



**PUBLIC SUMMARY
FOURTH SURVEILLANCE ASSESSMENT
FOR RSPO P&C CERTIFICATION**

**SIME DARBY PLANTATION SDN BHD
RSPO MEMBERSHIP NO. : 1-0008-04-000-00**

**RAJAWALI CERTIFICATION UNIT
BINTULU DISTRICT,
SARAWAK, MALAYSIA**

**CERTIFICATE NO. : RSPO 0020
DATE OF FIRST CERTIFICATION : 30TH DECEMBER 2011
AUDIT DATE : 5TH – 9TH OCTOBER 2015**

Prepared by:

SIRIM QAS International Sdn Bhd
Building 4, SIRIM Complex
No. 1, Persiaran Dato' Menteri, Section 2
40700 Shah Alam, Selangor Darul Ehsan
MALAYSIA
Tel: 603 5544 6479
Fax: 603 5544 5600
Website: www.sirim-qas.com.my

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1.0 SCOPE OF THE CERTIFICATION ASSESSMENT

1.1 Introduction

The certification unit (CU) being assessed in this surveillance was the Rajawali CU of the Sime Darby Plantation Sdn Bhd (SDPSB). The Rajawali CU comprises the Rajawali Palm Oil Mill (RPOM), Rajawali Estate, Samudera Estate, Semarak Estate and Bayu Estate.

The Rajawali CU was first certified against the requirements of the RSPO MY-NI: 2014 by Control Union Certification on 30th December 2011. The certification of the CU was then transferred to SIRIM QAS International Sdn Bhd (SIRIM QAS International) on 8th October 2013.

Rajawali Oil Mill operates with a processing capacity of 60 metric tonnes (MT) of fresh fruit bunches (FFB) per hour. As Rajawali CU was fully developed, Principle 7 of the RSPO Principles and Criteria (P&C) was therefore not applicable.

1.2 Location of Mill and Estate

Rajawali CU which comprises one palm oil mill and four oil palm estates are all located in Bintulu, Sarawak, Malaysia. The map of the Rajawali CU (mill and estates) is shown in Attachment 1 while their coordinates are as detailed in the table below:

Table 1
Location of Mill and Estate

Operating Unit	Latitude	Longitude
Rajawali Palm Oil Mill	N'3°22'14.4"	E113°24'01.1"
Rajawali Estate	N3.42595 °	E113.379 °
Samudera Estate	N 3°28'55"	E113°23'51"
Semarak Estate	N3.22536 °	E113.356 °
Bayu Estate	N'3° 28' 56"	E 113° 23'51"

(Note: The coordinates are for the offices of the palm oil mill and estates)

1.3 Production Volume for All Certified Products

The actual and estimated tonnage (MT) of crude palm oil (CPO) and palm kernel (PK) produced by the Rajawali CU is shown in Tables 2 and 3 respectively.

Table 2
Actual Production of CPO and PK (MT) by Rajawali CU in 2015
(October 2014 to September 2015)

FFB Received	194,096.12
FFB Processed	193,941.16
Total CPO Production	42,567.61
Total PK Production	9,296.17
Certified CPO to be Claimed – Identity Preserved	0.0
Certified PK to be Claimed – Identity Preserved	0.0
Non-Certified CPO	42,619.65
Non-Certified PK	9,307.06

Table 3
Projected Production of CPO and PK (MT) by Rajawali CU in 2015
(October 2015 to September 2016)

FFB Received	211,490.44
FFB Processed	206,201.38
Total CPO Production	34,729.00
Total PK Production	7,037.72
Certified CPO to be Claimed – Identity Preserved	34,729.00
Certified PK to be Claimed – Identity Preserved	7,037.72
Non-Certified CPO	0.0
Non-Certified PK	0.0

1.4 Certification Details

The details on the certification of the Rajawali CU are as follows:
Parent company: Sime Darby Plantation Sdn Bhd
Certificate number: RSPO 0020
The date of certification : 8th October 2013

1.5 Description of The Supply Base

The FFBs were sourced from the CU's own estates that had been certified. Details of the FFB contribution from each estate to the RPOM are shown in the following Tables 4 and 5:

Table 4
Actual FFB Received from Supplying Estates by RPOM
(October 2014 to September 2015)

Estates	FFB Production	
	Tonnes	Percentage
Rajawali Estate	55,894.24	28.80
Samudera Estate	42,682.86	21.99
Semarak Estate	46,860.10	24.14
Bayu Estate	48,228.81	24.85
Outside CU		
*Damai	121.64	0.06
*Sahua	129.00	0.07
**Belian	62.34	0.03
**Kelida	13.59	0.01
**Lavang	19.89	0.01
**Rasan	79.07	0.04
**Lavang Special	4.58	0.00
Third party (non-certified)	0.0	0.00
Total	194,096.12	100.00

*Derawan CU; certified by SIRI **Lavang CU; certified by other RSPO CB (Mutuagung)

Table 5
Projected FFB Received from Supplying Estates by RPOM
(October 2015 to September 2016)

Estates	FFB Production	
	Tonnes	Percentage
Rajawali Estate	53,838.63	25.46
Samudera Estate	48,659.93	23.01
Semarak Estate	55,969.88	26.46
Bayu Estate	53,022.00	25.07
Outside	-	-
Total	211,490.44	100.00

1.6 Planting Profiles

The following Tables 6 to 10 describes the planting profiles for each of the estate in the Rajawali CU:

Table 6
Percentage of Planted Area in the Rajawali CU

Estate	Year of Establish-ment	Area (Ha)				Area (%)	
		Certified	Planted	Mature	Immature	Mature	Immature
Rajawali	1994	6,120.32	3,328.32	2,958.29	407.44	87.66	12.34
Samudera	1998	2,608.00	2,211.91	2,050.38	0.00	100.00	0.00
Bayu	1993	2,286.00	2,248.78	2,248.78	0.00	100.00	0.00
Semarak	1997	2,401.00	2,183.35	2,183.35	0.00	100.00	0.00
Total		13,415.32	9,972.33	9,440.80	407.44		

Table 7
Planting Profile of Rajawali Estate

Year of planting	Planting cycle (Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1994-1997	1st	Mature	2,727.45	82.00
1998-2003	1st	Mature	151.89	5.00
2004	1st	Mature	33.33	1.00
2013	2nd	Immature	197.24	6.00
2014	2nd	Immature	218.41	7.00
Total			3,328.32	100.00

Table 8
Planting Profile of Samudera Estate

Year of Planting	Planting Cycle (Generation)	Mature / Immature	Planted Area (ha)	Percentage of Planted Area (%)
1998	1st	Mature	1,172.85	53.02
1999	1st	Mature	205.44	9.29
2000	1st	Mature	833.62	37.69
Total			2,211.91	100.00

Table 9
Planting Profile of Bayu Estate

Year of Planting	Planting Cycle (Generation)	Mature / Immature	Planted Area (ha)	Percentage of Planted Area (%)
1998	1st	Mature	842.43	38.58
1999	1st	Mature	217.75	9.97
2000	1st	Mature	1,093.12	50.07
2006*	1st	Mature	8.90	0.41
2008	2nd	Mature	5.85	0.27
2010	2nd	Mature	15.30	0.70
Total			2,183.35	100.00

*Field 2006 was previously a logpond area.

Table 10
Planting Profile of Semarak Estate

Year of Planting	Planting Cycle (Generation)	Mature / Immature	Planted Area (ha)	Percentage of Planted Area (%)
1993	1st	Mature	626.39	27.85
1994	1st	Mature	883.20	39.27
1995	1st	Mature	288.93	12.85
1996	1st	Mature	342.76	15.24
2004	1st	Mature	107.50	4.78
Total			2,248.78	100.00

1.7 Time Bound Plan for Other Management Units

SDPSB has been a member of the RSPO since 6th September 2004 and was committed to achieve full compliance with the requirements of the RSPO P&C in all aspects of its estate operations. SDPSB was committed to certify all of its 60 Strategic Operating Units (SOUs) or CUs (in Malaysia and Indonesia) as outlined in its time bound action plan. All of its SOUs had already been certified, except for one (1) in Indonesia, which was still pending to solve on social issue.

1.8 Organizational Information/Contact Person

The details of the contact persons are as shown below:

Name : Mohamad Azahar Saat
 Designation : Manager, KKS Rajawali
 Address : P.O. Box 2324, 97011 Bintulu, Sarawak, Malaysia
 Telephone : 086-327551
 Fax : 086-325849
 E-mail : azahar.saat@simedarby.com

2.0 ASSESSMENT PROCESS

2.1 Certification Body

SIRIM QAS International 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 assessments on palm oil mills (POMs) and oil palm estates for certification of management system against the requirements of the ISO 9001, 14001 & OHSAS 18001. SIRIM QAS International was approved as a RSPO certification body on 21st March 2008. Since then, SIRIM QA International had conducted many assessments on RSPO sustainable production of palm oil and supply chain certification in Malaysia.

2.2 Qualifications of Lead Assessor and Assessment Team

The assessment team consisted of four assessors. The details of the assessors and their qualification are detailed below:

Assessment Team	Role/ Area of RSPO Requirement	Qualifications and Experiences
Mohd Razman Salim	Overall Team Leader / Workers & community issues, HCV, habitats & ecology and related legal issues.	<ul style="list-style-type: none"> • Successfully completed IRCA accredited Lead Assessor training for OHSAS 18001, ISO 9001 and ISO 14001. • B. Sc. Forestry, Universiti Putra Malaysia.
Ruzita Abd Ghani	Assessor / Environmental and safety issues to mill, plantation and supply chain	<ul style="list-style-type: none"> • Successfully completed RSPO Lead Assessor Course. • Successfully completed EARA approved Lead Assessor training for ISO 14001. • Successfully completed IRCA accredited Lead Assessor training for ISO 9001 and OHSAS 18001. • Registered Environmental Auditor with Department of Environment. • B.Sc. (Hons) Chemical Engineering, Universiti Teknologi Malaysia.
Selvasingam T. Kandiah	Assessor / GAP and environmental issues	<ul style="list-style-type: none"> • B. Sc. (Hons) Agriculture – University of Agricultural Sciences, Hebbal, Bangalore, India. • A planter with Kumpulan Guthrie Berhad, with 1 year experience in Liberia and 2 years in Estate. Department in the HQ, Kumpulan Guthrie Berhad. <p>Experience in Managing:</p> <ul style="list-style-type: none"> • Nursery : Rubber and Cocoa • Immature Area : Cocoa Replant, Rubber Replant, Oil Palm Replant & Oil Palm New Clearing • Mature Area: Cocoa, Rubber & Oil Palm.
Mohd Zulfakar Kamaruzaman	Assessor / Environmental and safety issues related to mill and plantation	<ul style="list-style-type: none"> • 4 years working experience related to oil palm plantation. • Successfully completed IRCA accredited Lead Assessor training for ISO 9001 and ISO 14001. • B. Sc. Forestry at Universiti Putra Malaysia.

2.3 Assessment Methodology

The main objectives of this surveillance were to:

- verify the Rajawali CU's continued compliance against the RSPO MYNI:2014 and the RPOM against the requirements of the RSPO Supply Chain Certification Standard, November 2014;
- verify the effectiveness of implementation of corrective actions to address the minor NCRs raised during the previous surveillance; and
- make appropriate recommendations based on the findings of this surveillance on the continued certification of the Rajawali CU for sustainable production of palm oil products and the RPOM for supply chain.

The surveillance assessment was guided by the sampling formula of 0.8 \sqrt{y} . The sites assessed during this surveillance audit were RPOM, Rajawali Estate, Samudera Estate, Bayu Estate and Semarak Estate.

The assessment team had carried out field and office visits to verify the CU's conformance against the RSPO-MYNI: 2014. There were also site visits to HCV habitats, labour lines, storage areas and other workplaces.

Common systems were identified and specific evidences were recorded for the estate. Interviews, particularly those with employees, local communities and suppliers were conducted formally as well as informally, without the presence of the CU's management personnel. In addition, records as well as other related documentation were also being reviewed. The assessment programme is as in Attachment 2.

2.4 Date of Next Surveillance Visit

The next surveillance assessment should be conducted within 12 months but not sooner than 9 months after the date this surveillance was conducted.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings

The findings of this surveillance assessment were presented during the on-site closing meeting. There were two (2) major and two (2) minor nonconformity reports (NCRs) being raised on the Rajawali CU's compliance against the requirements of the RSPO MYNI:2014. The details of these NCRs and the corrective actions taken to address them are as in Attachment 3.

In addition, all the minor NCRs raised during the previous surveillance audit had also been satisfactorily closed out following the verification of the implemented corrective actions. The assessment team had accepted the corrective action plan and found it to be adequate in addressing the minor NCRs. The details on these NCRs and their status are shown in **Attachment 4**.

The detailed findings of the assessment on the CU's compliance with the requirements of the RSPO MYNI:2014 and the RSPO Supply Chain Certification Standard, November 2014 are as follows:

PRINCIPLE 1: COMMITMENT TO TRANSPARENCY

Criteria	Indicators		Comply Yes/No	Findings
1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	1.1.1	There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Minor Compliance	Yes	Rajawali CU had continued to implement the procedures for responding to any communication as outlined in their Estate/Mill Quality Management System documents. The records of communication were identified and maintained in different files depending on the stakeholder. Among the records inspected were correspondences with the authorities and employees. SDPSB had 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 on SDPSB website at http://plantation.simedarby.com . In Bayu and Rajawali Estates, management documents, like those relating to environment, social and legal issues, were still made available to the public except for those prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. RPOM had continued to maintain their record of requests and responses in the logbook titled ' <i>Rekod Komunikasi Antara Peladang/Kilang/Dengan Kakitangan /Individu /Masyarakat</i> '. The estate had identified personnel responsible for complaints and records of communication were identified and maintained in different files, internal & external communication, depending on the stakeholder. The procedure for responding to any communication was still as outlined in sub section 5.5 appendix 5.5.3.2 of their Standard Operation Manual of Estate
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	Yes	

				Quality Management System documents.
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.	1.2.1	Management documents that are made available to the public shall include, but are not necessarily limited to: <ul style="list-style-type: none"> Land titles/user rights (Criterion 2.2); Major Compliance 	Yes	Land titles of the Rajawali and Bayu Estates were still being kept at the offices of the estates.
		<ul style="list-style-type: none"> Occupational health and safety plans (Criterion 4.7); Major Compliance 	Yes	Safety and Health plan were made available in both estates visited. Cross refer findings on Criterion 4.7.
		<ul style="list-style-type: none"> Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); Major Compliance 	Yes	Up-dated Environmental Impact Assessment on Rajawali POM (12/07/2015), Rajawali Estate (10/08/2015) and significant Environmental Aspects and Impacts Register were made available. SDPSB had continued to monitor the social impact through their social plan at all operating units titled 'Management Plan on Social Impact Assessment' updated 20/11/2013. Cross refer findings on Criterion 6.1.
		<ul style="list-style-type: none"> HCV documentation summary (Criteria 5.2 and 7.3); Major Compliance 	Yes	HCV documentation summary was still made available at Rajawali Estate and Bayu Estate.
		<ul style="list-style-type: none"> Pollution prevention and reduction plans (Criterion 5.6); Major Compliance 	Yes	Action plan to mitigate pollution was also made available for public. Cross refer to findings on Criterion 5.6.
		<ul style="list-style-type: none"> Details of complaints and grievances (Criterion 6.3); Major Compliance 	Yes	RPOM had continued to maintain record on requests and responses in the logbook entitled ' <i>Rekod Komunikasi Antara Peladang/Kilang/Dengan Kakitangan /Individu /Masyarakat</i> '. The Rajawali and Bayu Estates had continued to maintain 'External & Internal Complaint Logbook'. It was observed that the latest complaint was recorded on 8/09/2015.
		<ul style="list-style-type: none"> Negotiation procedures (Criterion 6.4); Major Compliance 	Yes	The procedure concerning legal and customary pertaining land issues, including compensation was still being handled by the Land Management Department of Sime Darby as stated in their procedure 'Appendix 3 - Flowchart and Procedures on Handling Land Disputes' which was also applicable to all Sime Darby's CUs.
		<ul style="list-style-type: none"> Continual improvement plans (Criterion 8.1); Major Compliance 	Yes	Continual improvement plan was made available at RPOM as stated in their annual budget FY2015/2016. The auditor had also verified continual improvement plan for Rajawali and Bayu Estates as budgeted in their capital expenditure management plan 2015/2016.
		<ul style="list-style-type: none"> Public summary of certification assessment 	Yes	Public summary of certification assessment report can be assessed through this link: http://www.sirim-

		report; Major Compliance		gas.com.my/attachments/article/364/RSP O%20Public%20Summary- Rajawali%20ASA%20III%202014- 150406.pdf
		<ul style="list-style-type: none"> Human Rights Policy (Criterion 6.13). Major Compliance	Yes	The established policy on human rights as mentioned in the Social Policy was still being adhered to.
1.3 Growers and millers commit to ethical conduct in all business operations and transactions.	1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	Yes	The same code of ethical conduct and integrity (Kod Etika Kerja) which had been documented and distributed to all staffs and workers was still made available and communicated to all level of the workforce during orientation/induction programme.

PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Criteria	Indicators		Comply Yes/No	Findings
2.1 There is compliance with all applicable local, national and ratified international laws and regulations.	2.1.1	Evidence of compliance with relevant legal requirements shall be available. Major Compliance	No	Rajawali CU had continued to comply with legal requirements as required in this indicator. Guided by the established procedure, the annual evaluation of compliance had continued to be carried out concurrently with the review of legal register. RPOM had continued to comply most of the applicable laws and regulations with regards to such as Factory and Machinery Act 1967 (i) Person In Charge Regulation 1970, (ii) Steam Boiler and Unfired Pressure Vessel 1970 and (iii) EQ (Prescribed Premise) Crude Palm Oil Regulations 1977. However, as indicated in the <i>Jadual Pematuhan Kilang</i> , Item 4.0 <i>Kawalan Pencemaran Udara</i> , it was found that the Continuous Emission Monitoring System (CEMS) reading was inaccurate (Actual emission against the CEMS report) for boiler no 1 related to boiler smoke emission. Thus, a major #NCR RAG-02 2015 was raised.
	2.1.2	A documented system, which includes written information on legal requirements, shall be maintained. Minor Compliance	Yes	Rajawali CU had 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 them for their operations. Each estate had its own Legal and Other Requirements Register (LORR) and were being evaluated individually annually for compliance. The Legal registers were update by the

				<p>person in-charge and approved by the respective managers in July 2015 and the following were added:</p> <ul style="list-style-type: none"> • Personal data protection act 2010; • Goods and services act 2014; and • Goods and services tax regulations 2014
	2.1.3	<p>A mechanism for ensuring compliance shall be implemented.</p> <p>Minor Compliance</p>	Yes	Both estates (Rajawali and Bayu) had continued to use the same documented mechanism for identifying and updating the changes of legal requirements and to monitor the status of legal compliance as in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual. There was evidence of compliance to legal requirements which had been evaluated on an annual basis.
	2.1.4	<p>A system for tracking any changes in the law shall be implemented.</p> <p>Minor Compliance</p>	Yes	The tracking for changes in the law was still being carried by PSQM Department, Group Compliance Office based at SDB headquarters in Kuala Lumpur and disseminated to all CUs which then updated their legal registers from time to time. The same system of tracking changes in the laws as outlined in the Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008 was being implemented.
2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.	2.2.1	<p>Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available. Major Compliance</p>	Yes	<p>The copy of legal land ownership document of Bayu Estate was still made available and had been verified. The land was previously owned by Saha Enterprise Sdn Bhd, which was then taken over by Sime Darby Plantation (Sabah) Sdn. Bhd.</p> <p>For the Rajawali Estate, the ownership of land title has been change to Sime Darby Austral Holdings Berhad. The CU had continued to comply with the terms of the land title.</p>
	2.2.2	<p>There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves.</p> <p>Minor Compliance</p>	Yes	<p>Auditor has verified that there were still boundary stones and pegs at the Rajawali Estate. The boundary stones and pegs have been monitored and visibly maintained along the boundary adjacent to Taman Negara Bukit Tiban.</p> <p>Bayu Estate had also maintained its boundary stone and pegs at the boundary adjacent to other oil palm companies such as Tawakal and Suburmas plantations.</p>
	2.2.3	<p>Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and</p>	Yes	As reported during the 2014 surveillance audit, there was an inherited land dispute between local communities (Rh. Nyalong and Rh. Jarau) and the previous land owner, Austral Enterprise Bhd. Both communities had claimed that part of the land in Rajawali Estate belong to them. During the conflict, Rajawali Estate had restricted its operation on the dispute area.

		occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). Minor Compliance		During this surveillance audit, auditor had verified with Sime Darby Land Department on this land dispute and was informed that both parties had brought the issues to a High Court for a decision. The High Court had ruled that the land belong to Sime Darby under the management of Rajawali Estate. However, the Court had also allowed both communities to continue staying on the land. Both parties had a copy of court decision.
	2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. Major Compliance	Yes	Sime Darby has planned to make an appeal at the High Court Decision.
	2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable). Minor Compliance	Yes	Sime Darby has planned to make an appeal on High Court.
	2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance	Yes	The auditor had verified during stakeholders meetings and random interviews with other oil palm plantation companies that there was no violence being instigated by Rajawali CU to maintaining peace. Rajawali CU had employed auxiliary police to guard their workers, staffs, children life, their belongings and companies' property.
2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.	2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). Major Compliance	Yes	Although the land claim issue has been solved by a court decision, Sime Darby still kept all the documents including a map of the disputed land at the Rajawali Zone and Sime Darby Land Department offices.

	2.3.2	<p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <p>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>Minor Compliance</p>	Yes	Sime Darby has planned to make an appeal on the High Court decision.
	2.3.3	<p>All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>Minor Compliance</p>	Yes	Both parties, Sime Darby and the local communities had kept a copy of the High Court decision dated 24/09/2013.
	2.3.4	<p>Evidence shall be available to</p>	Yes	Representatives from the local communities were the Tuai Rh. Nyalong, Tuai Rh. Jarau and their lawyers.

		show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance		
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PRINCIPLE 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY

Criteria	Indicators		Comply Yes/No	Findings
3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.	3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. Major Compliance	Yes	Both estates had continued their commitment to long-term economic and financial viability. The annual budgets for 2015/16 to 2019/2020 were sighted.
	3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. Minor Compliance	Yes	The replanting programmes until 2026/27 were sighted for both Estates.

PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS

Criteria	Indicators		Comply Yes/No	Findings
4.1 Operating procedures are appropriately documented, consistently implemented and monitored.	4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	Yes	Rajawali CU had continued to use and implement the various manuals it had i.e. the Plantations/Mill Quality Management System (PQMS/MQMS) Manuals 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. For the estates, besides the PQMS, technical guidelines as listed in the Agricultural Reference Manual were also still being used.

	4.1.2	A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	Yes	Both estates had continued to implement the mechanisms which had been in place such as on-site visits, inspections and discussions with relevant personnel and by conducting assessments and internal audits, PA visits and RSPO audits for checking the implementation of procedures had consistently been followed.
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	Yes	Records of monitoring and the actions taken by both Bayu Estate and Rajawali Estate were being maintained and kept for a minimum of 12 months.
	4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance	Yes	There was no third-party FFB supplier.
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	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance	Yes	Both Estates had continued to practise the maintenance of long-term soil fertility by annual application of fertilisers based on periodic foliar and soil analysis, biomass retention (pruned fronds left to decompose in the fields) and some EFB and compost applications. Fertiliser application, which was of paramount importance for maintenance of soil fertility, was still done based on the recommendation made by the agronomist from Sime Darby Research Sdn. Bhd.
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	Yes	Fertiliser application program was monitored using records like program sheets, bin cards, field cost book, etc. Records of programs and applications of fertilisers were made available to auditors. Records sighted showed that actual applied in 2014/2015 was in line with program. Fertiliser application for 2015/2016 was on going in both estates.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	Yes	From the Agronomist reports it was observed that both estates had continued to carry out periodic foliar and soil sampling to monitor changes in nutrient status. The latest foliar sampling in Bayu Estate was carried out in August 2014, while that in Rajawali Estate was still in progress. Soil maps were made available to the auditors.
	4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance	Yes	Both estates still had a nutrient recycling strategy in place. Palm fronds were being stacked in the fields to decompose and by applying EFB and compost.

4.3 Practices minimise and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available. Major Compliance	Yes	Based on the soil maps provided, there was no fragile/marginal soil in both estates visited.
	4.3.2	A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance	Yes	SDPSB had the same management strategy in place for planting on slopes of between 9 and 25 degrees as prescribed in the Slope & River Protection Policy – Buffer Zone & 25 degree slope and in item 8 Section 4 – Land Preparation for Terracing in ARM Manual. Both Estates had complied with this strategy.
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	Yes	During the field visit, it was noted road conditions were well maintained in Bayu Estate and satisfactory in Rajawali Estate. Accessibility were made possible through regular maintenance as required in the road maintenance programmes. The program had been supported by adequate provisions in the budgets.
	4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance	Yes	There were no peat soils in both estates visited.
	4.3.5	Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance	Yes	There were no peat soils in both estates visited.
	4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance	Yes	There were no fragile and problem soils in both estates visited.
4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1	An implemented water management plan shall be in place. Minor Compliance	Yes	Both estates had in place and continued to implement their water management plans. Plans for 2015/2016 were sighted. The water management plans had focused more towards soil water conservation, pollution prevention and domestic use.
	4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national	Yes	Rajawali CU had continued to protect the water courses and wetlands including maintaining and restoring appropriate riparian buffer zones along all natural waterways within the estate. During a site visit to a replanting area at the Rajawali Estate, it was observed that the assigned buffer zone along the

		best practice and national guidelines) shall be demonstrated. Major Compliance		Singrok River had been left untouched. The width of the buffer zone which was 20 meters for both sides of the bank was in accordance with the specifications of the Drainage and Irrigation Department (DID). Similarly it was also observed that the Bayu Estate also had protected the riparian reserve of Similajau River by monitoring its buffer area.
	4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). Minor Compliance	Yes	Mill records of water monitoring for DOE submission in the ' <i>Borang Penyata Suku Tahunan</i> ' for the 1 st until 3 rd quarter were made available for viewing. The DoE licence for the RPOM was for land application and a BOD of less than 5000 mg/l. The latest quarter report from was sampled and reviewed. Outgoing water into natural waterways had continued to be closely monitored. Water sampling analysis was still done on quarterly basis as stipulated in the procedure. The BOD results were still below the stipulated limit of 5000 mg/l.
	4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance	Yes	RPOM had continued to monitor the water usage per tonne of FFB processed. A general stable trend was noted.
4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.	4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	Yes	As for all SDPSB estates, they had a documented integrated pest management (IPM) system in place. The procedure referred is in Agricultural Reference Manual (ARM) Section 15 -Plant Protection. The IPM program among others includes pest management of rats, bagworms, nettle caterpillars, rhinoceros beetles and ganoderma.
	4.5.2	Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	Yes	Both estates had carried out training on all aspects IPM implementation for staff and workers. Records showed that the latest were conducted in July & Aug 2015.
4.6 Pesticides are used in ways that do not endanger health or the environment.	4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance	Yes	The use of pesticides still required written justification as described in Standard Operating Procedure (SOP) of all agrochemical in the Agricultural Reference Manual issue:1 version:3 dated 1/7/2011, SOP and in the Safety Pictorial Book prepared by SDPSB.
	4.6.2	Records of pesticides use (including active ingredients	Yes	Both units visited had records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total

		used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance		quantity, number of applications and Ai/Ha.
	4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance	Yes	As part of the IPM plans, management of both estates had established nectariferous beneficial plants (<i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> and <i>Turnera subulata</i>) nurseries for continuous planting in order to attract natural predators and thus to reduce use of insecticides.
	4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance	Yes	Both estates had only used pesticides that were officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). There was no evidence of pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, had been used. Most pesticides used were of class III & class IV, while for oil palm nursery the estates had used class II pesticides.
	4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and	Yes	Records had shown that pesticides were being handled, used and applied by trained persons and as per the MSDS of the pesticide. It was observed that the staff and workers such as the storekeepers, sprayers, fertilizer and rat bait workers had been trained and understood on the hazards and the proper handling of chemicals. The trade and generic names of the chemicals were made known to the

		application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). Major Compliance		workers through the MSDS/CSDS training. It was also observed during the audit that MSDS/CSDS were made available at all sites.
	4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance	Yes	The chemical stores in both estates were observed to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149) and Regulations. Record of the purchase, storage and use of pesticides had been properly maintained. All of the stores had been well ventilated, had exhaust fans and secured. Only authorized personnel were allowed to handle the chemicals. All the chemicals were stored and segregated accordingly. Empty pesticides containers had been triple rinsed, holes punched in them and stored separately in the schedule waste store awaiting proper disposal.
	4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	Yes	Pesticide applications were still being guided by SDPSB's ARM, Pictorial Guide, CHRA and by MSDS supplied by the manufacturer.
	4.6.8	Pesticides shall be applied aurally only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance	Yes	There was no aerial spraying and there was no evidence to show that any had been carried out.
	4.6.9	Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8).	Yes	Based on training record, the staff and workers such as the storekeepers, sprayers, fertilizer and rat bait workers had continued to be trained and that they had understood the hazards involved and how the chemicals should be used in a safe manner.

		Minor Compliance		
	4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance	Yes	Based on field inspection it was observed that chemicals had been applied in accordance with the product safety precautions. Domestic and recycle wastes has been segregated by the collector and only domestic waste had been throw at the landfill. Recycle material such as cans, glass bottle, plastic bottle and paper were sent to recycle area.
	4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	Yes	The estates had continued to conduct annual medical surveillance on all sprayers, store keeper and workers handling pesticides. In Bayu Estate, it has been conducted on 7/10/2015 and in Rajawali Estate on 22/05/2015.
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance	Yes	There was no evidence to show that work with pesticides was undertaken by pregnant or breast-feeding women. This was confirmed during interviews with the Medical Assistants and workers.
4.7 An occupational health and safety plan is documented, effectively communicated and implemented.	4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance	Yes	Both of the estates had continued to adopt the SDPSB Occupational Safety and Health Policy, signed by Dato, Franki Anthony Dass. The policy had been communicated to all employees through briefings and displayed on the estates notice boards. A safety and health plan had also been implemented and being monitored every month for 2015/2016 for each estate.
	4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance	Yes	The estates had continued to conduct hazard identification, risk assessment and risk control on the activities in the estates. Updated HIRARC register was presented during the assessment. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment.
	4.7.3	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8).	No	The CU had conducted awareness training chemical hazards for all workers involved in handling of dangerous chemicals. For example, training on chemical handling, spraying and manuring had been carried out on

		Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance		<p>10/05/15 and 8/09/15 and chemical spillage and fire drill on 14/5/15. Briefing on correct PPE used had also been conducted.</p> <p>Suitable PPE had been given to the mill and estate workers appropriate for their daily routine task. The PPE includes safety boots, helmets, goggles, ear plugs, rubber and cotton gloves, aprons and breathing masks (dusk mask and cartridge type respirator). Records of PPE issuance were maintained and were presented to assessor during the assessment.</p> <p>However, during a visit to Field P13A the Rajawali Estate, it was observed that workers had kept all their PPE in the container used for rat baits and had remnant of the bits on it. It was also observed that harvesters in Field P97SD had not worn the boots and safety helmets provided to them. Thus a minor NCR STK 01 2015 was issued under indicator 4.7.3</p>
	4.7.4	<p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers.</p> <p>Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. Major Compliance</p>	Yes	<p>A Safety and Health Committee organisational chart of both estates were presented to auditors.</p> <p>The Organizational Safety and Health (OSH) Committee of the Bayu Estate comprised the Chairman (Estate Manager), Secretary (Medical Assistant), 8 management representatives and 7 workers representatives. Year quarterly meeting were held and records of meeting were verified.</p> <p>The OSH committee of the Rajawali Estate comprised the Chairman (Estate Manager), Secretary (Medical Assistant) and 5 management, 5 worker's and 3 contract worker's representatives. Year quarterly meetings were held. The third quarterly meeting scheduled in September had to be postponed to October due to unavoidable circumstances. The last meeting was held on 4/06/2015 and records of meeting held were verified.</p>
	4.7.5	<p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers.</p> <p>Accident procedures shall be available in the appropriate language of the workforce.</p> <p>Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites.</p>	Yes	<p>Emergency procedures had been described in the ESH Management System Manual No 72 File No (SD/SDP/SQM/(ESH) 001-2-1) Document id SD/SDP/SQM (ESH)/001-1 procedure no 4.7, 5.3.</p> <p>The following training had been conducted for workers to understand the ERP:</p> <ol style="list-style-type: none"> 1. Chemical Spillage and Fire Drill 2. Emergency response plan 3. First Aid Training 4. Chemical Handling <p>Both estates had adhered to the documented SDPSB policy 'Crisis Management & Emergency Response' plan, ref: chapter 13 of PQMS, OSH manual and "Accident and Reporting and Investigation Procedure" in chapter 14 of the same manual.</p>

		Records of all accidents shall be kept and periodically reviewed. Minor Compliance		During field inspection, it was observed that all operating units had been provided with First Aid boxes which were checked on a monthly basis by the Medical Assistants. Records of replenishment were verified by the auditor.
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	Yes	Both Bayu & Rajawali Estates had a clinic each with qualified medical assistants to provide for daily basic and emergency medical care. Serious cases were sent to government hospitals for treatment. It has been verified that all employees were covered by accident insurance; locals by SOCSO and foreign by workmen compensation.
	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	Yes	Both estates and mill had monitored the occupational injuries using Lost Time Accident (LTA) metrics. The records, JKPP 8, were available during the assessment and were verified by the auditor.
4.8 All staff, workers, smallholders and contract workers are appropriately trained.	4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance	Yes	Formal training programs for 2015/2016 that covered aspects of the RSPO Principles and Criteria, with regular assessments of training needs were presented to auditors by both estates.
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	Yes	Rajawali CU had trained their staff, workers and smallholders and records of training were kept in the RSPO training file.

PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY

Criteria	Indicators		Comply Yes/No	Findings
5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and	5.1.1	An environmental impact assessment (EIA) shall be documented. Major Compliance	Yes	Rajawali CU had continued to use its environmental aspects/impacts register associated with their activities. Environmental aspect and impact (EAI) which covers from upstream activities such as FFB reception until downstream processes was sighted during assessment. Identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. For the estate operations, all activities from harvesting, pest and disease, upkeep programme until delivery to mill

plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.				had been identified. An Aspect and Impact assessment has been carried out, latest performance monitoring carried out on 10/08/2015 for Rajawali Estate and 12/07/2015 for RPOM.
	5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons. Minor Compliance	Yes	Significant environmental aspect and impact was derived from the environmental impact evaluation (EIE) and those activities evaluated as significant were then monitored using the mitigation measure established for each significant activities. Action plan and PIC available.
	5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. Minor Compliance	Yes	'Pollution Prevention plan' to monitor the effectiveness of the mitigation measures taken, are in place.
5.2 The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and	5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). Major Compliance	Yes	The estate had continued to maintain the identified conservation areas in the Rajawali Estate; the river reserve, Sg. Singrok, Taman Negara Bukit Tiban and water catchment. The estate management had continued to implement the action plan for conserving these areas which includes the erection of more signage of prohibition (i.e. no fishing/hunting/entry), awareness program, areas demarcation, etc. The CU had continued to be committed in discouraging illegal or inappropriate activities.
	5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill	Yes	Rajawali Estate had continued to implement action plan for maintenance of the identified HCV areas by (1) demarcating the buffer zone, (2) no manuring and spraying in the riparian reserved and (3) maintaining boundary

operations managed to best ensure that they are maintained and/or enhanced.		operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance		stone. While for RTE species, Rajawali Estate has identified a snake (<i>python curtus</i>) as endangered species in their plantation area. The estate has planned to brief their workers to not allowing any hunting activities on the endangered snake.
	5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. Minor Compliance	Yes	As mentioned in the findings on indicator 5.2.2, wildlife snake (<i>python citrus</i>) was found in the Rajawali Estate. The species was identified as RTE species. Management had briefed all their workers to protect wildlife snake by not hunting them. Sime Darby had also established their own disciplinary measures for staff or workers found to have captured, harmed, collected or killed the RTE species.
	5.2.4	Where an action plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; Outcomes of monitoring shall be fed back into the action plan. Minor Compliance 	Yes	There was on-going monitoring on HCV and RTE by Rajawali Estate. Interval monitoring (once in every 9 days) has been conducted by Assistant Manager at the HCV area and identified area of RTE.
	5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. Minor Compliance	Yes	Rajawali Estate has discussed with the local communities. Both parties has negotiated agreement to safeguards Sg. Singrok.
5.3 Waste is reduced, recycled,	5.3.1	All waste products and sources of pollution shall be	Yes	Rajawali CU had identified and documented all waste product and sources of pollution.

re-used and disposed of in an environmentally and socially responsible manner.		identified and documented. Major Compliance		The most significant environmental receptors for the estates and mill operations were: air– source from boiler stack (smoke and particulate), vehicle & generator (smoke and gases), anaerobic processes (ETP, EFB dumping – biogas emission), water – cleaning water/run-off/process station waters (hydrocyclone/claybath/sterilizer condensate/clarification waste) & boiler quenching water and blowdown and land – scheduled waste, domestic waste and industrial/process.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	Yes	All chemicals, spent oil and empty container are being disposed in a responsible manner. Last disposed dated was on 14/7/2015. On the site visit, it was observed that schedule waste store had been maintained properly labelled.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. Minor Compliance	No	For the identified waste and pollutants, there were SOP and guideline established as to guide the waste disposal activities and to reduce pollution on the routine operation. A discrepancy was found where the waste management and disposal plan to avoid or reduce pollution was documented at Rajawali Estate. However, the implementation of the waste management and disposal plan was not appropriately carried out. Therefore, Minor NCR -RAG 03- 2015 has been issued.
5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.	5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. Minor Compliance	Yes	RPOM had continued on the plan to reduce power loading by running 2 units of boiler which were still under construction. The 2 boilers would be used to run electrical generator which would significantly reduce the use of fossil fuel and wet shell mix on to the boiler furnace that had caused inconsistent black smoke emission.
5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.	5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the ' <i>Guidelines for the Implementation of the ASEAN Policy on Zero Burning</i> ' 2003. Major Compliance	Yes	SDPSB has a policy of no open burning. As advocated, both estates had practised zero burning. In the replanting area visited during this surveillance in Rajawali Estate, it was evident that all palms had been felled, shredded, windrowed and left to decompose.
	5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as	Yes	SDPSB has a policy of zero burning during land preparation for replanting and both estate had adhered to this policy.

		specified in ' <i>Guidelines for the Implementation of the ASEAN Policy on Zero Burning</i> ' 2003. Minor Compliance		
5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). Major Compliance	Yes	The CU maintained its documented plans to mitigate environmental pollution associates to its activities. Cross refer to C5.1. GHG data was submitted to RSPO secretariat for review.
	5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	Yes	'Pollution Identification Environmental Improvement Action Plan' had been used to identify the waste products and sources of pollution. The CU had started the identification of potential sources of Green House Gaseous.
	5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions fRPOM estate and mill operations, using appropriate tools. Minor Compliance	Yes	Rajawali CU was using their own hybrid report for calculating its GHG emission and submitted the GHG emission calculation report to RSPO Secretariat.

PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS

Criteria	Indicators		Comply Yes/No	Findings
6.1 Aspects of plantation and mill management that have social impacts, including replanting, are	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance	Yes	The CU has made available the documented social impact assessment i.e. entitled "Baseline Social Impact Assessment (SIA) – Sarawak, including records of meetings. The SIA report has included the background and demographic pattern, data collection and sampling procedures, free, prior and informed consent, SIA approaches, local community, issues related to communities, stakeholders, workers, summary analysis and social

identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.				management plan. All issues being raised had been followed-up through social management plan which would be revised annually.
	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	Yes	The assessment had involved affected parties in their assessment and consultation process. List of attendance of affected parties were maintained and recorded in the attendance sheet in the "External Stakeholder Meeting report – Sarawak.
	6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. Major Compliance	Yes	The CU has continued to review its respective operating unit timetables titled 'Management Plan on Social Impact Assessment'. Status of previous action determined, status, person in-charge, actions planned and completion date were updated.
	6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. Minor Compliance	Yes	The social management plan has been reviewed and revised.
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). Minor Compliance	Yes	There was no smallholder schemes.
6.2 There are open and transparent methods for communication	6.2.1	Consultation and communication procedures shall be documented. Major Compliance	Yes	The CU maintained its documented "Procedure for External Communication". Communication with external parties observed continued filed and made available. Internal communication also continued implemented via various means, such as briefings and meetings, notice boards, emails, letters, and so on.

and consultation between growers and/or millers, local communities and other affected or interested parties.				The morning briefings continued appear to be most popular channel through which the management communicates whatever policies to the workers.
	6.2.2	A management official responsible for these issues shall be nominated. Minor Compliance	Yes	The assistant manager has been appointed as the responsible person for any social issues at respective operating units.
	6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. Minor Compliance	Yes	RPOM, Bayu Estate and Rajawali Estate had updated the list of significant stakeholders in July 2015 to include the Jabatan Tenaga Kerja Sarawak, Jabatan Sosial dan Kebajikan Masyarakat Bintulu, Jabatan Imigresen, Jabatan Pengairan dan Saliran, Sarawak Forestry Corporation, and Konsulat Jenderal Republik Indonesia. The CU had continued to maintain the list of its stakeholders, records of communication and actions taken in response to input from stakeholders.
6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.	6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. Major Compliance	Yes	The CU had reaffirmed that its system to resolve dispute was open to any affected parties. Anonymity of complainants and whistleblowers was still being ensured where requested. The published guideline on whistle blowing was available at http://www.simedarby.com/Whistleblowing.aspx
	6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	Yes	Both parties had received a copy of court decision dated 24/09/2013 and had accepted the decision. The court had ordered that Rh. Nyalong and Rh. Jarau could still stay on the disputed land.
6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that	6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance	Yes	The procedure concerning legal and customary pertaining land issues, including compensation remain to be handled by Land Management Department of Sime Darby, if any, as stated in their procedure 'Appendix 3 - Flowchart and Procedures on Handling Land Disputes'.
	6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be	Yes	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 according to the land authority.

enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions		established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance		
	6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. Major Compliance	Yes	Both parties have received a copy of court decision. However, Austral Enterprise Sdn Bhd (a member of Sime Darby Group) already make application for appeal on the court decision.
6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.	6.5.1	Documentation of pay and conditions shall be available. Major Compliance	Yes	Pay and condition for employees were still being clearly documented in their employment contract.
	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.) shall be available in the languages understood by the workers or explained carefully to them by a management official.	Yes	Workers employment contract had included the details on working hours, service period, medical facilities, housing, transportation allowance, maternity, sick and annual leaves. In addition, briefings were given to the employees on the terms of services and calculation of payment.

		Major Compliance		
	6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, 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 Compliance	Yes	All employees of the CU were provided with accommodation, domestic water supply, electricity, clinic and welfare amenities such as mosque, crèche, kindergarten and playground for children and workers, school bus and HUMANA school for schooling kids of Indonesian foreign workers.
	6.5.4	Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food. Minor Compliance	Yes	Rajawali CU has provided sundry shop and canteen in order to help their staff and workers to get their basic food.
6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for	6.6.1	A published statement in local languages recognising freedom of association shall be available. Major Compliance	Yes	The CU had continued to withhold the policy on freedom of association as documented social policy. The policy, written in Bahasa Melayu and English languages was still being publicly displayed outside and inside the operating unit offices.
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	Yes	The CU has maintained its policy to allow workers / staff to forming / joining. However, there was no union formed in the CU. So, a quarterly meeting has been conducted with representatives from foreign workers with manager in order to get any feedback or suggestion from them.

all such personnel.				
6.7 Children are not employed or exploited.	6.7.1	There shall be documentary evidence that minimum age requirements are met. Major Compliance	Yes	A documented list of employees had been verified. From the list, it was verified that no employee below the minimum age requirement had been employed.
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 including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	Yes	The CU had continued to implement its social policy on equal opportunities. The policy was still being displayed inside and outside the operating unit office.
	6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	Yes	Based on random Interviews held with local and foreign workers in the CU, it was found that there was no issue on discrimination based on race, ethnic and religion.
	6.8.3	It shall be demonstrated that recruitment selection, hiring and pRPOMotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance	Yes	Auditor has verified medical fitness record of new employee for position as Laboratory Sampler. The recruitment and hiring process was based on education qualification and interview with manager.
6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.	6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. Major Compliance	Yes	The CU had continued with its gender policy to prevent sexual harassment and violence against women, workers and communities. This gender policy and flowchart for handling social issue had been explained to all levels of the workforce during gender committee meeting.
	6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.	Yes	The CU had maintained its gender policy that also protects the reproductive rights especially of women.

		Major Compliance		
	6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. Minor Compliance	Yes	The specific grievance mechanism maintained by the CU. Chairman of Gender Committee at each operating units responsible in handling and channeling issue to management, if any.
6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.	6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance	Yes	The CU had continued to source certified FFB only from its own certified supply base. Thus, there was no purchasing of FFBs from outside suppliers.
	6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance	Yes	See findings on indicator 6.10.1 above.
	6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance	Yes	The suppliers/contractors at RPOM and Bayu Estate had been interviewed and they were found to have understood their contractual agreements as they had been dealing in business with RPOM and Bayu Estate for quite a long time.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	Yes	Suppliers/contractors had said that they usually received payments in timely manner, which were before 8 days of next month upon delivery of an order.
6.11 Growers and millers contribute to local sustainable development where appropriate.	6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	Yes	The CU had continued to contribute to local development needs by employing the local people.
	6.11.2	Where there are scheme smallholders, there shall be	Yes	There was no smallholders FFB supplier involved.

		evidence that efforts and/or resources have been allocated to improve smallholder productivity. Minor Compliance		
6.12 No forms of forced or trafficked labour are used.	6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance	Yes	Based on interview with foreign workers, there was no evidence of forced or trafficked labour. They also voluntarily surrendered their passport to the employer for safekeeping.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	Yes	There was no contract substitution has occurred in the Rajawali CU.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	Yes	Special labour policy for employment of foreign workers has been addressed and Sime Darby has established specific procedures/flowchart for employment of foreign workers titled '2) Sourcing Process for Foreign Workers'. The procedure has been implemented for any employment related with foreign workers.
6.13 Growers and millers respect human rights.	6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). Major Compliance	Yes	A policy to respect human rights has been established by Rajawali CU as mentioned in the Social Policy.
	6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation. Minor Compliance	Yes	Rajawali CU has provided education facilities for children of foreign workers called Community Learning Centre (CLC).

PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

Rajawali CU has no plan for any new planting and no new development of area was observed during the visit. Therefore, Principle 7 is not applicable.

PRINCIPLE 8: COMMITMENT TO CONTINUAL IMPROVEMENT IN KEY AREAS OF ACTIVITY

Criteria	Indicators		Comply Yes/No	Findings
8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.	8.1.1	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Encourage optimising the yield of the supply base. Major Compliance 	Yes	<p>Both estates have now introduced strip spraying where possible, instead of circle and path, thus reducing chemical used for spraying.</p> <p>An Aspect and Impact assessment has been carried out and 'Pollution Prevention Plan' has been established and monitored.</p> <p>Waste products and source of pollution has been identified and being reviewed accordingly.</p> <p>Rajawali CU continued to monitor the GHG emission and submitted the GHG emission calculation report to RSPO Secretariat.</p> <p>Annual social management action plan was maintained established, implemented, reviewed and updated by the CU.</p> <p>Both estate are committed to implement best agricultural practices, inclusive of timely and proper fertiliser application; improve on accessibility to maximize crop evacuation and expand in field mechanized collection of FFB. Harvester are also paid incentive allowance.</p>

RSPO Supply Chain at the palm oil mill – Identity Preserved Model – Module D

4.2 General Chain of Custody Requirements for the Supply Chain

Module D – CPO Mills: Identity Preserved

D.1 Definition		
D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from	Yes	It was verified that all FFB entering RPOM came from certified estates. The estate are as follows ; Rajawali, Semarak, Samudera, Bayu, Damai,

its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.		<p>Sahua, Belian, Kelida, Lavang, Rasan and Lavang Special Estates.</p> <p>Refer to Table 4 on the actual quantity of certified FFB received and certified CPO produced by RPOM.</p> <p>As to-date, RPOM has made no claim on RSPO certified CPO. The CPO was sold as conventional oil to a refinery owned by Sime Darby Austral, Bintulu.</p> <p>Base on weighbridge tickets of in-coming FFB and production report, it was also verified that all of them (FFB) received by RPOM was of certified status.</p>
D.2 Explanation		
D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	Yes	See Table 5 on the details of the estimated total tonnage of certified FFB to be received by RPOM and the production of certified CPO and PK.
D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	Yes	Rajawali POM has registered in e-Trace (Member ID: RSPO_PO1000000305)
D.3 Documented procedures		
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	No	<p>There were written procedures in a document entitled '<i>Standard Operating Procedure for Sustainability Supply Chain and Traceability SD/SDP/PSQM/001</i>'. However these procedures had not been up-dated to include the new requirements of the revised RSPO Supply Chain Certification Standard, November 2014. Therefore a major nonconformity report (NCR) was raised.</p> <p>RPOM Mill Manager was still the person having overall responsibility for and authority over the implementation of the supply chain requirements.</p>

D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	Yes	There were written procedures on receiving and processing certified FFBs. However, the procedures were inadequate to meet the requirements of the IP module. Refer NCR raised.
D.4 Purchasing and goods in		
D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	Yes	RPOM only accepted RSPO-certified FFB. Its main supply base were those Sime Darby's own estates i.e. Rajawali, Samudera, Semarak and Bayu. For the period under review, there were occasions where other certified Sime Darby estates namely Damai, Sahu from SOU 33 and Belian, Kelida, Lavang, Rasan and Lavang Special from SOU 31 had also sent their RSPO-certified FFB to RPOM. The tonnage of certified FFB received during the period under review is shown in Table 4. The data was verified from the weighbridge report.
D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	Yes	Based on records of FFB received and CPO & PK produced, there was no overproduction of FFBs.
D.5 Record keeping		
D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	Yes	RPOM was using continuous accounting method to record the quantity of incoming FFB and the delivery of the CPO and their balances.
D.6 Processing		
D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated fRPOM non-certified material including during transport and storage.	Yes	For the period under review, RPOM has yet to deliver any RSPO certified CPO or PK. All products were delivered as conventional non-RSPO certified products.
D.6.2 The objective is for 100 % segregated material to be reached.	Yes	RPOM had not accepted any non-certified FFB. It was confirmed through summary of the weighbridge tickets and therefore the CPO and PK were 100% segregated.

3.2 Identified Non-Conformities

Details of the non-conformities, corrective actions taken by Rajawali CU and assessors' verification of the corrective actions taken are as in Attachment 3. All major non-conformities have been closed out.

3.3 Status of Non-Conformities Previously Identified

All previous nonconformities had been verified for the effectiveness of the corrective actions taken by the CU. Details of the verified nonconformities are as in Attachment 4.

3.4 Issues Raised by Stakeholders

There were various stakeholders interviewed during this assessment comprising of workers, safety committee member, local community from the surrounding villagers and contractors. Generally, all of the stakeholders had given positive feedbacks on the Rajawali CU.

3.5 Noteworthy Positive and Negative Observations

The level of awareness among the workers on the RSPO implementation was found to be improving. They were 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.

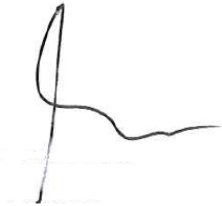
4.0 ASSESSMENT RECOMMENDATION

During this surveillance audit, the assessment team has raised two (2) major and two (2) minor NCRs on the Rajawali CU against the requirements of the RSPO MYNI:2014. The Rajawali CU had taken the appropriate corrective actions to address these major NCRs. The assessment team had accepted and verified the corrective actions taken by the CU and had subsequently closed them out. The minor NCRs will be verified in the next surveillance audit.

In addition, based on the findings of the supply chain audit on the Rajawali Oil Mill, it was found that the mill had fulfilled all the requirements for the IP module of the RSPO Supply Chain Certification Standard, November 2014. The auditor also recommends that the Rajawali Oil Mill be allowed to maintain the RSPO Supply Chain Certificate.

5.0 ORGANIZATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

I, the undersigned, on behalf of SIRIM QAS International Sdn. Bhd. Acknowledge and confirm the contents of the assessment report and findings of the assessment.

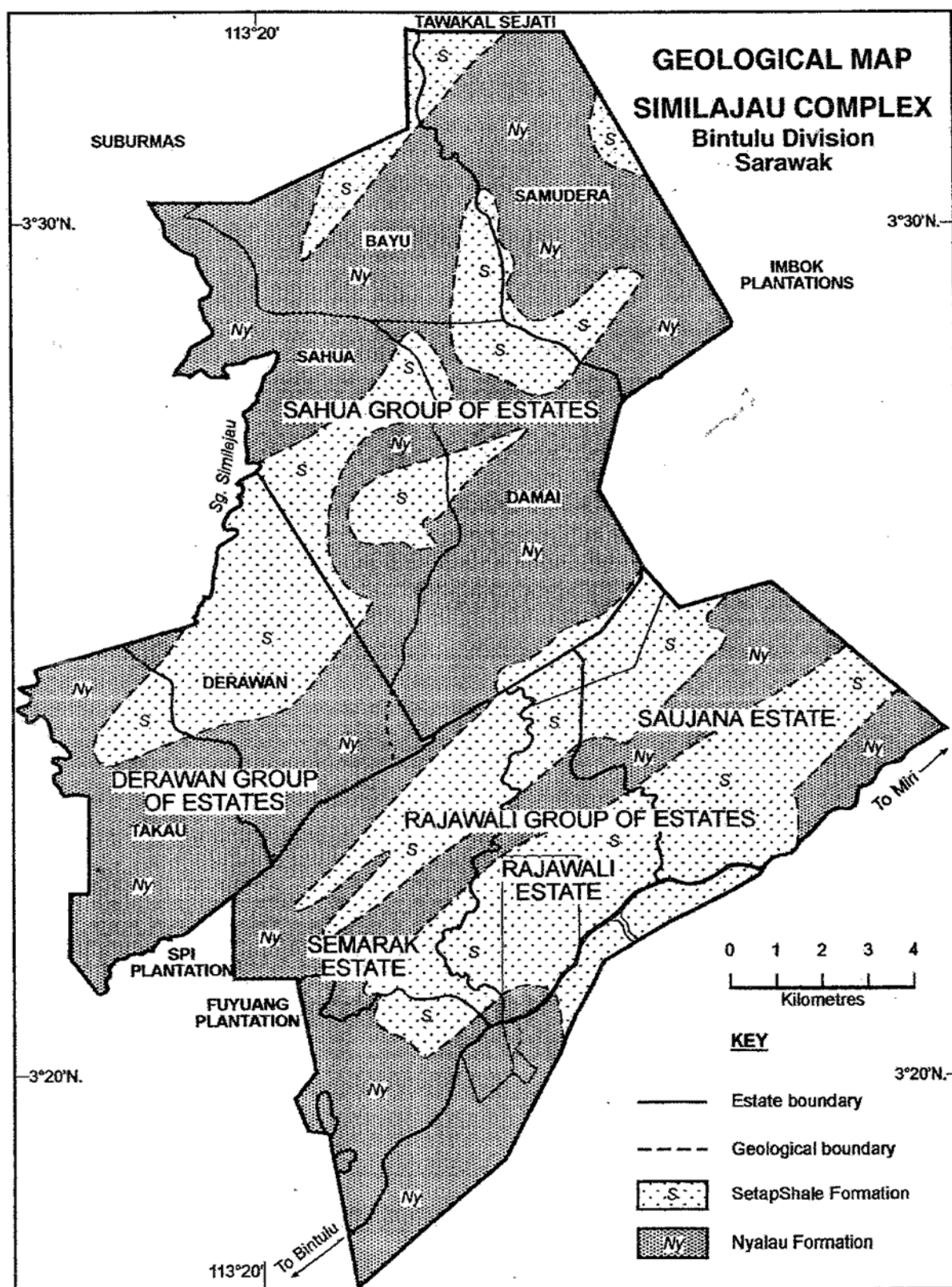
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Mohd Razman Bin Salim

Lead Assessor

Date: 11 January 2016

Location map of Rajawali Certification Unit, Bintulu, Sarawak, Malaysia



Assessment Programme

Day 1: 5 October 2015 (Monday)				
Time	Activities / areas to be visited			
9.00 – 9.30 am	<u>Opening meeting at Rajawali POM</u> Lead Auditor to introduce audit team member, brief on audit objectives, scope, methodology, criteria and programmes Organization Representative to brief on the following : <ol style="list-style-type: none"> 1) RSPO implementation at Rajawali Certification Unit (i.e. mill & supply base) including changes 2) Time bound plan for Sime Darby Plantation Sdn Bhd. 			Top mgmt & Committee Member
	Razman	Ruzita & Zulfakar	Selvasingam & Fadzil	
9:30 – 1:00 pm	<u>Rajawali POM</u> Coverage of assessment: P1, P2 , P4, P5, P6, P7, P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Inspection of protected sites with HCV attributes • Forested area • Plantation Boundary, adjacent and neighbouring land use • Riparian zone • River system and Water bodies • Source of water supply 	<u>Rajawali Estate</u> Coverage of assessment: P1, P2, P4, P5, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Environmental Management – witness activities at site • Waste & Chemical management • Interview with workers , safety committee and contractors • Facilities at workplace • Training and skill development programmes • Continuous improvement 	<u>Bayu Estate</u> Coverage of assessment: P1, P2, P3, P4 ,P7, P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Commitment to long-term economic and financial viability • Occupational Safety & Health practice – witness activities at site • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Nursery (if any) 	Guide(s) for each assessor

	<ul style="list-style-type: none"> • Continuous improvement • Line site • Social Impact Assessment (SIA), management plan & implementation • Interview local communities and stakeholders • Local sustainable development • Environmental management & implementation 		<ul style="list-style-type: none"> • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

Day 2: 6 October 2015 (Tuesday)				
Activities /areas to be visited	Razman	Ruzita & Zulfakar	Selvasingam & Fadzil	
8.30 – 1.00 pm	<u>Rajawali POM</u> Coverage of assessment: P1, P2 , P4, P5, P6, P7, P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Continuous improvement • Line site 	<u>Rajawali POM</u> RSPO 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 	<u>Bayu Estate</u> Coverage of assessment: P1, P2, P3, P4 ,P7, P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Commitment to long-term economic and financial viability • Occupational Safety & Health 	Guide(s) for each assessor

	<ul style="list-style-type: none"> • Social Impact Assessment (SIA), management plan & implementation • Interview local communities and stakeholders • Local sustainable development • Environmental management & implementation 	<ul style="list-style-type: none"> • Outsourcing activity • Sales and goods out • Processing • Records keeping • Registration • Training • Claims 	<p>practice – witness activities at site</p> <ul style="list-style-type: none"> • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Nursery (if any) • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	<p><u>Rajawali Estate</u></p> <p>Coverage of assessment:</p> <p>P1, P2 , P4, P5, P6, P8</p> <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Inspection of protected sites with HCV attributes • Forested area • Plantation Boundary, adjacent and 	Continue assessment		Guide(s) for each assessor

	<p>neighbouring land use</p> <ul style="list-style-type: none">• Riparian zone• River system and Water bodies• Source of water supply• Continuous improvement• Line site• Social Impact Assessment (SIA), management plan & implementation• Interview local communities and stakeholders• Local sustainable development• Environmental management & implementation		
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Day 3: 7 October 2015 (Wednesday)				
Activities /areas to be visited	Razman &	Ruzita & Zulfakar	Selvasingam & Fadzil	
8.30 – 1.00 pm	<u>Bayu Estate</u> Coverage of assessment: P1, P2 , P4, P5, P6, P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Inspection of protected sites with HCV attributes • Forested area • Plantation Boundary, adjacent and neighbouring land use • Riparian zone • River system and Water bodies • Source of water supply • Continuous improvement • Line site • Social Impact Assessment (SIA), management plan & implementation • Interview local communities and stakeholders 	<u>Rajawali POM</u> Coverage of assessment: P1, P2, P4, P5, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Occupational Safety & Health practice – witness activities at site • Waste & Chemical management • Interview with workers , safety committee and contractors • Facilities at workplace • Training and skill development programmes • Continuous improvement 	<u>Rajawali Estate</u> Coverage of assessment: P1, P2, P3, P4 ,P7, P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Commitment to long-term economic and financial viability • Occupational Safety & Health practice – witness activities at site • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Nursery (if any) • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting 	Guide(s) for each assessor

	<ul style="list-style-type: none"> Local sustainable development Environmental management & implementation 		<ul style="list-style-type: none"> Continuous improvement 	
1.00–2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

Day 4: 8 October 2015 (Thursday)				
Activities /areas to be visited	Razman	Ruzita & Zulfakar	Selvasingam & Fadzil	
8.30 – 1.00 pm	<u>Rajawali Estate</u> Coverage of assessment: P1, P2 , P4, P5, P6, P8 <ul style="list-style-type: none"> Commitments to transparency Laws and regulations Inspection of protected sites with HCV attributes Forested area Plantation Boundary, adjacent and neighbouring land use Riparian zone River system and Water bodies 	<u>Rajawali POM</u> Coverage of assessment: P1, P2, P4, P5, P7, P8 <ul style="list-style-type: none"> Laws and regulations Environmental Management – witness activities at site Waste & Chemical management Interview with workers , safety committee and contractors Facilities at workplace Training and skill development programmes 	<u>Rajawali Estate</u> Coverage of assessment: P1, P2, P3, P4 ,P7, P8 <ul style="list-style-type: none"> Commitments to transparency Laws and regulations Commitment to long-term economic and financial viability Occupational Safety & Health practice – witness activities at site Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) EFB mulching, POME application 	Guide(s) for each assessor

	<ul style="list-style-type: none"> • Source of water supply • Continuous improvement • Line site • Social Impact Assessment (SIA), management plan & implementation • Interview local communities and stakeholders • Local sustainable development • Environmental management & implementation 	<ul style="list-style-type: none"> • Continuous improvement 	<ul style="list-style-type: none"> • Nursery (if any) • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	
1.00–2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

Day 5: 9 October 2015 (Friday)				
Activities /areas to be visited	Razman	Ruzita & Zulfakar	Selvasingam & Fadzil	
8.30 – 10.00 pm	<u>Rajawali POM</u> <ul style="list-style-type: none"> • Verification on outstanding issues • Audit Team discussion, preparation on audit findings and issuance of NCR (if any) 			Guide(s) for each assessor
10.00 - 12.30 pm	<ul style="list-style-type: none"> • Closing meeting 			Top management & Committee member
12.30 – 3.00 pm	Break & Friday Prayer			
3.00 pm	<ul style="list-style-type: none"> • Audit team travel to Bintulu Airport (MH2747; 1910-2115) 			

Detail of Non-conformities and Corrective Actions Taken

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action Taken by the CU and Verification by Assessors
RSPO SCCS D3.1	Major	The written procedures was not up to date covering the implementation of all the elements in the RSPO SCCS November 2014. The existing procedure ' <i>Appendix 15 – Standard operating procedure (SOP) for RSPO Supply Chain Certification System and Traceability</i> ' version 1, 2013, issue no.: 1 , issue date : March 2013 refer to the standard RSPO SCCS Nov 2011. which relate to Segregation model (SG)	Auditor has received new version of SOP for supply chain for IP and MB models titled ' <i>Standard operating procedure for Sustainable Supply Chain and Traceability</i> ' – Doc. No.: SD/SDP/PSQM/001 version 1/3/2015. Status : Closed
Indicator 2.1.1	Major	Noncompliance against the above requirement related to boiler smoke emission fRPOM boiler no 1. Continuous Emission Monitoring System (CEMS) reading found inaccurate.(Actual emission against the CEMS report.)	The mill has fixed the CEMS equipment sensor including daily cleaning to ensure the data transmit is correct dated 03/11/2015. The monitoring will be recorded in the 'Boiler black smoke & compressor cleaning monitoring'. Auditor has verified CEMS report for date 3-4/11/2015. Status : Closed
Indicator 4.7.3	Minor	Workers were not adequately trained in safe working practices. In Rajawali Estate: 1.In Field P13A workers kept all their PPE in the container, used for rat baits, which had remnant bits and dust of baits 2.Harvesters in Field P97SD though provided with boots and safety helmets were not using them.	The CU will conduct refresher training on Personal Protective Equipment (PPE) for workers in handling rat bait and harvesters. Status: The effectiveness of corrective action will be verified during next audit
Indicator 5.3.3	Minor	Waste management was not implemented as per Criterion 5.3.3 and MQMS/SOP/08 – related to waste storage and record. A waste management and disposal plan to avoid or reduce pollution shall be implemented and as per 1.4.4 Handling, Storing and Labelling. The date first generated shall be clearly label and shall be with applicable code. 1.Rajawali Estate : The hazard sign, waste code , date when the scheduled wastes are first generated, name address and telephone number of the estate not clearly labelled on the waste containers (i.e. spent lubricant oil , spent hydraulic oil and spent battery). 2.Scheduled waste inventory found inaccurate 3.Rajawali mill : The waste management such as boiler ash, decanter solid and excess fibre was not dispose appropriately.	1.Rajawali Estate will conduct awareness training on hazard sign, waste code and scheduled waste inventory as per Environment Quality Act (Scheduled Waste) 2005. 2.Rajawali Mill will communicate with Rajawali Estate on the new placement of boiler ash, decanter solid and excess fibre Status: The effectiveness of corrective action will be verified during next audit

Status of Non-conformities Previously Identified

Clause	Classification Major / Minor	Detail Non conformity	Corrective Action Taken	Verification by Assessor
Indicator: 2.1.4	Minor upgraded to Major	<p><u>NCR # VS01</u> At all of the visited operating units, the Legal and Other Requirements Register (LORR) has yet to be updated based on the current changes in the law. Some examples of the legal requirements which were still not included are:</p> <ul style="list-style-type: none"> i) Environment Quality Act 1974, 49A on competent person (amendment 2012) ii) Code of Practice Confined Space 2010 iii) Sarawak Electricity Ordinance (Chapter 50) 2007 iv) MPOB Regulations (Licensing) 2005 v) The Business, Profession and Trading Licensing Ordinance [Section 5, 23 & 24(2)] vi) Workers minimum wage at RM800/month vii) Labour Ordinance, 1952 viii) Sarawak River Ordinance, 1993 ix) Water Ordinance, 1994 	The CU has submitted their updated LORR which has all the legal requirements that were found to be missed out during the assessment, been included.	<p>Rajawali POM has updated their legal register FY2015/2016 with additional of significant stakeholders such as Jabatan Tenaga Kerja Sarawak, Jabatan Sosial dan Kebajikan Masyarakat Bintulu, Jabatan Imigresen, Jabatan Pengairan dan Saliran, Sarawak Forestry Corporation, and Konsulat Jenderal Republik Indonesia.</p> <p>Status : Closed</p>
Indicator 5.1.1	Major	<p><u>NCR # VS02</u> Verification on "Environmental Impact Evaluation Form" at Rajawali Estate showed that the environmental aspect and impact for replanting activity has yet to be</p>	Environmental aspect and impact have been identified and evaluated for replanting activity. The mitigation measures have been established and documented	The mitigation measures established were planting of cover crop and maintaining buffer zone at natural waterways implemented.

		identified and evaluated.	in "Pollution Prevention Plan 2014/15". The main environmental impacts identified were soil erosion and water pollution. Among the mitigation measures established were planting of cover crop and maintaining buffer zone at natural waterways.	Status : Closed
Indicator 2.1.1	Major	<p><u>NCR # MH01</u> The following requirements were not fulfilled: 1) Non-compliance to Workers Minimum Standards of Housing and Amenities Act 1990, Section 6(1)(a)</p> <p><u>Objective evidence:</u> The manner of treating the water has yet to be approved by the Director General</p>	1) The CU has communicated with a Senior Assistant Director of Bintulu Labour Department to seek clarification on approval for WTP. The Sr. Assistant confirmed that since the Workers Minimum Standards of Housing and Amenities Act 1990 is not enforced in Sarawak, written approval for operating WTP fRPOM the department is not required. A copy of e-mail regarding the communication between the CU and the Labour Dept. has been extended to the assessor on 4/2/2014 for verification.	<p>Auditor has verified a copy of e-mail regarding the communication between the CU and the Labour Dept. Written approval for operating WTP fRPOM the department is not required by Director of Bintulu Labour Department.</p> <p>Status : Closed</p>
		<p>2) Environment Quality Act 1974, Section 49A – Air Pollution Control Equipment Competent Person & Scheduled Waste Manager</p> <p><u>Objective evidence:</u> The was no Air Pollution Control Equipment competent person and</p>	<p>2) <u>Air Pollution Control Equipment</u></p> <p>The CU has communicated with Sarawak DOE to seek advice. The Sarawak DOE confirmed that although the competent person for the air pollution control equipment</p>	<p>As to date, Rajawali mill has write a letter to DOE Sarawak dated 10 Feb 2015 to request on attending Eimas training on air pollution control competent person in order to comply with the requirement.</p> <p>Status : Closed</p>

		<p>schedule waste manager available at Rajawali CU</p>	<p>(in particular, the multi-cyclone at POM) is compulsory, there is still tolerance given since there is no training/course available so far to qualify participants to be competent. A copy of e-mail regarding the communication between the CU and the DOE has been extended to the assessor on 4/2/2014 for verification.</p> <p><u>Scheduled waste Manager:</u> Mr. Olime Janting has attended the endorsed CePSWaM training on 19-23/1/2015 to fulfil the requirement to be a competent person for scheduled wastes handling for Rajawali CU.</p>	
		<p>3) ICOP for Safe Working in Confined Space 2010, Section 4.2.8 – Employee training</p> <p><u>Objective evidence:</u> There was no Authorized Gas Tester at Rajawali POM</p>	<p>3) Rajawali CU has planned to send its personnel to attend AGT by Niosh (ref.: e-mail conversation with Ms. Zuria) on two proposed dates i.e. 9-11 and 24-26/2/2014.</p>	<p>Mill Engineer has obtained 'Kad Perakuan Latihan' (Serial no : NW-NSWKB-AGT-0118-S as authorised gas tester & entry supervisor for confined space . Expiry date : 13/3/2017</p> <p>Status : Closed</p>
Indicator 5.6.2	Minor	<p><u>NCR # MH02</u> Pollution prevention plan was not adequately reviewed issues pertaining to:</p> <ul style="list-style-type: none"> Black smoke emission during (normal/uncontrolled burning/start-up & loading/overloading) was not identified and reviewed Plan for the Clean Air Regulations 2014 compliance in 5 years' time. Noise pollution issue based on the 	<p>The CU has submitted its action plan which includes:</p> <ul style="list-style-type: none"> Inspection of black smoke emission and updating the relevant records accordingly Checking of compliance status against the Clean Air Regulation, 2014 Addressing the noise pollution issues based on boundary noise monitoring 	<ol style="list-style-type: none"> Total retubing and major brick work repair boiler no.2 was completed and boiler no. 2 expected to back in operation by December 2015. Sighted the planning for regulation compliance dust collectors (i.e boiler) <p>The planning was prepared at HQ level (Norhafiza Amran – Engineering Dept 10/2/2015) and information was disseminated to the all Sime Darby mills including</p>

		<p>results of noise boundary monitoring</p> <ul style="list-style-type: none"> GHG emission monitoring 	<p>results</p> <ul style="list-style-type: none"> Updating records of GHG emission 	<p>Rajawali POM. The plan to install air pollution control equipment to 2 unit boiler by 2018. The implementation will be verified in the future audit.</p> <p>3. Verified the 'rekod komunikasi' (Feb 2014 to Sept 2015) mill and external stakeholder was confirmed no complaint received related to noise pollution</p> <p>4. GHG emission : The electricity supply fRPOM SESCO has been planned. As to date SESCO has sent the transformer at the mill and expected to connect the electricity supply to the mill by end of Dec 2015. So no more rental of genset i.e. to reduce diesel consumption.</p> <p>Status : Closed</p>
Indicator 6.2.3	Minor	<p><u>NCR # HO-2014-01</u> Some of stakeholders were not in the list of SOU 32, e.g. Local government related agencies (such as <i>Jabatan Tenaga Kerja Sarawak</i>, social and welfare, immigration, drainage and irrigation, veterinary / wildlife), Indonesian Consulate etc.</p>	<p>The mill has planned to update its stakeholder list. Stakeholder list to be verified in the next assessment.</p>	<p>Rajawali POM has updated their stakeholders list in July 2015 with additional of significant stakeholders such as Jabatan Tenaga Kerja Sarawak, Jabatan Sosial dan Kebajikan Masyarakat Bintulu, Jabatan Imigresen, Jabatan Pengairan dan Saliran, Sarawak Forestry Corporation, and Konsulat Jenderal Republik Indonesia.</p> <p>Status: Closed</p>