



**PUBLIC SUMMARY
2ND RSPO SURVEILLANCE ASSESSMENT**

**SIME DARBY PLANTATION SDN BHD
RAJAWALI CERTIFICATION UNIT
BINTULU, SARAWAK, MALAYSIA**

AUDIT DATE : 7 – 11 OCTOBER 2013

Prepared by:

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File Ref. : ES 10170014

RSPO SURVEILLANCE AUDIT REPORT

CLIENT : SIME DARBY PLANTATION SDN BHD, RAJAWALI PALM OIL MILL

Rajawali Palm Oil Mill, 97011 Bintulu, Sarawak
Rajawali Estate, 97008 Bintulu, Sarawak
Samudera Estate, 97012 Bintulu, Sarawak
Semarak Estate, 97011 Bintulu, Sarawak
Bayu Estate, 97012 Bintulu, Sarawak

LOCATION (MAP AND GPS), MILL AND/OR HECTARAGE:

(In the case of multisite certification, list additional sites in attachments) :

Certification Unit	Estate/Mill	GPS Location		Total Area (ha)
		Latitude	Longitude	
SOU 32 – Rajawali	Rajawali POM	N3.40094	E113.34773	-
	Rajawali Estate	N3.42595	E113.379	3423.59
	Samudera Estate	N3.56449	E113.373	2211.91
	Semarak Estate	N3.45986	E113.364	2261.71
	Bayu Estate	N3.55332	E113.347	2,203.83

AUDIT DATE : 7th – 11th October 2013

**STANDARD : MALAYSIAN NATIONAL INTERPRETATION WORKING GROUP (MY-NIWG) : NOV 2010 OF RSPO PRINCIPLE AND CRITERIA ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)
RSPO SUPPLY CHAIN CERTIFICATION, NOVEMBER 2011**

SCOPE OF REGISTRATION : PRODUCTION OF CRUDE PALM OIL AND PALM KERNEL USING SEGREGATION MODEL

The following attachments form part of this report:

Non-conformity Report(s)



List of additional site(s)



Report by Audit Team Leader

Name : Mohamed Hidhir Zainal Abidin

Signature :

Date : 24/03/2014

Acknowledgement by Client's Representative

Name

Signature

Date

SIME DARBY PLANTATION SDN BHD
RAJAWALI PALM OIL MILL

28 / 3 / 2014

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Abbreviations:

ARM	Agriculture Reference Manual
BOD	Biochemical Oxygen Demand
B.Sc.	Bachelor of Science
CA	Collective Agreement
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CUs	Certification Units
DID	Drainage and Irrigation Department, Malaysia
DOE	Department of Environment
DOSH	Department of Occupational Safety and Health
EAI	Environmental Aspect Identification
EARA	Environmental Auditors Registration Association
EB	Executive Board
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EIE	Environmental Impact Evaluation
EMP	Environmental Management Plan
EPF	Employees Provident Fund
EQA	Environmental Quality Act
ERT	Endangered, Rare and Threatened Species
FFB	Fresh Fruit Bunch
FMA	Factory Machineries Act
FSC	Forest Stewardship Council
GAP	Good Agricultural Practice
GPS	Global Positioning System
Ha	Hectares
HCV	High Conservation Value
HIRARC	Hazard Identification, Risk Assessment and Risk Control
IEMA	Institute for Environmental Management and Assessment
IPM	Integrated Pest Management
ISO	International Organization for Standardization
IRCA	International Register of Certificated Auditors
JCC	Joint Consultative Committee
MSDS	Material Safety Data Sheet
MOA	Memorandum of Alliance or Agreement
MPOA	Malaysian Palm Oil Association
MPOB	Malaysia Palm Oil Board
MYNI	Malaysia National Interpretation
MYNI – WG	Malaysia National Interpretation – Working Group
NADOOPOD	Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease
NCR	Non-Conformity Report
NGO	Non Governmental Organisation
OER	Oil Extraction Rate
OG	Oil & Grease
OSH	Occupational Safety and Health
OSHA	Occupational Safety and Health Act
OHSAS	Occupational Health and Safety Assessment Series
Ph.D.	Doctor of Philosophy
PIC	Person-In-Charge
PK	Palm Kernel
PMM	Proposal of Mitigation Measure
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
PTW	Permit To Work
QMS	Quality Management System
RSPO	Roundtable on Sustainable Palm Oil
SIA	Social Impact Assessment
SDPSB	Sime Darby Plantation Sdn. Bhd.
SOCISO	Social Security Organization
SOU	Strategic Operating Unit
SOP	Standard Operating Procedure
SPIEU	Sabah Plantation Industry Employees Union
TQEM	Total Quality Environment Management
UNFCCC	United Nations Framework Convention for Climate Change
UKAS	United Kingdom Accreditation Services
USA	United States of America
USECHH	Use and Standards of Exposure of Chemicals Hazardous to Health
WWF	World Wide Fund for Nature

SUMMARY REPORT

1.0 Scope of the Certification Assessment

1.1 Introduction

This surveillance assessment report described one certification unit of Sime Darby Plantation Sdn. Bhd. (SDPSB) strategic operating unit (SOU) namely SOU 32 – Rajawali. Rajawali SOU was certified by other certification body (Control Union Certification) before on 30th December 2011. This assessment is the first surveillance assessment after SDPSB decided to transfer the certification body to SIRIM QAS International Sdn. Bhd.

SOU is equivalent to a certification unit as defined in the RSPO Certification Systems Document. Each SOU consists of one mill and its supply bases. The supply bases are made up of estates owned by SDPSB only.

This assessment covered a management unit and its supply bases as detailed in Table 1. The supply bases assessed were confined to estates owned by SDPSB. There are three main estates supplying to Rajawali Palm Oil Mill (POM) i.e. Rajawali Estate, Samudera Estate, Semarak Estate and Bayu Estate.

The focus of the assessment team was to determine Rajawali SOU conformance against the RSPO P&C MYNI as well as to verify the actions taken on the previous assessment findings.

Details of the SOUs are described in Table 1:

Table 1: Certification units covered in the assessment

No.	Certification Unit	Palm Oil Mill	FFB Supplying Estates owned by SDPSB
1.	SOU 32	Rajawali Oil Mill	Rajawali Estate Samudera Estate Semarak Estate Bayu Estate

1.2 Location of Mills and Estates

SOU 32 is located in Bintulu District, Sarawak, Malaysia. The locations of the SOUs are shown in Attachment 1.

Location details of the SOU which includes palm oil mill and supplying estates are shown in Table 2.

Table 2: Location and addresses of mills and estates

Certification Unit	Estate/Mill	GPS Location		Location Address
		Latitude	Longitude	
SOU 32 – Rajawali	Rajawali POM	N3.40094	E113.34773	97011 Bintulu, Sarawak
	Rajawali Estate	N3.42595	E113.379	97008 Bintulu, Sarawak
	Samudera Estate	N3.56449	E113.373	97012 Bintulu, Sarawak.
	Semarak Estate	N3.45986	E113.364	97011 Bintulu, Sarawak.
	Bayu Estate	N3.55332	E113.347	97012 Bintulu, Sarawak.

1.3 Production Volume for All Certified Products

Table 3: Actual CPO and PK tonnage since date of last reporting period (October 2012 to September 2013)

Certification unit	FFB Processed (mt)	CPO Production (mt)	PK Production (mt)	Certified CPO (mt)	Certified PK (mt)
SOU 32	207049.10	45959.18	9170.84	-	-

Table 4: Estimated certified CPO and PK tonnage (October 2013 to September 2014)

Certification unit	FFB Processed (mt)	CPO Production (mt)	PK Production (mt)	CPO Tonnage claimed for certification (mt)	PK Tonnage claimed for certification (mt)
SOU 32	230357	51830	10366	51830	10366

1.4 Certification Details

The name of the certified Unit and its RSPO identification are as follows:

Parent company: Sime Darby Plantations Sdn. Bhd.

Certificate no: RSPO 0020

The date of certification was the date of the RSPO approval which was 30th December 2011.

The certification for SOU 32 – Rajawali covers production from Rajawali Oil Mill with FFB supplied by the following company owned estates: Rajawali Estate, Samudera Estate, Semarak Estate, Bayu Estate and also crop from third parties (if any).

1.5 Description of The Supply Base

Details of the FFB contribution from each source to the SOU are shown in Table 5:

Table 5: SOU 32 Rajawali - Actual FFB production since date of last reporting period (October 2012 to September 2013)

Estates	FFB Production		Certified by which CB
	Tonnes	Percentage (%)	
Rajawali Estate	55746.77	26.94	SIRIM
Samudera Estate	46974.99	22.70	SIRIM
Semarak Estate	48367.99	23.38	SIRIM
Bayu Estate	47676.13	23.04	SIRIM
Damai	5721.89	2.77	SIRIM
Sahua	1699.75	0.82	SIRIM
Derawan	281.75	0.14	SIRIM
Chartquest	21.82	0.01	Agrovet
Rasan	25.31	0.01	Agrovet
Lavang	35.16	0.02	Agrovet
Takau	353.33	0.17	SIRIM
Other third parties (if any)			e.g. Not certified
Other SDPSB's Estate (please specify the estate name) e.g.			

Total	206904.89	100%	
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1.6 Date of Planting and Replanting Cycle

The planting profiles for each estate is detailed in the following tables:

Table 6: Planting profile for Rajawali Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1994-1997	1st	mature	2993.67	87.44
1998-2003	1st	mature	167.04	4.87
2004-2008	1st	mature	56.56	1.66
2013	2nd	immature	206.32	6.03
Total			3423.59	100.00

Table 7: Planting profile for Samudera Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1998	1st	mature	1172.85	53.02
1999	1st	mature	205.44	9.29
2000	1st	mature	833.62	37.69
Total			2211.91	100.00

Table 8: Planting profile for Semarak Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1993	1 st	Mature	626.39	27.70
1994	1 st	Mature	891.44	39.41
1995	1 st	Mature	293.62	12.98
1996	1 st	Mature	342.76	15.16
2004	1 st	Mature	107.50	4.75
1993	1 st	Mature	626.39	27.70
Total			2261.71	100.00

Table 9: Planting profile for Bayu Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1998	1 st	Mature	849.08	38.83
1999	1 st	Mature	217.75	9.88
2000	1 st	Mature	1100.19	49.92

2006	1 st	Mature	8.90	0.40
2008	2 nd	Mature	5.85	0.27
2010	2 nd	Immature	15.30	0.70
Total			2,197.07	100.00

1.7 Organizational Information/Contact Person

The details of the contact persons for SOU 32 are as shown below:

Chairman of **SOU 32**:

Name : Mohamad Azahar Saat.
 Designation : Manager, KKS Rajawali
 Address : P. O. Box 2324, 97011 Bintulu, Sarawak
 Phone # : 086-327551/019-8538388
 Fax # : 086-325849

1.8 Time Bound Plan for Other Management Units

Initially, there were a total of 65 certification units under Sime Darby Plantation Sdn. Bhd. located in Peninsular Malaysia, Sabah & Sarawak in Malaysia and in Kalimantan, Sumatera & Sulawesi in Indonesia. 42 units in Malaysia and 23 units in Indonesia. At the point of this surveillance assessment, there were 59 palm oil mills (59 SOUs) after strategic alignment in August 2013.

The variance was due to in Malaysia, 3 palm oil mills (Jeleta Bumi, Mostyn, Segaliud) in Sabah Sungai Samak, Yong Peng) had been closed down and another Sepang Mill was assigned to receive crop solely from third parties. 1 mill (Tamiang) in Indonesia has been ceased operation and combined with Blang Simpo Oil Mill.

Sime Darby Plantation Sdn. Bhd is committed to RSPO certification as announced in the earlier assessment. The certification assessments are being conducted as per their plan with the target for completion by December 2011. However, the time bound plan has been shifted to 2014 due to commissioning of new mills in Malaysia and Indonesia. As to date 32 of their SOUs in Malaysia and 21 SOUs in Indonesia are certified. 2 mills in Peninsular Malaysia namely (SOU Pagoh and Sua Betong) has undergone main assessment and the other 4 SOUs in Indonesia have also undergone assessment and delayed due to some disputes and pending for certification approval.

2.0 Assessment Process

2.1 Certification Body

SIRIM QAS International Sdn. Bhd. is the oldest and leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally recognised standards. Attestation of this fact is the accreditation of the various certification and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards Malaysia (STANDARDS MALAYSIA), the United Kingdom Accreditation Services (UKAS), the International Automotive Task Force (IATF), and the Secretariat of the United Nations Framework Convention for Climate Change (UNFCCC). SIRIM QAS International is a partner of IQNet, a network currently comprising of 36 leading certification bodies in Europe, North and South America, East Asia and Australia.

SIRIM QAS International has vast experience in conducting assessment related to RSPO assessment. We have certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001.

SIRIM QAS International was approved as a RSPO certification body on 21st March 2008.

2.2 Qualification of Lead Assessor and Assessment Team

The assessment team consisted of four assessors. None of the assessor has involved any auditing stage at Derawan certification unit since this assessment was conducted on transfer of certification body basis. The details of the assessors and their qualification are detailed below:

Assessment Team	Role/Area of RSPO Requirement	Qualification and Experience
Mohamed Hidir Zainal Abidin	Assessment Team Leader/ Occupational health & safety and environmental issues at mill and estate, legal related issues and supply chain certification system	<ul style="list-style-type: none"> • Experience in palm oil milling • Successfully completed IRCA/RABQSA accredited Lead Assessor training for ISO 9001, ISO14001 & OHSAS 18001 in 2012 • Successfully completed RSPO Lead Assessor Course in 2013 • B.Sc. (Hons) Chemical Engineering, Universiti Kebangsaan Malaysia (UKM)
Mahzan Munap	Assessor/ Occupational health & safety and environmental issues at mill and estate, legal related issue and supply chain certification system.	<ul style="list-style-type: none"> • CIMAH Competent Person with Malaysian Department of Occupational Safety and Health (DOSH) since 1997. • Occupational Safety and Health Trainer at INSTEP Petronas • Successfully completed RSPO Lead Assessor Course – 2008. • Successfully completed Lead Assessor Course for OHSAS 18001 • Successfully completed IRCA accredited Lead Assessor training for ISO 9001 • Successfully completed RABQSA/IRCA EMS Lead Assessor Course for ISO 14001 in 2008. • MBA, Ohio University. B.Sc. Petroleum Engineering, University of Missouri, USA. • Attended RSPO Training
Selvasingam T. Kandiah	Assessor / Good Agricultural Practices (GAP) and environmental issues	<ul style="list-style-type: none"> • B. Sc. (Hons) Agriculture – University of Agricultural Sciences, Hebbal, Bangalore, India (1969-1973) • A Planter with Kumpulan Guthrie Berhad (1995-2002 – retired) • Inclusive of One year in Liberia and • 2 years in Estate Department in Guthrie head quarters • Experience in Managing: • Nursery : Rubber and Cocoa • Immature Area : Cocoa Replant, Rubber Replant, Oil Palm Replant & Oil Palm New Clearing • Mature Area: Cocoa, Rubber & Oil Palm. • Attended RSPO Training
Mohd Razman Salim	Assessor / HCV habitat & ecology /workers' & community issues and related legal issues	<ul style="list-style-type: none"> • Experience related to forest management • Successfully completed ISO 14001 EMS RABQSA/IRCA approved Lead Assessor – 2013 • Successfully completed ISO 9001 QMS RABQSA/IRCA approved Lead Assessor – 2013 • Successfully completed OHSAS 18001 OHSMS RABQSA/IRCA accredited Lead Assessor Course – 2013 • Attended RSPO Training

2.3 Assessment Methodology

The Surveillance Assessment 1 was conducted on 5th to 9th November 2012. The main objectives of this assessment were to

- determine conformance against the RSPO Principles & Criteria - MYNI and RSPO Supply Chain
- verify the effective implementation of corrective actions arising from the findings of main assessment
- make appropriate recommendations based on the current assessment findings.

Planning for the Surveillance 1 assessment was guided by the RSPO Certification Systems Document. The sampling formula of $0.8 \sqrt{y}$, where y is the number of estates in the SOU, was used. Nonetheless, all of the five estates and the mill (Rajawali Palm Oil Mill) were visited and assessed, but the coverage of number of RSPO P&C indicators were selective for each estate.

The assessment was conducted by visiting the field, mill, HCV habitats, labour lines, chemical and waste storage areas and other workplaces. Interviews with management, employees, contractors and other relevant stakeholders were also conducted. Apart from the above, records as well as other related documentation were also evaluated. Details of the Surveillance 2 assessment programme are in Attachment 2.

The assessment non-conformity report was raised on site and all the major non-conformities have been closed-out based on the corrective action evidence submitted to the assessment team. Detail of the non-conformity report and corrective action are in F.

2.4 Date of Next Surveillance Visit

The next surveillance audit will be conducted within nine to twelve months from this audit.

A. AUDIT FINDINGS

a) Changes to certified products in accordance to the production the previous year

There was no changes to the total certified product production if compared to the certified product projection

FFB Processed (tonne)	CPO Production (tonne)	PK Production (tonne)
207049.10	45959.18	9170.84

Data since the last reporting period (October 2012 to September 2013)

FFB Processed (tonne)	CPO Production (tonne)	PK Production (tonne)
206921.78	45959.18	9174.84

Certified FFB and product projection from 2nd surveillance report. There was no overproduction and changes to the certified source and product.

b) Other changes (e.g. timebound plan, organizational structure, new contact person, addresses, etc.).

Initially, there were a total of 65 certification units under Sime Darby Plantation Sdn. Bhd. located in Peninsular Malaysia, Sabah & Sarawak in Malaysia and in Kalimantan, Sumatera & Sulawesi in Indonesia. 42 units in Malaysia and 23 units in Indonesia. At the point of this surveillance assessment, there were 59 palm oil mills (59 SOUs) after strategic alignment in August 2013.

The variance was due to in Malaysia, 3 palm oil mills (Jeleta Bumi, Mostyn, Segaliud) in Sabah Sungai Samak, Yong Peng) had been closed down and another Sepang Mill was assigned to receive crop solely from third parties. 1 mill (Tamiang) in Indonesia has been ceased operation and combined with Blang Simpo Oil Mill.

Sime Darby Plantation Sdn. Bhd is committed to RSPO certification as announced in the earlier assessment. The certification assessments are being conducted as per their plan with the target for completion by December

2011. However, the time bound plan has been shifted to 2014 due to commissioning of new mills in Malaysia and Indonesia. As to date 32 of their SOUs in Malaysia and 21 SOUs in Indonesia are certified. 2 mills in Peninsular Malaysia namely (SOU Pagoh and Sua Betong) has undergone main assessment and the other 4 SOUs in Indonesia have also undergone assessment and delayed due to some disputes and pending for certification approval.

- c) All associated smallholders (including scheme smallholders) where their fruit supply is included, by the mill, are audited within 3 years from when their fruit was first included in the mill certification. ☐ Yes ☒ No
- d) Any new acquisition which has replaced primary forests or HCV areas ☐ Yes ☒ No
- e) Status of previous non conformity(ies) ☒ Closed ☐ Not closed*
- * If not closed, will be upgraded to major non conformity
Refer to attachment 3

f) Environmental / Social Issue

There were some environment issues sighted during this assessment related to legal and also implementation of waste management plan as well as on the outgoing water monitoring. Legal issues related to compliance with Clean Air Regulation 1971 on the stack emission monitoring and boundary noise survey as per written approval requirement. This issue has yet to be rectified and actioned by SOU 32. Refer to NCR MM1 for details. The other issue related waste management plan which has been issued in the last assessment under indicator 2.1.1. However, minor lapses were found on the implementation related to scheduled waste management during the audit. Therefore NCR MH3 was raised. On the outgoing water monitoring, Semarak Estate did not carry out the analysis for outgoing water as per required procedure. Therefore, NCR MH5 was raised against indicator 4.4.3.

For social issue at RAjawali CU, there were some issues under principle 6 which have not been effectively carried out and implemented. Knowledge and awareness among workers and staff yet to be improved. NCR MRS01 was issued against the indicator 4.8.1. Other issues related to SIA management and action plan, communication on action taken for internal and external grievance, details of payments was not clearly understood by workers and lastly contribution on local development were among issues of concern raised by auditor. Details of each issue can be referred in the report and NCR MRS02, 03 and 04.

g) Complaint received from stakeholder (if any)

Complaint from internal and external stakeholder was evident during the assessment by interviewing the respective group of stakeholders. Complaint and grievance mechanism was in place, however understanding of the procedures has yet to be further improved. Refer NCR MRS01.

h) Specific findings during the surveillance in accordance to MYNI RSPO P & C .

Principle 1: Commitment to Transparency

Criterion 1.1: Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate language & forms to allow for effective participation in decision making.

1.1.1	Records of requests and responses must be maintained.				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	SOU 32 was still continuing to implement the procedure for responding to any communication as outlined in their Estate/Mill Quality Management System documents. The system required response to all communication within a certain time frame. Action may then be taken to fulfil the request or for decision to be made by relevant person-in-charge. All communications were logged and registered. The records for all communication were identified and maintained in different files depending on the stakeholder. Each record stated the date of communication received, response and remarks whether requests have been addressed. Among the records inspected were correspondences with the authorities, local communities and employees.				

	During site review at Bayu Estate, it was found the last official meeting with stakeholder was conducted on 31 July 2009 which explaining on the policies and RSPO requirement in the Sime Darby Plantation. The stakeholder list was made available. The Bayu Estate was surrounded by their own estate e.g. Sahu and Samudera Estate. They had maintained the relevant stakeholders, e.g. Tawakal Sejati Plantation and Suburmas Plantation. There is no village or local communities nearby. The system is transparent from the records show meeting with the stakeholders and contractors. All the records were kept in the estate office.
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Criterion 1.2: Management **documents are publicly available**, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

This concerns management documents relating to environmental, social and legal issues that are relevant to compliance with RSPO Criteria. Documents that **must** be publicly available include, but are not necessarily limited to:-

1.2.1	Land titles / user rights (C 2.2)	
1.2.2	Safety and health plan (C 4.7)	
1.2.3	Plans and impact assessment relating to environmental and social impacts (C 5.1, 6.1, 7.1, 7.3)	
1.2.4	Pollution Prevention Plan (C 5.6)	
1.2.5	Details of complaints and Grievances (C 6.3)	
1.2.6	Negotiation procedures (C 6.4)	
1.2.7	Continuous improvement plan (C 8.1)	

Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
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Objective evidence:	<p>There was no restriction noted as to the documents made available to the public except those prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>SDPSB continued to use the internet for disseminating public information. Information relating to land titles, safety and health plans, pollution prevention plans and the procedure for complaints and grievances were available through SDPSB website at http://plantation.simedarby.com.</p> <p>Among the documents that were made available for viewing are:</p> <ul style="list-style-type: none"> • Good Agricultural Practices • Social enhancement • Sustainability initiatives • Sustainability Management Programmes and; • Complaint and grievances procedure <p>These documents highlight current SDPSB practices and their continual improvement plans. Besides the above document SDPSB policy on the followings are also available at the same website:</p> <ol style="list-style-type: none"> 1) Social 2) Quality 3) Food Safety 4) Occupational Safety & Health 5) Environment & Biodiversity 6) Slope Protection and Buffer Zone 7) Lean Six Sigma 8) Gender <p>In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p> <p>To the point of this assessment, SOU 32 has not received any request pertaining Criterion 1.2.</p>
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Principle 2: Compliance with Applicable Laws and Regulation

Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.

2.1.1	Evidence of compliance with legal requirements					Major
Findings	In compliance:	Yes:		No:	X	
Objective evidence:	Legal and other requirements register was reviewed by SOU 32, (at RPOM on 5 September 2012) and site visit confirmed its findings, for example: <ul style="list-style-type: none">• No changes to the mills and estates' machineries and activities therefore no new legal					

	<p>requirement was identified.</p> <ul style="list-style-type: none"> Permits to keep diesel at RPOM, Bayu and Damai Estate from Domestic Trade Ministry was valid All foreign workers had valid work permits and there were no children below the age of 18 being employed. <p>Despite the review and the commitment to comply to applicable legal requirements the following lapses were noticed and thus a Major NCR MM1 was raised:</p> <ol style="list-style-type: none"> Licencee (RPOM) did not comply with every condition imposed in respect of every category of licence as specified in the licence in accordance with the Sixth (Clause 8) and Seventh Schedule, Regulation 21 (2) MPOB (Licensing) Regulations 2005 wherein all four Malaysian local and one Indonesian FFB Graders were not trained by MPOB. Breach of Factories and Machinery (Person In Charge) Regulation 1970, Regulation (4), whereby RPOM failed to engage a 1st Grade ICE visiting engineer. Infringement of Electricity Rules 1999, Section 4 (5) Rule 3, Licence to Use, Work or Operate an Electrical Generating Installation as per the Sarawak Electricity Ordinance, Chapter 50, 2007, that is, all assessed installation at SOU 32 (RPOM and its estates offices that operate Generator Sets) did not possess licence to generate electricity exceeding 5kw. There was no evidence that requirements on stack emission and noise level for the assessed SOU 32 estates' Diesel Generator sets were within the regulated limit of Environmental Quality (Clean Air) Regulations 1978, that is, meeting the written approval conditions stated. SOU32 Management failed to arrange for a registered medical practitioner to visit all its clinic at least once a fortnight to supervise the operations and management of the clinic and to provide medical treatment to workers and their dependants, thus, non-compliance to Workers Minimum Standards of Housing and Amenities Bill 1990, Section 19 (3).
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2.1.2	A documented system, which includes written information on legal requirements	Minor
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Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
Objective evidence:	Rajawali SOU 32 continued to implement and maintain the established documented system for identifying, accessing, tracking and monitoring of compliance with the legal requirements that are applicable to Rajawali SOU 32's operation. Each office of the mill and estates has its own Legal and Other Requirements Register (LORR) and were being evaluated individually annually for compliance by a Senior Executive and reviewed by its Assistant Manager..

2.1.3	A mechanism for ensuring that they are implemented	Minor
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Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
Objective evidence:	<p>A mechanism for ensuring that legal requirements are implemented were established and maintained. The Mill and Estate carried out a self-assessment of legal compliance against the legal requirements annually and records assessed confirmed SOU 32 had done so (compliance check) annually.</p> <p>Further sightings showed that the mill and Estates had maintained copies of applicable Permits and Licences on display. Checks of permits and licences confirmed all were valid. Chemical Health Risk Assessment for Field Sprayers and Chemical Handlers at mill (Laboratory personnel, Water Treatment Plant Operators, Boilerman) as well as mill operators' Audiometric test had been done and found current. Requirements of competent person as regulated by law had been complied with as noted in the Evaluation of compliance except as highlighted in NCR MM1. The 2 units of Smoke Density Meter at RPOM were last calibrated on 12th September 2013. DOE last visited RPOM on 14th June 2013 and no negative comments noted</p> <p>Quarterly OHS Committee Meeting, Reporting of Accidents in accordance to NADOOPOD Regulations 2004, monitoring records of effluent discharges, boiler smoke emission, scheduled waste and chemical management had been implemented and complied with. At Damai Estate 400 liters of Scheduled Waste (SW 305, 306, 307, 312) were last disposed to approved DOE Contractor on 12th September 2013.</p>

2.1.4	A system for tracking any changes in the law	Minor
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Findings	In compliance: Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>
Objective evidence:	<p>As stated in the Standard Operation Manual, PSQM Department will undertake the responsibility of identifying, managing, updating and tracking the legal requirements. However, some of other applicable legal and other requirements has yet to be identified and updated in the legal register which related to :</p> <ol style="list-style-type: none"> Environment Quality Act 1974, 49A on competence person (amendment 2012) Code of Practice Confined Space 2010 Sarawak Electricity Ordinance (Chapter 50) 2007 MPOB Regulations (Licencing) 2005 The Business, Profession and Trading Licensing Ordinance (Section 5, 23 & 24(2)) <p>Therefore, minor NCR MH1 was issued.</p>

Criterion 2.2: The right to use the land can be demonstrated, and is not legitimately contested by local

communities with demonstrable rights.

2.2.1	Evidence of legal ownership of the land including history of land tenure					Major
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	The legal ownership of land title for SOU 32 was verified during the audit. All of the original grants were kept at Land Management Department, Wisma Guthrie, Bukit Damansara Kuala Lumpur. SOU 32 is under the district of Kemena Land. Table below shows some examples of grants sighted at SOU 32. Only photocopy document on land title payment of quit rent was available at the visited site which is Bayu Estate. Copies of land titles for the estate was sighted and it was evident that the terms of land title were being complied with permitted for Agricultural purpose, except the owner is still with Sahua Enterprise Sdn Bhd. However, the auditor was informed that Sahua Enterprise Sdn Bhd was part of Sime Darby. During consultation with Senior Executive at the Sime Darby Regional Office, the company was in progress to change name from Sahua Enterprise Sdn. Bhd. to Sime Darby for Bayu Estate, (which is combined grant with Samudera, Sahua, and Damai Estate) was under SOU 33 (Derawan CU) management. The progress has been sighted during the audit. Based on the content of the correspondence, the auditor found the issue needed more time to resolve especially in the merger exercise where it involved different owner companies from Sahua Enterprise and Sime Darby. The relevant rules and regulations as stipulated in the Land Enactment of Peninsular are applicable to SDPSB. There is a need to keep track on the status of this issue from time to time during every surveillance audit.					
2.2.2	Growers must show that they comply with the terms of the land title. [This indicator is to be read with Guidance 2]					Major
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	Based on official letter between Sime Darby and Land & Surveys, Department of Bintulu, Sime Darby has made payment of Quit Rent. The rented land (lease hold) will be expired on 19 April 2048 and were used for agricultural purposes as stated in the agreement with Kemena Land District. So, it was confirmed the terms of the land title for the estate has been continuously complied.					
2.2.3.1	Evidence that boundary stones along the perimeter adjacent to state land and other reserves are being located and visibly maintained					Minor
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	Boundary stones in the Samudera Estate were located and visibly maintained along the perimeter adjacent to other company estate such as Imbok Plantation and Tawakal Estate (belongs to WTK Plantation).					
2.2.3.2	Where there are, or have been, disputes, proof of resolution or progress towards resolution by conflict resolution processes acceptable to all parties are implemented. (CF 2.3.3, 6.4.1 and 6.4.2)					Minor
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	Currently, there no cases reported on land disputes conflict on Samudera Estate. Evidences of ownership (cross refer to section 2.2) are available and were sighted. It was also noted from records sighted, as well as through interviews with stakeholders, that there were no further disputes on land rights within the area under management of Rajawali SOU.					
Criterion 2.3: Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.						
2.3.1	Where lands are encumbered by customary rights, participatory mapping should be conducted to construct maps that show the extent of these rights.					Major
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	This criteria was not applicable for Rajawali SOU since there was no cases on land disputes.					
2.3.2	Map of appropriate scale showing extent of claims under dispute					Major
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	This criteria was not applicable for Rajawali SOU since there was no cases on land disputes.					
2.3.3	Copies of negotiated agreements detailing process of consent (C 2.2, 7.5, 7.6)					Minor
Findings	In compliance:	Yes:	X	No:		

Objective evidence:	This criteria was not applicable for Rajawali SOU since there was no cases on land disputes.
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Principle 3: Commitment to Long-Term Economic and Financial Viability					
Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability					
3.1.1	Annual budget with a minimum of 2 years of projection				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>SOU 32 has an Annual Budget with a four year rolling projection through July 2017 – June 2018. The Budget includes crop forecasts, performance targets, operation, maintenance, training, occupational safety and health and environmental upkeep for the Mill and Estates and production is reported monthly to Head Office against performance targets.</p> <p>The mill budget for FY 2013/2014 had include modification and upgrade of associated equipment following the installation of one new 45TPH boiler, example, scrapper conveyor, cross fuel conveyor, modification of old sterilizer condensate chamber, installation of clarifier buffer tank, and the installation of a Fire Fighting system to gain BOMBA Certification, etc.</p>				
3.1.2	Annual replanting programme projected for a minimum 5 years with yearly review				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The replanting programmes until 2018 were sighted for both Derawan & Damai Estates. This programme is reviewed once a year and is incorporated in their annual financial budget. The programme was being implemented as scheduled</p>				

Principle 4: Use of Appropriate Best Practices by Growers and Millers					
Criterion 4.1: Operating procedures are appropriately documented and consistently implemented and monitored.					
4.1.1	Documented Standard Operating Procedures (SOP) for estates and mills				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>SOU 32 Rajawali continued to use the established Plantations / Mill Quality Management System (PQMS / MQMS). Manual, PQMS / MQMS Standard Operating Manual and Procedures (SOP) and Sustainable Plantation Management System (SPMS) Manual, RSPO Supply Chain Manual, ESH Management System Manual, Occupational Safety and Health Manual, Pictorial Safety Standards, Laboratory Process Control Manual and Security Guidelines. It include operation activities in the estates and the mills from seedlings in nursery to planting of young palms and plantation upkeep to mill FFB receipt, grading, processing, quality analysis and despatch of CPO, PK and PKO as well as security of the SOU. For the estates, on top of the PQMS, technical guidelines as listed in the Agricultural Reference Manual were also used.</p> <p>Contents of the Manual were disseminated to the workers through morning roll call and trainings. The Manual is also kept in the administration office where everyone can refer to. Site inspection and interview with workers confirmed that the SOP had been implemented and they understood the requirements of the SOP, the bottom-line of which is Good Agricultural / Mill Practice and the care for their safety and health and the environment.</p> <p>It was also seen that relevant SOP, sometimes and abridged version, were displayed at various work station for easy reference.</p>				
4.1.2	Records of monitoring and the actions taken are maintained and kept for a minimum of 12 months				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Monitoring of the SOP implementation was closely done by person-in-charge and records were available for verification. The records had been maintained at least 3 years and some sighted before 2008. Among the records were work programmes for major activities at the estates such as manuring, herbicide spraying, weeding, road maintenance, issuance of PPE, soil and foliar analysis as supported through the stock books, store requisition, issue sheets and progress reports.</p> <p>At the mill, among the monitoring records verified were boiler chemical usage, boiler smoke emission, steam turbine running hours and its maintenance schedule, quality of effluent discharges, and generation of wastes. were maintained. Sighted the analysis result for effluent discharge from January 2013 till October 2013. There are certain occasion i.e month of March 2013 that Bio-oxygen Demand (BOD) exceeded the DOE limit at 209mg/l against 100mg/l. The mill has taken necessary action and as a result the following month the BOD reading below the DOE limit i.e. 77mg/l.</p>				

	Records of implementation were well maintained which includes the harvesting intervals, etc				
Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to a level that ensures optimal and sustained yield.					
4.2.1	Monitoring of fertilizer inputs through annual fertilizer recommendations				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Annual Fertiliser recommendations are made by SD,s agronomist based on annual foliar sampling. The applications are monitored via programme sheets. Records sighted showed a total of 1,373.90 tonnes of CCM 44 was applied in Rajawali Estate and 1,423.05 tonnes of CCM44, 12.70 tonnes of Borate and 151.80 tonnes of Keserite was applied in Samudera Estate during the financial year 2012/2013. For the current financial year 639.60 tonnes of CCM44 had been applied in Samudera Estate.				
4.2.2	Evidence of periodic tissue and soil sampling to monitor changes in nutrient status				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Periodic foliar and soil sampling to monitor changes in nutrient status are in place in both estates. Annual foliar sampling had been carried out in both estates and the results formed the basis for the fertiliser recommendations. The last foliar sampling done in Samudera Estate was in June 2012 and in Rajawali Estate it was in progress at time of visit.</p> <p>Soil sampling is carried out every 5 years as per requirement in the SPMS Manual for PH, Organic Carbon, Total N, Total & Available P and Exchangeable K, Mg and Ca. The last sampling was in July 2008.</p>				
4.2.3	Monitor the area on which EFB, POME and zero-burn replanting is applied				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>EFB mulching and Compost application was carried in both estates. 23,700.20 tonnes and 4,530.00 tonnes of EFB at a rate of 40tonnes / Ha were applied in Rajawali Estate & Samudera Estate respectively in 2013/2014. EFB was also applied in 2013 replant in Rajawali Estate. The CU practiced Zero burning and this was evident in the replant in Rajawali estate. Domestic waste was buried in Landfills and there was no evidence of open burning.</p>				
Criterion 4.3: Practices minimize and control erosion and degradation of soils.					
4.3.1	Documented evidence of practices minimizing soil erosion and degradation (including maps)				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Both estates continue to have practices in place to minimise and control erosion and degradation of soils. The topography for both the estates was generally undulating and hilly. Pruned fronds were stacked along terraces in the undulating and hilly areas while in flat areas U shaped stacking was practiced.</p> <p>During the site visit, the estates endeavored to maintain soft vegetation such as <i>Nephrolepis bisserata</i> and soft grasses in interlines though sporadic noxious weeds which are being sprayed out were seen.</p> <p>Both estates continued to practice only circle and path spraying for field maintenance in the mature areas as stipulated in their SOP.</p> <p>Silt pits and roadside drains at estates visited were seen strategically located at some field to along the road to collect diverted road runoff to further minimize soil erosion. These pits could also retain moisture to the oil palm fields.</p>				
4.3.2	Avoid or minimize bare or exposed soil within estates				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	In order to avoid/minimise bare or exposed soil the estates practised only circle and minimum path spraying and spread out empty cut opened fertiliser bags at FFB collection platforms. No blanket spraying was advocated.				
4.3.3	Presence of road maintenance programme				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	During the field visit, it was noted road conditions were satisfactory and accessibility were made possible by regular maintenance guided by its road maintenance programmes which consist of road resurfacing, grading & compacting and culvert maintenance. The estates purchase stones from the Damai Quarry and placed them in strategy points ready for use. The financial support for this operation could be seen in the annual budget. Records of this activity are adequately maintained.				
4.3.4	Subsidence of peat soils should be minimized through an effective and documented water management programme				Minor

Findings	In compliance:	Yes:	X	No:		
Objective evidence:	There were no peat soils					
4.3.5	Best management practices should be in place for other fragile and problem soils (e.g. sandy, low organic matter and acid sulphate soils)					Minor
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	There were no fragile soils.					
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.						
4.4.1	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before replanting along all natural waterways within the estate.					Major
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	Samudera Estate did protection of water courses, wetlands and swamp area including maintaining and restoring appropriate riparian buffer zones. No spraying or fertilizing activity was allowed in the buffer zone area of Similajau River. Only manuring practices was allowed in the riparian buffer zones. Length of buffer zone was followed the riparian guidelines.					
4.4.2	No construction of bunds/weirs/dams across the main rivers or waterways passing through an estate					Major
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	No construction of bunds/dams across Similajau River in the Samudera Estate estate.					
4.4.3	Outgoing water into main natural waterways should be monitored at a frequency that reflects the estates and mills current activities which may have negative impacts (Cross reference to 5.1 and 8.1)					Major
Findings	In compliance:	Yes:		No:	X	
Objective evidence:	<p>Outgoing water into natural waterways from Rajawali Palm Oil Mill (RPOM) were mainly from rain water while the process water were channelled into effluent treatment plant. Mill effluent is treated through a series of thirteen (13) Effluent Treatment Ponds, two (2) of which are anaerobic digestion pond in addition to a Super Effluent System Plant (SES). Aquabact 1000 bacteria had been fed to activate the bio-reactor plant and since then, the BOD had reduced to below 20 ppm. One sample from the Cooling Pond of the Effluent Treatment System and seven samples from the SES Plant were taken and sent for analysis at fortnightly and weekly intervals respectively.</p> <p>The Mill had collected water sample at upstream, midstream of Similajau River approximately 2 km from mill and downstream of RPOM. Test report of 19/07/2013 sighted showed all parameters (pH, BOD, COD, SS, AN, P) were well below Class IIA of the Malaysia Interim National Water Quality Standards. Examination of the test results showed there were minor differences between upstream and downstream for pH, COD and Total Suspended Solids.</p> <p>Estates were also carried out the incoming and outgoing water crossing the estates as per established procedure, Sustainable Plantation Management System, Appendix 7, dated 1/4/2008 to be carried out quarterly. However, Water sampling analysis was not conducted at Semarak Estate for both domestic and surface water Therefore, Major NCR MH4 was issued.</p>					
4.4.4	Monitoring rainfall data for proper water management					Minor
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	Both estates monitored rainfall days and rainfall in mm and were available from year 2002.					
4.4.5	Monitoring of water usage in mills (tonnage water use/tonne FFB processed)					Minor
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	The mill had been monitoring water consumption and been reporting monthly usage against per ton FFB processed. For FY 11/12 and FY 12/13 it was 1.63 m ³ / mt FFB and 1.43 m ³ / mt FFB respectively. There was a significant improvement as a result of Water Management Plan adopted as stated under element 4.4.7 below.					
4.4.6	Water drainage into protected areas is avoided wherever possible. Appropriate mitigating measures will be implemented following consultation with relevant stakeholders.					Minor
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	There is no protected area at the estates. All water usage and water quality in the estates is monitored by collecting water samples at the designated water sampling points. A water sampling map (Hydrology Map) is available for the auditors.					

4.4.7	Evidence of water management plans					Minor
Findings	In compliance:	Yes:		No:	X	
Objective evidence:	Among the water management plan established by the mill was solving high steam consumption issue at turbine no.1 (turbine was running with undersize boiler) and reduce water consumption by recycling sterilizer condensate for oil dilution.					
Criterion 4.5: Pests, disease, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.						
4.5.1	Documented IPM system					Minor
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	Both estates continued to manage pests, disease, weeds and invasive introduced species using appropriate IPM techniques. In order to minimize use of Insecticides the estate has established a nurseries for beneficial plants mainly <i>Tunera subulata</i> , <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> . This was to establish continuity in the planting of beneficial plants. Spraying using chemicals was minimised by spraying only circle and paths and soft weeds and <i>Nephrolepis bisserata</i> are maintained in interlines with only noxious weeds sprayed out.					
4.5.2	Monitoring extent of IPM implementation for major pests					Minor
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	The monitoring of leaf eating pests are carried by the harvesters and harvesting mandores during harvesting operation. There was no recent attack by leaf eating pest. The estates implemented calendar baiting and extend of infestation is monitored with rat bait acceptance records. Baiting was continued until the acceptance of baits fell to 20%.					
4.5.3	Recording areas where pesticides have been used					Minor
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	Both estates continued to record areas where pesticides had been used. Pesticides are used only when justified and areas used are recorded in Field Cost books, bin cards and in program sheets.					
4.5.4	Monitoring of pesticide usage units per hectare or per ton crop e.g. total quantity of active ingredients (a.i) used/tonne of oil					Minor
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	Records of both current and past years' usage of pesticides by area, quantity used, hectares applied and Ai/Ha were made available to auditors.					
Criterion 4.6: Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorized as World Health Organization Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.						
4.6.1	Written justification in Standard Operating Procedures (SOP) of all agrochemical use					Major
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	The written justification in Standard Operating Procedure (SOP) of all agrochemical are available the Agricultural Reference Manual (ARM), SOP and in the Safety Pictorial Book prepared by SD.					
4.6.2	Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53); and in accordance with ESECHH Regulations (2000)					Major
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	It was confirmed at all site stores visited that pesticide used for field operation were those registered under the Pesticide Act 1974. Records of spraying are held on files. Among the pesticide used were: Behn Mayer Glyphosate (Glyphosate Isopropylamine), Ally 20DF (Metsulfuraon Methyl), Kenlon (Triclopyr Butoxyl Ethyl Ester), and Warfarin (Coumarin, 3-(alpha-acetonylbenzyl)-4-hydroxy-, sodium salt). Chemical Health Risk Assessment (CHRA) had been conducted for all sprayers and the results of assessment showed that the personnel exposure level were well below the permissible limit, mainly attributed to strict adherence of SOP, such as wearing appropriate PPE, correct methodology of spraying of pesticides in the same direction wind blows.					
4.6.3	Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations					Major

Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Site visit to chemical stores noted pesticides had been stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations. Chemical Safety Data sheets (CSDS) were available at the point of use. Record of the purchase, storage and use had been properly maintained. The stores were pad locked, ventilated, proper PPE requirement signage posted at entrance to store and spill containment tray placed underneath each product.</p> <p>At Bayu Estate permit to store 168 liters of Methamidophos had been obtained from the Department of Agriculture, Bintulu. At the time of assessment, 76 liters had been used and the balance had yet to continue to be used.</p> <p>Empty pesticides containers were found not triple rinsed and pierced in the schedule waste storage at all estate. Triple rinsing activities was continually implemented. Letter form DOA dated 29/10/2010 was sighted on the appointment of Fonsen Enterprise as an agent for empty container collector.</p>				
4.6.4	All information regarding the chemicals and its usage, hazards, trade and generic names must be available in language understood by workers or explained carefully to them by a plantation management official at operating unit level				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Rajawali SOU 32 continued to use the Agriculture Reference Manual (ARM), SOPs and Safety Pictorial procedure. These documentations included a chemical register which indicates the purpose of chemical usage (intended target), hazards signage, trade and generic names in English and/or Malay language. Where information was available only in English explanation of the same translated to local language were made by Sime Darby staff for the benefit of workers understanding. The Safety Pictorial procedures were used as a means of communication to the employees during training and briefing session.</p> <p>Interviews with Indonesia sprayers confirmed that they are understood the need for proper handling of the chemicals, the safety and health hazards posed by these chemicals and thus the necessity to wear appropriate PPE.</p>				
4.6.5	Annual medical surveillance as per CHRA for plantation pesticide operators				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Annual medical surveillance was conducted for pesticide operator as well as laboratory technician at the mill. Their medical report sighted showed their exposure level was below permissible exposure limit and are reported by the Occupational Health Doctor as fit to work. Example of latest medical surveillance for five sprayers at Damai Estate was conducted on 12/03/2013. In Rajawali Estate it was last done in October 2013 and in samudera Estate 6th November 2012..</p>				
4.6.6	No work with pesticides for confirmed pregnant and breast feeding women				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>It was confirmed through interviews with workers, site visit and verification with Damai/Sahua Estate Health Assistant that no confirmed pregnant and breast feeding women had been allowed to work with pesticides.</p>				
4.6.7	Documentary evidence that use of chemical categorized as World Health Organization Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions and paraquat, is reduced and/or eliminated. Adoption of suitable economic alternative to paraquat as suggested by the EB pending outcome of the RSPO study on IWM				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>No illegal agrochemicals (stated by local and international laws) in particular paraquat were used or found. Paraquat was totally replaced by a systemic herbicide, glufosinate ammonium</p>				
4.6.8	Documented justification of any aerial application of agrochemicals. No aerial spraying unless approved by relevant authorities				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>There was no evidence of any Aerial spraying found.</p>				
4.6.9	Evidence of chemical residues in CPO testing, as requested and conducted by the buyers				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Evidence of chemical residues in CPO testing, as requested and conducted by the buyers</p>				
4.6.10	Records of pesticides use (including active ingredients used, area treated, amount applied per hectare and number of applications) are maintained for				Minor

either minimum of 5 years or starting November 2007					
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Records of both current and from financial year 2011/2012 on the usage of pesticides by area, quantity used, hectares applied and Ai/Ha were made available to auditors.				
Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented					
4.7.1	Evidence of documented Occupational Safety Health (OSH) plan which is in compliance with OSH Act 1994 and Factory and Machinery Act 1967 (Act 139)				Major
Findings	In compliance:	Yes:		No:	X
Objective evidence:	<p>a) Rajawali SOU 32 continued to adopt the SDPSB's Occupational Safety and Health (OSH) policy. The policy had been communicated to all to all levels of the organization through briefings and they were also being displayed prominently in Bahasa Malaysia and English on notice boards at mill, estate office and Muster Ground. Random interviews with employees showed that they were aware of the policy requirements, i.e. to work safely, comply with legal requirements, follow established procedures and instructions from boss.</p> <p>Environment safety and health (ESH) management plan for each operating unit had been established. The ESH management plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training programme, accident and emergency procedures, treatment of illness/injury during the job, use of PPE, OSH Committee meetings, etc.</p> <p>Among those programme, workplace inspection was not consistently carried out as per required frequency under Safety and Health Committee Regulation 1996 at Semarak Estate. Refer Major NCR MH2.</p> <p><u>Semarak Estate</u></p> <p>OSH programme - Training, ERP/fire drill, SOP training, safety and health committee meeting, WI and etc</p> <p>WI conducted before SHC meeting - site observation, standard form was not used.</p> <p>Inspection kit - WI, fire extinguisher, first aid kit was not made available.</p> <p>First Aid kit at Semarak estate workshop was not complete.</p> <p>SHC meeting minutes - has not discussed on the accident case on January 2013</p> <p>Class 2 accident – BAIC case.</p> <p>b) SOU 32 had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA records were verified during the assessment. At the estates, among the HIRARC carried out covered activities like chemical mixing and spraying, chemical storage, harvesting and FFB collection, machine maintenance and working in confined space. As for the mill, among the activities identified were FFB sterilization, kernel and oil extraction, oil clarification as well as maintenance activities Last updates for HIRARC was on 11/1/13 to incorporate the latest changes after accident occurrence at Semarak Estate related to Buffalo Assisted In-field Collection (BAIC).</p> <p><u>Semarak estate</u></p> <p>Latest updates – to incorporate the latest changes of HIRARC after occurrence of accident.</p> <p>HIRARC register 26/5/2012, BAIC operation updates on 11/1/13</p> <p>c) OSH awareness and various OSH training courses had been identified for each category of workers. Example of specific training are: (a) Safe Use, Proper Handling of Agrochemicals and Pesticides Spraying Basics for Pesticides Applicators, (b) Safe Driving of Shovels and Farm Vehicles for Mill Shovel Drivers and Farm Tractor Drivers, and general training such as (a) Accident and Emergency procedures, (b) The Basics of PPE – its use and maintenance, (c) Hazard Identification, Risk Assessment and Control, (d) Environmental Aspect and Impact Awareness, etc. for all category of workers.Field inspection and observation of spraying tasks confirmed chemicals being applied were in accordance with the product safety precautions and workers of its risks. MSDS were made available at point of use – for example, at mill's water treatment plant, boiler chemical dosing area and chemical mixing area and at the chemical store of each estate.</p>				

- d) The requirement to use the PPE was displayed at many strategic locations at the RPOM, Bayu and Damai Estates. During the site tour, it was observed that signage (to remind workers to wear appropriate PPE) was posted at the appropriate places. Verification on the PPE issuance log book showed SOU 32 management were committed to ensure their workers are provided with appropriate PPE to cover all potentially hazardous operation such as milling operation, chemical mixing, pesticide application and harvesting. Interview with boilerman, workshop personnel, chemical sprayers and fertilizer applicators confirmed that they were provided with appropriate PPE such as goggle, respirator, gloves, safety shoes or rubber boots and apron by SOU 32 management. Workers interviewed understood the reasons and importance why they were required to wear the PPE.

However, sighted during site review at Rajawali Estate some of the sprayers and harvesters were not wearing proper PPE while doing their jobs. Sprayers at Block 13 field 96RB and harvesters at block 5 95RC were spotted for not wearing their PPE. Refer to Major NCR MH2.

- e) The person(s) responsible for OSH at the RPOM and estate had been identified and made known to all staff and workers. They are respectively Mill and Estate Manager. OSH responsibilities were also shared with the OSH Committee. The OSH committee organization chart was displayed on the strategic location at the admin notice board. They comprised equally of both employee and employer representatives. Workers can channel any OSH issues of concerns through their Workers Representative or directly to management.

Latest changes on person in charge for SOU32

Derawan POM

New committee for FY2013 – new manager and engineer (MM – Mr Mohd Irsan, AMM – Mr Saiful)

Semarak Estate

New SHC member FY2013 – for employer/employee representative

EHA – Mohd Norzaikimin effective 28/5/13

- f) Safety committee meeting was conducted at least quarterly at the SOU. This was confirmed through interviews with members of the OSH Committee. Among the agenda discussed were Old business (status of pending issues), Accident reviews, Workplace inspection reports, OSH training and New business. The minutes of meeting were sighted (kept at site at least for a year) and distributed to Responsible Party to carry out actions as a result of these meetings, and, corrective actions completed within the given timeline. Tool-box meeting had also being held to disseminate current or topical OHS information following the OSH Meeting to workers to reinforce safety, like the use of PPE and the correct work methods as per SOP, Work Instruction and Pictorial Safety Standard.
- g) Accident and emergency procedures exist at RPOM, Bayu and Damai Estates visited. Information to response to emergencies had been disseminated. This included emergency contact number, site plan showing evacuation route to assembly point and location of firefighting equipment and action to be taken during emergency by staff and contractors. Instructions to respond to accident and emergency situation were tested and it was found to be clearly understood by all workers interviewed both at the mill and field. Each operating unit has its own Emergency Response Team. They comprised of First Aiders, Fire Fighters and Search and Rescue Team. It also had basic emergency kit that include stretcher, First Aid box, emergency eye wash and shower station. Fire and evacuation drills had been conducted annually at the mill and estates assessed. Their post-mortem report had been sighted and generally found acceptable.
- h) Workers trained in First Aid were present in both field and mill operation. The Field Supervisors tested were found conversant with the first aid practices for minor injuries. Interviews with First Aiders at the field and mill showed that they were aware of their duties and responsibility.
- i) First aid boxes had been positioned at several strategic locations at the mill and also provided to each of the Field Supervisors. The first aid boxes were inspected and found generally acceptable. However observed during site visit at block 13 field 96RB was not made available during the visit. The issue on the content of first aid kit which has yet to be accordance with 4th schedule, Safety Health and Welfare Regulation 1970. Refer Major NCR MH2.

	Against the indicator 4.7.1, Major NCR MH2 was issued based on the lapses of implementing and execution of the established ESH plan as per requirement of the indicator and also to comply with OSH Act 1994 and Factory and Machinery Act 1967 (Act 139). Among the lapses are : i) Workplace inspection activity was not consistently implemented at Semarak Estate. ii)Some of the sprayer at Rajawali Estate was not wearing safety google during spraying activity at Block 13 field 96RB. Sighted harvester was also not wearing safety helmet while doing work at block 5 95RC. iii) First aid kit was not available in the field at Block 13 field 96RB, Rajawali estate during spraying activity.First aid kit content shall be in accordance with 4 th schedule, Safety Health and Welfare Regulation 1970 at Semarak Estate.					
4.7.2	Records should be kept of all accidents and periodically reviewed at quarterly intervals					Major
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	Accident reports were maintained. Accident cases were reported during the OSH meeting quarterly. Sighted the JKPP 6 – accident report was submitted to DOSH accordingly.At the mill, no accident reported since 2012 till October 2013 On-going monitoring of OSH performance was visible. They were monitored through Lost Time Accident (LTA). Accident scoreboard was prominently displayed in front of the mill and estates office. They were updated regularly to show the current OSH performance status. Records of all accident according to the categories of workers were kept and orderly maintained in the estate clinic and offices of the estate. Accident cases were reviewed at quarterly Safety & Health Committee meeting. Accident/LTI at Semarak Est. <ul style="list-style-type: none">- On BAIC (Buffalo Assisted Infield Collection) , 2/1/13- LTI > 4 days, JKPP 6 sent on 8/1/13- Class 2 accident- Control measures (administration control – development of Pictorial Work Instruction and HIRARC updating was implemented.- Lesson learned from the accident discussed in the Safety committee meeting.					
4.7.3	Workers should be covered by accident insurance					Major
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	SOU 32 had continued to provide a group insurance for all workers as required under the Workmen Compensation Act 1992 via Insurance Underwriter RHB Insurance Berhad (Foreign Worker Compensation Scheme Certificate of Insurance). Policy covers for the period of one year and found valid. Permanent disability compensation by Labour Office was sigthed. Letter dated 24/9/13 was referred to specific to the BAIC incident case on 2/1/13.					
Criterion 4.8: All staffs, workers, smallholders and contractors are appropriately trained.						
4.8.1	A training programme (appropriate to the scale of the organization) that included regular assessment of training needs and documentation, including records of trading for employees are kept					Major
Findings	In compliance:	Yes:		No:	X	
Objective evidence:	Rajawali SOU 32 continued to train their staff and workers. Training needs on RSPO topics primarily on safety, health and environment had been conducted. It was to enable them to fulfill their jobs and responsibilities in accordance with documented procedures. The training needs had been identified jointly by the Mill or Estate Manager in conjunction with the Safety and Health Officer. The training programme for 2013/2014 for both estates and mill were made available. Budget had been allocated to conduct training related to environment, social, safety and good agricultural practice for employees and contactor. Among the training programmes conducted were: <ul style="list-style-type: none">• Safe tractor driving and crop evacuation from field;• RSPO Awareness;• SOP for Agrochemical spraying, Harvesting, Manuring;					

<ul style="list-style-type: none"> • Use and care (maintenance) of PPE; • First Aid; • Emergency response drill at Mill. • Management of Scheduled Wastes. <p>It was observed that all previous training records had been properly filed. The records include information on the title of the training, name and signature of the attendees, name of the trainer, time and venue. Based on interviews held with workers from the mill as well as those at estate (spraying, manuring, harvesting and mulching operations), it was evident that generally the level of their understanding on their daily work routine according to SOP, safety and health issues related to their tasks had been satisfactory.</p> <p>However, there were some lapses on the social component which has been observed during the audit. Auditee of Rajawali POM did not understand the requirements and action needed for grievance or complaints procedure and the documentation. Quality Assurance staff was not sure how to record complaints / grievances if contractor want to made a complaint on Rajawali POM. Tenant of Rajawali POM canteen's also doesn't know that he can made a complaint/grievance to mill by using grievance book. The assessor raised a Major NCR MRS01 for lapses on implementing own procedures and did not know how to record any complaints that may be raised by stakeholders.</p>

Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity

Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

5.1.1	Documented aspects and impacts risk assessment that is periodically reviewed and updated	Major
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Findings	In compliance:	Yes:	X	No:	
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Objective evidence:	Rajawali SOU 32 continued to conduct the environmental aspects and impacts risk assessment for activities related to their operation. At Damai Estate the Environmental Aspect / Impact Register was last evaluated and updated on 1 st July 2013. Among the activities assessed related to mill operation were welding, engine repair/servicing and starting, chemical mixing, boiler operation, discharge of effluent and smoke emission. While for estate operation, among the activities identified were road maintenance, Harvesting and Collection, FFB transportation, Field Weeding, Pest and Disease Treatment, diesel consumption, and management of empty chemical containers. For Semarak estate, the latest register on the update on path leveling using bulldozer under normal and abnormal condition dated 25/8/13 was sighted.
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5.1.2	Environmental improvement plan to mitigate the negative impacts and promote the positive ones, is developed, implemented and monitored	Minor
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Findings	In compliance:	Yes:	X	No:	
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Objective evidence:	<p>The Mill had prepared its Environmental Improvement Plan (EIP) for FY 2013/14 that included actions for pollution prevention, diesel usage, water usage and waste management. An example was the installation of Super Effluent System whose results of effluent monitoring as reported under Indicator 4.4.3 confirmed achievement of BOD reduction to below permissible limit, 20 ppm. Similarly, boiler smoke emission monitoring records showed it is within the legal requirements.</p> <p>Among the EIP at Bayu and Damai estates were reduction of diesel consumption to minimize depletion of natural resources and the planting of beneficial plants to reduce usage of agrochemicals. Also sighted were (a) the construction of the chemical store complete with bunds at chemical mixing area to avoid chemical spillage into monsoon drain and (b) collection and reduce, reuse and recycle of empty fertilizer and agrochemicals containers. .</p>
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Criterion 5.2: The status of rare, threatened or endangered species (ERTs) and highly conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.

5.2.1	Identification and assessment of HCV habitats and protected areas within land holdings and attempt assessments of HCV habitats and protected areas surrounding landholdings	Major
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Findings	In compliance:	Yes:	X	No:	
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Objective evidence:	PSQM team from Sime Darby Headquarters had identified and assessed HCV habitat and protected areas in the Samudera Estate. The Biodiversity Baseline Assessment Report had been established in June 2009. Only three areas had been identified as HCVs which are (i) Unplanted
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	area (slope/rocky area 25 ⁰) which are covered with forest trees (HCV4), (ii) Similajau River where river buffer zone is reserves for erosion control and habitat enhancement (HCV4), and (iii) Water catchment area for supporting domestic water usage for Samudera Estate (HCV4)				
5.2.2	Management plan for HCV habitats (including ERTs) and their conservation				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Samudera Estate has established their own action plan for year 2013/2014 that stated their monitoring program for HCVs habitat. The action plan was annually revised by the estate. However, there was no ERT species that found in the estate.				
5.2.3	Evidence of a commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Samudera Estate has fixing awareness signage to create awareness for staff and outsiders such as 'No hunting, No fishing, Buffer zone and No entering'. The estate has co-operate with Wildlife Department and National Resources Environmental Board (NREB) for annual site visit at dumping site, buffer zone etc. Samudera Estate also manage for daily patrolling of estate boundary by Auxillary Police.				
Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.					
5.3.1	Documented identification of all waste products and sources of pollution				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Rajawali SOU 32 has identified all wastes and sources of pollution resulting from mill and estate operation. SOP had been established & maintained . Among the wastes which had been identified were general/domestic waste, scheduled waste, scrap metal, crop residue/biomass, fibre, shell, EFB and POME from the mill.</p> <p>Site visit observed Rajawali SOU 32 had continued to practice 3R i.e. reduced, recycle, re-used on waste management and disposed them off in an environmentally and socially responsible manner.</p> <p>Procedure for handling of domestic waste, Appendix 9 version 1 dated 1/11/08 was referred to.</p>				
5.3.2	Having identified wastes and pollutants, an operational plan should be developed and implemented to avoid or reduce pollution				Minor
Findings	In compliance:	Yes:		No:	X
Objective evidence:	<p>Rajawali SOU 32 had continued to implement its operational plan to reduce pollution such as some used fertilizer bags being to collect loose FFB, oil trap and chemical trap made available at respectively at diesel skid tank and at chemical mixing area to collect any spills.</p> <p>Used agrochemical containers were triple rinse and its residue collected and mixed with fresh batch of agrochemicals for field application. The triple rinsed container were then punctured at its bottom and handle in accordance with Department of Agriculture Guidance.</p> <p>Domestic wastes generated from linesite were disposed in the estates landfill in accordance with the Ministry of Health Guideline. Rajawali SOU 23 had maintained its Waste collection schedule in 2013 and records of Opening and Closing of each dumpsite was sighted posted at each hole.</p> <p>On the scheduled waste management, the established SOP (section 1- Handling of Scheduled Waste) version:1, issue:1 dated 1/11/2008 was verified during audit. The SOP is aligned with the waste management plan for the scheduled waste. However, the following lapses were evident during the audit at Semarak Estate :</p> <p>i) Sighted oil trap near to workshop area was not properly maintained.</p> <p>ii) Records related to notification (2nd Schedule), storage (5th Schedule), and disposal (6th and 7th schedule was not properly maintained.</p> <p>iii) Labelling of schedule waste (solid and liquied) has to be in accordance with 3rd Schedule.</p> <p>iv) Some of the waste generated was not identified. I.e SW408 and SW312.</p> <p>v) Complete license and “Jadual Pematuhan” for SW contractor was not made available.</p> <p>Therefore, Minor NCR MH3 was issued.</p>				
5.3.3	Evidence that crop residues/biomass are recycled (Cross reference C 4.2)				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Pruned Fronds are stacked in the field to decompose. Palms that were felled during replanting were shredded, windrowed and left to decompose in the field. In addition EFB mulching and Compost application are carried out in order to recycle crop residues/biomass. 9,890.50 tonnes				

	and 8,537.60 tonnes of EFB at a rate of 40tonnes / Ha were applied in Derawan Estate & Damai Estate respectively in 2013/2014. EFB was also applied in 2012A, 2012B and 2013A replants id Derawan Estate. From July to September 2013, 2,610 tonnes and 1,460.69 tonnes of EFB had been applied in Derawan Estate & Damai Estate respectively.				
Criterion 5.4: Efficiency of energy use and use of renewable energy is maximized.					
5.4.1	Monitoring of renewable energy use per ton of CPO or palm product in the mill				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Monthly monitoring of renewable energy (renewable energy/ ton CPO Processed) is available Monthly biomass production has been recorded for fiber, shell and EFB. Fiber and shell will be used as the boiler fuel.				
5.4.2	Monitoring of direct fossil fuel use per ton of CPO or kW per ton palm product in the mill (of FFB where the growers has no mill)				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Rajawali POM use of fossil fuel were monitored and summarized on monthly basis. For finalcial year 2011/12, 2012/13 and upto September 2013 respectively in l/ton FFB were 2.55, 3.19 and 3.23. The increase in diesel usage were partly due to low crop production where one boiler was used and supplemented by gensets to run the mill.				
Criterion 5.5: Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN Guidance or other regional best practice.					
5.5.1	No evidence of open burning. Where controlled burning occurs, it is as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	There was no evidence of open burning in both estates. No fire was used for waste disposal and for replanting				
5.5.2	Previous crop should be felled/mowed down, chipped/shredded, windrowed or pulverized/ploughed and mulched.				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The CU practiced Zero burning and this was evident in the 3 replants, 2012A, 2012B & 2013A where palms were felled, shredded, windrowed and left to decompose.				
5.5.3	No evidence of burning waste (including domestic waste)				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Dumping site, no burning of domestic waste There was no evidence of open burning of domestic waste. Domestic waste was buried in landfill.				
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases are developed, implemented and monitored.					
5.6.1	Documented plans to mitigate all polluting activities (Cross reference C 5.1)				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The documented plans to mitigate all polluting activities associated with mill and estate operation were available and record showed it was reviewed periodically. Among the planned actions developed were use of renewable energy (shell and fiber) as supplementary fuel for boiler, diesel skid tank bunding complete with oil trap, designated storage for chemical and empty chemical containers and shower room for chemical sprayers.				
5.6.2	Plans are reviewed annually				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The environmental plan was reviewed annually and record of reviewed were maintained.				
5.6.3	Monitor and reduce peat subsidence rate through water table management (Within ranges specified in C 4.3)				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	There is no peat soil in SOU 23. No peat soil at SOU32				

Principle 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers

Criterion 6.1: Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored to demonstrate continuous improvement.

6.1.1 A documented social impact assessment including records of meetings **Major**

Findings In compliance: Yes: ☒ No: ☐

Objective evidence: Bayu Estate and Rajawali POM has documented Baseline Social Impact Assessment (SIA) on 31 June 2009 based on their external and internal stakeholders meeting. The report will be revised every 5 years. Stakeholders meeting also was invited and free to give any suggestion during preparation of the SIA.

6.1.2 Evidence that the assessment has been done with the participation of affected parties **Minor**

Findings In compliance: Yes: ☒ No: ☐

Objective evidence: During this surveillance audit, it was cited that Bayu Estate had held annual stakeholders meeting with affected stakeholders on 23 August 2013. However, the participation of stakeholders was not adequate where only 18 of 75 stakeholders attending the meeting although the company has invited them by official letter dated 05 August 2013.

6.1.3 A timetable with the responsibilities for mitigation and monitoring is reviewed and updated as necessary **Minor**

Findings In compliance: Yes: ☐ No: ☒

Objective evidence: Bayu Estate has prepared and takes action on their social action plan dated 24th Oct 2012 such as improvement of workers house, check on groceries price at the shop keeper, payment of overtime work, open job opportunity to local people and transport for school children. Pending program for 2012 will be carry forward to 2013 action plan which has been prepared in July 2013. This new plan stated further program for social part such as meeting with workers representative once in three months, identify local stakeholders, translate grievance procedure to Bahasa and enlarged pay slip in Bahasa.

Rajawali POM only has established social management plan for 2012. The management plan listed area of concerns such as safety wear to villagers, job opportunities and boundaries issue between stakeholders land. However, the management and action plan was not updated for 2013. There was no evidence to show that management has reviewed and updated mitigation and monitoring program on social issues with their stakeholders. Due to this non-compliance and reoccurrence of previous Minor NCR on the same issue, the non-conformity was upgraded to **Major NCR MRS02**.

Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

6.2.1 Documented consultation and communication procedures **Major**

Findings In compliance: Yes: ☒ No: ☐

Objective evidence: Bayu Estate and Rajawali POM were using standard operation manual (SOP) that established by Sime Darby for external communication as stated in their Procedure for External Communication. Bayu Estate and Rajawali POM also were using log book for external (school & government dept) and internal stakeholders (staff, neighbouring estate & villagers).

The estates and mill communicate with their workers through various means, such as briefings and meetings, notice boards, emails, letters, and so on. The morning briefings appear to be most popular channel through which the management communicates whatever policies to the workers.

6.2.2 A nominated plantation management official at the operating unit responsible for these issues **Minor**

Findings In compliance: Yes: ☒ No: ☐

Objective evidence: Bayu Estate has assigned Aisha, assistant clerk, who are responsible for social issues. While, Rajawali POM has assigned Mr. Mohd Azmi Yusoff, Asst. Engineer.

6.2.3 Maintenance of a list of stakeholders, records of all communication and records of actions taken in response to input from stakeholders **Minor**

Findings In compliance: Yes: ☒ No: ☐

Objective evidence:	A list of stakeholders comprising vendors, contractors, local communities and government agencies are kept in Bayu Estate and Rajawali POM. The latest lists of stakeholders were made available during the audit. Records of all communication with external and internal stakeholders have been recorded in the grievance book. Corrective action has been taken by management for each complaints and grievances. Recent stakeholders meeting have been held on 23 August 2013.
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Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.

6.3.1	Documentation of the process by which a dispute was resolved and the outcome	Major
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Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
Objective evidence:	Sime Darby has prepared a standard of procedure for handling any complaint and grievance by following SOP 'Procedure for External Communication', 'Flowchart and Procedure on Handling Social Issues' and Flowchart and Procedures on Handling Land Disputes'. Sime Darby Plantation has documented these procedures which are followed by the SOU to handle disputes arising from social as well as land issues (refer the Estate/Mill Quality Management Manual).

6.3.2	The system resolves disputes in an effective, timely and appropriate manner	Minor
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Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
Objective evidence:	The system was works effectively in resolving any cases of disputes. During consultation with workers at the Bayu Estate & Rajawali POM, all grievances report has been solved within two weeks and workers are happy with the action taken by management.

6.3.3	The system is open to any affected parties	Minor
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Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
Objective evidence:	The grievance book was open to all affected parties and assistant clerk will recorded any complaints and grievances that related to Bayu Estate and Rajawali POM.

Criterion 6.4: Any negotiations concerning compensation for loss of legal or customary 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.

6.4.1	Establishment of a procedure for identifying legal and customary rights and a procedure for identifying people entitled to compensation	Major
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Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
Objective evidence:	Any legal and customary rights issues that raised by neighboring estate company will be assigned to Land Management Department of Sime Darby as stated in their procedure 'Appendix 3 - Flowchart and Procedures on Handling Land Disputes'. This procedure was applicable to all Sime Darby mills and estates. Compensation scheme insurance for foreign workers have been implemented by Sime Darby.

6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented. This takes into account gender differences in the power to claim rights, ownership and access to land; and long-established communities; differences in ethnic groups' proof of legal versus communal ownership of land.	Minor
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Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
Objective evidence:	The compensation procedure has been described in their SOP 'Appendix 3 - Flowchart and Procedures on Handling Land Disputes'. Compensation on loss of legal rights will be determined by the land authority.

6.4.3	The process and outcome of any compensation claims is documented and made publicly available	Minor
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Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
Objective evidence:	Currently, there was no cases been raised on compensation for Bayu Estate and Rajawali POM.

Criterion 6.5: Pay and conditions for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

6.5.1	Documented of pay and conditions	Major
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Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
Objective evidence:	Pay and condition for employees at Bayu Estate and Rajawali POM has been recorded in their employment contract and followed industry minimum standard of wages. Workers pay slip showed

	basic pay, attendance incentive, afternoon work, transport allowance, phone allowance, wage rate, work benefits, overtime, annual leave and public holidays. These contracts are renewed every time the worker renews its employment with the estate or mill. Details on monthly salary and deductions for every worker and staff are shown in their pay slips.				
6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit				Minor
Findings	In compliance:	Yes:		No:	X
Objective evidence:	Workers employment contract for Bayu estate are written in Bahasa that explained their work terms such as working hours, service period, medical facilities, housing, transportation allowance, maternity leave, entitle for sick leave and annual leave. However, payslip statement for Rajawali POM was written in English. It was difficult for workers to understand details of the payment. During audit, three workers have been interviewed; Artide, Masud and Hamka which are foreign workers told auditor that they have difficulties in understanding details of their payslip statement. Due to the non-compliance, a Minor NCR MRS 03 was raised by auditor				
6.5.3	Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders)				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	All staffs and workers of Bayu Estate and Rajawali POM were stayed at quarters which are provided by Sime Darby with adequate domestic water supply, electricity, clinic and welfare amenities such as mosque, creche, kindergarten and playground for children and workers. School bus also provided by estate for staff's children who studying at the primary and secondary schools. All facilities were provided without any charges.				
Criterion 6.6: The employer respects the right 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.					
6.6.1	Documented minutes of meetings with main trade unions or workers representatives				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	According to Sime Darby policy, forming a workers union was allowed to established worker union. However, there was no union has been established in the Bayu Estate and Rajawali POM.				
6.6.2	A published statement in local languages recognizing freedom of association				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Freedom of association policy has been stated in the Social Policy and was in the Bayu Estate and Rajawali POM. The policy was written in Bahasa and English languages.				
Criterion 6.7: Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.					
6.7.1	Documented evidence that minimum age requirement is met				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Document of list of staff age has been sighted during audit. No one of Bayu Estate and Rajawali POM workers is under 18 years old.				
Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation union membership, political affiliation or age is prohibited.					
6.8.1	A publicly available equal opportunities policy				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Bayu Estate and Rajawali POM have displayed Social Policy at the employee notice board that situated in front of main office and master ground that mentioned equal opportunities policy				
6.8.2	Evidence that employees and groups including migrant workers have not been discriminated against				Minor
Findings	In compliance:	Yes:	X	No:	

Objective evidence:	As per interview with local and foreign workers at the Bayu Estate and Rajawali POM, no complaint was raised by them on the discrimination issues between races, ethnics and religious. During consultation with workers from different ethnics Javanese, Ibanese, Malay and Chinese, the interviews also revealed that there is no discrimination on any bases in the estates/mill.
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Criterion 6.9: A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.

6.9.1	A policy on sexual harassment and violence and records of implementation	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The company has established Gender Policy that cover sexual harassment and violence cases again women, workers and communities. Gender Committee of Bayu Estate (PERKAWAN) have been established to overcome any issues on sexual and violence. PERKAWAN meeting will be held once in 3 months. Latest meeting was held on 01 July 2013.</p> <p>Rajawali POM has established standard procedure to manage any issues on sexual harassment. Women worker could write or verbally report to chairman of Gender Committee on this issues. Currently, there was no any report/issue on sexual harassment in the Rajawali POM. Victim can use standard report form named 'Borang Aduan'. Currently, there was no issue on sexual harassment among female workers at Bayu Estate and Rajawali POM.</p>	
6.9.2	A specific grievance mechanism is established	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Bayu Estate and Rajawali POM followed standard operating procedure on handling grievance / social issues which is established by Sime Darby. Chairman of Gender Committee at the Bayu Estate and Rajawali POM will be responsible in managing any raised issue on social.	

Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.

6.10.1	Pricing mechanisms for FFB and inputs/services shall be documented	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Since there was no smallholder sending their FFB to Rajawali POM, so this clause was not applicable to them. All FFB was came from Sime Darby's estate	
6.10.2	Current and past prices paid for FFB shall be publicly available	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Since there was no smallholder near to the Bayu Estate and Rajawali POM that sending FFB to the estate, so this clause was not applicable to them.	
6.10.3	Evidence that all parties understand the contractual agreements they enter into and that contracts are fair, legal and transparent	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Based on consultation with FFB transporter company, Phillip Chan Transport Sdn Bhd and shopkeeper, Mr Syamsul, who had been work with Bayu Estate for more than 10 years, they are understand on the contract agreement and agree with all the terms.</p> <p>The suppliers/contractors and tenant of Rajawali POM's canteen also mentioned that they understand the contracts because they have been servicing the estates for quite a long time. They usually received their payments in the form of cheques the following month after the job was done.</p>	
6.10.4	Agreed payments shall be made in a timely manner	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Payment was paid in timely manner which was not later than 4th day monthly and paid in the form of cheques.	

Criterion 6.11: Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1	Demonstrable contributions to local development that are based on the results of consultation with local communities	Minor
Findings	In compliance: Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	
Objective evidence:	Bayu Estate has conducted social program for local communities such as Futsal Day, Labour Day, Gawai Celebration and Merdeka Sport Day. However, Rajawali POM did not show any evidence to demonstrate any contribution to local development. A Minor NCR MRS04 was raised due to non-conformity of this indicator.	

Principle 7: Responsible Development of New Plantings

This whole Principle is not applicable to this assessment as there are no new plantings. The company is only involved in re-planting programme after felling of old palms and there is no plan for expansion.

Principle 8: Commitment to Continuous Improvement in Key Areas of Activity

Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

8.1.1	Minimize use of certain pesticides (C 4.6)				Major
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	
Objective evidence:	<p>Both estates continued to manage pests, disease, weeds and invasive introduced species using appropriate IPM techniques. In order to minimize use of Insecticides the estate has established a nurseries for beneficial plants mainly <i>Tunera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i>. This was to establish continuity in the planting of beneficial plants</p> <p>The estates were committed to reduce using chemicals by spraying only spraying circle and paths and soft weeds and <i>Nephrolepis bisserata</i> are maintained in interlines with only noxious weeds sprayed out.</p>				
8.1.2	Environmental impacts (C 5.1)				Major
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	
Objective evidence:	<p>To demonstrate improvement on environmental impacts the mill had installed Continuous Emission Monitoring System (CEMS) where the smoke emission result was transmitted to DOE Office, Kucing, reduce water consumption by recycling sterilizer condensate for oil dilution, and installation of new recycling pump at final Aerobic pond for recycling effluent to Tertiary plant and Anaerobic Pond No. 1 and 2. At estates level there were construction of chemical mixing area, chemical store, empty chemical containers store to minimize pollution to environment. Recycling of used fertilizer bags, herbicides and pesticides containers is on-going.</p>				
8.1.3	Maximizing recycling and minimizing waste or by-products generation				Major
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	
Objective evidence:	<p>Programs implemented to meet requirements of Indicator 8.1.3 include commitment to zero waste, use of by-products such as EFB and POME in the fields and also increasing the awareness of workers on 3R's initiatives.</p>				
8.1.4	Pollution prevention plans (C 5.6)				Major
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	
Objective evidence:	<p>Pollution prevention plan was available and had been reviewed annually for the mill and estates. Inspection on site showed that the pollution prevention plan had been carried out, such as (a) installation of deaerator for running two boilers as a countermeasure to reduce black smoke due to operating boiler over its capacity, the installation of a new 45 TPH boiler that indirectly reduced particulate emission to air and the secondary containment at estate's chemical mixing area, oil trap at diesel skid tank and workshop.</p>				
8.1.5	Social impacts (C 6.1)				Major
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	
Objective evidence:	<p>Annual social management and action plan were established by Sime Darby estates and mills in order to improve on any social issues between them and external and internal stakeholders.</p>				
8.1.6	A mechanism to capture the performance and expenditure in social and environmental aspects				Minor
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	
Objective evidence:	<p>Rajawali SOU 32 had captured the expenditure in social and environmental aspects in its annual and five year budget program.</p>				

Module D: Segregation

Module D.1: Documented Procedures

Criterion D.1.1: The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements.

D.1.1.1	Complete and up to date procedures covering the implementation of all the elements in these requirements				
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	

Objective evidence:	Rajawali POM has documented the up to date procedures- Standard Operating Procedures (SOP) for Traceability and RSPO Supply Chain Certification System revision 2 dated 1 March 2013.				
D.1.1.2	The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements				
Verifiers and guidance:					
This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.					
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The Mill Manager is the appointed person to have overall responsibility and based on interview, he was able to demonstrate awareness to the facilities procedures for the implementation of the standard.				
Criterion D.1.2: The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.					
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Mechanism for receiving, processing FFB and dispatching CPO & PK was adequately addressed in the RPOM's procedure.				

Module D.2: Purchasing and Goods In						
Criterion D.2.1: The facility shall verify and document the volumes of certified and non-certified FFBs received.						
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	All incoming FFB (certified and from Sime Darby estates) transported by trucks or tractors contained information details of field number, number of bunches and drivers' name. The mill would then record the weight of the FFB obtained from the weighing bridge reading. This information was updated in a record book and computer system on daily basis.Estate)					
Criterion D.2.2: The facility shall inform the CB immediately if there is a projected overproduction.						
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	The total of CPO and PK produced for the period under review did not exceed the projection.					

Module D.3: Record Keeping						
Criterion D.3.1: The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.						
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	The required records from receiving FFB from own fields and to dispatch of CPO were clear and accurate.					
Criterion D.3.2: Retention times for all records and reports shall be at least five (5) years.						
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	This requirement has been addressed in the company's procedure.					
Criterion D.3.3: The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.						
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	Records were updated on daily basis.					
Criterion D.3.4: The following trade names should be used and specified in relevant documents (e.g. purchase and sales contracts, *product name*/SG or Segregated). The supply chain model used should be clearly indicated.						
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	Up to date, there is no any sale of RSPO certified product yet.					

Module D.4: Sales and Good Out

Criterion D.4.1: The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:

- a) The name and address of the buyer
- b) The date on which the invoice was issued
- c) A description of the product, including the applicable supply chain model (Segregated)
- d) The quantity of the products delivered
- e) Reference to related transport documentation

Findings	In compliance:	Yes:	X	No:	
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Objective evidence:	Up to the date, there is no any transaction for RSPO certified material yet. All the required information was available in the sales invoice for non-certified CPO.
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Module D.5: Processing

Criterion D.5.1: The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non-certified material including during transport and storage and be able to demonstrate that it has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100% segregated material to be reached. The systems should guarantee the minimum standard of 95% segregated physical material; up to 5% contamination is allowed.

Findings	In compliance:	Yes:	X	No:	
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Objective evidence:	Derawan POM only receives FFB from the certified estates. Other than that, they also receive FFB from other estate such as operating unit such as SOU 33 Rajawali (Rajawali & Bayu estate) which is already certified under RSPO P&C on March 2013 during diversion.
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Criterion D.5.2: The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.

Findings	In compliance:	Yes:	X	No:	
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Objective evidence:	As to date, there is no transaction of RSPO segregated certified products. The weight bridge ticket and monthly crop report able to trace back to certified segregated material.
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Criterion D.5.3: In cases where a mill outsource activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to separately certified. The mill has to ensure that:

- a) The crush operator conforms to these requirements for segregation
- b) The crush is covered through a signed and enforceable agreement

Findings	In compliance:	Yes:	X	No:	
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Objective evidence:	Rajawali POM did not have any outsources activities for palm kernel crush. They sell their palm kernel to other company such as Bintulu Edible Oil and Austral Edible Oil. (PK sold to Austral Edible Oil)
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Module D.6: Training

Criterion D.6.1: The facility shall provide the training for all the staff as required to implement the requirements of the Supply Chain Certification System.

Findings	In compliance:	Yes:	X	No:	
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Objective evidence:	The training to implement the requirements of the Supply Chain Certification System is provided to the employee. Latest SCCS training was conducted on 7/9/13 by Sime Darby PSQM team for both Derawan and Rajawali Certification unit.
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Module D.7: Claims

Criterion D.7.1: The facility shall only make claims regarding the use of or support of RSPO certified palm oil that are in compliance with the RSPO Rules for Communication and Claims.

Findings	In compliance:	Yes:	X	No:	
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Objective evidence:

SOU 32 Rajawali POM has not made any claims yet. The RSPO Trademark License Number for Sime Darby Plantation Sdn Bhd is RSPO 0020.

i) Noteworthy Positive Observations

SOU 32 had improvement made to their RSPO implementation. This can be seen from physical improvement of housing and related amenities condition, use of cover crops instead of herbicides, as well as chemical and wastes storage area including the changing room for the sprayers. The workers housing are kept clean, beautiful and good housekeeping was still continually practiced at all workplace.

The level of awareness among the workers on the RSPO implementation has also improved. They are able to explain not only the operating procedure related to their work but also the impact of its deviation, the consequence for not following them and the importance in achieving conformity to the RSPO requirements.

Commitment from top management on the RSPO implementation is also evident during the assessment.

B. DETAILS OF NON-CONFORMITY REPORT :

Total no. of minor NCR(s) : 4 List : MH1, MH3, MRS03, MRS04

Total no. of major NCR(s) : 5 List : MM1, MH2, MH4, MRS01, MRS02

D. AUDIT CONCLUSION

Generally, Rajawali CU has progressively maintained the implementation of RSPO P&C certification in accordance with the requirements of the standard and also to the organization's documented procedures. Positive observation was also noted during the audit on the improvement of housing and related amenities condition, the use of cover crops instead of herbicides, as well as IPM implementation. Awareness on the RSPO generally has been improved since the last audit. However further improvements are required with regards to legal, environmental and social issues for the betterment of the RSPO P&C certification as highlighted in the NCR reports. Refer appendix F.

E. RECOMMENDATION

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No NCR recorded. Recommended to continue certification.

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Minor NCR(s) recorded. Recommended to continue certification conditional upon acceptance of corrective action plans within 1 month of the date of this audit.

Note: Minor NCRs raised in the audit which are not addressed in the subsequent audit shall be upgraded to major NCRs .

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Major NCR(s) recorded. Proposed corrective action and evidence of implementation within 2 months of the date of this audit to be submitted to SIRIM QAS International
Verification on major NCRs is required :

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On-site audit of the following areas is recommended within 2 months (if applicable)

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On-site audit not required. Records of implementation of corrective action to be submitted for verification.

Note: The major NCRs raised during surveillance audit shall be addressed within 60 days or certificate shall be suspended. Major NCRs which are not addressed within a further 60 days shall result in the certificate being withdrawn.

F STATUS OF NON CONFORMITIES RAISED IN SURVEILLANCE AUDIT			
Clause	Non conformity	Corrective Action Submitted	Status
Indicator 2.1.1 Evidence of compliance with legal requirements NCR# MM1 (MAJOR)	The following lapses were found: 1) Licencee (RPOM) did not comply with every condition imposed in respect of every category of licence as specified in the licence in accordance with the Sixth (Clause 8) and Seventh Schedule, Regulation 21 (2) MPOB (Licensing) Regulations 2005.	i) Mill planning to send the FFB helper/picker for training. Mill will be liaise with MPOB for the training schedule	Nominated FFB helper for MPOB FFB grading course i) Abdul Hafiz Nanda ii) Petrus Ngalai a/k Jackie MPOB FFB grading course for Sarawak was only conducted on July 2013. Waiting for the 2014 training calendar from MPOB. Status of the action taken will be verified in the next audit. Status : Closed. Appointment of 1 st grade ICE visiting engineer through MSIEA (Malaysian Steam & Internal Combustion Engine Engineer Association) MSIEA currently still searching for the available competent person in Sarawak Status of corrective action taken will be verified in the next audit. Status : Close
	2) Non-compliance to Factories and Machinery (Person In Charge) Regulation 1970, Regulation (4), Last sentence that reads "in addition, the owner shall employ a first grade ICE visiting engineer."	ii) Mill will seek for advice from Plantation Mill Operation to employ 1 st grade ICE visiting engineer.	Appointment of consultant for genset license submission to Ministry of Public Utility and SESCO. Quotation from consultant, PKM Projek Konsultant Sdn Bhd has been obtained. Refer PKM/RAJAWALI/LIH dated 6/12/13. PO to the appointed consultant. Status of corrective action taken will be verified in the next audit. Status : Close
	3) Non-compliance to Electricity Rules 1999, Section 4 (5) Rule 3, Licence to Use, Work or Operate an Electrical Generating Installation as per the Sarawak Electricity Ordinance, Chapter 50, 2007.	iii) To apply for license to Use, Work or Operate an Electrical Generating Installation with SESCO	Asialab Group quotation was sighted. Refer ALM/EM/MKTG/0114/01 listed for all SOU estate's genset. Status : Close
	4) Non-compliance to Environmental Quality (Clean Air) Regulations 1978 approval conditions for all SOU 32 estate's Diesel Generator sets.	iv) To engage with consultant to conduct stack sampling and boundary noise monitoring.	Status : Close
	5) Non-compliance to Workers Minimum Standards of Housing and Amenities Bill 1990, Section	v) GM will conduct a survey to assign permanent VMO for SOU 32.	HQ decision to recruit full time medical doctor.

	<p>19 (3).</p> <p>Objective evidence :</p> <p>6) All four local (Abdul Hafiz Nanda, Bayang ak Badar, Daniel ak Adong, Petrus Ngalai ak Jackie) and one Indonesian (Samsul Karau) FFB Graders were not trained by MPOB.</p> <p>7) RPOM did not have a 1st Grade ICE visiting engineer.</p> <p>8) All installation (RPOM and its estates offices that operate Generator Sets) did not possess licence to generate electricity exceeding 5kw.</p> <p>9) There was no evidence that requirements on stack emission and noise level are within the regulated limit for all estates in SOU 32</p> <p>10) SDPSB Management at SOU32 failed to arrange for a registered medical practitioner to visit all its clinic at least once a fortnight to supervise the operations and management of the clinic and to provide medical treatment to workers and their dependants.</p>		<p>Refer correspondence with VP/II/DGM, Human Resource Upstream, Tn Muhammad Khairi Abu Bakar.</p> <p>Status of MO recruitment will be verified in the next audit.</p> <p>Status : Close</p>
<p>Indicator 2.1.4 – A system for tracking any changes in the law</p> <p>(MINOR)</p> <p>NCR# MH1</p>	<p>No changes and updates incorporated in the legal register QSHE/04/5.2.4 at all operating units</p> <p>Objective evidence : Legal register file QSHE/04/5.2.4 was not updated with regards to</p> <p>i) Environment Quality Act 1974, 49A on competence person (amendment 2012)</p> <p>ii) Code of Practice Confined Space 2010</p> <p>iii) Sarawak Electricity Ordinance (Chapter 50) 2007</p> <p>iv) MPOB Regulations (Licencing) 2005</p> <p>v) The Business, Profession and Trading Licensing Ordinance (Section 5, 23 & 24(2))</p>	<p>i) To appoint person in charge to monitor and legal updates in Sarawak</p>	<p>Status of corrective action taken will be verified in the next audit.</p> <p>- Appointment of person in charge</p> <p>- Updated legal register</p> <p>Status of the action taken will be verified in the next audit</p> <p>Status : Close</p>
<p>Indicators 4.7.1 – Evidence of documented Occupational Safety and Health (OSH) plan which is in compliance with OSH Act 1994 and Factory and Machinery Act 1967(Act 139)</p> <p>(MAJOR)</p> <p>NCR #MH2</p>	<p>The above requirement were not fulfilled.</p> <p>i) Some of the sprayer at Rajawali Estate was not wearing safety google during spraying activity at Block 13 field 96RB. Sighted harvester was also not wearing safety helmet while doing work at block 5 95RC.</p> <p>ii) Workplace inspection activity was not consistently implemented at Semarak Estate.</p> <p>iii) First aid kit was not available in the field at Block 13 field 96RB, Rajawali estate during spraying activity. First aid kit content shall be in accordance with 4th schedule, Safety Health and</p>	<p>i) To conduct refresher training for the sprayer and harvester on safety and first aid kit distribution</p> <p>ii) To ensure first aid kit content is sufficient by regular inspection during workplace inspection</p> <p>iii) To conduct first aid kit training</p>	<p>Verified records of training conducted.</p> <p>- Sprayer refresher training (15/11/13)</p> <p>- Safety briefing and first aid kit distribution training. (27/11/13)</p> <p>Verified OSH plan FY2013/2014 for Semarak Estate. Sample of filled workplace inspection checklist carried out on 7/11/13 by</p>

	Welfare Regulation 1970 at Semarak Estate.		<p>Safety and health committee of Semarak Estate.</p> <p>Sample on inspection checklist for first aid kit was also verified.</p> <p>Verified records of training conducted.</p> <ul style="list-style-type: none"> - Safety briefing and first aid kit distribution training. (27/11/13) <p>Status : Close</p>
<p>Indicator 4.4.3</p> <p>Outgoing water into main natural waterways should be monitored at a frequency that reflects the estates and mills current activities which may have negative impacts.</p> <p>NCR# MH4 (MAJOR)</p>	<p>Outgoing water into waterways was not monitored as stipulated procedure ; Sustainable Plantation Management System, Appendix 1 SOP for taking water samples from streams/rivers dated 1/11/2008</p> <p>Objective evidence :</p> <p>Water sampling analysis was not conducted at Semarak Estate for both domestic and surface water. Water sampling point has been identified but it was not erected at site. (SP3 final sampling point)</p>	<p>i) To erect the water sampling point at main natural waterways</p> <p>ii) Water sampling test will be conducted in every 3 month interval</p>	<p>Water sampling point maps was verified.</p> <p>Verified latest water sampling analysis for SP1, SP2 and SP3 including domestic water point. Refer test report IE407/2013 date sampled 28/10/13 by R&D Centre Carey Island.</p> <p>Status : Close</p>
<p>Indicator 5.3.2 : Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid and reduce pollution.</p> <p>(MINOR)</p> <p>NCR# MH3</p>	<p>Waste management plan FY 2013/2014 for Semarak Estate was not consistently implemented.</p> <p>Objective evidence :</p> <p>i) Sighted oil trap near to workshop area was not properly maintained.</p> <p>ii) Records related to notification (2nd Schedule), storage (5th Schedule), and disposal (6th and 7th schedule was not properly maintained.</p> <p>iii) Labelling of schedule waste (solid and liquied) has to be in accordance with 3rd Schedule.</p> <p>iv) Some of the waste generated was not identified. I.e SW408 and SW312.</p> <p>v) Complete license and “<i>Jadual Pematuhan</i>” for SW contractor was not made available.</p>	<p>i) Mill has budgeted new SW store for the next financial year.</p> <p>ii) Dedicated staff has been appointed to oversee the DOE issue and schedule waste management</p> <p>iii) ESH regional officer will be conducting training on schedule waste.</p>	<p>Status of corrective action taken will be verified in the next audit.</p> <ul style="list-style-type: none"> - Appointment of person in charge - Records of Scheduled waste training
<p>Criterion 4.8:</p> <p>All staffs, workers, smallholders and contractors are appropriately trained</p>	<p>Auditee was not really understand the requirements and action needed for grievance or complaints procedure and the documentation.</p> <p>Objective evidence :</p> <p>i) Quality assurance officer was not sure how to record complaints / grievances if contractor want to made</p>	<p>i) Mill will liaise with HR to conduct training on complaint/grievance procedure for all workers and contractor as per requirement.</p>	<p>Grievance briefing was conducted on 20/11/13 for Rajawali POM. Verified attendance list for the briefing.</p> <p>Status : Close</p>

Indicator 4.8.1 (MAJOR) NCR# MRS01	a complaint ii) Tenant of Rajawali POM canteen's doesn't know that he could made a complaint/grievance to mill by using grievance book		
Indicator 6.1.3 A timetable with the responsibilities for mitigation and monitoring is reviewed and updated as necessary NCR#MRS02 (MAJOR) upgraded	There was no evidence to show that management has reviewed and updated mitigation and monitoring program on social issues with their stakeholders. Objective evidence : i) Rajawali POM not preparing any management plan or action plan on social assessment since 2012	i) Mill will start with management plan and action plan on SIA FY 2013/2014 ii) Social and environment project unit shall conduct training on social assessment	Management plan and action plan FY2013/2014 has been established. Effective date 20/11/13 signed by Mill Manager. Verified training records for - RSPO training on principle 6 at Rajawali POM (7/11/13) Status : Close
Indicator 6.5.2 (MINOR) NCR#MRS03	During consultation with staffs and workers on payslip statement, they do not well understood the detail of payments. Objective evidence : Artide, Masud and Hamka which are foreign workers at the Rajawali POM were not understood details of payment in their payslip statement	i) To conduct briefing to all foreign workers including local regarding payslip details.	Status of corrective action taken will be verified in the next audit. - Records of briefing session Status : Close
Indicator 6.11.1 Demonstrable contributions to local development that are based on the results of consultation with local communities (MINOR) NCR #MRS04	There was no documented evidence to show that management has demonstrated contributions to local development based on the results of consultation with local communities and other stakeholders. Objective evidence : i) No documented evidence to show that Rajawali POM has demonstrate contribution to local development based on results of consultation ii) During audit, auditee at the Rajawali POM cannot show any evidence of documented consultation with relevant stakeholders.	i) Mill will conduct a "teh tarik" session and 1 day discussion with all stakeholders ii) QA will ensure stakeholder meeting to be conducted on yaelly basis.	Status of corrective action taken will be verified in the next audit. - Records of "teh tarik" session @ discussion - Stakeholder meeting Plan/scheduled - Meeting minutes. Status : Close

G. IT IS CONFIRMED THAT ALL CORRECTIVE ACTIONS TAKEN HAVE BEEN SATISFACTORILY VERIFIED. RECOMMENDED FOR CERTIFICATION.

Audit Team Leader : Mohamed Hidhir Zainal Abidin

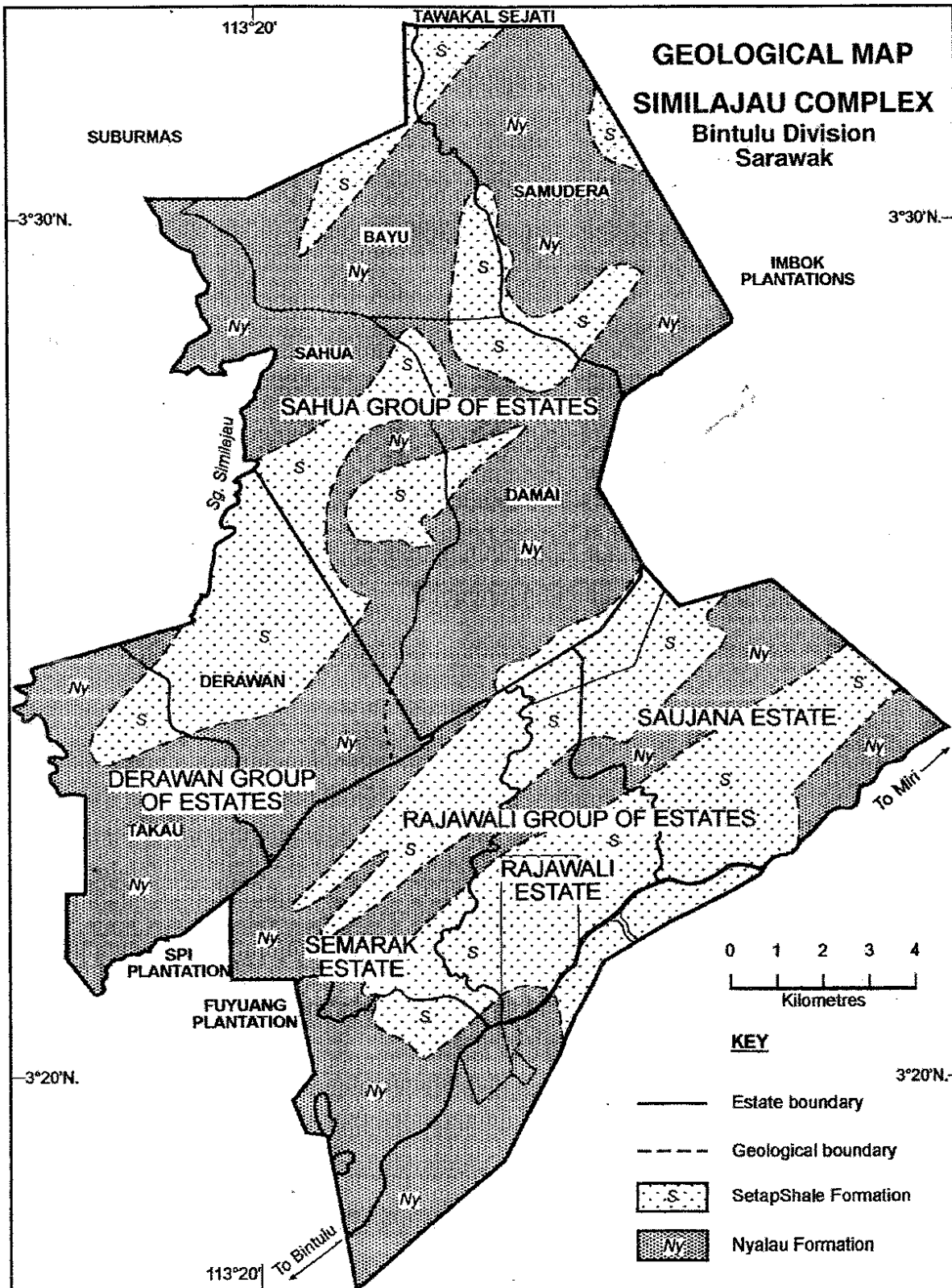
(Name)



(Signature)

24/03/2014

(Date)



RSPO SURVEILLANCE ASSESSMENT PLAN
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1. Objectives

The objectives of the assessment are as follows:

- (i) To determine Sime Darby Plantation Sdn Bhd Certification Unit (SOU32 & SOU33) conformance against the RSPO Principles & Criteria Malaysian National Interpretation (MYNI) and RSPO Supply Chain Certification Standard
- (ii) To verify the effective implementation of corrective actions arising from the findings of last assessment.
- (iii) To make appropriate recommendations based on the assessment findings.

2. Date of assessment : 7th to 11th October 2013

3. Site of assessment : Rajawali (SOU32) and Derawan (SOU 33) Certification Unit
P.O. Box 2324,
97011, Bintulu
Sarawak

4. Reference Standard

- a. RSPO P&C MYNI:2008
- b. RSPO Supply Chain Standard (November 2011)
- c. Company's audit criteria including Company's Manual/Procedures

5. Assessment Team

- a. Lead Assessor : Mohamed Hidhir Zainal Abidin
- b. Assessor : Hj Mahzan Munap
Mr Selvasingam T Kandiah
Mohd. Razman Salim

If there is any objection to the proposed audit team, the organization is required to inform the Lead Auditor/RSPO Section Manager.

7. Audit Method

Site audits including observation of practices, interviews with interested parties (employees, nearby population, etc.), documentation evaluation and evaluation of records.

9. Confidentiality Requirements

SIRIM QAS International shall not disclose any information concerning the company regarding all matters arising or coming to its attention with the conduct of the programme, which is of confidential in nature other than information, which is in the public domain.

In the event that there be any legal requirements for disclosing any information concerning the organization, SIRIM QAS International shall inform the organization of the information to be disclosed.

10. Working Language : English and Bahasa Malaysia

11. Reporting

- | | | | |
|----|------------------------|---|---|
| a) | Language | : | English |
| b) | Format | : | Verbal and written |
| c) | Expected date of issue | : | Sixty days after the date of assessment |
| d) | Distribution list | : | client file |

12. Facilities Required

- a. Room for discussion
- b. Relevant documents and records
- c. Personnel protective equipment if required
- d. Photocopy facilities
- e. Amplifier facility should meeting be held in large audience
- f. A guide for each group

13. Assessment Programme Details : As follow:

Day One: 7th October 2013 (Monday)

Activities /areas to be visited	Hidhir	Hj Mahzan	Selvasingam	Razman	Auditee
0800-0830	Opening Meeting, audit team introduction and briefing on audit objectives, scope, methodology, criteria and programmes by audit team leader at Rajawali POM .				Top mgmt & Committee Member
0830-0900	Briefing on the organization implementation of RSPO (including action taken to address main assessment findings) and update on time bound plan progress				Management Representative
0900-1300	<p>Site visit and assessment at Derawan POM relating to Good Milling Practices, environmental aspects and management plan and implementation of occupational safety and health</p> <ul style="list-style-type: none"> • Loading Ramp • Production area • Utilities e.g. engine room, boiler, WTP and ETP etc. • Laboratory • Workshop • Management of contractors • Interview with safety and health committee • Safety and health plan • Waste mangement (hazardous, domestic and biomass waste) • Pollution prevention plan • Energy and water consumption • Water management plan • Commitment to transparency • Laws and regulations • Commitment to long-term economic and financial viability • Continuous Improvement Plan • Verification of previous audit finding 	<p>Site visit and assessment at Rajawali POM relating to Good Milling Practices, environmental aspects and management plan and implementation of occupational safety and health</p> <ul style="list-style-type: none"> • Loading Ramp • Production area • Utilities e.g. engine room, boiler, WTP and ETP etc. • Laboratory • Workshop • Management of contractors • Interview with safety and health committee • Safety and health plan • Waste mangement (hazardous, domestic and biomass waste) • Pollution prevention plan • Energy and water consumption • Water management plan • Commitment to transparency • Laws and regulations • Commitment to long-term economic and financial viability • Continuous Improvement Plan • Verification of previous audit finding 	<p>Site visit and assessment at Derawan Estate relating to Good Agricultural Practice including IPM</p> <ul style="list-style-type: none"> • Nursery (if any) • Good Agricultural Practice • Witness activities & assessment at site (weeding/ spraying/ harvesting/ other maintenance activities) • IPM programme • EFB mulching • Soil erosion management • Commitment to transparency • Laws and regulations • Commitment to long-term economic and financial viability • Continuous Improvement Plan • Verification of previous audit finding <p>Assessment on related Indicators of P1, P2,P3, P4, P5, P8</p>	<p>Site visit and assessment at Samudera Estate relating to estates boundary,HCV, and management plans</p> <ul style="list-style-type: none"> • Conservation area management • Riparian Buffer Zone • Water bodies and river system • Plantation on hilly and swampy area • Consultation with relevant government agencies, if applicable • Commitment to transparency • Verification of land title and boundary stone • Laws and regulations • Commitment to long-term economic and financial viability • Continuous Improvement Plan • Verification of previous audit finding <p>Assessment on related Indicators of P1, P2,P3, P4, P5, P8</p>	Guide/PIC

	Assessment on related Indicators of P1, P2, P3, P4, P5, P8	Assessment on related Indicators of P1, P2, P3, P4, P5, P8			
1300-1400	Lunch Break				
1400-1700	Continue assessment	Continue assessment	Continue assessment	Continue assessment	Relevant PIC

Day Two: 8th October 2013 (Tuesday)

Activities /areas to be visited	Hidhir	Hj Mahzan	Selvasingam	Razman	Auditee
0800-1300	Continue on unfinished element	Continue on unfinished element	<p>Site visit and assessment at Samudera Estate relating to Good Agricultural Practice including IPM</p> <ul style="list-style-type: none"> Nursery (if any) Good Agricultural Practice Witness activities & assessment at site (weeding/ spraying/ harvesting/ other maintenance activities) IPM programme EFB mulching Soil erosion management Commitment to transparency Laws and regulations Commitment to long-term economic and financial viability Continuous Improvement Plan Verification of previous audit finding <p>Assessment on related Indicators of P1, P2,P3, P4, P5, P8</p>	<p>Site visit and assessment at Bayu Estate relating to, local community, indigenous peoples and workers issues. Verification of SIA and management plans</p> <ul style="list-style-type: none"> Interviews with Administration staff Union representatives (if any) and FFB transporters. Discussion with management (CSR, community affairs) Consultation with relevant government agencies, if applicable Facilities at workplace (rest area etc) Visit line site and discussion with Workers and dependents Facilities at living quarters (surau, provision shop, crèche, etc) Visit and discussion with surrounding local community and contractors Commitment to transparency Laws and regulations Commitment to long-term economic and financial 	Guide/PIC

				viability <ul style="list-style-type: none"> • Continuous Improvement Plan • Verification of previous audit finding Assessment on related Indicators of P1, P2, P3, P6 & P8	
1300-1400	Lunch Break				
1400-1700	Site visit and assessment at Derawan POM relating to Supply Chain implementation including the model used <ul style="list-style-type: none"> • General Chain of Custody System Requirements for the supply chain • Documented procedures • Purchasing and goods in • Outsourcing activity • Sales and goods out • Processing • Records keeping • Registration • Training • Claims • Mass balance accounting 	Site visit and assessment at Rajawali POM relating to Supply Chain implementation including the model used <ul style="list-style-type: none"> • General Chain of Custody System Requirements for the supply chain • Documented procedures • Purchasing and goods in • Outsourcing activity • Sales and goods out • Processing • Records keeping • Registration • Training • Claims • Mass balance accounting 	Continue assessment	Continue assessment	Guide/PIC

Day Three: 9th October 2013 (Wednesday)

Activities /areas to be visited	Hidhir	Hj Mahzan	Selvasingam	Razman	Auditee
0800-1300	<p>Site visit and assessment at Semarak Estate relating to environmental aspects and management plan</p> <ul style="list-style-type: none"> Water bodies River system Soil erosion management Interview with stakeholders and relevant government agencies, if applicable Waste management at field and line site including scheduled wastes Estate facilities such as agrochemical store, workshop, generator set, clinic, etc. Commitment to transparency Laws and regulations Commitment to long-term economic and financial viability Continuous Improvement Plan <p>Assessment on related Indicators of P1, P2,P3, P4, P5, P8</p>	<p>Site visit and assessment at Bayu Estate relating to occupational safety and health</p> <ul style="list-style-type: none"> Nursery (if any) Witness activities & assessment at site i.e. (weeding/ spraying/ harvesting/ other maintenance activities) Chemical store Fertilizer store Estate Workshop Facilities at workplace (water treatment plant, clinic, genset etc.) Interview Safety Committee and contractors Commitment to transparency Laws and regulations Commitment to long-term economic and financial viability Continuous Improvement Plan <p>Assessment on related Indicators of P1, P2, P3, P4, P5, P8</p>	<p>Site visit and assessment at Rajawali Estate relating to Good Agricultural Practice including IPM</p> <ul style="list-style-type: none"> Nursery (if any) Good Agricultural Practice Witness activities & assessment at site (weeding/ spraying/ harvesting/ other maintenance activities) IPM programme EFB mulching Soil erosion management Commitment to transparency Laws and regulations Commitment to long-term economic and financial viability Continuous Improvement Plan Verification of previous audit finding <p>Assessment on related Indicators of P1, P2,P3, P4, P5, P8</p>	<p>Site visit and assessment at Rajawali POM on responsible social considerations</p> <ul style="list-style-type: none"> Interviews with Administration staff , Safety Committee, FFB Suppliers, contractors and Union representatives Discussion with management (CSR, community affairs) SIA and management plan Facilities at workplace Consultation with relevant government agencies (if applicable) Pricing mechanism of FFB Continuous Improvement Plan Other areas identified during the assessment <p>Assessment on related indicators of P1, P2, P3, P6, P8</p>	Guide/PIC
1300-1400	Lunch Break				
1400-1700	Continue assessment	Continue assessment	Continue assessment	<p>Site visit and assessment at Derawan POM on responsible social considerations</p> <ul style="list-style-type: none"> Interviews with Administration staff , Safety Committee, FFB Suppliers, contractors and Union representatives 	Guide/PIC

				<ul style="list-style-type: none"> • Discussion with management (CSR, community affairs) • SIA and management plan • Facilities at workplace • Consultation with relevant government agencies (if applicable) • Pricing mechanism of FFB • Continuous Improvement Plan • Other areas identified during the assessment <p>Assessment on related indicators of P1, P2, P3, P6, P8</p>	
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Day Four: 10th October 2013 (Thursday)

Activities /areas to be visited	Hidhir	Hj Mahzan	Selvasingam	Razman	Auditee
0800-1300	<p>Site visit and assessment at Takau Estate relating to environmental aspects and management plan</p> <ul style="list-style-type: none"> • Water bodies • River system • Soil erosion management • Interview with stakeholders and relevant government agencies, if applicable • Waste management at field and line site including scheduled wastes • Estate facilities such as agrochemical store, workshop, generator set, clinic, etc. • Commitment to transparency • Laws and regulations • Commitment to long-term economic and financial viability • Continuous Improvement 	<p>Site visit and assessment at Damai Estate relating to occupational safety and health</p> <ul style="list-style-type: none"> • Nursery (if any) • Witness activities & assessment at site i.e. (weeding/ spraying/ harvesting/ other maintenance activities) • Chemical store • Fertilizer store • Estate Workshop • Facilities at workplace (water treatment plant, clinic, genset etc.) • Interview Safety Committee and contractors • Commitment to transparency • Laws and regulations • Commitment to long-term economic and financial viability • Continuous Improvement 	<p>Site visit and assessment at Damai Estate relating to Good Agricultural Practice including IPM</p> <ul style="list-style-type: none"> • Nursery (if any) • Good Agricultural Practice • Witness activities & assessment at site (weeding/ spraying/ harvesting/ other maintenance activities) • IPM programme • EFB mulching • Soil erosion management • Commitment to transparency • Laws and regulations • Commitment to long-term economic and financial viability • Continuous Improvement Plan • Verification of previous audit finding 	<p>Site visit and assessment at Takau Estate relating to estates boundary,HCV, and management plans</p> <ul style="list-style-type: none"> • Conservation area management • Riparian Buffer Zone • Water bodies and river system • Plantation on hilly and swampy area • Consultation with relevant government agencies, if applicable • Commitment to transparency • Verification of land title and boundary stone • Laws and regulations • Commitment to long-term economic and financial viability • Continuous Improvement Plan 	Guide/PIC

	Plan Assessment on related Indicators of P1, P2,P3, P4, P5, P8	Plan Assessment on related Indicators of P1, P2, P3, P4, P5, P8	Assessment on related Indicators of P1, P2,P3, P4, P5, P8	<ul style="list-style-type: none"> Verification of previous audit finding Assessment on related Indicators of P1, P2,P3, P4, P5, P8	
1300-1400	Lunch Break				
1400-1700	Continue assessment	Continue assessment	Continue assessment	Continue assessment	Guide/PIC

Day Five: 11th October 2013 (Friday)

Activities /areas to be visited	Hidhir	Hj Mahzan	Selvasingam	Razman	Auditee
0800-1000	Verification on outstanding issues for Rajawali & Derawan Certification Unit				Guide/PIC
1000-1200	Audit Team discussion, preparation on audit findings and issuance of NCR (if any)				Audit team member
1200-1400	LUNCH BREAK & FRIDAY PRAYER				
1400-1600	Closing meeting at Rajawali & Derawan Estate Office for SOU 32 & 33 – presentation of Rajawali & Derawan Certification Unit assessment findings				Top mgmt & Committee Member
1630	End of assessment				

VERIFICATION ON PREVIOUS ASSESSMENT FINDINGS (2012)

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action Taken and NCR Status	Verification by Assessor during SA2
Indicator 2.1.1 NCR# VS1	Major	Some implementations in scheduled waste handling at Rajawali POM, Rajawali & Semarak Estate were found not in accordance with regulation i) Labeling of containers ii) Some containers were not closed especially for SW 410 iii) Absence of Second, Fifth & Seventh Schedule iv) Sixth Schedule was not submitted to DOE v) Return of Sixth Schedule from the occupier was not obtained.	The SOU has presented to the assessors all the corrective action evidence via copies of relevant documents and pictures of physical practice. Evidence includes correct labeling all the relevant schedules. Status: Closed	Inconsistent implementation noted. Re-issue under 5.3.2. Refer MH3
Indicator 2.1.1 NCR# VS 2	Major	Medical examination was not conducted for employee exposed to <i>methamidophos</i> . <u>Evidence:</u> At Bayu Estate, there has been no record of medical examination conducted to a worker, namely Apriadin (Passport No.: AL906989) even though he had been assigned to carry out trunk injection using <i>methamidophos</i> in April and May 2012.	Evidence of medical check-up has been sent to the assessor showing that the worker is fit for the task. Medical check-up report by OHD is dated 13/11/2012. Status: Closed	Verified the records. No such occurrence.
Module D – CPO Mills: Segregation D.5 Processing D.5.1 NCR# VS 3	Major	At Rajawali POM, the documented procedure for supply chain was inadequate. <u>Evidence:</u> The guarantee of maximum 5% contamination has yet to be described in the procedure when comes to receiving & processing of third party's non-certified FFB and diversion of FFB from other palm oil mill.	The assessor was informed that the procedure is currently under development with the involvement of SDPSB HQ in Kuala Lumpur. The SOU will not claim their sales as certified product before the procedure gets effective. Status: Closed	Procedure has been updated. Refer SPMS Appendix 15, SOP for RSPO SCCS and traceability, version:1, issue:1, dated March 2013.
Indicator 4.8.1 NCR # MH 1	Major	Training programmes was not effective. <u>Evidence:</u> The understanding and implementation of the following issues, need to be further improved among the staff at	Training Plan for EAI, EIE, HIRARC and First Aid was submitted to the assessor. Training on scheduled waste	

		<p>Rajawali Mill and Rajawali Estate:</p> <ul style="list-style-type: none"> i) Legal and other requirement ii) Environmental aspect and impact iii) HIRARC iv) Schedule Waste Management from identification to disposal v) First Aid Training (PIC for field work/staff) 	<p>management was conducted on 27/12/2012 at Rajawali POM meeting room and record has been submitted to auditor.</p> <p>Status: Closed</p>	<p>Re-issue for social component issue. Refer MRS01</p>
<p>Indicator 2.1.1</p> <p>NCR# MH 2</p>	Major	<p>The requirements by Environmental Quality (Clean Air) Regulation 1978 – Regulation 36 and Electric Supply Act 1990 - Regulation 9 (Lesen Pemasangan Persendirian) were in compliance.</p> <p>There was no written approval and license (Suruhanjaya Tenaga) obtained for the diesel genset</p> <ul style="list-style-type: none"> • 200 kVA, 2 unit of 125 kVA Genset (Rajawali Estate) • 125 kVA and 230 kVA Genset (Bayu Estate) 	<p>One of the written approvals for generator set has been found and submitted to the assessor. SOU is still in the midst of applying for the others.</p> <p>Status: Closed</p>	<p>Electricity ordinance governed by MPU (Ministry of Public Utility, Sarawak and the the enforcement agencies is under SESCO.</p> <p>Re-issue for the license for genset under different regulation. Refer NCR MM1.</p>
<p>Indicator 2.1.1</p> <p>NCR# MM 1</p>	Major	<ol style="list-style-type: none"> 1) The absence of compliance with the legal requirements to: <ul style="list-style-type: none"> a) Factories and Machinery (Person In Charge) Regulation 1970, Section 5 – Steam boilers and engines not on a dredge. b) Fire Services Act, 1988, Section 28 – Requirement of fire certificate. c) Electricity Supply Act 1990, Regulation 60 2) The Rajawali mill Genset and the rented Gensets (750kw) and Bayu estates Genset were currently operated by non-competent person against the requirements of Factory and Machinery Act 1967 (Person-In-Charge) Regulations 1970, Section 6 – Internal combustion engines not on a dredge. <p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1) The mill does not have enough Steam Engineer Grade 2 for every shift. <ul style="list-style-type: none"> a) The mill does not have Fire Certificate. b) The mill does not have B4 Electrical Chargeman. 2) There was no 1st Grade Internal Combustion Engine driver in charge of the Gensets at the mill during every shift and no 1st or 2nd Grade Internal Combustion Engine 	<ol style="list-style-type: none"> 1) Mill currently operates by 1st grade Steam Engineer and assisted by one 2nd Grade Steam Engineer while 2 engineers had sat the 2nd Grade Steam Engineer examination on 11th Dec 2012. Mill already advertised for open interview for the required position. 2) Bulk tendering to make good deficiencies in the POM firefighting system in order to secure obtaining the Fire Certificate from BOMBA is in progress <p>Status: Closed</p>	<p>Adequate PIC for the operation. In process of tendering for BOMBA.</p>

		Driver in charge of the estate Gensets during operations of the Gensets.		
<p>Criterion 4.1</p> <p>NCR# MM 2</p>	Minor	<p>1) Not following Estate procedure (a) Pictorial Safety Standard (PSS) 12.6 Pengangkutan hasil ladang, item (b) vehicle are not allowed to carry loads exceeding permissible limit. Contract transporter (Samsudin Basri SB Pounce) from Samudera Estate when interviewed admit exceeding carrying load greater than 5 tons, that is, up to 12 tons of FFB. (b) PPE for Harvester PSS 7 and for Sprayers PSS 8.</p> <p>2) FFB transporter not following stacking of FFB height as displayed at entrance to Rajawali Palm Oil Mill</p> <p><u>Evidence:</u> No records of action taken (a) when lorries exceed permissible load and lorries were seen admitted to enter mill. Lorries were seen to load FFB exceeding 2 layers of FFB from allowable. (b) Harvester was seen wearing short and sprayers were without goggles.</p>	Minor indicator - to be verified in the next surveillance assessment.	<p>No such occurrence during the assessment.</p> <p>Status: Closed.</p>
<p>Criterion 4.7</p> <p>NCR# MM 3</p>	Major	<p>1) All operations have not been risk assessed.</p> <p>2) First Aid kit was not made available at worksite</p> <p>3) Emergency drill and response was not conducted since 2008 by the mill.</p> <p><u>Evidence:</u> 1) The generic CHRA did not include assessment of chemicals used for boiler at the Rajawali Palm Oil Mill and the Samudera estate. 2) First aid kit was not available in the field at Block 20, Damai estate during manuring activity. 3) No record of emergency and fire drill was conducted since 2008.</p>	<p>1) Chemicals (N22312, N8507 and N214) were also captured in Generic CHRA Palm Oil Mill. N214 has similar active ingredient with BP214 which is Sodium Carbonate in powder form (reference is made to Chemical Comparison Matrix for Boiler Station in Generic CHRA Report - Palm Oil Mill). Generally, any similar active ingredient of chemical which is listed in Generic CHRA Palm Oil Mill applies to other mills* too. 2) Picture of first aid kit been provided to the workers at Damai Estate has been presented to the auditor.</p>	Updated and implemented accordingly.

			<p>3) Fire drill has been conducted on 11/7/2013 at the mill. Fire drill report has been submitted to the assessor.</p> <p>Status: Closed</p>	
<p>Indicator 4.4.1</p> <p>NCR# NAJ 1</p>	Major	<p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones along all natural waterways within the estate was not maintained.</p> <p>During the site review at SOU32 it was found the buffer zone along Sg. Similajau was not maintained;</p> <ul style="list-style-type: none"> spraying activities/ trace has been identified along the buffer zone at Rajawali and Bayu Estate, boundary trees for buffer zone was not clearly identified along the riverside at Bayu Estate. 	<p>A training to educate the spraying operators has been conducted on 23/12/2012 by Mr. Mohd. Syafiq Samad. Pictorial report of the training and training records has been submitted to the assessor.</p> <p>Status: Closed</p>	<p>No such issues sighted during site review.</p> <p>.</p>
<p>Indicator 6.1.3</p> <p>NCR# RM 01</p>	Minor	<p>The SIA report for Samudera Estate was not reviewed during the required period.</p> <p>The SIA action plan was only reviewed in July 2012 and this does not conform to Sime Darby's procedure for handling social issues which requires the plan to be reviewed and updated every six months.</p>	<p>Minor indicator - to be verified in the next surveillance assessment.</p> <p>Nonetheless, the SOU has sent a copy of attendance list and pictorial report on briefing of employment contract to its workers.</p>	<p>Upgraded to Major NCR MRS02. No SIA action plan updates during the audit.</p>

OPPORTUNITIES FOR IMPROVEMENT		
Principle/ Criteria/ Indicator	Details of Opportunities For Improvement	Verification from auditor
I 2.1.1	<p><u>A system for tracking any changes in the law</u> Some of the applicable legal requirements such as (but not limited to) from</p> <ul style="list-style-type: none"> • MPOB Act 1998, MPOB Reg (Licensing) 2005 • AktaTimbangdanSukat, 1972, KPDN – PeraturanKawalanBekalan 1974 • OrdinanPerniagaan (Seksyen 5, 23 & 24(2)) • National Resource and Environment Ordinance on EIA • Conditions under DOE's <i>JadualPematuhan</i> <p>have yet to be registered in the Legal and Other Requirements Register (LORR).</p>	Has been updated accordingly. Still yet to include other applicable legal. Refer NCR MH1
RSPO SCC Module D &E D.3.4 & E.3.4	<p><u>Record keeping</u> The trade names should be used and specified in relevant documents, e.g. weighbridge ticket, DO, dispatch ticket, etc. e.g. *product name*/SG or Segregated or MB or Mass Balance.</p>	Has been updated accordingly. Closed.
I5.3.2	<p><u>Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid and reduce pollution</u></p> <ul style="list-style-type: none"> • Mechanism to identify competence scheduled waste contractor has yet to be established. • Rajawali POM has yet to identified on the method on how to evacuate leachate from the EFB hopper where the nearby drain currently blocked by over dumped EFB. • SOP for cleaning of the oil scum at cooling pond has yet to established. Collected solid and oil scum was dumped near to the discharge drain and yet to be cleaned regularly 	Inconsistent implementation. Upgrade to NCR MH3
C4.7	<p><u>Evidence of documented system Occupational Safety and Health (OSH) plan which is in the compliance with OSHA 1994 and Factory Machinery Act 1967 (Act139)</u></p> <ul style="list-style-type: none"> • Work inspection program was not clearly recorded and implemented at Rajawali Estate 	Some of recurrence issues noted. Upgraded to NCR MH2

	<ul style="list-style-type: none"> Investigation of accident for LTI less than 4 days was not consistently implemented and discussed in the Safety and Health Committee meeting at Rajawali Estate Rajawali Estate has yet to update the chemical register for the new chemical used. Example EBOR rat bait etc 	
C4.7	<p>a) Issuance of Work Permit for Confined Space Entry to be issued daily and the monitoring of gases in the confine space atmosphere to be monitored frequently.</p> <p>b) Renewal of Authorized Gas Tester to be expedited.</p> <p>c) The composition of the Emergency Response Team to include Event Recorder.</p> <p>d) Night emergency drill to be considered for mill since it is currently operating round the clock.</p> <p>e) The Safety Committee could be enhanced with establishment of sub-committees, for example, Workplace Inspection Committee, Training Committee and Accident Investigation Committee.</p> <p>f) Follow-up retest of Audiogram for those with Standard Threshold Shift to be expedited not to exceed permissible time limit per Factories and Machinery (Noise Exposure) Regulation 1989 – for mill only.</p> <p>g) Most first aid kit inspected needs to be replenished and their contents checked as some were missing.</p>	Has been implemented accordingly. Closed.
I5.2.1	<p><u>Identification and assessment of HCV habitats and protected areas within landholding; and attempt assessment of HCV habitats and protected areas surrounding landholdings</u></p> <ul style="list-style-type: none"> Biodiversity Assessment has been conducted for SOU32. SgSimilajau was identified as HCV4. However during the site review and interview with the workers, it was noted the crocodile were commonly sighted at SgSimilajau. However it was not highlighted in the assessment report and action plan. Therefore the Biodiversity Assessment report for SOU32 needs to be improved. The HCV classification on Golf Course, SESCO rentice, Gas pipe rentice and worship area (Rajawali Estate) and NCR Land (Semarak Estate) has been mistakenly categorized as HCV4. The Biodiversity Action Plan has been followed, however the monitoring records were not available for Rajawali and Semarak Estate. 	Has been rectified accordingly. Closed.

I5.2.3	<p><u>Evidence of a commitment to discourage any illegal or inappropriate hunting fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts.</u></p> <p>During the site review in Rajawali Estate it was found the signage's to prohibit illegal hunting of wildlife were not clearly displayed within the plantations.</p>	Has been rectified accordingly. Closed.
I4.8.1	<p><u>A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training for employees are kept.</u></p> <p>The training on biodiversity conservation and management to workers and staff need to be improved.</p>	Has been updated accordingly. However, the needs of training on the social component related to grievance and complaints has yet to be initiated. Refer Major NCR MRS01.
I2.1.1	<p><u>Evidence on compliance with legal requirements</u></p> <p>As required by the law, the estates and mills do have written contracts, in the form employment offer letters, covering the employment of foreign workers. However, it was found out that there were inconsistencies in completing the contract forms, (i.e. period of employment), and also discrepancies in the contents of the contract (i.e maximum contract period and employment benefits).</p> <p>It appears that there is an urgent need for the relevant parties to discuss and finalise the details before completing the form and streamline its contents.</p>	No such occurrence during the assessment. Closed.
I6.1.3	<p><u>A timetable with responsibilities for mitigation and monitoring is reviewed and as necessary</u></p> <p>Several issues were raised during the social impact assessment exercise carried out in 2009, for examples, housing conditions and amenities, services at the clinics, the prices of goods at the canteens in the estates and employment for local communities.</p> <p>While some action plans have been formulated and implemented to address the other issues, so far, no formal action has been taken to address the issue of high grocery prices. The interviews during the audit and remarks from some staffs revealed that grocery price is still a relevant issue. Remarks were also made on the prices of food at the Rajawali POM's cafeteria.</p> <p>In the interest of the workers and also staffs, it is felt that some concerted efforts be undertaken to address the issues raised.</p>	Upgraded to Major NCR MRS02
I6.3.1	<p><u>Documentation of the process by which a dispute was resolved and the outcome</u></p>	<p>.</p> <p>Has been addressed accordingly. Closed.</p>

	<p>Certain estates/mills (eg. Takau, Damai and Rajawali POM) require their workers to make verbal requests for services and these requests are then entered into record books by the clerks. Certain other estates/mills (eg. Derawan POM) require their workers to make written requests by way of completing request forms.</p> <p>One of the drawbacks of verbal requests is that there is no guarantee such requests are entered into record books and thus no proof can be shown on the requests. It is felt that written request is a better option than verbal request in getting services.</p>	
I6.5.2	<p><u>Labor laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit.</u></p> <p>Interviews with the workers revealed that there is a certain degree of ignorance on the terms of the employment contract among foreign workers. The majority of them do not understand their entitlements for annual leave, for example. Also, they do not fully comprehend the concept of sick leave.</p> <p>It would certainly help these workers if appropriate training sessions could be carried out to explain in detail the terms and conditions of the contract.</p>	Still need further improvement. Upgraded to Minor NCR MRS03.
I6.9.1	<p><u>A policy on sexual harassment and violence and records of implementation</u></p> <p>Gender committees have been formed in the estates and mills. However, it was found that they have not been very active in organizing activities of direct relevance to women needs as implied by the indicator.</p> <p>The authority in the estates and mills could help the gender committees by giving proper support and encouragement for them to carry out more focused and relevant activities.</p>	Has been addressed accordingly. Closed.