	There are no incidences of land disputes in any of the estates under Kunak POM and its supply base certification, as the land is owned by the TSH Group. The estates' land is leased by state to TSH Group for oil palm plantation activities. This was affirmed through the examination of land titles, confirming the absence of any reported land disputes.	Complied
4.4.2a	Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making. - Minor compliance -	TSH implemented existing SOP for Legal, Customary Rights, and Compensation under Doc. No.: TSHR/SUST/SOP03, Rev.2, dated 01/11/2017. These guidelines provide a framework for management to conduct on-site consultations with relevant stakeholders. The review found no conflicts requiring a resolution mechanism, which includes the option of accessing independent legal and technical advice or a third-party mediator. The procedure highlighted the process for identifying legal and customary rights, as well as calculating and distributing fair compensation. Negotiations will be conducted for a maximum of three rounds if the issue cannot be resolved, after which a legal aid will be engaged to assist in the matter. The SOP is for reference for any claim or dispute later.	Complied
4.4.2b	Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken. - Minor compliance -	There is no land dispute within any of the estates under the certification unit, as all land belongs to TSH Resource Berhad. This was confirmed through document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported.	Complied

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4.4.2c	<p>Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the unit of certification's title, concession or lease on the land.</p> <p>- Minor compliance -</p>	<p>There is no land dispute within any of the estates under the certification unit, as all land belongs to TSH Resource Berhad. This was confirmed through document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported.</p>	Complied
4.4.3	<p>(C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>- Critical (Major) compliance -</p>	<p>There is no land dispute within any of the estates under the certification unit, as all land belongs to TSH Resource Berhad. This was confirmed through document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported. Document review on estates' maps verified appropriate scale showing the extent of recognised legal and user rights are available</p>	Complied
4.4.4	<p>All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>- Minor compliance -</p>	<p>There is no land dispute within any of the estates under the certification unit, as all land belongs to TSH Resource Berhad. This was confirmed through document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported.</p>	Complied
4.4.5	<p>(C) Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose.</p> <p>- Critical (Major) compliance -</p>	<p>There is no land dispute within any of the estates under the certification unit, as all land belongs to TSH Resource Berhad. This was confirmed through document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported.</p>	Complied
4.4.6	<p>There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties.</p> <p>- Minor compliance -</p>	<p>There is no land dispute within any of the estates under the certification unit, as all land belongs to TSH Resource Berhad. This was confirmed through document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported.</p>	Complied

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Criterion 4.5: No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.			
4.5.1	(C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available. - Critical (Major) compliance -	There is no land dispute within any of the estates under the certification unit, as all land belongs to TSH Resource Berhad. This was confirmed through document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported. Additionally, there is no new planting has been conducted based on site visit, observation and interview session with external stakeholders.	Not Applicable
4.5.2	(C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation. - Critical (Major) compliance -	There is no land dispute within any of the estates under the certification unit, as all land belongs to TSH Resource Berhad. This was confirmed through document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported. Additionally, there is no new planting has been conducted based on site visit, observation and interview session with external stakeholders.	Not Applicable
4.5.3	Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations. - Minor compliance -	There is no land dispute within any of the estates under the certification unit, as all land belongs to TSH Resource Berhad. This was confirmed through document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported. Additionally, there is no new planting has been conducted based on site visit, observation and interview session with external stakeholders.	Not Applicable
4.5.4	To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.	There is no new planting has been conducted based on site visit, observation, and interview session with external stakeholders. There is no land dispute within any of the estates under the certification unit, as all land belongs to TSH Resource Berhad. This	Not Applicable

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	- Minor compliance -	was confirmed through document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported.	
4.5.5	Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. - Minor compliance -	There is no new planting has been conducted based on site visit, observation, and interview session with external stakeholders. There is no land dispute within any of the estates under the certification unit, as all land belongs to TSH Resource Berhad. This was confirmed through document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported.	Not Applicable
4.5.6	Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator. - Minor compliance -	There is no new planting has been conducted based on site visit, observation, and interview session with external stakeholders. There is no land dispute within any of the estates under the certification unit, as all land belongs to TSH Resource Berhad. This was confirmed through document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported.	Not Applicable
4.5.7	New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations. - Minor compliance -	There is no new planting has been conducted based on site visit, observation, and interview session with external stakeholders. There is no land dispute within any of the estates under the certification unit, as all land belongs to TSH Resource Berhad. This was confirmed through document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported.	Not Applicable
4.5.8	(C) New lands are not acquired in areas inhabited by communities in voluntary isolation. - Critical (Major) compliance -	There is no new planting has been conducted based on site visit, observation, and interview session with external stakeholders. There is no land dispute within any of the estates under the certification unit, as all land belongs to TSH Resource Berhad. This was confirmed through document reviews of the land titles and	Not Applicable

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		interviews with stakeholders, which indicated that no land disputes have been reported.	
Criterion 4.6: Any negotiations Concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
4.6.1	(C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place. - Critical (Major) compliance -	It was confirmed that lands are leased from the state government, as confirmed by the ownership documents reviewed in indicator 4.4.1. While during stakeholder consultation, there was no land dispute raised. On the other hand, TSH has formulated Legal, Customary Rights, and Compensation Procedure under Doc. No.: TSHR/SUST/SOP03, Rev.2, dated 01/11/2017. These guidelines provide a framework for management to conduct on-site consultations with relevant stakeholders. The review found no conflicts requiring a resolution mechanism, which includes the option of accessing independent legal and technical advice or a third-party mediator. The procedure highlighted the process for identifying legal and customary rights, as well as calculating and distributing fair compensation. Negotiations will be conducted for a maximum of three rounds if the issue cannot be resolved, after which a legal aid will be engaged to assist in the matter	Complied
4.6.2	(C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. - Critical (Major) compliance -	It was confirmed that lands are leased from the state government, as confirmed by the ownership documents reviewed in indicator 4.4.1. While during stakeholder consultation, there was no land dispute raised. On the other hand, TSH has formulated Legal, Customary Rights, and Compensation Procedure under Doc. No.: TSHR/SUST/SOP03, Rev.2, dated 01/11/2017. These guidelines provide a framework for management to conduct on-site consultations with relevant stakeholders. The review found no conflicts requiring a resolution mechanism, which includes the option of accessing independent legal and technical advice or a third-party mediator. The procedure highlighted the process for	Complied

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		identifying legal and customary rights, as well as calculating and distributing fair compensation. Negotiations will be conducted for a maximum of three rounds if the issue cannot be resolved, after which a legal aid will be engaged to assist in the matter	
4.6.3	Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings. - Minor compliance -	No smallholder scheme is involved within the certification unit.	Complied
4.6.4	The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them. - Minor compliance -	There is no land dispute within any of the estates under the certification unit, as all land belongs to TSH Resource Berhad. This was confirmed through document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported.	Complied
Criterion 4.7: Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.			
4.7.1	(C) A mutually agreed procedure for identifying people entitled to compensation is in place. - Critical (Major) compliance -	It was confirmed that lands are leased from the state government, as confirmed by the ownership documents reviewed in indicator 4.4.1. While during stakeholder consultation, there was no land dispute raised. On the other hand, TSH has formulated Legal, Customary Rights, and Compensation Procedure under Doc. No.: TSHR/SUST/SOP03, Rev.2, dated 01/11/2017. These guidelines provide a framework for management to conduct on-site consultations with relevant stakeholders. The review found no conflicts requiring a resolution mechanism, which includes the option of accessing independent legal and technical advice or a third-party mediator. The procedure highlighted the process for identifying legal and customary rights, as well as calculating and distributing fair compensation. Negotiations will be conducted for a maximum of three rounds if the issue cannot be resolved, after which a legal aid will be engaged to assist in the matter	Complied

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4.7.2	<p>(C) A mutually agreed procedure for calculating and distributing fair and gender-equal compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation.</p> <p>- Critical (Major) compliance -</p>	<p>It was confirmed that lands are leased from the state government, as confirmed by the ownership documents reviewed in indicator 4.4.1. While during stakeholder consultation, there was no land dispute raised. On the other hand, TSH has formulated Legal, Customary Rights, and Compensation Procedure under Doc. No.: TSHR/SUST/SOP03, Rev.2, dated 01/11/2017. These guidelines provide a framework for management to conduct on-site consultations with relevant stakeholders. The review found no conflicts requiring a resolution mechanism, which includes the option of accessing independent legal and technical advice or a third-party mediator. The procedure highlighted the process for identifying legal and customary rights, as well as calculating and distributing fair compensation. Negotiations will be conducted for a maximum of three rounds if the issue cannot be resolved, after which a legal aid will be engaged to assist in the matter</p>	Complied
4.7.3	<p>Communities that have lost access and rights to land for plantation expansion are given opportunities including employment and supply contracts to benefit from plantation development.</p> <p>- Minor compliance -</p>	<p>It was confirmed that lands are leased from the state government, as confirmed by the ownership documents reviewed in indicator 4.4.1. While during stakeholder consultation, there was no land dispute raised. On the other hand, TSH has formulated Legal, Customary Rights, and Compensation Procedure under Doc. No.: TSHR/SUST/SOP03, Rev.2, dated 01/11/2017. These guidelines provide a framework for management to conduct on-site consultations with relevant stakeholders. The review found no conflicts requiring a resolution mechanism, which includes the option of accessing independent legal and technical advice or a third-party mediator. The procedure highlighted the process for identifying legal and customary rights, as well as calculating and distributing fair compensation. Negotiations will be conducted for a maximum of three rounds if the issue cannot be resolved, after which a legal aid will be engaged to assist in the matter</p>	Complied

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Criterion 4.8: The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights.			
4.8.1	<p>Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC.</p> <p>- Minor compliance -</p>	<p>It was confirmed that lands are leased from the state government, as confirmed by the ownership documents reviewed in indicator 4.4.1. While during stakeholder consultation, there was no land dispute raised. On the other hand, TSH has formulated Legal, Customary Rights, and Compensation Procedure under Doc. No.: TSHR/SUST/SOP03, Rev.2, dated 01/11/2017. These guidelines provide a framework for management to conduct on-site consultations with relevant stakeholders. The review found no conflicts requiring a resolution mechanism, which includes the option of accessing independent legal and technical advice or a third-party mediator. The procedure highlighted the process for identifying legal and customary rights, as well as calculating and distributing fair compensation. Negotiations will be conducted for a maximum of three rounds if the issue cannot be resolved, after which a legal aid will be engaged to assist in the matter</p>	Complied
4.8.2	<p>(C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms.</p> <p>- Critical (Major) compliance -</p>	<p>It was confirmed that lands are leased from the state government, as confirmed by the ownership documents reviewed in indicator 4.4.1. While during stakeholder consultation, there was no land dispute raised. On the other hand, TSH has formulated Legal, Customary Rights, and Compensation Procedure under Doc. No.: TSHR/SUST/SOP03, Rev.2, dated 01/11/2017. These guidelines provide a framework for management to conduct on-site consultations with relevant stakeholders. The review found no conflicts requiring a resolution mechanism, which includes the option of accessing independent legal and technical advice or a third-party mediator. The procedure highlighted the process for identifying legal and customary rights, as well as calculating and distributing fair compensation. Negotiations will be conducted for a</p>	Complied

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		maximum of three rounds if the issue cannot be resolved, after which a legal aid will be engaged to assist in the matter	
4.8.3	Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4) - Minor compliance -	It was confirmed that lands are leased from the state government, as confirmed by the ownership documents reviewed in indicator 4.4.1. While during stakeholder consultation, there was no land dispute raised. On the other hand, TSH has formulated Legal, Customary Rights, and Compensation Procedure under Doc. No.: TSHR/SUST/SOP03, Rev.2, dated 01/11/2017. These guidelines provide a framework for management to conduct on-site consultations with relevant stakeholders. The review found no conflicts requiring a resolution mechanism, which includes the option of accessing independent legal and technical advice or a third-party mediator. The procedure highlighted the process for identifying legal and customary rights, as well as calculating and distributing fair compensation. Negotiations will be conducted for a maximum of three rounds if the issue cannot be resolved, after which a legal aid will be engaged to assist in the matter	Complied
4.8.4	For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). - Minor compliance -	It was confirmed that lands are leased from the state government, as confirmed by the ownership documents reviewed in indicator 4.4.1. While during stakeholder consultation, there was no land dispute raised. On the other hand, TSH has formulated Legal, Customary Rights, and Compensation Procedure under Doc. No.: TSHR/SUST/SOP03, Rev.2, dated 01/11/2017. These guidelines provide a framework for management to conduct on-site consultations with relevant stakeholders. The review found no conflicts requiring a resolution mechanism, which includes the option of accessing independent legal and technical advice or a third-party mediator. The procedure highlighted the process for identifying legal and customary rights, as well as calculating and distributing fair compensation. Negotiations will be conducted for a	Complied

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		maximum of three rounds if the issue cannot be resolved, after which a legal aid will be engaged to assist in the matter	
Principle 5: Support smallholder inclusion			
Criterion 5.1: The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.			
5.1.1	Current and previous period prices paid for FFB are publicly available and accessible by smallholders. - Minor compliance -	Current and previous FFB prices are available and calculated based on the MPOB price and the average monthly price for the region. The FFB administrator updates the FFB prices to the mill on a monthly basis. The FFB prices are displayed at the weighbridge station at the mill and are provided in the Final FFB Statement to external FFB suppliers, which includes both the current and previous period prices paid for FFB.	Complied
5.1.2	(C) Evidence is available that the unit of certification explains the FFB pricing to smallholders on request from individual smallholders (at least once a year or upon request). - Critical (Major) compliance -	The certification units explained the FFB pricing to the external FFB suppliers during the stakeholder meeting. Verification of the stakeholder meeting slide is available for review. The meeting was conducted on 26/07/2023.	Complied
5.1.3	(C) Fair pricing, calculated as a portion of the international CPO price less costs is provided to smallholders in the supply base and documented. - Critical (Major) compliance -	Current and previous FFB prices are available and calculated based on the MPOB price and the average monthly price for the region. The FFB administrator updates the FFB prices to the mill on a monthly basis. These prices are prominently displayed at the weighbridge station at the mill. In addition to displaying the prices at the weighbridge, TSH Kunak POM provides the current and previous period prices paid for FFB in the Final FFB Statement to external FFB suppliers.	Complied
5.1.4	(C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the	The FFB suppliers have the freedom to choose where they send their FFB, and they are not obligated to send it exclusively to Kunak	Complied

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	<p>contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable.</p> <p>- Critical (Major) compliance -</p>	<p>POM. This means that they have the option to sell their FFB to other mills or buyers if they wish to do so.</p> <p>Because the FFB suppliers are not bound by any contractual agreement with Kunak POM, they do not have a direct say in the decision-making processes of the mill. This means that decisions regarding operations, pricing, or any other aspects of the mill's activities are made independently by Kunak POM without input from the FFB suppliers.</p> <p>Additionally, the statement clarifies that Kunak POM does not provide any financial assistance or support to the smallholders who supply FFB. This means that the mill does not offer financing or credit options to smallholders to help them with their operations or expenses related to palm oil production. Instead, smallholders are responsible for managing their own finances and operations independently.</p> <p>The pricing stated at mill weighbridge is as per the MPOB price. The is no involvement from the stakeholder on the pricing, as the pricing is from the MPOB.</p>	
5.1.5	<p>Contracts are fair, legal and transparent and have an agreed timeframe.</p> <p>- Minor compliance -</p>	<p>Not all FFB Suppliers have a contract with TSH Kunak POM as they are not obligated to send their FFB to Kunak POM and have the right to choose where they wish to sell their FFB to.</p> <p>Nevertheless TSH Kunak POM has a written agreement with this FFB Suppliers stating the terms and conditions, prices and agreed timeframe of payment to the FFB suppliers as per sample as following:</p> <ul style="list-style-type: none"> - Able Plantation Sdn Bhd - Albert Watson Plantation Sdn Bhd - Bandaraya Tawau Sdn Bhd 	Complied

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		The agreement were available for verification and was deemed to be fair, legal and transparent.	
5.1.6	(C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given. - Critical (Major) compliance -	Agreed payments were made promptly, and FFB Sale Statements specifying price, weight, advance deductions, and interim payment (if applicable), along with details of the payee bank and beneficiary bank, were readily available for verification. Sample reviewed the payment invoices for the FFB purchases for the month of February 2024.	Complied
5.1.7	Weighbridges used for determining payment to smallholders are verified by an independent third party on a regular basis (this can be government). - Minor compliance -	The records indicate that the weighing equipment was verified by a third party, Metrology Corporation Malaysia Sdn Bhd. Here are the details: Weighbridge A - Date: 08/12/2023 - Certificate Number: A035287 - Reference Number: D-183483 - Maker: Mettler Toledo Ind 780 - Capacity Limit: 60,000 kgs - Remarks: This weighbridge has been tested, passed, and is eligible for commercial use. Weighbridge B - Date: 07/08/2023 - Certificate Number: A027479 - Reference Number: DE18006833 - Maker: Gold Cells INS-708-A (China)	Complied

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		<ul style="list-style-type: none"> - Capacity Limit: 60,000 kgs - Remarks: This weighbridge has been tested, passed, and is eligible for commercial use. 	
5.1.8	<p>The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material.</p> <p>- Minor compliance -</p>	All the Independent Smallholders that supply FFB to Kunak POM are not RSPO certified therefore this indicator is not applicable.	Complied
5.1.9	<p>(C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner.</p> <p>- Critical (Major) compliance -</p>	The mechanism for Complaints, Grievances, and Suggestions is maintained and available in the SOP for Communication, Consultation, and Participation (Doc. No. TSHR/SUST/SOP02 Rev.03 dated 19/11/2019). This procedure is also applicable to smallholders who wish to lodge a complaint or grievance. No complaints or grievances have been received by the company since the last audit.	Complied
Criterion 5.2: The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.			
5.2.1	<p>The Company consults with interested smallholders (irrespective of type) within the Unit of Certification, including women or other partners in their supply base, to assess their needs for support to improve their livelihoods and their interest in RSPO certification.</p> <p>- Minor compliance -</p>	At the time of audit, the management has conducted the stakeholders meeting on 26/07/2023, explaining the sustainable palm oil initiative. Now, there is no direct smallholders that are interested to part of the RSPO certification, as the smallholders are in midst of getting the MSPO Certification which is mandatory. Thus indicator is not applicable.	Not Applicable
5.2.2	<p>The unit of certification develops and implements smallholder support programme to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Independent Smallholder Standard or RISS).</p>	At the time of audit, the management has conducted the stakeholders meeting on 26/07/2023, explaining the sustainable palm oil initiative. Now, there is no direct smallholders that are interested to part of the RSPO certification, as the smallholders are	Not Applicable

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	- Minor compliance -	in midst of getting the MSPO Certification which is mandatory. Thus indicator is not applicable.	
5.2.3	Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production. - Minor compliance -	At the time of audit, the management has conducted the stakeholders meeting on 26/07/2023, explaining the sustainable palm oil initiative. Now, there is no direct smallholders that are interested to part of the RSPO certification, as the smallholders are in midst of getting the MSPO Certification which is mandatory. Thus indicator is not applicable.	Not Applicable
5.2.4	(C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. - Critical (Major) compliance -	At the time of audit, the management has conducted the stakeholders meeting on 26/07/2023, explaining the sustainable palm oil initiative. Now, there is no direct smallholders that are interested to part of the RSPO certification, as the smallholders are in midst of getting the MSPO Certification which is mandatory. Thus indicator is not applicable.	Not Applicable
5.2.5	The unit of certification regularly reviews and publicly reports on the progress of the Smallholder support programme. - Minor compliance -	At the time of audit, the management has conducted the stakeholders meeting on 26/07/2023, explaining the sustainable palm oil initiative. Now, there is no direct smallholders that are interested to part of the RSPO certification, as the smallholders are in midst of getting the MSPO Certification which is mandatory. Thus indicator is not applicable.	Not Applicable
Principle 6: Respect workers' rights and conditions			
Criterion 6.1: Any form of discrimination is prohibited.			
6.1.1	(C) A publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age. - Critical (Major) compliance -	TSH has formulated their current Equal Opportunity & Discrimination policy with Doc. No.: ST-POL03-02 signed by Managing Director dated 15/10/2015. The company is strongly opposed to the discrimination of any person based on age, race, caste, nationality, religion, disability, gender, sexual orientation, union membership, political affiliation,	Complied

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		<p>or social status. It does not tolerate any form of discriminatory treatment in any part of its operations or services within the group or its subsidiaries.</p> <p>The policy also promotes equal opportunity and believes in the right to work and advance based on merit, ability, potential, and experience, free from prejudice. It aspires to maintain a fair workplace by recruiting, developing, and retaining a diverse workforce. This effort aims to create an environment where personnel can develop and apply the widest possible range of competencies and solutions without biased oppression or coercion.</p>	
6.1.2	<p>(C) Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for foreign workers.</p> <p>- Critical (Major) compliance -</p>	<p>TSH has developed and enforced Staffing & Recruitment SOP with Doc. No.: TSHR/HR/SOP01, Rev.0 dated 17/08/2015 and Group Equal Opportunity & Discrimination policy with Doc. No.: ST-POL03-02 signed by Managing Director dated 15/10/2015.</p> <p>A total of 39 samples across Kunak POM and its supply bases have been identified according to gender, nationality, job scope, duration of employment and position hold in welfare committee and gender committee. Based on interview session with all the samples, there is no evidence of discrimination in terms of salary payment via pay slip review, particularly for individuals performing similar job scopes. Additionally, it was established that no recruitment fees have been charged for new hires, ensuring a fair and transparent employment process within the company</p>	Complied
6.1.3	<p>The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available.</p> <p>- Minor compliance -</p>	<p>TSH has developed and enforced Staffing & Recruitment SOP with Doc. No.: TSHR/HR/SOP01, Rev.0 dated 17/08/2015 and Group Equal Opportunity & Discrimination policy with Doc. No.: ST-POL03-02 signed by Managing Director dated 15/10/2015.</p> <p>A total of 39 samples across Kunak POM and its supply bases have been identified according to gender, nationality, job scope, duration of employment and position hold in welfare committee and gender</p>	Complied

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		<p>committee. Based on interview session with all the samples, there is no evidence of discrimination in terms of recruitment selection, which the capable workers are giving task according to the strength of the individual and on job training were given. There is no discrimination in term promotion is verified.</p> <p>The salary payment via pay slip review, particularly for individuals performing similar job scopes found that the pay is consistent with the employment contract.</p> <p>All workers are provided with free accommodation and medical care, do not charge recruitment fees for foreign workers, and offer jobs based on capability. Workers can request a job transfer if they find themselves unfit for their assigned position.</p>	
6.1.4	<p>Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women.</p> <p>- Minor compliance -</p>	<p>Interviewed with samples of female employees who members in Gender Committee in all estates and mill confirmed that pregnancy testing is not conducted prior to work. They still will be able to offer for work if they are pregnant. A pre-medical check-up was administered by a Hospital Assistant to assess the worker's fitness for work. The urine test conducted only screened for drug and glucose levels. This is aligned with TSH's current Reproductive Rights Policy, documented as ST-POL06-02, dated 16/10/2015, outlines the company's commitment to promoting access to reproductive healthcare. The policy ensures provisions for employees at work, particularly during the delicate periods of pregnancy and breastfeeding, including work reassignment, adequate days off, and increased frequency of breaks.</p>	Complied
6.1.5	<p>(C) A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.</p> <p>- Critical (Major) compliance -</p>	<p>TSH established Gender Committee to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.</p> <p>Verified each operating unit has their own gender committee and the members were elected among female workers and spouse of</p>	OFI

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		<p>their workers. Meetings are to be conducted once every three (3) months or whenever necessary accordingly.</p> <p>Gender Committee meetings for each operating unit were conducted as shown in the table below. Based on the last three meetings, it was verified that the discussions primarily focused on committee fees, recreational activities, and reports on housing cleaning activities (gotong-royong).</p> <table><tr><th>Estate/Mill</th><th>Date of meeting</th></tr><tr><td>Maju Sawit Estate</td><td>19/01/2024</td></tr><tr><td>Kunak POM</td><td>19/01/2024</td></tr><tr><td>Sabahan 1 Estate</td><td>18/03/2024</td></tr><tr><td>LKSK Estate</td><td>19/03/2024</td></tr><tr><td>Landquest Estate</td><td>28/03/2024</td></tr></table> <p>Agenda meeting of the gender committee for each operating unit could be enhanced by focusing more on agenda related to women concerns and issues.</p>	Estate/Mill	Date of meeting	Maju Sawit Estate	19/01/2024	Kunak POM	19/01/2024	Sabahan 1 Estate	18/03/2024	LKSK Estate	19/03/2024	Landquest Estate	28/03/2024	
Estate/Mill	Date of meeting														
Maju Sawit Estate	19/01/2024														
Kunak POM	19/01/2024														
Sabahan 1 Estate	18/03/2024														
LKSK Estate	19/03/2024														
Landquest Estate	28/03/2024														
6.1.6	<p>There is evidence of equal pay for the same work scope.</p> <p>- Minor compliance -</p>	<p>It was confirmed that all estates and mill were demonstrate equal pay for the same job roles. Workers across all units receive a base pay aligned with the minimum wages order of RM57.70 per day per person in 2023. While for piece-rate work, the documentation indicates fixed rates irrespective of gender and nationality but differ based on type and scope of job.</p> <p>Interview session with the workers confirmed the statement.</p>	Complied												

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Criterion 6.2: Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).			
6.2.1	<p>(C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand.</p> <p>- Critical (Major) compliance -</p>	<p>A total of 39 samples across Kunak POM and its supply bases have been identified according to gender, nationality, job scope, duration of employment and position hold in welfare committee and gender committee.</p> <p>Document review on sampled workers' employment agreement, sighted the document established stipulates with terms of conditions of service such position, period of employment, types of work, responsibilities of employer, responsibilities of employee, salary payable, working hours, annual leave, sick leave, mutual termination of contract, facilities, deductions, overtime, holiday entitlement, maternity leave, and period of notice. Salary slip was also reviewed detailing the income of the workers.</p> <p>During interview session, all sample workers show excellent understanding regards to their contract agreement and the salary slip. They claimed that they were briefed annually and received a copy of their contract agreement for reference purpose. Workers also mentioned that the management are open to discuss if any discrepancies regarding the salary and salary slip happened.</p>	Complied
6.2.2	<p>(C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.</p> <p>- Critical (Major) compliance -</p>	<p>Payroll documents were sampled for three months: August 2023 (lowest FFB produced), February 2024 (average FFB produced), and April 2024 (highest FFB produced). The payslips listed all details of daily-rated wages, piece-rated wages, payment for any overtime work done, public holiday pay, and salary deductions.</p> <p>Based on document reviews and interviews with workers, it was found that the employment agreement did not reflect the actual conditions. Additional incentives such as the harvesting incentive, muster attendance incentive, and village head allowance are not specifically mentioned in the agreement or other informational</p>	Non-compliance

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		<p>documents. In the payslips, these allowances and incentives are listed in earnings category and under the items 'Other Pay EPF' and 'Other NEPF,' which confused the workers.</p> <p>While during review payslips of sampled foreign workers at Kunak POM, sighted deduction of RM68.60 under item 'Passport'. Further verification found that the deduction is payment for 'Skim Kemasukan Hospital & Pembedahan Pekerja' (SKHPPA) which categorized as group insurance scheme for foreign workers. Noted that TSH has valid certificate approval from Sabah Labour Office; Series No JTKSBH/PMT/113/2023/0300 to deduct wages of workers for Group Insurance Scheme. However, item 2.2 in the certificate specifies that TSH shall ensure the availability of an agreed and signed letter for wage deductions by workers. Unfortunately, the worker's signed agreement letter does not include any provision for wage deductions for the purpose of SKHPPA payment.</p> <p>Thus, non-conformity is raised</p>	
6.2.3	<p>(C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.</p> <p>- Critical (Major) compliance -</p>	<p>A total of 39 samples across Kunak POM and its supply bases have been identified according to gender, nationality, job scope, duration of employment and position hold in welfare committee and gender committee.</p> <p>Document review on sampled workers' employment agreement, sighted the document established stipulates with terms of conditions of service such position, period of employment, types of work, responsibilities of employer, responsibilities of employee, salary payable, working hours, annual leave, sick leave, mutual termination of contract, facilities, deductions, overtime, holiday entitlement, maternity leave, and period of notice.</p> <p>Based on document review, certification unit recorded worker's attendance, working hours, overtime manually in checkroll logbook.</p>	Complied

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		<p>While for annual leave, workers are required to apply using annual leave application form and will be approve by manager accordingly.</p> <p>Interview with workers conform that the working hour is 8 hours per day, with overtime is offered if required. There is no forcing of overtime. Workers are entitle with annual leave and medical leaves. The workers need to apply the annual leave with the approval from the Assistant manager and manager.</p> <p>The workers also informed that the salary is credited before the 7th day of each month and salary slip is issued accordingly detailing the workers income and deductions.</p>																					
6.2.4	<p>(C) The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5years) is allowed to upgrade the infrastructure.</p> <p>- Critical (Major) compliance -</p>	<p>Line inspection checklist format is available and documented in the "Borang Pemeriksaan Perumahan, Dewan Komuniti Pusat Jagaan KanakKanak & Sekolah". As per checklist, line site inspection needs to be conducted for specific parameters in-line with applicable requirements of Workers Minimum Housing and Amenities Standard Act 1990.</p> <p>3 latest inspections conducted for Kunak POM and its supply based were tabulated below.</p> <table border="1"> <thead> <tr> <th>Mill/Estate</th><th colspan="3">Date of inspection</th></tr> </thead> <tbody> <tr> <td>Maju Sawit Estate</td><td>08/05/2024</td><td>02/05/2024</td><td>23/04/2024</td></tr> <tr> <td>Kunak POM</td><td>08/05/2024</td><td>02/05/2024</td><td>23/04/2024</td></tr> <tr> <td>Sabahan Estate 1</td><td>10/05/2024</td><td>03/05/2024</td><td>26/04/2024</td></tr> <tr> <td>LKSK Estate</td><td>11/05/2024</td><td>04/05/2024</td><td>27/04/2024</td></tr> </tbody> </table>	Mill/Estate	Date of inspection			Maju Sawit Estate	08/05/2024	02/05/2024	23/04/2024	Kunak POM	08/05/2024	02/05/2024	23/04/2024	Sabahan Estate 1	10/05/2024	03/05/2024	26/04/2024	LKSK Estate	11/05/2024	04/05/2024	27/04/2024	Non-compliance
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		Landquest Estate	13/05/2024	06/05/2024	16/04/2024	
		<p>As per stated in the inspection records, there are no discrepancies were recorded, and the parameters were met. Nevertheless, during the on-site visit, it was observed that the management of the housing drainage system was inadequate, resulting in blockages in water flow. Additionally, observable damages to ceilings, windows, mosquito nets, and rain gutters were noted, contradicting the findings of the housing inspection.</p> <p>Hence, non-conformity is raised.</p>				
6.2.5	<p>The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance -</p>	<p>Interviewed with the workers informed that they have no issue to access to foods and goods. This is due to location of each estate which near to town and public transportation to go the town are available accordingly. In order to access to the nearest town, they are informed that they can use public transport, or request for vehicles provided by estate/mill management. Alternatively, a night market will be set up on a monthly basis, usually when wages are released.</p>				Complied
6.2.6	<p>A DLW is paid to all workers, including piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.</p> <p>PROCEDURAL NOTE:</p> <p>STATEMENT FROM THE RSPO STANDARDS STANDING COMMITTEE REGARDING INDICATOR 6.2.6 ON DECENT LIVING WAGE</p> <p>With reference to procedural note of indicator 6.2.6, the RSPO has published a guidance on the DLW calculation in June 2019. The RSPO Secretariat will endeavour to carry out DLW country benchmarks for palm oil producing countries in which RSPO members operate and for which no Global Living Wage Coalition (GLWC) benchmarks exist (As of September 2019, GLWC has developed national benchmarks in Bangladesh, Belize, Brazil, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Ethiopia, Ghana, Guatemala, India, Kenya, Malawi, Mexico, Nicaragua, Pakistan, South Africa, Sri Lanka, Uganda and Vietnam These benchmarks are developed based on banana, coffee, floriculture, textile, manufacturing,</p>	<p>Kunak POM and its supply base managements has updated their Decent Living Wages: Housing Basket for year 2024. The calculation includes all type of expenses by workers to get the average housing cost per month.</p> <p>Decent living wages calculated separately for each supply bases regards to accommodation number, accommodation maintenance cost, facilities and amenities provided to the workers. Additionally, water and electricity consumption, taxes, and insurance as well as levies also considered in the calculation. Ultimately, total value for prevailing wage for each supply bases was established accordingly as table below.</p>				Complied

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<p>seafood processing and tea industry. The RSPO is in the process of commissioning benchmarks for Malaysia and Indonesia for the palm oil sector and will develop methods to calculate and/or define DLW applicability for all palm oil producing countries in which RSPO members operate).</p> <p><i>Where a GLWC living wage standard (benchmark), or one that fulfils the basic requirements of the RSPO-endorsed living wage methodology, has been established in the country or region of operation, the same should be used as benchmarks.</i></p> <p>In the absence of such benchmarks, the RSPO will collaborate with the GLWC and/or local experts on developing oil palm industry benchmarks (Benchmark in this context may include other approaches and/or methods to calculate the applicability of DLW in the country or region in accordance to the RSPO endorsed method for determining a DLW. Local applicability for benchmarks is important and it may differ based on the needs of each locality or country). These benchmarks will be developed in collaboration and consultation with relevant stakeholders such as palm oil industry members, workers’ union, authorities and/or relevant organisations.</p> <p><i>For countries where no living wage standard is established, until such time that an RSPO endorsed benchmark for the country is in place, national minimum wages shall be paid to all workers. In addition to the payment of minimum wages, the Unit of Certification (UoC) shall conduct an assessment of the prevailing wages and in-kind benefits provided to workers in the Unit of Certification aligned with the RSPO Guidance for Implementing a Decent Living Wage (RSPO Guidance for Implementing a Decent Living Wage). The RSPO will also develop further guidance and tools to calculate DLW in line with the RSPO endorsed methodology which may include independent studies by local experts in their respective region or country).</i></p> <p>Once these benchmarks are available, this procedural note is no longer applicable. UoC shall have an implementation plan towards the payment of a DLW with specific targets, and a phased implementation process including:</p> <ul style="list-style-type: none">• Updated assessment on prevailing wages and in-kind benefits• There is annual progress on the implementation of living wages• Where a minimum wage, based on equivalent of baskets of goods, is stipulated in Collective Bargaining Agreements (CBAs), this should be used as the foundation for the gradual implementation of the living wage payment• The UoC may choose to implement the living wage payment in a specific section as a pilot project; the pilot will then be evaluated and adapted before eventual scale up of the living wage implementation. <p>- Minor compliance -</p>	<table><tr><th>Mill/Estate</th><th>Prevailing Wage (RM)</th></tr><tr><td>Maju Sawit Estate</td><td>2,589.32</td></tr><tr><td>Kunak Palm Oil Mill</td><td>2,589.32</td></tr><tr><td>Sabahan 1 Estate</td><td>2,135.78</td></tr><tr><td>LKSK Estate</td><td>2,958.66</td></tr><tr><td>Landquest Estate</td><td>2,343.90</td></tr></table>	Mill/Estate	Prevailing Wage (RM)	Maju Sawit Estate	2,589.32	Kunak Palm Oil Mill	2,589.32	Sabahan 1 Estate	2,135.78	LKSK Estate	2,958.66	Landquest Estate	2,343.90
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6.2.7	<p>Permanent, full-time employment including contractors' workers and contracted workers is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal</p> <p>- Minor compliance -</p>	<p>According to the verification of the master list of workers, pay slips, employment contracts, and interviews with the workers, it has been established that all permanent workers at Kunak POM and supply bases performed core work. There is no recruitment of casual, temporary, or seasonal workers across all operating units. The estates have appointed contractor for FFB transporting and the contractor's workers are working permanently with them and not as freelancers.</p>	Complied
Criterion 6.3: The unit of Certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.3.1	<p>(C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented.</p> <p>- Critical (Major) compliance -</p>	<p>TSH continue implemented Freedom of Association Policy, Doc. No.: ST-POL04-0, dated 15/10/2015. The policy emphasizes show the commitment of the company to respects and facilitates freedom of association and collective bargaining in order to enhance employees' rights and morale, promoting balanced productivity and uplift company relations.</p> <p>Kunak POM and its supply base did not have membership to any worker's union. However, in line with the Freedom of Association Policy, the management has taken the initiative to establish a Welfare Committee to demonstrate their commitment to ensuring the welfare of workers is taken care of.</p> <p>Welfare Committee was established at each operating unit and each committee has their own organizational committee whom the members selected among workers. It was noted that during worker interview session, there are no evidence that election process has been conducted</p>	Complied
6.3.2	<p>Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in</p>	<p>As part of their Freedom of Association Policy, the management has taken the initiative to establish a Welfare Committee to ensure the</p>	Complied

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	<p>national languages (English and/or Bahasa Malaysia) and made available upon request.</p> <p>- Minor compliance -</p>	<p>well-being of workers. Kunak POM and its supply base management maintain Welfare Committee Minutes of Meetings, which are conducted at each of the operating units as follows:</p> <table><tr><td>Estate/Mill</td><td>Latest date of meeting</td></tr><tr><td>Maju Sawit Estate</td><td>05/03/2024</td></tr><tr><td>Kunak POM</td><td>05/03/2024</td></tr><tr><td>Sabahan 1 Estate</td><td>27/03/2024</td></tr><tr><td>LKSK Estate</td><td>25/03/2024</td></tr><tr><td>Landquest Estate</td><td>28/03/2024</td></tr></table> <p>After reviewing the minutes of meetings, the agendas typically include discussions on housing conditions, wages, working hours, and requests for additional incentives. According to interviews with worker representatives, any concerns are compiled by each representative of the workers' committee before the meeting with estate management. These concerns are then raised during the meeting, and the management takes appropriate action in response.</p>	Estate/Mill	Latest date of meeting	Maju Sawit Estate	05/03/2024	Kunak POM	05/03/2024	Sabahan 1 Estate	27/03/2024	LKSK Estate	25/03/2024	Landquest Estate	28/03/2024	
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6.3.3	<p>Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers.</p> <p>- Minor compliance -</p>	<p>A Welfare Committee was established at each operating unit, with each committee having its own organizational structure. The members of these committees are selected from among the workers. The minutes of the Welfare Committee meetings and worker interview sessions revealed that there was no evidence of a free election process without management influence. It was found that workers' representatives were selected exclusively from among the Mandores.</p>	<p>Non-compliance</p>												

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		Thus, non-conformity is raised														
Criterion 6.4: Children are not employed or exploited.																
6.4.1	<p>A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.</p> <p>- Minor compliance -</p>	<p>TSH has established and implemented No Child Labour Policy with Doc. No.: ST-POL07-04; Attachment 7.1.1 signed by Managing Director updated 23/03/2023. The policy highlighted their commitment to strongly against the use of children for work and is fully committed in eradicating the occurrence of child labour in its workforce, which includes employees, contractors, volunteers, or any other comparable form that constitutes as labour according to local and international laws, within its group and subsidiaries.</p> <p>Within same policy, the company advocates the protection of children against worst forms of labour and encourages the physical, mental, emotional, psychological and social development of children namely through educational activities and awareness.</p> <p>The policy has been communicated to internal and external stakeholders as per table below:</p> <table><tr><th>Mill/Estate</th><th>Internal Stakeholder Session</th><th>External Stakeholder Session</th></tr><tr><td>Maju Sawit Estate</td><td rowspan="2">02/06/2023</td><td rowspan="5">26/07/2023</td></tr><tr><td>Kunak POM</td></tr><tr><td>Sabahan 1 Estate</td><td>07/06/2023</td></tr><tr><td>LKSK Estate</td><td>08/06/2023</td></tr><tr><td>Landquest Estate</td><td>06/06/2023</td></tr></table>	Mill/Estate	Internal Stakeholder Session	External Stakeholder Session	Maju Sawit Estate	02/06/2023	26/07/2023	Kunak POM	Sabahan 1 Estate	07/06/2023	LKSK Estate	08/06/2023	Landquest Estate	06/06/2023	Complied
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		Based on interview session with sampled workers, site visit at operation activities and worker's database review, it can be confirmed there is no child labour were hired for each operating units to perform job task offered.												
6.4.2	<p>(C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure.</p> <p>- Critical (Major) compliance -</p>	<p>Reviewed the master list in each operating units and interview session with samples, found that no young person was employed. All the workers are above 18 years old. It has been further confirmed during the interview with the workers.</p> <p>Kunak POM and supply bases screened their workers' age using NRIC (for Malaysians) and passports (for non-Malaysians) in their personnel files. No individuals under 18 were found working during site visit, showing compliance with age-related employment regulations.</p>	Complied											
6.4.3	<p>(C) Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work.</p> <p>- Critical (Major) compliance -</p>	It was confirmed that via reviewing the master list in each operating units and interview session with samples, found that no young person was employed	Complied											
6.4.4	<p>The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live.</p> <p>- Minor compliance -</p>	<p>Field observation, interviewing with workers and verification of workers master list confirmed that there is no child labour hired. Briefing on No Child Labor policy has been conducted regularly which includes contractor as table below:</p> <table><tr><th>Mill/Estate</th><th>Internal Stakeholder Session</th><th>External Stakeholder Session</th></tr><tr><td>Maju Sawit Estate</td><td rowspan="2">02/06/2023</td><td rowspan="4">26/07/2023</td></tr><tr><td>Kunak POM</td></tr><tr><td>Sabahan 1 Estate</td><td>07/06/2023</td></tr><tr><td>LKSK Estate</td><td>08/06/2023</td></tr></table>	Mill/Estate	Internal Stakeholder Session	External Stakeholder Session	Maju Sawit Estate	02/06/2023	26/07/2023	Kunak POM	Sabahan 1 Estate	07/06/2023	LKSK Estate	08/06/2023	Complied
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		Landquest Estate	06/06/2023															
Criterion 6.5: There is no harassment or abuse in the workplace, and reproductive rights are protected.																		
6.5.1	(C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce. - Critical (Major) compliance -	<p>TSH enforced Sexual Harassment Policy, documented as ST-POL05-03, Attachment 7.1.1, and signed by the Managing Director on 09/08/2019. The policy underscores the company's commitment to fostering a positive work environment free from sexual harassment and sexual violence across its group and subsidiaries.</p> <p>The company strictly enforces a zero-tolerance approach to sexual harassment. Consequently, no employee, regardless of gender, should experience unsolicited or unwelcome sexual advances or conduct in the workplace or any company-related setting.</p> <p>Kunak POM and its supply bases communicated their commitment with this policy via internal and external stakeholder session as table below:</p> <table><tr><td>Mill/Estate</td><td>Internal Stakeholder Session</td><td>External Stakeholder Session</td></tr><tr><td>Maju Sawit Estate</td><td rowspan="2">02/06/2023</td><td rowspan="5">26/07/2023</td></tr><tr><td>Kunak POM</td></tr><tr><td>Sabahan 1 Estate</td><td>07/06/2023</td></tr><tr><td>LKSK Estate</td><td>08/06/2023</td></tr><tr><td>Landquest Estate</td><td>06/06/2023</td></tr></table>			Mill/Estate	Internal Stakeholder Session	External Stakeholder Session	Maju Sawit Estate	02/06/2023	26/07/2023	Kunak POM	Sabahan 1 Estate	07/06/2023	LKSK Estate	08/06/2023	Landquest Estate	06/06/2023	Complied
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6.5.2	(C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce. - Critical (Major) compliance -	<p>TSH also promotes the accessibility to reproductive 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 the increased</p>			Complied													

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		<p>frequency of breaks by establishing their Reproductive Right Policy with Doc. No.: ST-POL06-02; Attachment 7.1.1 signed by Managing Director dated 16/10/2015.</p> <p>As per other policy, Kunak POM and its supply bases sharing their commitment with session as table below:</p> <table><tr><th>Mill/Estate</th><th>Internal Stakeholder Session</th><th>External Stakeholder Session</th></tr><tr><td>Maju Sawit Estate</td><td rowspan="2">02/06/2023</td><td rowspan="5">26/07/2023</td></tr><tr><td>Kunak POM</td></tr><tr><td>Sabahan 1 Estate</td><td>07/06/2023</td></tr><tr><td>LKSK Estate</td><td>08/06/2023</td></tr><tr><td>Landquest Estate</td><td>06/06/2023</td></tr></table> <p>Alternatively, the policy is also displayed on the office's notice board, in housing areas, mosques, and other strategic locations for workers to read at their convenience.</p>	Mill/Estate	Internal Stakeholder Session	External Stakeholder Session	Maju Sawit Estate	02/06/2023	26/07/2023	Kunak POM	Sabahan 1 Estate	07/06/2023	LKSK Estate	08/06/2023	Landquest Estate	06/06/2023	
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6.5.3	<p>Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified.</p> <p>- Minor compliance -</p>	<p>TSH established Gender Committee to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.</p> <p>Verified each operating unit has their own gender committee and the members were elected among female workers and spouse of their workers. Meetings are to be conducted once every three (3) months or whenever necessary accordingly.</p> <p>Gender Committee meetings for each operating unit were conducted as shown in the table below. Based on the last three</p>	Complied													

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		<p>meetings, it was verified that new mother assessment also conducted. However, there is no new mother identified among staff and workers. Latest meeting conducted for gender committee for each certification unit as table below:</p> <table><tr><td>Estate/Mill</td><td>Date of meeting</td></tr><tr><td>Maju Sawit Estate</td><td>19/01/2024</td></tr><tr><td>Kunak POM</td><td>19/01/2024</td></tr><tr><td>Sabahan 1 Estate</td><td>18/03/2024</td></tr><tr><td>LKSK Estate</td><td>19/03/2024</td></tr><tr><td>Landquest Estate</td><td>28/03/2024</td></tr></table>	Estate/Mill	Date of meeting	Maju Sawit Estate	19/01/2024	Kunak POM	19/01/2024	Sabahan 1 Estate	18/03/2024	LKSK Estate	19/03/2024	Landquest Estate	28/03/2024	
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6.5.4	<p>A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p>	<p>TSH implemented Standard Operating Procedure for Communication, Consultation, and Participation, Doc. No.: TSH/SUST/SOP02, dated 19/11/2019 and the Employee Grievance Procedure, Doc. No.: TSH/HR/SOP06, Rev.0, dated 12/01/2016. Both procedures have been communicated to external stakeholders during meetings as follows:</p> <table><tr><td>Mill/Estate</td><td>Internal Stakeholder Session</td><td>External Stakeholder Session</td></tr><tr><td>Maju Sawit Estate</td><td rowspan="2">02/06/2023</td><td rowspan="2">26/07/2023</td></tr><tr><td>Kunak POM</td></tr></table>	Mill/Estate	Internal Stakeholder Session	External Stakeholder Session	Maju Sawit Estate	02/06/2023	26/07/2023	Kunak POM	Complied					
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		Interview with internal and external stakeholder session noted that they were briefed and understand with the communication including complaint procedure implemented by TSH.								
Criterion 6.6: No forms of forced or trafficked labour are used.										
6.6.1	<p>(C) All workers have entered into employment voluntarily and the following are prohibited:</p> <ul style="list-style-type: none">• Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes)• Charging the workers for recruitment fees.• Contract substitution• Involuntary overtime• Lack of freedom of workers to resign• Penalty for termination of employment• Debt bondage• Withholding of wages <p>- Critical (Major) compliance -</p>	<p>After conducted interview with samples of workers, documents review and observation, it can be concluded that:</p> <ul style="list-style-type: none">a. Retention of documents: Identity documents or passport are not retained unless necessary for passport or work permit renewal. Workers are free to keep their own identity documents and site verification at their house confirmed there is designated drawer for workers to keep their identity document safely.b. Charging of recruitment fee: No recruitment fees are imposed on workers, as per interview with sample workers, they claimed they have not incurred any recruitment fees.c. Involuntary overtime: Workers have the option to either accept or decline any overtime offers from their superiors. Based on their job requirements and positions, workers are informed by their supervisors or mandores, and they can voluntarily fill out an overtime form for record-keeping purposes.d. Lack of freedom to resign: According to employment agreement of samples of workers, there are no specific terms and conditions outlined for resignations, and the operating units will bear the cost of flight tickets in such cases.		Complied						

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		<p>e. Debt bondage: Verification of pay slips of the samples of workers affirmed that there is no such evidence of debt bondage among the local and foreign workers. Workers claimed that there is no loan of money provided by the management especially during their early employment phase. Expenses from their hometown to the estates and mill are all covered by company hence there is no debt bondage implemented.</p> <p>f. Withholding of wages: There is no evidence of wage withholding despite the management disburses workers' wages with cash system. Additionally, there is documented proof of payments signed by the workers and interview session confirmed the statement.</p>							
6.6.2	<p>(C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented.</p> <p>- Critical (Major) compliance -</p>	<p>TSH Group maintained the current Special Labour Policy with Doc. No.: TSHR/POL/SOP10 signed by Managing Director dated 25/04/2018.</p> <p>The policy emphasized that the company is committed to ensure the foreign workers employment are subjected to Malaysia legal requirements.</p> <p>Samples of workers claimed that they are equally treated despite have different of position, nationality, and religion. No movement restriction has been enforced and identity documents are kept by themselves. They are also aware and acknowledged on terms and conditions stated in their employment contract.</p> <p>Additionally, the policy also briefed to internal and external stakeholder as per table below:</p> <table><tr><th>Mill/Estate</th><th>Internal Stakeholder Session</th><th>External Stakeholder Session</th></tr><tr><td>Maju Sawit Estate</td><td>02/06/2023</td><td>26/07/2023</td></tr></table>	Mill/Estate	Internal Stakeholder Session	External Stakeholder Session	Maju Sawit Estate	02/06/2023	26/07/2023	Complied
Mill/Estate	Internal Stakeholder Session	External Stakeholder Session							
Maju Sawit Estate	02/06/2023	26/07/2023							

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		<table><tr><td>Kunak POM</td><td></td></tr><tr><td>Sabahan 1 Estate</td><td>07/06/2023</td></tr><tr><td>LKSK Estate</td><td>08/06/2023</td></tr><tr><td>Landquest Estate</td><td>06/06/2023</td></tr></table>	Kunak POM		Sabahan 1 Estate	07/06/2023	LKSK Estate	08/06/2023	Landquest Estate	06/06/2023	
Kunak POM											
Sabahan 1 Estate	07/06/2023										
LKSK Estate	08/06/2023										
Landquest Estate	06/06/2023										
Criterion 6.7: The unit of certification ensures that the working environment under its control is safe and without undue risk to health.											
6.7.1	<p>(C) The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.</p> <p>- Critical (Major) compliance -</p>	<p>The management has established Safety Committee Member consist of Secretary, representatives from Employer and representatives from Employee as per appointment letter sample of Mr. Sri Rayahu Wanto dated 27/11/2020. The OSH committee discussed regarding the safety and health of the workers on quarterly basis during the OSH committee meeting. In the meeting discussed on the matters arising from the previous meetings, committee members reports, accident and incident report and workplace inspection. Verified the Minutes of Meeting for OSH Committee as following:</p> <ul style="list-style-type: none">- Kunak POM & Maju Sawit Estate Joint OSH Committee Meeting 1st quarter 2024 date: 05/03/2024; 4th quarter 2023 date: 19/12/2023; 3rd quarter 2023 date: 13/09/2023; 2nd quarter 2023 date: 13/06/2023- Sabahan Estate OSH Committee Meeting 4th quarter 2023 date: 13/12/2023; 3rd quarter 2023 date: 29/09/2023; 2nd quarter 2023 date: 15/06/2023; 1st quarter 2023 date: 28/03/2023- LKSK Estate OSH Committee Meeting 1st quarter 2024 date: 25/03/2024; 4th quarter 2023 date: 11/12/2023; 3rd quarter 2023 date: 18/09/2023; 2nd quarter 2023 date: 13/06/2023	Complied								

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		<ul style="list-style-type: none"> - Landquest Estate OSH Committee Meeting 1st quarter 2024 date: 28/03/2024; 4th quarter 2023 date: 21/12/2023; 3rd quarter 2023 date: 21/09/2023; 2nd quarter 2023 date: 26/06/2023 <p>The respective Operating Unit have appointed their Assistant Manager as the responsible person and chairman for Safety and Health Committee and their Field Conductor/ Admin Exec as Secretary of the Committee. They have also appointed other management staffs and workers to be representatives in the committee. The OSH Committee chart for each operating units were available.</p>	
6.7.2	<p>Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>Kunak POM and supplying estates adopted TSH's established accident and emergency procedure consist of accident, fire incident and flood incident Doc Number (TSHR/OSH/SOP06); Rev No: 01; Effective Date: 04/07/2016. The procedure was brief to all workers and displayed at the notice board. Noted during interview, the understanding of the workers on the procedure were satisfactory.</p> <p>Records of accident including legal JKKP reporting verified maintained as following:</p> <ul style="list-style-type: none"> - Maju Sawit Estate JKKP 8; Ref. # JKKP 8/163124/2023; Date: 13/01/2024 - Kunak POM JKKP 8; Ref. # JKKP 8/163180/2023; Date: 23/01/2024 - Kunak POM JKKP 6; SB/SKEM/23/02374; Report Date: 02/11/2023; Accident Date: 21/10/2023 - Kunak POM OSH Committee Meeting ref. # OSH/2023/02; Date: 22/10/2023 investigation meeting - Sabahan Estate JKKP 8; Ref. # JKKP 8/160113/2023; Date: 10/01/2024 	Non-compliance

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		<p>- LKSK Estate JKPP 8; Ref. # JKPP 8/160138/2023; Date: 10/01/2024</p> <p>Notwithstanding, the accident reporting was made only on 12th day of LTA case occurred as per records of Kunak POM JKPP 6; SB/SKEM/23/02374; Report Date: 02/11/2023; Accident Date: 21/10/2023 despite that the procedure requires reporting within applicable legal requirement i.e. 7 days.</p> <p>Furthermore, the emergency precaution to keep a copy of Safety Data Sheet (SDS) available in a place of work was insufficiently implemented and understood by person in-charge (PIC) mainly among field mandores for operation involving chemicals handling as found during assessment in Sabahan 1 Estate spraying operation, LKSK Estate manuring operation and Landquest Estate spraying operation visits.</p> <p>Hence, a Minor NC has been raised.</p>																			
6.7.3	<p>(C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</p> <p>- Critical (Major) compliance -</p>	<p>All workers were provided with appropriate PPE as per sample verified in Maju Sawit Estate and LKSK Estate as following:</p> <table border="1"> <thead> <tr> <th>Type of work</th><th>Name</th><th>Type of PPE</th><th>Issuance date</th></tr> </thead> <tbody> <tr> <td rowspan="3">Manuring</td><td rowspan="3">Nasrah</td><td>Safety Boots Yellow</td><td>21/02/2024</td></tr> <tr> <td>Chemical Resistant Hand Glove</td><td>21/02/2024</td></tr> <tr> <td>Hand Glove Cotton</td><td>21/02/2024</td></tr> <tr> <td rowspan="2">Harvester</td><td rowspan="2">Abdul Majid</td><td>Safety Boots Yellow</td><td>21/02/2024</td></tr> <tr> <td>Hand Glove Grip Green</td><td>05/04/2024</td></tr> </tbody> </table>	Type of work	Name	Type of PPE	Issuance date	Manuring	Nasrah	Safety Boots Yellow	21/02/2024	Chemical Resistant Hand Glove	21/02/2024	Hand Glove Cotton	21/02/2024	Harvester	Abdul Majid	Safety Boots Yellow	21/02/2024	Hand Glove Grip Green	05/04/2024	Complied
Type of work	Name	Type of PPE	Issuance date																		
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		<table><tr><td rowspan="3">Sprayer</td><td rowspan="3">Kasmiah Udin</td><td>Chemical Resistant Hand Glove</td><td>21/02/2024</td></tr><tr><td>Chemical Resistant Canvas Apron</td><td>05/04/2024</td></tr><tr><td>Safety Goggles for Splash</td><td>05/04/2024</td></tr></table> <p>Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing after finished work before going back home.</p>	Sprayer	Kasmiah Udin	Chemical Resistant Hand Glove	21/02/2024	Chemical Resistant Canvas Apron	05/04/2024	Safety Goggles for Splash	05/04/2024	
Sprayer	Kasmiah Udin	Chemical Resistant Hand Glove			21/02/2024						
		Chemical Resistant Canvas Apron			05/04/2024						
		Safety Goggles for Splash	05/04/2024								
6.7.4	<p>All workers are provided with medical care and covered by accident insurance. Costs incurred from work- related incidents leading to injury or sickness are covered in accordance with Malaysian law.</p> <p>- Minor compliance -</p>	<p>Medical care is provided to all the employees. Reviewed on workers profile records found that all workers are covered by the accident insurances.</p> <p>Local and foreign workers covered by SOCSO or Perkeso (Pertubuhan Keselamatan Sosial). Reviewed the form 8A, Monthly Contribution Form for March 2024 for contribution of all employees as per sample for Maju Sawit Estate for total 10 employees amounted RM 262.90.</p> <p>The medical expenses when there is work place accident happen in taken care by the management.</p>	Complied								
6.7.5	<p>Occupational injuries are recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance -</p>	<p>There was only 1 accident case happened in Kunak POM in 2023 while no accident recorded in all estates. Records of accident available</p> <p>As per verification with JKKP 8, There was no accident at each sampling estate. Result as per below:</p> <table><tr><td>Operating units</td><td>LTA 2023</td></tr><tr><td>Kunak POM</td><td>1.11</td></tr></table>	Operating units	LTA 2023	Kunak POM	1.11	Complied				
Operating units	LTA 2023										
Kunak POM	1.11										

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		Maju Sawit & Wakuba Div.	0		
		LKSK	0		
		Landquest	0		
		Sabahan 1	0		
Principle 7: Protect, conserve and enhance ecosystems and the environment					
Criterion 7.1: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.					
7.1.1	(C) IPM plans are implemented and monitored to ensure effective pest control. - Critical (Major) compliance -	IPM Improvement Plan – Maju Sawit 1. Instead of resorting to spraying cypermethrin at 0.05% every two weeks, the implementation of pheromone traps has been initiated to control Oryctes rhinoceros beetles effectively. 2. To mitigate rat populations, the proliferation of eagles is actively encouraged within the estates, as they serve as natural predators of rats. 3. In line with ecological balance and biodiversity conservation efforts, employees are strictly prohibited from harming snakes. IPM Improvement Plan – LKSK Estate 1. Introducing direct Bio Control agents, such as fungi, to infect and manage pest populations more efficiently. 2. Utilizing predatory animals/insects like snakes, eagles, and barn owls as a natural means of pest control to maintain ecological equilibrium. 3. Prioritizing the usage of environmentally friendly pesticides to minimize adverse impacts on the environment and surrounding ecosystems.			Complied

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7.1.2	Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented. - Minor compliance -	Following the assessment conducted by TSH Kunak Certification Unit on the list of species invasiveness used for biological control, it was determined that no invasive species listed on CABI.org have been introduced into the estate.	Complied									
7.1.3	There is no use of fire for pest control unless in exceptional circumstances such as plantation sanitation, i.e. where no other effective methods exist, and with prior approval of government authorities. - Minor compliance -	The management practices at Kunak POM affirm the conscientious decision to abstain from utilizing fire as a means of pest control. This approach is validated through thorough on-site inspections conducted in replanting areas, corroborated by insightful interviews, and reinforced by meticulous document verification processes.	Complied									
Criterion 7.2: Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.												
7.2.1	(C) Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised. - Critical (Major) compliance -	Justification of pesticides usage was demonstrated in the IPM Plans; Table 4.0; Justification for Insecticides, Fungicide and Rodenticide usage. The table is divided into type of pest control, Active Ingredient of Chemical, Recommended Rate & Application and Justification for using the pesticides. The justification of herbicide usage was demonstrated in the Improvement plans where the estate has mentioned the intention to reduce the usage of chemicals and to only use Class 3 and above chemicals in their operations. The table is divided into type of application, Active Ingredient of Chemical, Recommended Rate & Application and Justification for using the pesticides.	Complied									
7.2.2	(C) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided. - Critical (Major) compliance -	Records of Pesticide/Agrochemicals used in the estate were recorded and monitored monthly and available for verification. Data for a.i/ha were sampled as below: <table><tr><td>Estate</td><td>Hectarage</td><td>Ai/Ha</td></tr><tr><td>Maju Sawit & Wakuba Div.</td><td>183</td><td>0.68</td></tr><tr><td>LKSK</td><td>966</td><td>0.24</td></tr></table>	Estate	Hectarage	Ai/Ha	Maju Sawit & Wakuba Div.	183	0.68	LKSK	966	0.24	Complied
Estate	Hectarage	Ai/Ha										
Maju Sawit & Wakuba Div.	183	0.68										
LKSK	966	0.24										

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		Landquest	365	0.52	
		Sabahan 1	99	0.19	
7.2.3	<p>(C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.</p> <p>- Critical (Major) compliance -</p>	<p>The estates have implemented a Continuous Improvement Plan where they have stated the intention to reduce the usage of chemical through implementation of Integrated Pest Management Plan. Sighted during the site visit at all the estates, the establishment of beneficial plants along the estate roads and immature areas as well as barn owl boxes placed at strategic areas. Paraquat was eliminated. In its place, alternatives such as Glyphosate is used instead.</p>			Complied
7.2.4	<p>There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.</p> <p>- Minor compliance -</p>	<p>No evidence of prophylactic use of pesticides in the estates visited as per Register of Chemicals Hazardous to Health for all estates visited.</p>			Complied
7.2.5	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks.</p> <p>The due diligence refers to:</p> <ol style="list-style-type: none"> Judgment of the threat and verify why this is a major threat Why there is no other alternative which can be used Which process was applied to verify why there is no other less hazardous alternative What is the process to limit the negative impacts of the application Estimation of the timescale of the application and steps taken to limit application to the specific outbreak. <p>- Minor compliance -</p>	<p>The Chemical Registers for the mill and sampled estates were available for verification and reviewed yearly and as and when there are introductions of new chemicals in the operations. The register showed that only class III & IV pesticides were used at the mill and estates. Paraquat and Monocrotophos was eliminated. In its place, less hazardous alternatives such as Glyphosate and Acephate was used instead.</p>			Complied

7.2.6	<p>(C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criteria 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out.</p> <p>- Critical (Major) compliance -</p>	<p>The pesticides operators have been given training regarding the usage safety and health issue and proper way for chemical application and attend monthly health surveillance done by the Medical Assistant. Pesticide operators are given training on the safe handling and application of the pesticides as per sample latest conducted in Sabahan 1 Estate dated on 08/03/2024 and LKSK Estate dated on 04/04/2024. Suitable personal protective equipment's and application equipment provided to the operators based on the PPE issuance forms.</p>	Complied
7.2.7	<p>(C) Storage of all pesticides is in accordance with recognised best practices.</p> <p>- Critical (Major) compliance -</p>	<p>Pesticides were found stored in the mill and all estate's Chemical Store in accordance with the Occupational Safety and Health Act 1994 (Act 514) and Pesticides Act 1974 (Act 149) and their Regulations. The stores were at all times locked and at the time of visit the storekeeper was seen to unlock the padlock to open entrance door for auditor to inspect the store. At the entrance door, signage requiring donning of PPE were visibly posted. The Chemical Store signage with required Hazard Symbols were available at the entrance. The facility ventilation fan was found working with adequate ventilation available, up-to-date chemical register, trade and generic names, and their Safety Data Sheet were available.</p> <p>With the exception of some 20-liter empty agrochemical containers being recycled for holding premixed pesticides for onward delivery to field, the rest of the empty chemical containers were triple rinsed, pierced and stored in dedicated store in accordance with procedure TSHR/ENV/W101 dated on 01/11/2017. They were not use for other purpose. They were and being disposed to Newgate Industries (Borneo), a Ministry of Agriculture Registered Waste Collector for empty plastic containers.</p>	Complied
7.2.8	<p>All pesticide containers are triple rinsed and punctured before being disposed of and/or handled responsibly if used for other purposes.</p>	<p>All empty chemical/pesticide containers were being re-used as premixed containers. Any unused empty chemical/pesticide</p>	Complied

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	- Minor compliance -	containers were being triple rinsed and punctured before being disposed via DOE Registered contractor, Newgates Sdn Bhd latest dated on 13/09/2023 for sample in LKSK estate. Records of storage available and sighted the empty container was stored accordance to the procedure.	
7.2.9	(C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying. - Critical (Major) compliance -	No aerial spraying for pesticide were done in all the estates.	Complied
7.2.10	(C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated. - Critical (Major) compliance -	Medical surveillance also was conducted based on the recommendation by CHRA assessor. Verified records of medical surveillance completed as following: <ul style="list-style-type: none"> - LKSK Estate: Summary Report Medical Surveillance LKSK Estate; Assessment date: 23/11/2023 by Dr. Donny Cristanto of Dab Oh Sdn. Bhd. - Sabahan 1 Estate: Summary Report Medical Surveillance Sabahan 1 Estate; Assessment date: 22/11/2023 by Dr. Donny Cristanto of Dab Oh Sdn. Bhd. - Kunak POM: Medical Surveillance Report ref. # HQ/08/DOC/00/695 – 2023/015; Report date: 26/08/2023 by Dr. Ahmad Mansor Osir of of Klinik Mansor Sdn. Bhd.; DOSH OHD Reg. # HQ/08/DOC/00/695; Surveillance date: 26/07/2023 	Complied
7.2.11	(C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work. - Critical (Major) compliance -	TSH Resource Berhad has established Standard Operating to ensure No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work. The SOP were documented as follows:	Complied

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		<p>Reproductive Rights Policy. Refer document no. TSHR/POL/SOP6 rev. 1 dated 21/03/2016.</p> <p>Child Labour. Refer document no. TSHR/POL/SOP7 rev. 1 dated 20/02/2020.</p>	
Criterion 7.3: Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.			
7.3.1	<p>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.</p> <p>- Minor compliance -</p>	<p>The mill and estates have a documented waste management plan in place, which identifies various types of waste, including scheduled wastes, domestic wastes, and recyclable wastes. These wastes are managed according to specific procedures: scheduled wastes are disposed of in accordance with EQA regulations, domestic wastes are landfilled following established procedures, and recyclable wastes are delivered to recycling waste vendors.</p> <p>A Continual Improvement Plan has been developed for Kunak POM and Estates, with a section dedicated to waste management in the Environment Continual Improvement Plan (2021 – 2025). The plan outlines initiatives such as improving wastewater treatment, preventing infections from clinical waste, and enhancing the collection, segregation, storage, and disposal of scheduled and domestic waste.</p> <p>TSH has established Standard Operating Procedures (SOP) for Waste Management, documented in SOP03, revision 4, dated 01/12/2021. Additionally, a waste management plan based on the identification and source of pollution has been documented in the Waste Identification and Disposal Plan.</p> <p>Waste identification has been conducted for all areas in mill operations, and a waste management plan has been established based on the waste identified, as per SOP Waste Management, Document Number: TSHR/ENV/SOP03 dated 01/12/2021. Scheduled wastes such as SW102, SW305, SW306, SW322, SW408, SW409, SW410, and SW429 are managed accordingly, along with</p>	Complied

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		<p>domestic wastes and solid mill wastes including EFB, Decanter Cake, Boiler Ash, and Fibre.</p> <p>Landfill sites were verified at all Estates, found to be clearly marked with opening and closing dates, "Zero Burning" signboards, and barricades with warning tape for safety precautions.</p>	
7.3.2	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</p> <p>- Minor compliance -</p>	<p>Waste materials have been disposed of properly in accordance with the letter of "Permohonan Kebenaran Lanjutan Penstoran Buangan Terjadual di Tapak Melebihi 180 Hari" dated 15/5/2023, which requested an extension of storage after the existing approval ended on 6/7/2023. While there has been no response from the Department of Environment (DOE) yet during the on-site assessment, sample disposal has been completed as follows:</p> <p><u>Maju Estate / Kunak Palm Oil Mill</u></p> <p>- SW Inventory of Schedule Waste:</p> <p>a. Month of March 2024 – Ref No: JAS.STW.600-3/1/22 dated 27/03/2024.</p> <p>b. Month of April 2023 – Ref No: JAS.STW.600-3/1/22 dated 16/04/2024.</p> <p><u>LKSK Estate</u></p> <p>- SW Inventory of Schedule Waste:</p> <p>c. Month of March 2024 – Ref No: JAS.STW.600-3/10/276 dated 27/03/2024.</p> <p>d. Month of April 2023 – Ref No: JAS.STW.600-3/10/276 dated 15/04/2024.</p>	Complied
7.3.3	<p>The unit of certification does not use open fire for waste disposal.</p> <p>- Minor compliance -</p>	<p>No instances of improper waste disposal were observed. However, it's worth noting that TSH Resources Bhd. has established an Environmental Policy that includes the prohibition of using fire for</p>	Complied

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		land clearing and open burnings, adhering to the principle of "Zero Burning." This policy is detailed in document number TSHR/POL/SPO08, revision 1, under clause 7B, dated 1/11/2017.	
Criterion 7.4: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
7.4.1	Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts. - Minor compliance -	<p>The Mill and estates continued to use and implement SOP for each of the processes. Brief version of the SOP was displayed at the appropriate locations. Copies of the documented SOP were presented to the audit team. It was observed that activities being implemented which involved safety, health, environmental, quality, employees, etc. had followed the established SOP:</p> <ul style="list-style-type: none"> - Water Management TSHR/ENV/SOP02 - Waste Management TSHR/ENV/SOP 03 - Soil management SHP/OPE/SOP01 - Land Clearing& Preparation TSHP/OPE/SOP10 	Complied
7.4.2	Periodic tissue and soil sampling is carried out by Companies to monitor and manage changes in soil fertility and plant health. - Minor compliance -	<p>Leaf and soil nutrient analysis are a common methodology used in the diagnosis of fertilizer requirements in oil palms.</p> <p>Foliar analysis reports were then issued to the estates for the program establishment and application. This includes the order of fertilizer and workforce/machine planning.</p> <p>For the estate Agronomic assessment and fertilizer recommendation was conducted to formulate the FY2022 manuring programme and to suggest relevant agronomic practices for oil palm yield and growth improvement. Annual foliar sampling for Ash, N, P, K, Mg, Ca & B had been carried out in all estates as per sample as following:</p> <ul style="list-style-type: none"> - Maju Sawit Estate Foliar Test Report # R23/8/61; Date: 05/08/2023 by KDC Laboratory 	Complied

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		<ul style="list-style-type: none">- Maju Sawit Estate Soil Test Report # R23/8/333; Date: 23/08/2023 by KDC Laboratory- Sabahan Estate Foliar Test Report # R23/6/230; Date: 22/06/2023 by KDC Laboratory- Sabahan 1 Estate Soil Test Report # R23/7/83; Date: 11/07/2023 by KDC Laboratory- Sabahan Estate Foliar Test Report # R23/7/534; Date: 02/08/2023 by KDC Laboratory- Sabahan 1 Estate Soil Test Report # R23/8/9; Date: 03/08/2023 by KDC Laboratory																					
7.4.3	A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers. - Minor compliance -	The nutrient recycling strategy in place was implemented based on documented methodology ref. # TSH/KPOM/DOE/23/05/01 dated 3/6/2023 for EFB disposal at TSH Bio – Energy as fuel. The rate based on palm age ranging from 30 mt – 40 mt per hectare.	Complied																				
7.4.4	Records of fertiliser inputs are maintained. - Minor compliance -	<div>Records of fertiliser inputs are maintained as per sample Landquest Estate Fertiliser Program Year 2023/2024 as following:</div> <table><tr><td>Field</td><td>Block</td><td>Month</td><td>Type</td><td>Rate (kg/palm)</td></tr><tr><td>01A</td><td>1</td><td>Dec 23</td><td>Ammonium Sulphate</td><td>2.50 - Round 2</td></tr><tr><td>02B</td><td>1</td><td>Jan 24</td><td>CCPD 10-4.1-21-4+0.4B</td><td>3.00 - Round 3</td></tr><tr><td>06A</td><td>12</td><td>Mar 24</td><td>CCPD 10-4.1-21-4+0.4B</td><td>2.50 – Round 4</td></tr></table>	Field	Block	Month	Type	Rate (kg/palm)	01A	1	Dec 23	Ammonium Sulphate	2.50 - Round 2	02B	1	Jan 24	CCPD 10-4.1-21-4+0.4B	3.00 - Round 3	06A	12	Mar 24	CCPD 10-4.1-21-4+0.4B	2.50 – Round 4	Complied
Field	Block	Month	Type	Rate (kg/palm)																			
01A	1	Dec 23	Ammonium Sulphate	2.50 - Round 2																			
02B	1	Jan 24	CCPD 10-4.1-21-4+0.4B	3.00 - Round 3																			
06A	12	Mar 24	CCPD 10-4.1-21-4+0.4B	2.50 – Round 4																			
Criterion 7.5: Practices minimise and control erosion and degradation of soils.																							
7.5.1	(C) Maps identifying marginal and fragile soils, including steep terrain, are available. - Critical (Major) compliance -	<div>There was no fragile/marginal soil at all four estates as sighted in their soil maps. The following soil series were present instead:</div> <ul style="list-style-type: none">• Soil series in Maju Sawit estate was only Brantian, Apas and Wullersdrof. Geological Map of sedimentary and sedimentary-volcanic rocks of P4 Kg; Kalumpang/Slump breccia and	Complied																				

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		<p>sequences of interbedded mudstone, tuff, tuffaceous sandstone shale, conglomerate with minor chert & limestone; 13 PY: Dacitic pyroclastic rocks and lava</p> <ul style="list-style-type: none"> • Soil series in Landquest estate was Kinabatangan/Alluvium, Apas, Tinagat and Wullersdorf. • Soil series in LKSK estate was Brantian, Apas, Tinagat, Wullersdorf and Gumpal. • Soil series in Sabahan 1 estate was Kinabatangan, Rumidi and Bang. <p>The management strategy for plantings on slopes is available in Land Clearing & Preparation SOP Doc No. TSHP/OPE/SOP01; Rev: 0; Effective Date: 01/07/2016.</p> <p>The SOP clearly stated:</p> <ul style="list-style-type: none"> • No planting on areas with slope of more than 25 degrees. • Soil erosion control by constructing terraces in all sloping areas with bund at regular interval of 20 meters to retain water. <p>Slopes especially along some roadside to be planted with LCC (<i>Mucuna bracteata</i>).</p>	
7.5.2	<p>No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25 degrees) larger than 25 Ha within the Unit of Certification.</p> <p>- Minor compliance -</p>	<p>The management strategy for plantings on slopes is available in Land Clearing & Preparation SOP Doc No. TSHP/OPE/SOP01 Rev 0 Effective Date 01/07/2016. The SOP clearly stated:</p> <ul style="list-style-type: none"> • No planting on areas with slope of more than 25 degrees. • Soil erosion control by constructing terraces in all sloping areas with bund at regular interval of 20 meters to retain water. • Slopes especially along some road side to be planted with LCC (<i>Mucuna bracteata</i>). <p>It was observed that practices to minimize and control erosion and degradation of soils were in place through:</p>	Complied

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		<ul style="list-style-type: none"> • Proper stacking of fronds • Avoidance of blanket spraying • Construction terraces <p>Road maintenance and maintenance of soft vegetation in the interlines.</p>	
7.5.3	There is no new planting of oil palm on steep terrain. - Minor compliance -	No new plantings since 2005 except for replanting activity in area less steep terrain.	Complied
Criterion 7.6: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.			
7.6.1	(C) To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations. - Critical (Major) compliance -	<p>Maps identifying marginal and fragile soil, including steep terrain were available for verification as per High Conservation Value (HCV) Assessment, Oil Palm Plantation of 936 hectares at LKSK Estate, District of Tawau, Sabah. Refer report ref. no. KEC/EV/18/09 dated January 2018.</p> <p>Fertiliser application for the estates is made through recommendation by the Agronomist. The recommendation was based on annual leaf analysis. The estates, soil fertility was maintained as per the SOPs through the management been managed by recycling of biomass like frond stacking, water management in low lying areas, maintenance of soft weeds, leguminous cover crops, and Nephrolepis biserrata in the interline and terrace areas.</p>	Complied
7.6.2	Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices. - Minor compliance -	<p>No fragile soil in sample estate. There is no extensive planting on marginal and fragile soil in all estate during audit, however management establish the standard operating procedure regarding to soil management can be referred to:</p> <ul style="list-style-type: none"> • Operation Estate (TSHP/OPE/SOP01) • Land Clearing & Preparation (TSHP/OPE/SOP10) 	Complied

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		<ul style="list-style-type: none"> Replanting procedure. <p>SOP including management of peat soils, acid sulphate soils, Saline soils, Shallow lateritic soils, podzol or similar soils and Sandy soils if any.</p>	
7.6.3	<p>Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure.</p> <p>- Minor compliance -</p>	<p>Soil Survey and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure as per Yield/Foliar nutrient/Soils/fertilizing Records. This includes soil analysis result, foliar analysis result, Soil type and fertilizer application records. All the four estates had also implemented prevention of soil erosion measures such as construction of moisture conservation pits in steep slope areas. Cover crops were observed to be in place as the CU management had generally encouraged the establishment of soft growth. Visits to the site found that significant areas of the ground were covered with <i>Neprolepis Biserrata</i>. Most slopes had well established <i>Mucuna bracteate</i></p> <p>Sighted Environmental Compliance Report "Proposed Replanting of 936 Ha Oil Palm Plantation at LKSK Estate, District of Tawau, Sabah" dated 20/05/2021 by Kiwiheng Environmental Consultant Sdn Bhd with report reference number JPAS/PP/TWU/600-1/11/1/291 for 1st Report of the year 2021 (H1-2/2021)</p> <p>Verified through site visit at LKSK Estate for >25 degrees slope area was abounded and fill with cover crop <i>Mucuna Bracteate</i> sp.</p>	Complied
Criterion 7.7: No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.			
7.7.1	<p>(C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.</p> <p>- Critical (Major) compliance -</p>	<p>There is no peat soil and no new planting in TSH Plantation management Sdn Bhd Unit as per latest land statement, on-site visit and interview with management personals.</p>	Not Applicable

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7.7.2	<p>Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat.</p> <p>PROCEDURAL NOTE:</p> <p>Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).</p> <p>- Minor compliance -</p>	There is no peat soil and no new planting in TSH Plantation management Sdn Bhd Unit as per latest land statement, on-site visit and interview with management personals.	Not Applicable
7.7.3	<p>(C) Subsidence of peat is monitored, documented and minimised.</p> <p>- Critical (Major) compliance -</p>	There is no peat soil and no new planting in TSH Plantation management Sdn Bhd Unit as per latest land statement, on-site visit and interview with management personals.	Not Applicable
7.7.4	<p>(C) A documented water and ground cover management programme is in place.</p> <p>- Critical (Major) compliance -</p>	There is no peat soil and no new planting in TSH Plantation management Sdn Bhd Unit as per latest land statement, on-site visit and interview with management personals.	Not Applicable
7.7.5	<p>(C) For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the timeframe for future replanting, as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation.</p> <p>This is subject to transitional (5 years: 2019 to 2024) arrangement stated in the Drainability Assessment Procedure.</p> <p>Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition.</p> <p>- Critical (Major) compliance -</p>	There is no peat soil and no new planting in TSH Plantation management Sdn Bhd Unit as per latest land statement, on-site visit and interview with management personals.	Not Applicable

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7.7.6	<p>(C) All existing plantings on peat are managed according to the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', version 2 (2019) and associated audit guidance.</p> <p>- Critical (Major) compliance -</p>	There is no peat soil and no new planting in TSH Plantation management Sdn Bhd Unit as per latest land statement, on-site visit and interview with management personals.	Not Applicable
7.7.7	<p>(C) All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as "peatland conservation areas"; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the 'RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat', version 2 (2019) and associated audit guidance.</p> <p>- Critical (Major) compliance -</p>	There is no peat soil and no new planting in TSH Plantation management Sdn Bhd Unit as per latest land statement, on-site visit and interview with management personals.	Not Applicable
Criterion 7.8: Practices maintain the quality and availability of surface and groundwater.			
7.8.1	<p>A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following:</p> <p>a) The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</p> <p>b) Workers have adequate access to clean water.</p> <p>- Minor compliance -</p>	<p>The certification unit has established water management plan which consists of the following:</p> <ol style="list-style-type: none"> 1. Monitor the flowmeter for mill and estate consumption 2. Water quality sampling, pond water intake and river. Raw water and treated water sample was sent to accredited lab to test that water is fit for consume. 3. Avoid contamination of POME and plantation activities at gazette riparian reserved areas and any gazette buffer zone. 4. Demarcate the river location and estate mapping and avoid the construction of bund across river 5. Monitoring of stream water quality should be carried out periodically to ascertain siltation level 	Complied

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		<p>6. To ensure plantation activities does not cause adverse effect /impact to the water source by having proper buffer zone to prevent any contamination to flow into the river.</p> <p>The management of each estate has conducted drinking water test</p> <p>Sample of the test report at Maju Estate on treated water dated 02/04/2024 Ref No: RS/CH/2024/0257. pH – 7.26, Turbidity - <0.2, Color <5, Free Residual Chlorine - <0.02 – which is safe for drinking.</p>											
7.8.2	<p>(C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or applicable National legislation or specific environmental permit. Smallholders may replant existing planted areas provided there is no evidence of environmental deterioration having occurred during the previous cycle.</p> <p>- Critical (Major) compliance -</p>	<p>Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. Riparian buffer zones have been identified and demarcated. Signage has been placed. No chemicals and fertilizer application observed been used in their maintenance. In some areas Guatemala grass were planted along the riverbanks. Management of riparian zone is guided by Water Management Plan. The widths of the buffer zones are guided by the following measurements:</p> <table><tr><th>River width (meter)</th><th>Minimum width for river reserve (m) for Sabah</th></tr><tr><td><3</td><td>5</td></tr><tr><td>3-20</td><td>20</td></tr><tr><td>20-40</td><td>40</td></tr><tr><td>>40</td><td>50</td></tr></table> <p>There is a river at all estate visited that flow along the boundary or crossing the estate. Verified availability of signage and buffer zone marking. There were no chemical activities sighted. Water analysis has been conducted. Refer Water Analysis report which results</p>	River width (meter)	Minimum width for river reserve (m) for Sabah	<3	5	3-20	20	20-40	40	>40	50	Complied
River width (meter)	Minimum width for river reserve (m) for Sabah												
<3	5												
3-20	20												
20-40	40												
>40	50												

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		shows compliance to Class III of National Water Quality Standards for Malaysia.	
7.8.3	<p>Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.</p> <p>- Minor compliance -</p>	<p>Kunak Palm Oil Mill discharge POME through furrow system after treated . Signage on "Takat Pelepasan" was maintained at Mill has conducted water sampling at final discharge. Refer Report as the following:</p> <p>Report Date 19/04/2024 Report No: RS/CH/2024/0334(B) pH – 7.34 Biochemical oxygen demand BOD – 18 Chemical Oxy Demand COD – 410 Oil and Grease – 13 Total Solid – 1613 Ammoniacal Nitrogen – 26 Total Nitrogen – 64</p> <p>Report Date 26/03/2024 Report No: RS/CH/2024/0217(B) pH – 8.52 Biochemical oxygen demand BOD – 18 Chemical Oxy Demand COD – 363 Oil and Grease – 16 Total Solid – 2010 Ammoniacal Nitrogen – 17 Total Nitrogen – 43</p>	Complied

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		Limit pH – 5<x<9 Biochemical oxygen demand BOD – 20 Oil and Grease – 20 Ammoniacal Nitrogen – 150 Total Nitrogen – 200											
7.8.4	Mill water use per tonne of FFB is monitored and recorded. - Minor compliance -	<div>The management has monitored the usage of water every month. Sighted the record of water consumption in the ESG report. Sample of the water records are as following:</div> <table><tr><td>Month</td><td>Water/mt FFB</td></tr><tr><td>09/2023</td><td>0.44</td></tr><tr><td>10/2023</td><td>0.54</td></tr><tr><td>11/2023</td><td>0.49</td></tr><tr><td>12/2023</td><td>0.59</td></tr></table>	Month	Water/mt FFB	09/2023	0.44	10/2023	0.54	11/2023	0.49	12/2023	0.59	Complied
Month	Water/mt FFB												
09/2023	0.44												
10/2023	0.54												
11/2023	0.49												
12/2023	0.59												
Criterion 7.9: Efficiency of fossil fuel use and the use of renewable energy is optimised													
7.9.1	A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented. - Minor compliance -	<div>The management has established the plan to optimise the usage of fossil fuel for all operating unit. The management plan is as the following:</div> <div>To maintain the monthly transportation emission below 10 tonnes CO2eq</div> <div>Maintain GHG emission at below 400 tonnes CO2eq from processing power and output</div> <div>Reduce GHG emission through – switch off engine while parking, switch off light and electrical appliance when not using, use of</div>	Complied										

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		renewable energy, inspect and avoid leaking of diesel tank/piping, and all vehicle to follow preventive maintenance. Each estate and mill has recorded the diesel consumption. Verification made through the Estate ESG reporting	
Criterion 7.10: Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.			
7.10.1	(C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported. - Critical (Major) compliance -	The GHG emissions are identified and assessed for the unit certification by sustainability team. RSPO Palm GHG Calculator version 4 is used. The consumption of fertilisers and diesel were verified through Estates: <ul style="list-style-type: none"> • FFB record book • Stock book • Monthly stock issue • Stock requisition note Mill • Mill Month End Production Report • Monthly production report • Flowmeter & running hours record book Effluent analysis report Based on the verification of records; all the sampled issuance was traceable	Complied
7.10.2	(C) Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development). - Critical (Major) compliance -	Not applicable since no new development by the certification unit.	Not Applicable
7.10.3	(C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.	Site visit at Maju Estate tractor parking bay, Sabahan 1 Estate store compound, LKSK Estate workshop area and Genset found spots of	Non-compliance

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	- Critical (Major) compliance -	oil contaminated the land. Site visit at Kunak Palm Oil Mill effluent pond area found that there was empty lubricant container used to keep water. This is not in line with the Environment Continual Improvement Plan on waste which objective stated to minimize the land contamination through generating of schedule waste, which the program is to collect, segregate, labelling, store and dispose all the scheduled waste through the DOE licensed contractor. Thus, Non Conformance has been raised	
Criterion 7.11: Fire is not used for preparing land and is prevented in the managed area			
7.11.1	(C) Land for new planting or replanting is not prepared by burning. - Critical (Major) compliance -	No new planting is happening at the Kunak Palm Oil Mill Certification unit. After checking documents, interviews, and visiting the site, it's confirmed that they aren't preparing for replanting by burning. This follows the Zero Open Burning policy in the SOP Section B2 - Felling/Land Clearing & Land Preparation from November 2008. The management is following Malaysian environmental laws – EQA and Regulations 1974. The records for land clearing and felling during the visit to estates show no open burning. They use methods like felling & chipping, cambering/land forming, and path construction for land clearing and preparation.	Complied
7.11.2	The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification. - Minor compliance -	Fire prevention measure has been established. Which include the following: 1. Ensure that vehicles have access to permanent water supply points, such as streams, ponds, and rivers, to facilitate firefighting efforts in case of emergencies. 2. Utilize mobile water tankers equipped with pumps to provide additional water resources for firefighting operations, enabling quick and efficient response to fire incidents.	Complied

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		<p>3. Install fire extinguishers in strategic locations throughout the premises to promptly extinguish small fires and prevent them from escalating.</p> <p>4. Equip the facility with sufficient firefighting equipment, including hoses, nozzles, and firefighting apparatus, along with providing protective clothing for personnel. Ensure that personnel are adequately trained in firefighting procedures to respond effectively to fire emergencies.</p>	
7.11.3	<p>The unit of certification engages with adjacent stakeholders on fire prevention and control measures.</p> <p>- Minor compliance -</p>	<p>There is evidence that management has engaged with stakeholders regarding on fire prevention and control measures. Refer Stakeholder meeting minutes dated for the year 2024. The management briefed the TSH fire prevention plan during the meeting</p>	Complied
Criterion 7.12: Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.			
7.12.1	<p>(C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests.</p> <p>A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.</p> <p>- Critical (Major) compliance -</p>	<p>Since November 2005, no land clearing has been permitted within the Kunak POM certification unit without prior High Conservation Value (HCV) assessment. Furthermore, since 15 November 2018, no land clearing has been allowed without prior HCV-High Carbon Stock Approach (HCSA) assessment.</p>	Complied
7.12.2	<p>(C) HCVs, HCS forests and other conservation areas are identified as follows:</p> <p>a) For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.</p>	<p>Based on the High Conservation Value (HCV) Assessment conducted for the Oil Palm Plantation spanning 370 hectares at Landquest Estate on CL 125319244, District of Semporna, Sabah, in January 2018, documented under Reference Number KEC-(EV)/18/08 by Kiwiheng Environmental Consultants Sdn. Bhd., the assessment likely evaluated the ecological and biodiversity significance of the area. This assessment would have identified any high conservation</p>	Complied

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<p>b) Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.</p> <p>PROCEDURAL NOTE:</p> <p>Requirement is further clarified under the Interpretation of Indicator 7.12.2 and Annex 5 (approved by BOG on 12 June 2019).</p> <p>- Critical (Major) compliance -</p>	<p>values present within the estate, such as critical habitats, rare or threatened species, cultural or spiritual sites, or areas of ecological importance.</p> <p>The report stated type of HCV in estate as detail below:</p> <table><tr><th>Estate</th><th>HCV</th><th>Remarks</th></tr><tr><td rowspan="3">Maju Sawit Estate (KEC-(EV)/18/07)</td><td>1.1</td><td>Mt. Wullersdorf Protection Forest Reserve</td></tr><tr><td>1.2</td><td>13 RTE species found during assessment (5 mammals and 8 bird)</td></tr><tr><td>1.3</td><td>6 endemic faunas found during assessment (one mammal, 2 birds and 3 fish)</td></tr><tr><td rowspan="4">LKSK Estate (KEC-(EV)/18/09)</td><td>1.1</td><td>Mt. Wullersdorf Protection Forest Reserve and Ulu Kalumpang Protection Forest Reserve</td></tr><tr><td>1.2</td><td>16 RTE species found during assessment in LKSK</td></tr><tr><td>5</td><td>Sg Ulu Kalumpang & Sg Mantri used as water consumption.</td></tr><tr><td>6</td><td>Rumah Merah & Children Cemetery</td></tr><tr><td rowspan="2">Landquest Estate (KEC-(EV)/18/08)</td><td>1.1</td><td>Mt. Pock Protection Forest Reserve</td></tr><tr><td>1.2</td><td>13 RTE species found during assessment</td></tr></table>	Estate	HCV	Remarks	Maju Sawit Estate (KEC-(EV)/18/07)	1.1	Mt. Wullersdorf Protection Forest Reserve	1.2	13 RTE species found during assessment (5 mammals and 8 bird)	1.3	6 endemic faunas found during assessment (one mammal, 2 birds and 3 fish)	LKSK Estate (KEC-(EV)/18/09)	1.1	Mt. Wullersdorf Protection Forest Reserve and Ulu Kalumpang Protection Forest Reserve	1.2	16 RTE species found during assessment in LKSK	5	Sg Ulu Kalumpang & Sg Mantri used as water consumption.	6	Rumah Merah & Children Cemetery	Landquest Estate (KEC-(EV)/18/08)	1.1	Mt. Pock Protection Forest Reserve	1.2	13 RTE species found during assessment	
Estate	HCV	Remarks																								
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	1.2	13 RTE species found during assessment																								

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			1.3	3 types of endemic mammal, bird and fish were found during assessment	
		Sabahan 1 Estate (KEC-(EV)/18/06)	1.2	Protected (Bornean) Pig, Long-tail macaque and White crested hornbill	
			4.2	Areas critical to soil erosion/sedimentation	
			4.3	Areas critical to fire prevention	
7.12.3	<i>Indicator is not applicable in Malaysia context</i>	Not applicable			Not Applicable
7.12.4	<p>(C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).</p> <p>- Critical (Major) compliance -</p>	<p>The management has implemented an HCV monitoring program, documented within the Environmental Continuous Improvement Plan for the period 2021 - 2025.</p> <p>The plan includes:</p> <ul style="list-style-type: none"> - Providing a 10-meter buffer zone along the shared boundary with the Protection Forest Reserve. - Establishing riparian reserves on both sides of rivers and tributaries, adhering to the minimum size required by the Department of Irrigation and Drainage (DID), with buffer widths ranging from 3m to 5m. - Initiating and implementing workshops and seminars related to Biodiversity Conservation and environmental awareness. - Developing and implementing a management and monitoring plan aimed at reducing damage to riparian areas during replanting exercises. - Formulating a plantation fire risk and control plan. 			Complied

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		<ul style="list-style-type: none"> - Mapping the boundaries of riparian areas and buffer zones, with demarcation on the ground. - Recording interesting or unusual flora and all wildlife sightings in a logbook. <p>Monthly monitoring is conducted by operating units, with semi-annual monitoring performed at the headquarters level. An internal report on HCV monitoring has been conducted, such as the TSH Resources Berhad HCV Wildlife Monitoring Report for all estate has been verified. Records are available for review</p>	
7.12.5	<p>Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peat land and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.</p> <p>- Minor compliance -</p>	<p>Since November 2005, no land clearing has been permitted within the Kunak POM certification unit without prior High Conservation Value (HCV) assessment. Additionally, since 15 November 2018, no land clearing has been allowed without prior HCV-High Carbon Stock Approach (HCSA) assessment. Therefore, this requirement is not applicable.</p>	Not Applicable
7.12.6	<p>All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.</p> <p>- Minor compliance -</p>	<p>The management has instituted an HCV monitoring program, as documented in the Environmental Continuous Improvement Plan covering the period from 2021 to 2025. The estate remains committed to monitoring animal species within the HCV area. Wildlife sightings have been documented at each estate visited. Samples were viewed for the months of January 2024 through April 2024, with details provided on a monthly basis.</p>	Not Applicable
7.12.7	<p>The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.</p> <p>- Minor compliance -</p>	<p>The management has instituted an HCV monitoring program, as documented in the Environmental Continuous Improvement Plan covering the period from 2021 to 2025. The estate remains committed to monitoring animal species within the HCV area. Wildlife sightings have been documented at each estate visited.</p>	Not Applicable

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		Samples were viewed for the months of January 2024 through April 2024, with details provided on a monthly basis	
7.12.8	(C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies. - Critical (Major) compliance -	Since November 2005, no land clearing has occurred within the Kunak POM certification unit without prior High Conservation Value (HCV) assessment. Additionally, since 15 November 2018, no land clearing has taken place without prior HCV-High Carbon Stock Approach (HCSA) assessment. Therefore, this requirement is not applicable.	Not Applicable

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Appendix B: GHG Reporting Executive Summary

The GHG emissions that were produced in 2023 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 2023 for Kunak Palm Oil Mill and supply base are as following:

Emission per product	tCO ₂ e/tProduct	Extraction	%
CPO	-0.31	OER	18.41
PKO	0.00	KER	5.13

Production	t/yr	Land Use	Ha
FFB Process	330,507.74	OP Planted Area	1566.00
CPO Produced	60849.41	OP Planted on peat	0.00
PKO Produced	0.00	Conservation (forested)	0.00
		Conservation (non-forested)	30.30
		Total	

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	128.89	0.00	0.00	0.00	17480.84	0.00	17609.74	0.00
CO ₂ Emission from fertilizer	590.61	0.02	0.00	0.00	1064.20	0.00	1654.82	0.02
NO ₂ Emission	802.40	0.03	0.00	0.00	909.13	0.00	1711.52	0.03
Fuel Consumption	755.74	0.03	0.00	0.00	647.25	0.00	1402.99	0.03
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sink								
Crop Sequestration	-917.45	-0.04	0.00	0.00	-16569.52	-0.05	-17486.97	-0.09
Conservation Sequestration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	1360.19	0.05	0.00	0.00	3531.90	0.01	4892.09	0.06

**Note: Includes both estates and smallholders*

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Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	8411.37	0.03
Fuel Consumption	61.79	0.00
Grid Electricity Utilization	0.00	0.00
Credit		
Export of Grid Electricity	0.00	0.00
Sales of PKS	-37278.98	-0.11
Sales of EFB	0.00	0.00
Total	-28805.82	-0.08

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO ₂ e
PK from own mill	0.00
PK from other source	0.00
Fuel Consumptions	0.00
Total Crusher emissions	0.00

*This mill has no kernel crusher operation.

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

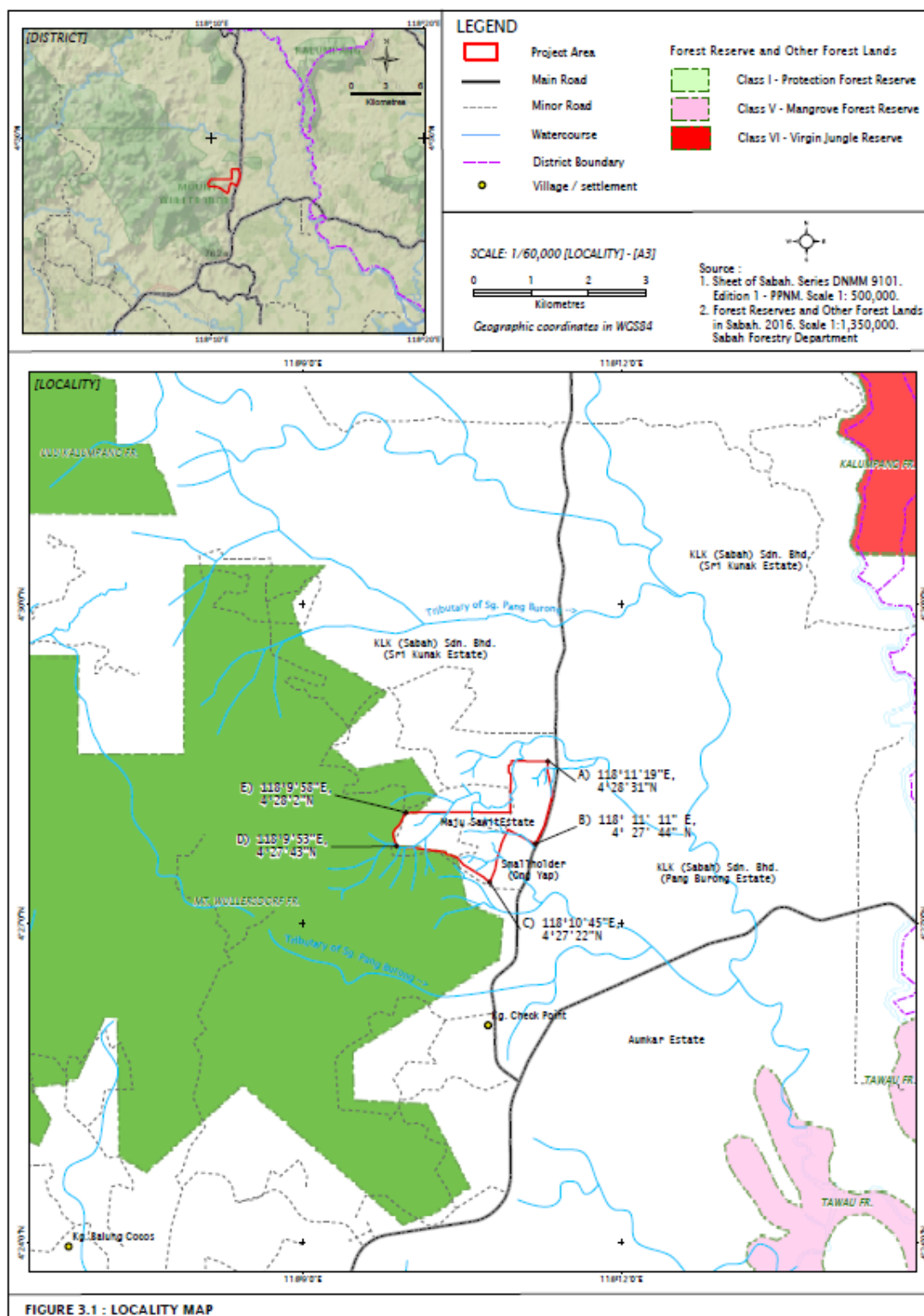
POME Diverted to Anaerobic Digestion:	
Divert to anaerobic pond (%)	0
Divert to methane captured (flaring) (%)	0
Divert to methane captured (energy generation) (%)	100

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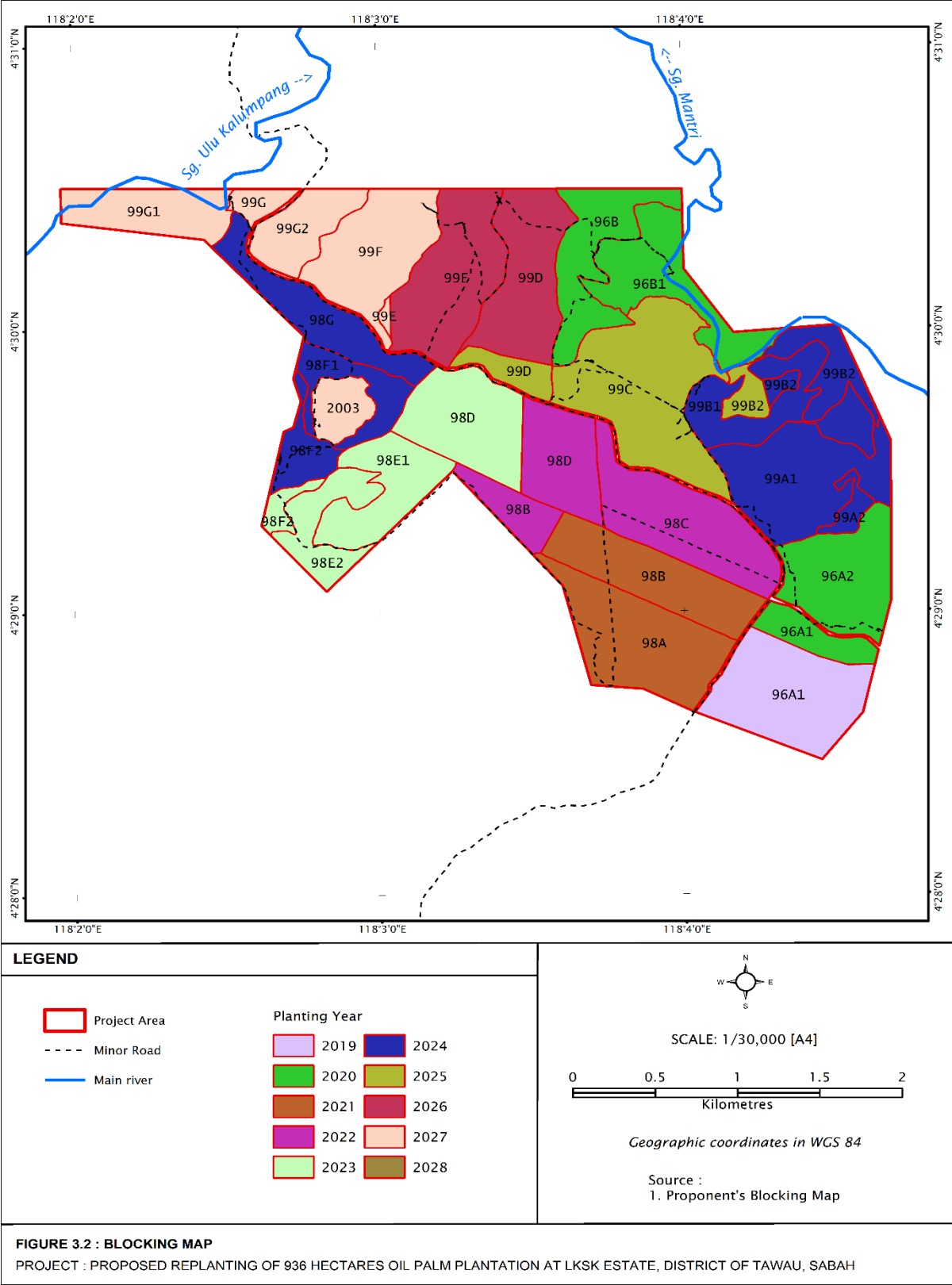
Appendix C: Location Map of Certification Unit and Supply bases

Appendix D: Estate Field Map

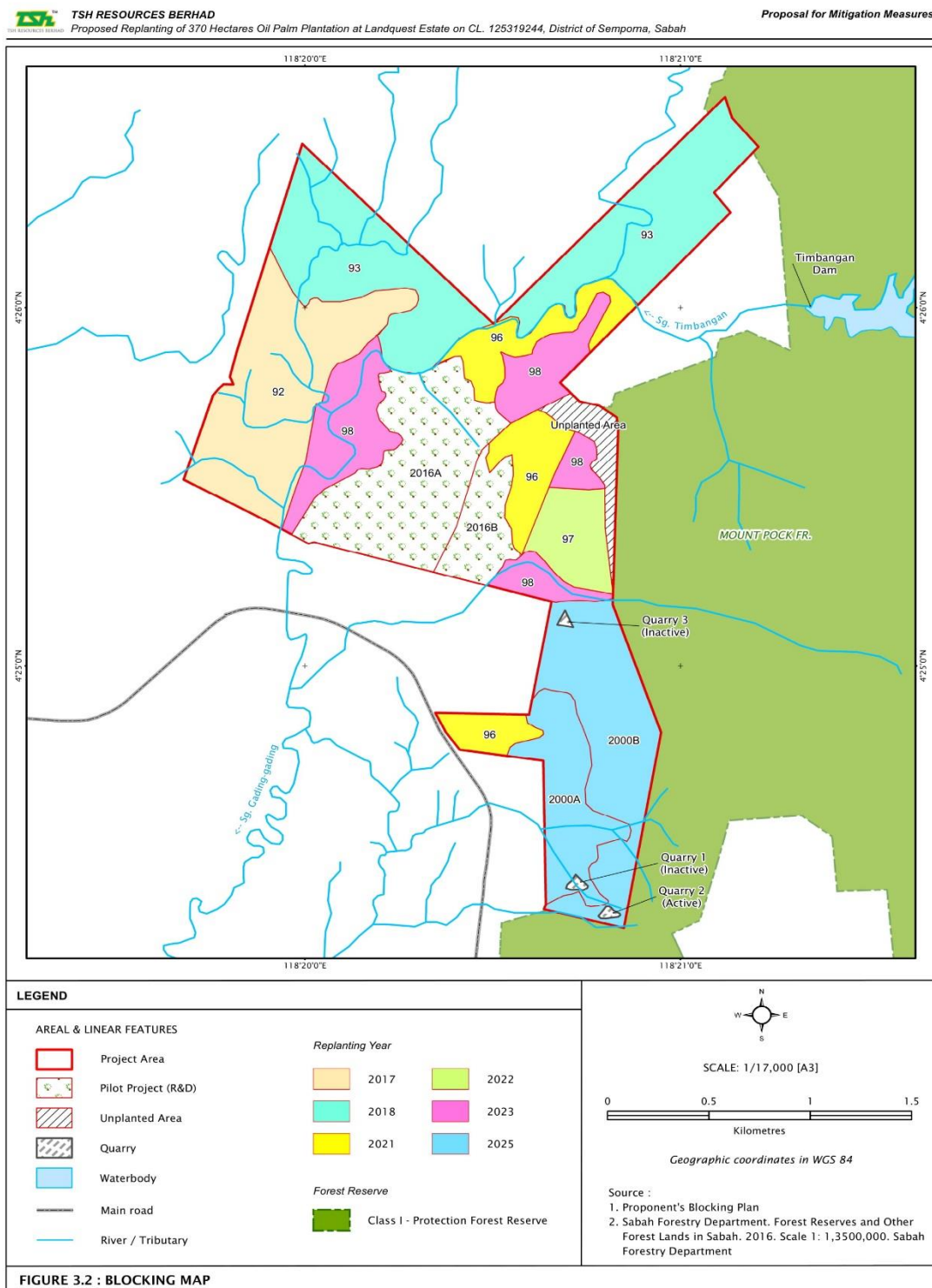
Maju Sawit Estate



LKSK Estate

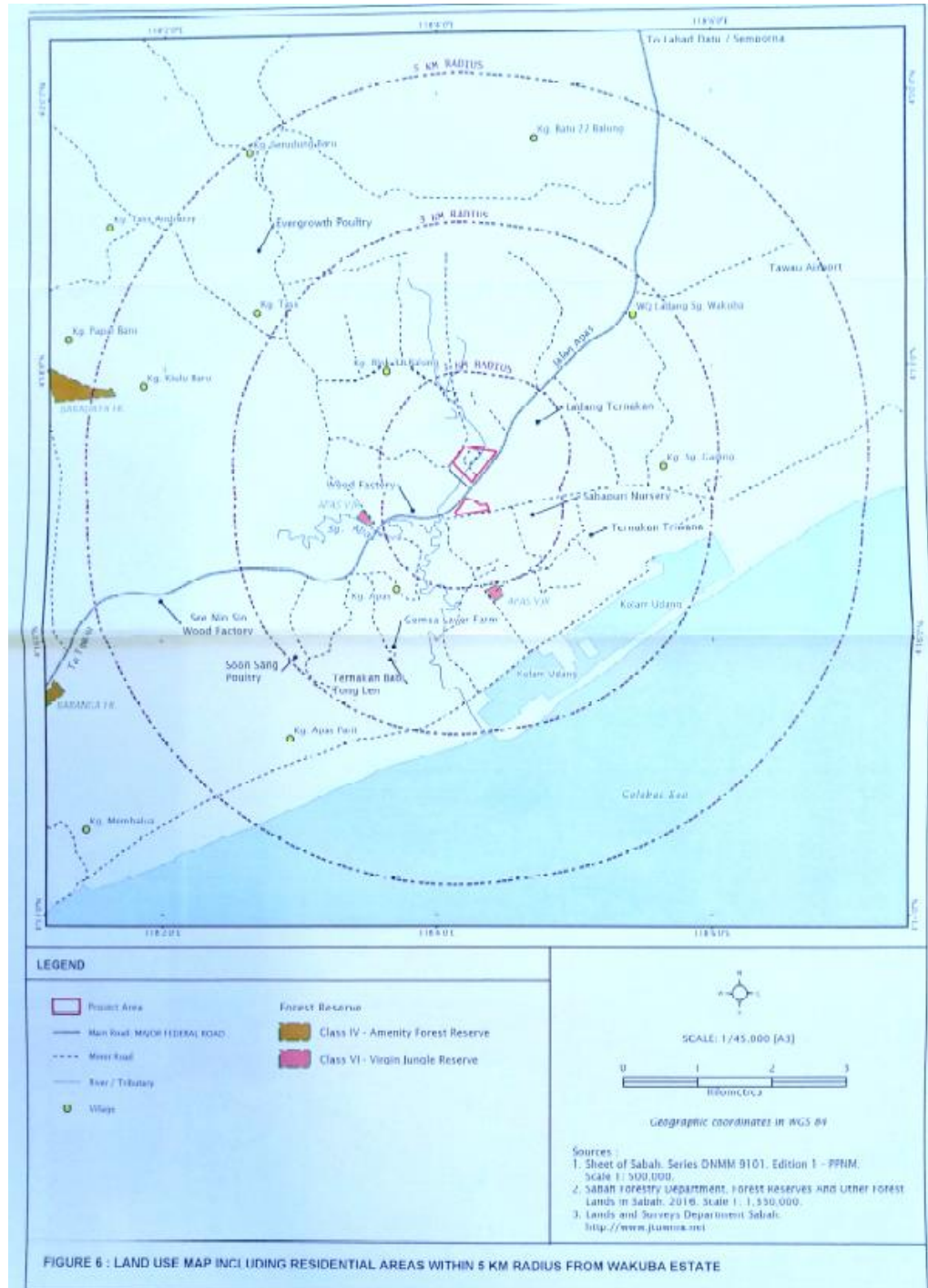


Landquest Estate



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Maju Sawit Estate – Wakuba Division



Sabahan 1 Estate

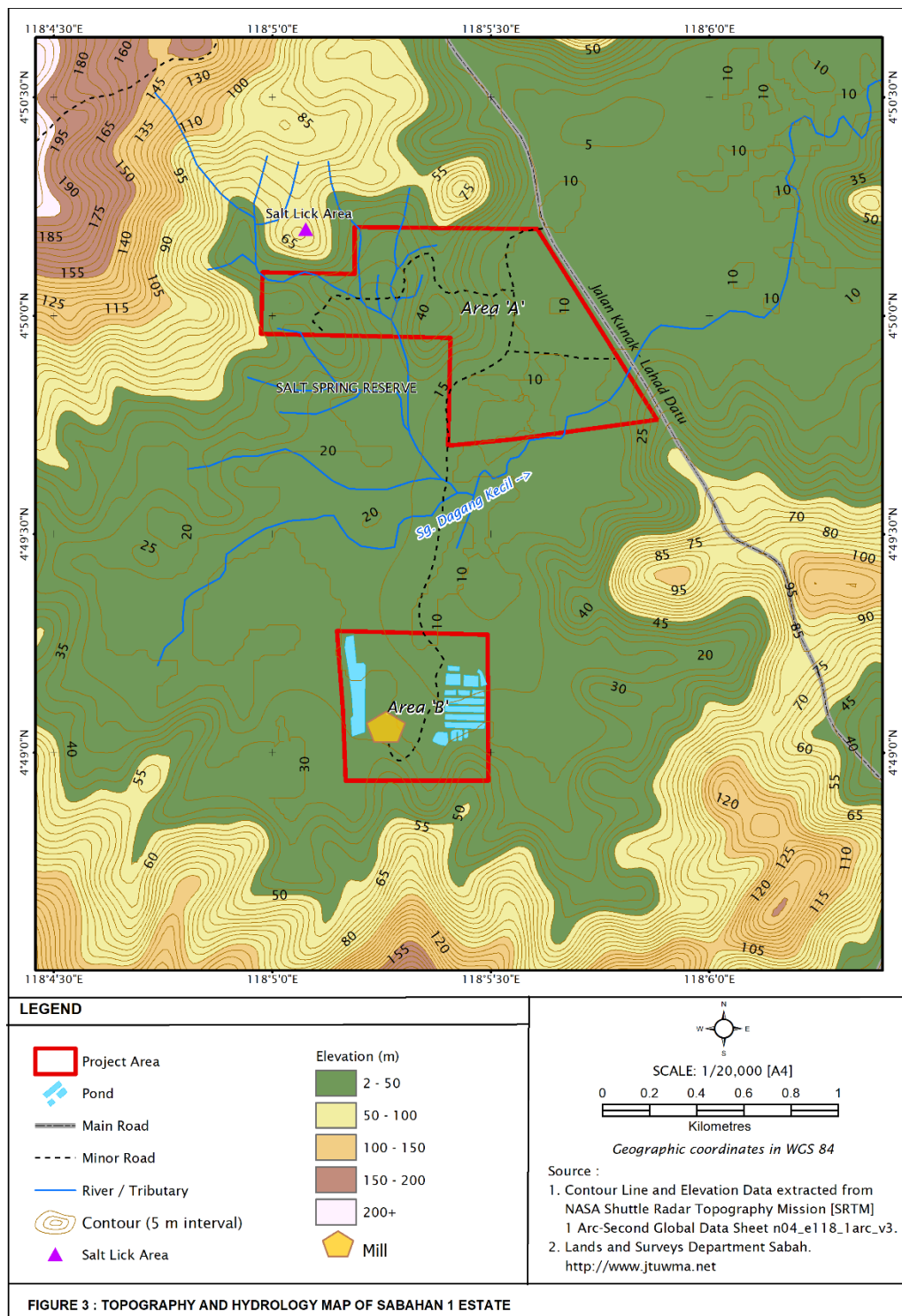


FIGURE 3 : TOPOGRAPHY AND HYDROLOGY MAP OF SABAHAN 1 ESTATE

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Appendix E: List of Smallholder Registered and/or sampled

Sampling Group	Current Certification	Scope Extension	Other:
Risk Factor Applied	N/A	N/A	N/A
Justification of Risk Factor Applied			
Number of samples			
Remarks			

No	Name of farmer	Location	GPS Reference		Area Summary (Ha)		Forecasted annual FFB Production (MT)	Date of joining	Smallholder ID
			Latitude (N)	Longitude (E)	Total Certified Area	Planted Area			
Not Applicable									
Total									
Note: * are smallholders sampled in this audit.									

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Appendix F: List of Abbreviations

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