SUSTAINABLE PALM OIL POLICY

INTRODUCTION:

Sustainability has always been an integral part of our way of doing business and a guiding principle in our decision making and development process. Over the years, TSH Group has undertaken various efforts to improve our initiatives on implementing sustainable practices across the group. TSH Group is also committed to the Principles & Criteria set out by the Roundtable on Sustainable Palm Oil, Malaysian Sustainable Palm Oil and Indonesia Sustainable Palm Oil.

SCOPE:

To demonstrate our commitment towards sustainability, this Sustainable Palm Oil Policy serves as a guideline for TSH Group with regard to integrating sustainability into its business operations.

This policy applies to TSH Group, including our subsidiary companies, joint ventures and companies in which we have management control. TSH Group also expects its suppliers and contractors to similarly commit to the principles set out in this policy and TSH Group shall not establish or maintain business relationships with suppliers and contractors who are not aligned with these principles.

COMMITMENT STATEMENT:

1. Sound Environmental Management
   i. No deforestation and pledges to conserve biodiversity by identifying, protecting and maintaining High Conservation Value areas and High Carbon Stock forests.
   ii. Conduct Social & Environmental Impact Assessment prior to all new development
   iii. No new plantings on peat, regardless of depth after 15th November 2018 and all peat lands are conserved and managed responsibly.
   iv. Minimize greenhouse gas emissions from new developments and progressively reduced on existing plantations and operations.
   v. Zero burning policy in relation to all new planting, re-planting or new development.
   vi. Prohibition for the use of Paraquat and pesticides that are categorized as World Health Organization Class 1A or 1B, chemicals listed under the Stockholm Convention, Rotterdam Convention and minimizes the use of chemicals, including pesticides and chemical fertilizers.
   vii. Prohibits any form of hunting of all species and only sustainable hunting by local communities for subsistence purposes that does not cause decline of local species populations.

2. Human Capital
   TSH Group commits to ensure that the rights of all employees, including contract, temporary and trans-migrant workers are respected according to local, national and ratified international laws or international best practices where legal framework is not yet in place. The following principles are the core elements practiced across TSH Group’s operations.
   i. TSH Group respects, supports and upholds fundamental human rights, and does not engage in any form of illegal, forced, bonded or human trafficking and shall take appropriate measures to prevent the use of such labor in connection with its operations. Fair and equal employment opportunities are provided for all employees, regardless of race, nationality, religion or gender.

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ii. Endorse and commits to the recognition of the Universal Declaration of Human Rights by the United Nations.

iii. Employment of child is prohibited within TSH Group’s operations. Remedial actions with appropriate follow up actions shall be imposed if any child labor spotted in order to protect the welfare of the child.

iv. TSH Group recognizes and respects the right of employees to collective bargaining and allows forming or joining trade unions of their choice subject to the provisions of relevant national legislation.

v. Ensures all workers are paid the statutory minimum wages and overtime compensation in accordance to their national or regional minimum wage standard across TSH Group’s operations.

vi. Conducts business in an honest and ethical manner, and comply with applicable laws and regulations.

vii. Provide training and development to employees to ensure achievement of their full potential.

3. Occupational Safety & Health

i. Promote safe and healthy working environment and take effective steps to protect all employees from being exposed to potential occupational safety and health hazards that are likely to pose risk of permanent injury, illness or death including contract workers.

ii. Provide adequate equipment and training on the implementation of health and safety policies.

4. Community

i. Community development department engages frequently with neighboring indigenous & local communities through interviews and consultation, supported by a grievance procedure through which complaints are resolved to the satisfaction of all stakeholders.

ii. Commitment to respect indigenous and local communities rights.

iii. Commitment to respect land tenure rights of indigenous and local communities, including their rights to give or withhold their Free, Prior and Informed Consent to operations on land over which they hold legal, communal or customary rights following the United Nations Declaration on the Rights of Indigenous Peoples and the Social Requirements for Conserving High Carbon Stock Forests.

5. Traceability

TSH will endeavor to put in place a traceable palm oil supply chain. All the palm products produced by TSH’s own plantations are traceable down to our respective palm oil mills, refineries and kernel crushing plants.

i. FFB supplies from schemed smallholders are RSPO certified by end of 2023.

ii. Sells/ Processes/ trades RSPO certified palm oil through segregated/ IP models by end of 2023.