



PUBLIC SUMMARY
3RD RSPO SURVEILLANCE ASSESSMENT

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

AUDIT DATE: 03 – 07 NOVEMBER 2014

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List of Abbreviations

BOD	Biochemical Oxygen Demand
B.Sc.	Bachelor of Science
CA	Collective Agreement
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CU	Certification Units
DID	Drainage and Irrigation Department, Malaysia
DOE	Department of Environment
DOSH	Department of Occupational Safety and Health
EAI	Environmental Aspect Identification
EB	Executive Board
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EIE	Environmental Impact Evaluation
EMP	Environmental Management Plan
EPF	Employees Provident Fund
EQA	Environmental Quality Act
ERT	Endangered, Rare and Threatened Species
FFB	Fresh Fruit Bunch
FMA	Factory and Machinery Act
FSC	Forest Stewardship Council
GAP	Good Agricultural Practice
GPS	Global Positioning System
Ha	Hectares
HCV	High Conservation Value
HIRARC	Hazard Identification, Risk Assessment and Risk Control
IPM	Integrated Pest Management
ISO	International Organization for Standardization
JCC	Joint Consultative Committee
MSDS	Material Safety Data Sheet
MPOA	Malaysian Palm Oil Association
MPOB	Malaysia Palm Oil Board
MYNI	Malaysia National Interpretation
MYNI – WG	Malaysia National Interpretation – Working Group
NADOOPOD	Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease
NCR	Non-Conformity Report
NGO	Non-Governmental Organisation
OER	Oil Extraction Rate
OG	Oil & Grease
OSH	Occupational Safety and Health
OSHA	Occupational Safety and Health Act
OHSAS	Occupational Health and Safety Assessment Series
Ph.D.	Doctor of Philosophy
PIC	Person-In-Charge
PK	Palm Kernel
PMM	Proposal of Mitigation Measure
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
PTW	Permit To Work
QMS	Quality Management System
RSPO	Roundtable on Sustainable Palm Oil
SIA	Social Impact Assessment
SOCISO	Social Security Organization

SOP	Standard Operating Procedure
UKAS	United Kingdom Accreditation Services
USECHH	Use and Standards of Exposure of Chemicals Hazardous to Health
VOPS	Voluntary Oil Palm Seedlings

RSPO PRINCIPLES & CRITERIA SURVEILLANCE AUDIT REPORT

1.0 Scope of Surveillance Assessment Report

1.1 Introduction

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

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

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

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

1.2 Location of Mill and Supply Base

Rajawali CU covers one palm oil mill and four oil palm estates, all located at Bintulu, Sarawak, Malaysia. The locations and area details of the mill and estates are shown in Table 1.

Table 1: Location Coordinates and Area of Rajawali CU (Mill and Estates)

Mill / supply bases	GPS Location		Location Address
	Latitude	Longitude	
Rajawali Palm Oil Mill	N'3°22'14.4"	E113°24'01.1"	97011 Bintulu, Sarawak
Rajawali Estate	N3.42595	E113.379	97008 Bintulu, Sarawak
Samudera Estate	N 3°28'55"	E113°23'51"	97012 Bintulu, Sarawak.
Semarak Estate	N3.22536	E113.356	97011 Bintulu, Sarawak.
Bayu Estate	N'3° 28' 56"	E 113° 23'51"	97012 Bintulu, Sarawak.

The location map of the CU is shown as in Appendix 1.

1.3 Production Volume of All Certified Products

Table 2: Actual FFB contribution by each Estate and other sources to Rajawali POM
(October 2013 to October 2014)

Operating Unit	FFB Contribution	
	MT	%
Rajawali	56,647.89	25
Samudera	53,566.67	23
Semarak	51,889.30	23
Bayu	57,581.59	25
*Damai	7,811.28	3
*Sahua	769.91	1
Third party (non-certified)	0	0
Total	228,266.64	100%

**Under Derawan Certification Unit and also Certified by SIRIM.*

Table 3: Projected FFB Contribution by each Estate and other sources to Rajawali POM
(December 2014 to November 2015)

Operating Unit	FFB Contribution	
	MT	%
Rajawali	67,150.39	31
Samudera	48,054.16	22
Semarak	47,881.15	22
Bayu	53,179.65	25
Total	216,265.35	100%

Table 4: Actual FFB received and CPO & PK delivered by Rajawali POM
(October 2013 to October 2014)

	Quantity (MT)
FFB Received	228,266.64
FFB Processed	228,818.61
CPO Production	49,847.02
PK Production	9,842.07
CPO delivered as Segregation	0
CPO delivered as Mass Balance	0
CPO delivered as non-RSPO certified	49,968.27
PK delivered as Segregation	0
PK delivered as Mass Balance	0
PK delivered as non-RSPO certified	9,867.87

Table 5: Projected FFB received and CPO & PK dispatch by Rajawali POM
(December 2014 – November 2015)

	Quantity (MT)
FFB Received	216,265.35
FFB Processed	216,265.35
CPO Production	46,955.77
PK Production	9,886.37
CPO to be delivered as Segregation	40,643.17
CPO to be delivered as Mass Balance	0
CPO to be delivered as non-RSPO certified	6,312.60
PK to be delivered as Segregation	8,371.78
PK to be delivered as Mass Balance	0
PK to be delivered as non-RSPO certified	1,514.59

1.4 Certification Details

Parent company : Sime Darby Plantation Sdn Bhd
 RSPO Membership Number : 1-0008-04-000-00
 Member since : 6/9/2004
 Certificate Number : RSPO 0020
 Date of previous assessment : 7th to 11th October 2013
 Date of certification : 8th October 2013
 Certificate expiry date : 1st April 2016

1.5 Description of Fruit Supply Base

The planting profiles of all the directly managed supply bases are stated in Table 6 to Table 10.

Table 6: Summary of Area

Estate	Year of establishment	Area (Ha)				Area (%)	
		Certified	Planted	Mature	Immature	Mature	Immature
Rajawali	1994	3,626.58	3,328.29	2,912.67	415.65	88	12
Samudera	1998	2,608.00	2,211.91	2,211.91	0	100	0
Semarak	1993	3,315.65	2,248.78	2,248.78	0	100	0
Bayu	1997	2,241.00	2,183.35	2,183.35	0	100	0
Total		11,791.23	9,972.33	9,556.71	415.65	96	4

Table 7: 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
1998-2003	1st	mature	151.89	5
2004	1st	mature	33.33	1
2013	2nd	immature	197.24	6
2014	2nd	immature	218.41	7
Total			3,328.29	100.00

Table 8: Samudera Estate

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

Table 9: Semarak Estate

Year of planting	Planting cycle (Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1993	1 st	Mature	626.39	27.85
1994	1 st	Mature	883.2	39.27
1995	1 st	Mature	288.93	12.85
1996	1 st	Mature	342.76	15.24
2004	1 st	Mature	107.50	4.78
Total			2,248.78	100.00

Table 10: Bayu Estate

Year of planting	Planting cycle (Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1998	1 st	Mature	842.43	38.58
1999	1 st	Mature	217.75	9.97
2000	1 st	Mature	1,093.12	50.07
2006	1 st	Mature	8.90	0.41
2008	2 nd	Mature	5.85	0.27
2010	2 nd	Mature	15.30	0.7
Total			2,183.35	100.00

Note: Field 2006 was previously a logpond area.

1.6 Progress against Time-Bound Plan

Table 11: RSPO Certification Progress against Time-bound Plan:
Certification Units in Malaysia

No.	Certification Unit	Location	Date of certification	Valid until	Certificate No./Remarks
1.	Sungai Dingin	Karangan Kedah	12/8/2010	11/8/2015	SPO 550179
2.	Chersonese	Kuala Kurau, Perak	5/10/2011	4/6/2016	SPO 590800
3.	Elphil	Sg. Siput, Perak	18/6/2011	17/6/2016	SPO 550180
4.	Flemington	Teluk Intan, Perak	5/10/2011	4/10/2016	SPO 590802
5.	Seri Intan	Teluk Intan, Perak	3/3/2011	2/3/2016	RSPO 0016
6.	Selaba	Teluk Intan, Perak	3/3/2011	2/3/2016	RSPO 0015
7.	Sg. Samak		3/3/2011	NA	Withdrew, ceased operation
8.	Tennamaram	Bestari Jaya, Selangor	3/3/2011	2/3/2016	RSPO 0014
9.	Bukit Kerayong	Kapar, Selangor	15/4/2011	14/4/2016	SPO 550181
10.	East	Carey Island, Selangor	19/5/2010	18/5/2015	SPO 543543
11.	West	Carey Island, Selangor	19/5/2010	18/5/2015	SPO 543594
12.	Sepang	Sepang, Selangor	19/5/2010	NA	Withdrew, conversion to 3 rd party
13.	Bukit Puteri	Raub, Pahang	7/7/2011	6/7/2016	18502207 001
14.	Kerdau	Temerloh, Pahang	7/7/2011	6/7/2016	18502207 001
15.	Jabor	Kuantan, Pahang	7/7/2011	6/7/2016	RSPO 928288
16.	Labu	Nilai, Negeri Sembilan	30/12/2011	29/12/2016	SGS-RSPO/PM/MY13/01284
17.	Tanah Merah	Port Dickson, Negeri Sembilan	19/5/2010	18/5/2015	SPO 541905
18.	Sua Betong	Port Dickson, Negeri Sembilan	30/12/2011	29/12/2016	SPO 600305
19.	Kok Foh	Bahau, Negeri Sembilan	7/11/2011	6/7/2016	RSPO 928188
20.	Kempas	Jasin, Melaka	19/5/2010	18/5/2015	RSPO 005
21.	Diamond Jubilee	Jasin, Melaka	5/10/2011	4/10/2016	SPO 591224
22.	Pagoh	Muar, Johor	7/11/2011	6/7/2016	SPO 600305
23.	Yong Peng	Yong Peng, Johor	20/10/2010	19/10/2015	SPO 550182
24.	Chaah	Chaah, Johor	18/11/2010	17/11/2015	SPO 548299
25.	Gunung Mas	Kluang, Johor	19/5/2010	18/5/2015	RSPO 901888
26.	Bukit Benut	Kluang, Johor	5/10/2011	4/10/2016	SPO 591229
27.	Ulu Remis	Layang-layang, Johor	12/4/2011	11/4/2016	SGS-RSPO/PM-00722
28.	Hadapan	Layang-layang, Johor	29/3/2011	28/11/2016	SGS-RSPO/PM00715
29.	Segaliud	Sandakan, Sabah	20/5/2010	19/5/2015	SPO 547123
30.	Sandakan Bay	Sandakan, Sabah	1/10/2008	30/9/2018	SPO 537872
31.	Melalap	Tenom, Sabah	21/1/2011	20/1/2016	SPO 547124

32.	Binuang	Kunak, Sabah	16/1/2009	15/1/2014	RSPO 001
33.	Giram	Kunak, Sabah	16/1/2009	15/1/2014	RSPO 002
34.	Merotai	Tawau, Sabah	16/1/2009	15/1/2014	RSPO 004
35.	Jeleta Bumi	Kunak, Sabah	24/10/2010	NA	Withdrew. Ceased operation.
36.	Mostyn	Kunak, Sabah	16/1/2009	NA	Withdrew. Ceased operation
37.	Lavang	Bintulu, Sarawak	30/12/2011	29/12/2016	CU-RSPO-819166
38.	Rajawali	Bintulu, Sarawak	30/12/2011	29/12/2016	RSPO 0020
39.	Derawan	Bintulu, Sarawak	30/12/2011	29/12/2016	RSPO 0019
40.	Pekaka	Bintulu, Sarawak	30/12/2011	29/12/2016	CU-RSPO-815150

Table 12: RSPO Certification Progress against Time-bound Plan:
Certification Units in Indonesia

No.	Certification Unit	Location	Date of certification	Valid until	Certificate No./Remarks
1.	Alur Damai	Bagan Sinembah/ Tanah Putih, Pujud, Rokan Hilir, Riau	16/01/2012	16/01/2017	MUTU-RSPO/011
2.	Angsana Mini	Sebamban, Indonesia	06/07/2011	06/07/2016	MUTU-RSPO/006b
3.	Mustika Oil Mill	Sebamban, Indonesia	03/07/2013	03/07/2018	MUTU-RSPO/027
4.	Angsana	Sebamban, Indonesia	06/07/2011	06/07/2016	MUTU-RSPO/006a
5.	Bebunga	Pamukan Utara, Tanah Grogot, Kotabaru/ Pasir, Kalimantan Selatan/ Kalimantan Timur	16/03/2012	16/03/2017	MUTU-RSPO/014
6.	Sukamandang	Seruyan Tengah, Sampit, Seruyan, Kalimantan Tengah	05/07/2011	05/07/2016	MUTU-RSPO/003
7.	Ladang Panjang	Kumpeh Ulu, Jambi, Muaro Jambi, Jambi	09/07/2012	09/07/2017	MUTU-RSPO/019
8.	Manggala	Riau, Indonesia	25/11/2010	25/11/2015	MUTU-RSPO/002
9.	Pondok Labu	Pamukan Selatan, Tanah Grogot, Kotabaru, Kalimantan Selatan	16/03/2012	16/03/2017	MUTU-RSPO/016
10.	Gunung Aru	Sebamban, Indonesia	05/07/2011	05/07/2016	MUTU-RSPO/005
11.	Rantau Panjang	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	16/03/2012	16/03/2017	MUTU-RSPO/017
12.	Rantau	Sungai Durian, Kotabaru, Kalimantan Selatan	12/03/2011	12/03/2016	MUTU-RSPO/009
13.	Betung Oil Mill	Sungai Durian, Kotabaru, Kalimantan Selatan	01/04/2014	01/04/2019	MUTU-RSPO/009

14.	Sekunyir	Kalimantan Tengah, Indonesia	23/11/2010	23/11/2015	MUTU-RSPO/001
15.	Selabak	Sungai Durian, Kotabaru, kalimantan Selatan	16/03/2012	16/03/2017	MUTU-RSPO/015
16.	Sg. Pinang	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	11/09/2012	11/09/2017	MUTU-RSPO/020
17.	Pemantang	Kuala Kuayan, Sampit, Kotawaringin Timur, Kalimantan Tengah	05/07/2011	05/07/2016	MUTU-RSPO/004
18.	Teluk Bakau	Pelangiran, Sg. Guntung, Indragiri Ilir, Riau	10/11/2011	10/11/2016	MUTU-RSPO/008
19.	Mandah Oil Mill	Pelangiran, Sg. Guntung, Indragiri Ilir, Riau	01/04/2014	01/04/2019	MUTU-RSPO/008
20.	Teluk Siak	Tualang, Perawang, Siak, Riau	11/10/2011	11/10/2016	MUTU-RSPO/007
21.	Ungkaya	Witaponda, Kolonodale, Morowali, Sulawesi Tengah	10/07/2012	10/07/2017	MUTU-RSPO/018
22.	BK Ajong	Kalimantan Barat, Indonesia	18/08/2010	17/08/2015	SPO 541399
23.	Blang Simpo	Karang Baru, Kuala Simpang, Aceh Tamiang, Nangroe Aceh Darussalam	03/05/2013	03/05/2018	MUTU-RSPO/026
24.	Lembiru	Desa Suka Karya Kec. Marau Kab. Ketapang, Kalimantan Barat	03/07/2014	02/07/2019	MUTU-RSPO/044
25.	Mas Mill	Desa Rahayu Kec. Parindu Kab. Sanggau, Kalimantan Barat	NA	NA	Undergone RSPO Main Assessment. Delayed due to some disputes.

1.7 Progress of Associated Smallholders or Outgrowers towards Compliance with Relevant Standards

Rajawali Palm Oil Mill does not accept any crop from non-RSPO certified smallholders or outgrowers. All the FFB sent to the mill were from its own associate supply bases.

1.8 Organisational Information / Contact Person(s)

Name : Mohamad Azahar Saat
Designation : Manager, KKS Rajawali
Address : P.O. Box 2324, 97011 Bintulu, Sarawak, Malaysia
Telephone : 086-327 551
Fax : 086-325 849
e-mail : azahar.saat@simedarby.com

2.0 Assessment Process

2.1 Certification Body

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

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

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

2.2 Qualification of Lead Assessor and Assessment Team Members

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

Member of the Assessment Team	Role/area of RSPO requirements	Qualifications
Valence Shem	Assessment Team Leader / Good Agricultural Practice and Supply Chain	<ul style="list-style-type: none">• B.Tech. (Hons) Industrial Technology, Universiti Sains Malaysia• Nine years' experience in Oil Palm Plantation management• Successfully completed and passed IEMA accredited Lead Assessor Course for ISO 14001: 2004 and IRCA accredited Lead Assessor Course for ISO 9001: 2008• Successfully completed and passed the RSPO P&C Lead Assessor Course in 2011• Successfully completed and passed the RSPO SCCS Lead Assessor Course in 2012• Collected more than 500 auditor days in auditing various schemes i.e. ISO 14001, RSPO P&C and RSPO Supply Chain
Mohamed Hidhir Zainal Abidin	Assessor / Occupational health & safety and environmental and mill best practice	<ul style="list-style-type: none">• 4 years' experience in palm oil milling• Collected more than 500 auditor days in auditing various schemes i.e. RSPO P&C, OHSAS 18001, ISO14001 and ISO 9001• Successfully completed IRCA/RABQSA accredited Lead Assessor training for ISO 9001, ISO14001 & OHSAS 18001 in 2012• Successfully completed RSPO Lead Assessor Course in 2013• B.Sc. (Hons) Chemical Engineering, Universiti Kebangsaan Malaysia (UKM)
Hazani Othman	Assessor / workers & community issues	<ul style="list-style-type: none">• An associate SIRIM's Lead Auditor (ISO 14001, ISO 9001, FSC & MTCC FMC and CoC, RSPO P&C).

		<ul style="list-style-type: none"> • Approximate 20 years total working experience. Approximate 16 years experiences in management systems and sustainability auditing / certification. • Over 400 auditor days of auditing experience of various scheme and industry • Successfully completed SCS/FSC Forest Assessor Course - 2000. • Successfully completed MTCC/Smartwood/GTZ endorsed Forest Certification Assessor Course - 2000. • Successfully completed IRIM / FDPM / UPM / FRIM / APAFRI endorsed Forest and Environmental Audit Course – 2000. • Successfully completed EARA ISO 14001 approved Lead Assessor Course - 2000. • Successfully completed IRCA ISO 9001 approved Lead Assessor Course - 2005. • Successfully completed MTIB / Sarawak Planted Forest - Forest Plantation Development Course – 2010. • Successfully completed RSPO endorsed Lead Assessor Course - 2013. • Successfully completed MTCC endorsed Auditor Course for Natural and Plantation Forests - 2013. • Hold Bachelor of Forestry Science and Diploma in Forestry, Universiti Putra Malaysia.
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2.3 Assessment Methodology and Programme

The planning for this surveillance assessment was guided according to the RSPO Annual Surveillance Assessment Document. The surveillance assessment was guided by the sampling formula of $0.8 \sqrt{y}$. Nonetheless, for this assessment, besides the mill, three of the CU's supply bases were assessed, namely Rajawali Estate, Semarak Estate and Samudera Estate with selective RSPO P&C Indicators assessed against each estate.

The assessment team carried out field and office assessments for conformance against the RSPO-MY principles and criteria. The visit has covered mill operation, estate agriculture practise, HCV, labour lines, chemical storage areas and other workplaces.

Common systems were identified and specific evidences were recorded for individual estates. Interviews, particularly those with employees, local communities, contractors, suppliers and other relevant stakeholders were conducted, without the presence of company management personnel. In addition to that, related records and documentation were inspected.

Detail of area coverage during this assessment is highlighted in the surveillance assessment programme in Appendix 2.

3.0 Assessment Findings

3.1 Summary of Findings

The findings of the third Annual Surveillance Assessment were presented during the on-site closing meeting. There were four major and one minor nonconformity reports (NCR) being raised on the Rajawali CU's compliance against the requirements of the RSPO MY-NI which one of the Major NCRs was upgraded from minor NCR in the previous assessment. The details of the NCR and the corrective actions taken are as in Appendix 3.

The detailed findings of the assessment on the CU's compliance with the requirements of the RSPO MYNI are as follows:

Principle 1: COMMITMENT TO TRANSPARENCY

Clause	Indicators		Comply Yes/No	Findings
C 1.1 Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making	1.1.1	Records of requests and responses must be maintained. <i>Major.</i>	Yes	Rajawali CU continued to implement the procedure 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, local communities and employees.
C 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or	1.2.1	Land titles / user rights (C 2.2)	Yes	Publicly available. Cross refer to C2.2
	1.2.2	Safety and health plan (C 4.7)	Yes	Publicly available. Cross refer to C4.7.
	1.2.3	Plans and impact assessments relating to environmental and social impacts (C 5.1, 6.1, 7.1, 7.3)	Yes	Publicly available. Cross refer to C5.1 and C6.1.

where disclosure of information would result in negative environmental or social outcomes. This concerns management documents relating to environmental, social and legal issues that are relevant to compliance with RSPO Criteria. Documents that must be publicly available include, but are not necessarily limited to:-	1.2.4	Pollution prevention plans (C 5.6)	Yes	Publicly available. Cross refer to C 5.6
	1.2.5	Details of complaints and grievances (C 6.3)	Yes	Publicly available. Cross refer to C6.3.
	1.2.6	Negotiation procedures (C 6.4)	Yes	Publicly available. Cross refer to C6.4.
	1.2.7	Continuous improvement plan (C 8.1)	Yes	Publicly available. Cross refer to C8.1.

Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Clause	Indicators		Comply Yes/No	Findings
C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations	2.1.1	Evidence of compliance with legal requirements. <i>Major</i>	No	There were evidence of compliance observed at Rajawali CU. Most of the legal requirements such as obtaining relevant licenses and permits had been complied with. Nonetheless, some lapses were also found as highlighted in NCR # MH01.
	2.1.2	A documented system, which includes written information on legal requirements. <i>Minor</i>	Yes	Rajawali CU continued to implement and maintain the established documented system for identifying, accessing, tracking and monitoring of compliance with the legal requirements that are applicable to Rajawali CU operation. Each office of the mill and estates has its own Legal and Other Requirements Register (LORR) and were being evaluated individually annually for compliance.
	2.1.3	A mechanism for ensuring that they are implemented. <i>Minor</i>	Yes	A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under Rajawali CU. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status

				of legal compliance [ref.: Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008].
	2.1.4	A system for tracking any changes in the law. <i>Minor</i>	No	<p>System for tracking any changes in the law is described in the company's procedure. However, 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"> • Environment Quality Act 1974, 49A on competence person (amendment 2012) • Code of Practice Confined Space 2010 • Sarawak Electricity Ordinance (Chapter 50) 2007 • MPOB Regulations (Licencing) 2005 • The Business, Profession and Trading Licensing Ordinance [Section 5, 23 & 24(2)] • Workers minimum wage at RM800/month • Labour Ordinance, 1952 • Sarawak River Ordinance, 1993 • Water Ordinance, 1994 <p>Therefore, NCR # VS01 was issued.</p>
C 2.2 The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	2.2.1	Evidence of legal ownership of the land including history of land tenure. <i>Major</i>	Yes	The copy of legal ownership of the estates under Rajawali CU land had been provided and verified. The lands were previously owned by Austral Enterprise Bhd., which then taken over by Sime Darby Plantation (Sabah) Sdn. Bhd. The documentation of change of ownership name in the land title was observed in the process. The process is handled by Land Management Department in HQ, which then outsourced to an appointed legal firm to liaise with the land authority.
	2.2.2	Growers must show that they comply with the terms of the land title. [This indicator is to be read with Guidance 2] <i>Major</i>	Yes	The CU maintained to comply with the terms of the land title. Among other, annual payment of Quit Rent and land-use type.
	2.2.3.1	Evidence that boundary stones along the perimeter adjacent to state land and other reserves are being located and visibly maintained. <i>Minor</i>	Yes	The visited operating unit is surrounded by estates of other operating units within the CU.
	2.2.3.2	Where there are, or have been, disputes, proof of	Yes	There is inherited dispute occurred between community and previous owner Austral Enterprise Bhd. on land matter, which is in the litigation process. Operation had been

		resolution or progress towards resolution by conflict resolution processes acceptable to all parties are implemented. Cross ref. to 2.3.3, 6.4.1 and 6.4.2. <i>Minor</i>		restricted outside the dispute area, and no other issue was observed with the current management.
C 2.3 Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.	2.3.1	Where lands are encumbered by customary rights, participatory mapping should be conducted to construct maps that show the extent of these rights. <i>Major</i>	Yes	No lands encumbered by customary rights were observed.
	2.3.2	Map of appropriate scale showing extent of claims under dispute. <i>Major</i>	Yes	The dispute area had been delineated out from the CU operation and map.
	2.3.3	Copies of negotiated agreements detailing process of consent (C2.2, 7.5 and 7.6). <i>Minor</i>	Yes	The case is still at on-going litigation process.

Principle 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY

Clause	Indicators		Comply Yes/No	Findings
C 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.	3.1.1	Annual budget with a minimum 2 years of projection <i>Major</i>	Yes	Rajawali CU continued to persevere to make commitment to long-term economic and financial viability. The annual budgets for 2014/15 to 2018/2019 were sighted. The budget provisions cover activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance etc. The budget included projections on yield/ha, and total cost of production per m ton & per ha.
	3.1.2	Annual replanting programme projected for a minimum of 5 years with yearly review. <i>Minor</i>	Yes	Replanting programme is available for verification and reviewed once a year by the management.

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

Clause	Indicators		Comply Yes/No	Findings
C 4.1 Operating procedures are appropriately documented and consistently implemented and monitored.	4.1.1	Documented Standard Operating Procedures (SOP) for estates and mills. <i>Major</i>	Yes	<p>Rajawali CU continued to use the established Plantations / Mill Quality Management System (PQMS / MQMS). Manual, PQMS / MQMS Standard Operating Manual and Procedures (SOP) and Sustainable Plantation Management System (SPMS) Manual, RSPO Supply Chain Manual, ESH Management System Manual, Occupational Safety and Health Manual, Pictorial Safety Standards, Laboratory Process Control Manual and Security Guidelines. It includes the operation activities in the estates and the mills from seedlings in nursery to planting of young palms and plantation upkeep to mill FFB receipt, grading, processing, quality analysis and despatch of CPO & PK and security in Rajawali CU.</p> <p>For the estates, on top of the PQMS, technical guidelines as listed in the Agricultural Reference Manual were also used. Contents of the Manual were disseminated to the workers through morning roll call and trainings. The Manual is also kept in the administration office where everyone can refer to. Site inspection and interview with workers confirmed that the SOP had been implemented and they understood the requirements of the SOP, the bottom-line of which is Good Agricultural / Mill Practice and the care for their safety and health and the environment.</p> <p>It was also seen that relevant SOP, sometimes and abridged version, were displayed at various work station for easy reference.</p>

				<ul style="list-style-type: none"> Sime Darby Agricultural Reference Manual [SDP/OP/ARM, Issue date 1/7/2011, signed by Frankie Anthony Dass (Managing Director, Sime Darby Plantation)] Estate Quality Management System Standard Operating Procedures, Year 2008, Signed by Dato' Azhar Abdul Hamid <p>Estate operations covered by the procedures are nursery, land clearing and preparation, planting technique, cover crop, fertilizer application, weeding, pest and disease, harvesting & evacuation, road maintenance, workshop, foliar sampling.</p> <p>The procedures were communicated to workers through training and infield supervision. Interview with workers showed that information in the procedures were effectively communicated.</p>
	4.1.2	Records of monitoring and the actions taken are maintained and kept for a minimum of 12 months. <i>Minor</i>	Yes	Some examples of monitoring records were sighted at the visited operating units such as progress report of harvesting & field upkeep, estate & mill daily production and performance of safety & environment records. Records of monitoring found to be in accordance to the established procedures.
C 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	4.2.1	Monitoring of fertilizer inputs through annual fertilizer recommendations. <i>Minor</i>	Yes	Fertilizer application is recommended by Sime Darby's agronomist from Sime Darby Research Sdn. Bhd., Carey Island. Latest recommendation was in March 2014 for April to August 2014 manuring programme.
	4.2.2	Evidence of periodic tissue and soil sampling to monitor changes in nutrient status. <i>Minor</i>	Yes	Annual fertiliser recommendation was done by the Agronomist from Sime Darby's R&D unit at Carey Island with reference to soil and foliar sampling. The sampling is done annually for all fields. The latest sampling report was available at the estate office.
	4.2.3	Monitor the area on which EFB, POME and zero-burn replanting is applied. <i>Minor</i>	Yes	Records of EFB application were available and no evidence of open burning observed.
C 4.3 Practices minimise and control erosion and degradation of soils.	4.3.1	Documented evidence of practices minimizing soil erosion and degradation (including maps). <i>Minor</i>	Yes	It was observed that practices to minimise and control erosion and degradation of soils were advocated through proper stacking of fronds, EFB application, construction of terraces in hilly terrains, avoidance of blanket spraying and maintenance of soft vegetation in interlines.

	4.3.2	Avoid or minimize bare or exposed soil within estates. <i>Minor</i>	Yes	No exposed or bare soil observed at the visited operating unit during the field visit.
	4.3.3	Presence of road maintenance programme. <i>Minor</i>	Yes	Road maintenance programme was available for year 2014/15. Among the activities included in the programme were road grading & compacting, patching and roadside pruning.
	4.3.4	Subsidence of peat soils should be minimised through an effective and documented water management programme. <i>Minor</i>	Yes	No peat soil at the visited operating unit according to soil survey and assessment report dated July 2008. Soil type mainly consists of Bedup Series, Semarak Series and Bekenu Series.
	4.3.5	Best management practices should be in place for other fragile and problem soils (e.g. sandy, low organic matter and acid sulphate soils). <i>Minor</i>	Yes	No fragile soil at the visited operating unit. Nonetheless, the soils of are of low fertility status. Mitigation recommended by soil survey and assessment report among others is cover crop establishment, application of EFB, frond stacking and good fertilizer application.
C 4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before replanting along all natural waterways within the estate. <i>Major</i>	Yes	Rajawali CU had continued to protect the water courses, including maintaining and restoring appropriate riparian buffer zones along all natural waterways within the estate. During the site review at replanting area, it was noted that the assigned buffer zone was left untouched. The width of the buffer zone was also sufficient for both sides of the bank and found to be in accordance to the Drainage and Irrigation Department (DID) requirements.
	4.4.2	No construction of bunds/weirs/dams across the main rivers or waterways passing through an estate. <i>Major</i>	Yes	There was no observation of bunds, weirs or dams across any water ways and rivers in any of the visited estates of Rajawali CU.
	4.4.3	Outgoing water into main natural waterways should be monitored at a frequency that reflects the estates and mills current activities which may have negative impacts	Yes	Environmental Monitoring Report last done for Jan-Jun 2014 by an appointed consultant. The monitoring report has included the analysis of river water quality. The palm oil mill carried out the analysis of its effluent discharge on monthly basis. Among the parameters analysed were bio-oxygen demand, suspended solid, chemical oxygen demand, ammoniacal nitrogen and oil and grease. The reports were sent to the authority in accordance to the license conditions.

		(Cross reference to C 5.1 and 8.1). <i>Major</i>		
	4.4.4	Monitoring rainfall data for proper water management. <i>Minor</i>	Yes	Rainfall records based on rain gauge reading are available on site.
	4.4.5	Monitoring of water usage in mills (tonnage water use/tonne FFB processed). <i>Minor</i>	Yes	The mill had been monitoring water consumption and been reporting monthly usage against per ton FFB processed. Records for FY 12/13 and FY 13/14 were available for verification. Significant reduction of water consumption between the two financial years due to the volume of FFB had increased.
	4.4.6	Water drainage into protected areas is avoided wherever possible. Appropriate mitigating measures will be implemented following consultation with relevant stakeholders. <i>Minor</i>	Yes	Based on location map, there is no water drainage going to protected areas at the visited operating unit.
	4.4.7	Evidence of water management plans. <i>Minor</i>	Yes	Among the water management plan established by Rajawali CU are: i) Reduce usage of fresh water and recycling the sterilizer condensate liquor for oil dilution. ii) Rain water harvesting.
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.	4.5.1	Documented IPM system. <i>Minor</i>	Yes	There is a documented integrated pest management (IPM) system in place at Rajawali Estate. The procedure referred is ARM Section 15 Plant Protection.
	4.5.2	Monitoring extent of IPM implementation for major pests. <i>Minor</i>	Yes	The IPM program among others includes pest management of rats, bagworms, nettle caterpillars, rhinoceros beetles and ganoderma. The IPM technique for rats includes rearing barn owls (tyto alba), bagworm control includes the planting of beneficial plants such as Cassia cobanensis, Antigonon leptopus and Turnera subulata and for rhino beetles is by using pheromone trap. However, the rearing of barn owls is generally unsuccessful in East Malaysia.
	4.5.3	Recording areas where pesticides have been used. <i>Minor</i>	Yes	Areas applied with pesticides can be seen in the costing book, rat baiting records and store issue note.
	4.5.4	Monitoring of pesticide usage units per hectare or per ton crop e.g. total quantity of active ingredient (a.i.) used/tonne of oil. <i>Minor</i>	Yes	Records of pesticides usage per ha basis was available for verification.

<p>C 4.6 Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.</p>	4.6.1	Written justification in Standard Operating Procedures (SOP) of all agrochemicals use. <i>Major</i>	Yes	The written justification in Standard Operating Procedure (SOP) of all agrochemical are available the Agricultural Reference Manual (ARM), SOP and in the Safety Pictorial Book prepared by Sime Darby Plantation Sdn Bhd.
	4.6.2	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). <i>Major</i>	Yes	It was confirmed at all site stores visited that pesticide used for field operation were those registered under the Pesticide Act 1974.
	4.6.3	Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations. <i>Major</i>	Yes	Site visit to chemical stores noted pesticides had been stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations. Chemical Safety Data sheets (CSDS) were available at the point of use. Record of the purchase, storage and use had been properly maintained.
	4.6.4	All information regarding the chemicals and its usage, hazards, trade and generic names must be available in language understood by workers or explained carefully to them by a plantation management official at operating unit level. <i>Major</i>	Yes	The estate continued to use the Agriculture Reference Manual (ARM), SOPs and Safety Pictorial procedure. These documentations included a chemical register which indicates the purpose of chemical usage (intended target), hazards signage, trade and generic names in English and/or Malay language as well as the CSDS of the chemicals. Where information was available only in English explanation of the same translated to local language were made by Sime Darby staff for the benefit of workers understanding. The Safety Pictorial procedures were used as a means of communication to the employees during training and briefing session. Interviews with Indonesian sprayers confirmed that they are understood the need for proper handling of the chemicals, the safety and health hazards posed by these chemicals and thus the necessity to wear appropriate PPE.
	4.6.5	Annual medical surveillance as per CHRA for plantation pesticide operators. <i>Major</i>	Yes	Annual medical surveillance was conducted for pesticide operators. Their medical report sighted showed their exposure level was below permissible exposure limit and are reported by the Occupational Health Doctor as fit to work.
	4.6.6	No work with pesticides for confirmed pregnant and breast-feeding women. <i>Major</i>	Yes	It was confirmed through interviews with workers, site visit and verification with Estate Health Assistant that no pregnant and breast feeding women had been allowed to work with pesticides.

	4.6.7	Documentary evidence that use of chemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions and paraquat, is reduced and/or eliminated. Adoption of suitable economic alternative to paraquat as suggested by the EB pending outcome of the RSPO study on IWM. <i>Minor</i>	Yes	No illegal agrochemicals (stated by local and international laws) in particular paraquat were used or found. Paraquat was totally replaced by a systemic herbicide, glufosinate ammonium.
	4.6.8	Documented justification of any aerial application of agrochemicals. No aerial spraying unless approved by relevant authorities. <i>Major</i>	Yes	There was no evidence of any aerial spraying found.
	4.6.9	Evidence of chemical residues in CPO testing, as requested and conducted by the buyers. <i>Minor</i>	Yes	There was no request by buyers for chemical residues in CPO testing.
	4.6.10	Records of pesticide use (including active ingredients used, area treated, amount applied per ha and number of applications) are maintained for either a minimum of 5 years or starting November 2007. <i>Minor</i>	Yes	Records of both current and from financial year 2013/2014 on the usage of pesticides by area, quantity used, hectares applied and a.i./Ha were made available to auditors.
C 4.7 An occupational health and safety	4.7.1	Evidence of documented Occupational Safety Health (OSH) plan which is in		

plan is documented, effectively communicated and implemented.		compliance with OSH Act 1994 and Factory and Machinery Act 1967 (Act139). <i>Major</i> <u>The safety and health (OSH) plan shall cover the following</u>		
	a)	A safety and health policy, which is communicated and implemented	Yes	Rajawali CU had continued to adopt the SDPSB's Occupational Safety and Health (OSH) policy. The policy had been communicated to all levels of the organization through briefings and they were also being displayed prominently in Bahasa Malaysia and English on notice boards at mill, estate office and Muster Ground. Random interviews with employees showed that they were aware of the policy requirements, i.e. to work safely, comply with legal requirements, to follow established procedures and instructions from the management.
	b)	All operations have been risk assessed and documented.	Yes	Rajawali CU had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. At the estates, among the HIRARC carried out covered activities such as chemical mixing and spraying, chemical storage, harvesting and FFB collection and vehicle maintenance. For Rajawali POM, all key activities identified and risk assessed with respect to FFB grading and sorting, FFB sterilization, kernel and oil extraction, oil clarification, maintenance activities at the workshop, working in confined space, working at height and hot work activities.
	c)	An awareness and training programme which includes the following specifics for pesticides: i) to ensure all workers involved have been adequately trained in a safe working practices (See also C 4.8) ii) all precautions attached to products should be	Yes	OSH awareness and various OSH training courses had been identified for each category of workers. This to ensure all workers involved have been adequately trained in safe working practices. Field inspection and observation of spraying tasks confirmed chemicals being applied were in accordance with the product safety precautions and workers of its risks. MSDS were made available at point of use.

		properly observed and applied to the workers.		
	d)	<p>The appropriate personal protective equipment (PPE) are used for each risk assessed operation.</p> <p>i) Companies to provide the appropriate PPE at the place of work to cover all potentially hazardous operations such as pesticide application, land preparation, harvesting and if used, burning.</p>	Yes	<p>Suitable PPE has been provided to the workers based on the information in the MSDS/CSDS and CHRA assessor's recommendation. Signage was to remind workers to wear PPE was posted at the suitable location in the mill compound. Sample of workers interviewed found that they were understood the reasons and importance why they were required to wear the PPE.</p>
	e)	The responsible person (s) should be identified.	Yes	<p>Latest FY 2013/2014 Safety and Health Committee organization chart available with workers and management representative.</p>
	f)	There are records of regular meetings between the responsible person(s) and workers where concerns of workers about health and safety are discussed.	Yes	<p>Quarterly Safety & Health Committee meeting held at the respective unit in the CU chaired by manager (mill or estate). Improvement was noted on the comprehensive meeting minutes compared to the previous assessment.</p>
	g)	Accident and emergency procedures should exist and instructions should be clearly understood by all workers.	Yes	<p>Emergency Response Plan (ERP) has been established and defined in procedure, Level 2, Standard Operation Manual, Sub Section 5.5, Management Responsibility, Appendix 5.5.3.3 Emergency Preparedness and Response Procedure, version 1, issue 1 dated 1/11/2008.</p> <p>Emergency response activities were also included in the ESH plan FY 13/14. Most of the potential emergency incidents such as fire breakout and serious injuries were adequately addressed.</p> <p>Information to response potential emergencies had been disseminated. This included emergency contact number, site plan showing evacuation route to assembly point and location of firefighting equipment and action to be taken during emergency by staff and</p>

				contractors. Instructions to respond to accident and emergency situation were tested and it was found to be clearly understood by all workers interviewed both at the mill and field.
	h)	Workers trained in First Aid should be present in both field and mill operations.	Yes	Trained first aiders were available at all work area both in the estate and mill.
	i)	First Aid equipment should be available at worksites	Yes	First Aid Kits were made available and maintained based on site review in the estate and mill. Each work area for example spraying, manuring and harvesting has been supplied with the first aid kit. Trained first aider will take charge on monitoring of the usage and will be replenished on monthly basis by MA.
	4.7.2	Records should be kept of all accidents and periodically reviewed at quarterly intervals. <i>Major</i>	Yes	Accident statistics are being maintained and periodically reviewed. Accident investigation has been carried out to all accident cases for internal reporting as well as 3 rd party reporting to DOSH. Records of accident investigation including meeting minute, accident chronology, sketch of accident area, personal information including training records, corrective action were properly kept for future reference.
	4.7.3	Workers should be covered by accident insurance. <i>Major</i>	Yes	Rajawali CU continued to ensure all workers working in the premise (both mill and estate) covered by insurance. All local workers were covered by SOCSO as required under Employee's Social Security Act 1969. Foreign workers for instance, were covered by insurance as per Workmen Compensation Act 1952.
C 4.8 All staff, workers, smallholders and contractors are appropriately trained.	4.8.1	A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training for employees are kept. <i>Major</i>	Yes	Training plan for FY2014/205 has been established with target dates for the training identified. The training program generally included the best practice, occupational safety and environmental aspects. Records of training conducted were maintained in place for verification.

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

Clause	Indicators		Comply Yes/No	Findings
C 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.	5.1.1	Documented aspects and impacts risk assessment that is periodically reviewed and updated. <i>Major</i>	No	<p>The mill continued to conduct the environmental aspects and impacts risk assessment for activities related to their operation. Sample of the activities assessed related to mill operation are cleaning activities in the mill, engine repair/servicing and starting, chemical mixing for raw water treatment, boiler operation and discharge of effluent. For estate operation, among the activities identified were road maintenance, Harvesting and Collection, FFB transportation, Field Weeding, Pest and Disease Treatment, diesel consumption, and management of empty chemical containers. Review was carried out in July 2014, however no changes noted on the activities and list of environmental impact to the operation.</p> <p>Verification on “Environmental Impact Evaluation Form” at Rajawali Estate showed that the environmental aspect and impact for replanting activity has yet to be identified and evaluated. Therefore NCR # VS02 was assigned due to this lapse.</p>
	5.1.2	Environmental improvement plan to mitigate the negative impacts and promote the positive ones, is developed, implemented and monitored. <i>Minor</i>	Yes	The mill and estate had prepared its Environmental Management Plan (EMP) for FY 2014/15 that included action plan for current significant impact to the operation.
C 5.2 The status of rare, threatened or endangered species (ERTs) and high conservation value habitats, if any, that exists in the plantation or	5.2.1	Identification and assessment of HCV habitats and protected areas within landholdings; and attempt assessments of HCV habitats and protected areas surrounding landholdings. <i>Major</i>	Yes	The estate maintained the identified conservation areas. The conservation areas at the estates are mainly river reserves and water catchment areas.

that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.	5.2.2	Management plan for HCV habitats (including ERTs) and their conservation. <i>Major</i>	Yes	The estate management continued to implement the action plan for conserving the areas. Among the action plan were erection of more signage of prohibition (i.e. no fishing / hunting / entry), awareness program, areas demarcation, etc.
	5.2.3	Evidence of a commitment to discourage any illegal or inappropriate hunting fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts. <i>Minor</i>	Yes	Commitment to discourage illegal or inappropriate activities continued observed. Among the evident observed were signage of prohibition concerning illegal or inappropriate activities, awareness and training program related to conservation, areas demarcation etc.
C 5.3 Waste is reduced, recycled, re-used and disposed off in an environmentally and socially responsible manner.	5.3.1	Documented identification of all waste products and sources of pollution. <i>Major</i>	Yes	Documented identification of waste products and source of pollution was available for verification. The waste products identified were among others scheduled wastes, solid wastes and industrial wastes.
	5.3.2	Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid or reduce pollution. <i>Minor</i>	Yes	Operational plans were available to reduce pollution identified in Indicator 5.3.1.
	5.3.3	Evidence that crop residues / biomass are recycled (Cross ref. C 4.2). <i>Minor</i>	Yes	Biomass waste (EFB) recycled back to estate for mulching. Refer to C 4.2.
C 5.4 Efficiency of energy use and use of renewable energy is maximized.	5.4.1	Monitoring of renewable energy use per tonne of CPO or palm product in the mill. <i>Minor</i>	Yes	Monitoring record for renewable energy such as the usage of fibre and shell were available for verification.
	5.4.2	Monitoring of direct fossil fuel use per tonne of CPO or kW per tonne palm product in the mill (or FFB where the grower has no mill). <i>Minor</i>	Yes	Monitoring record for direct fossil fuel such as the diesel were available for verification.
C 5.5 Use of fire for waste disposal and for preparing land	5.5.1	No evidence of open burning. Where controlled burning occurs, it is as prescribed by the Environmental Quality	Yes	No work of replanting at the visited operating unit. Nonetheless, open burning for replanting activity is not allowed based on the company's policy.

for replanting is avoided except in specific situations, as identified in the ASEAN Guidance or other regional best practice.		(Declared Activities) (Open Burning) Order 2003. <i>Major</i>		
	5.5.2	Previous crop should be felled/mowed down, chipped/shredded, windrowed or pulverized/ploughed and mulched. <i>Minor</i>	Yes	As spelt out in Sime Darby's Agriculture Reference Manual, previous crop should be felled, chipped and windrowed.
	5.5.3	No evidence of burning waste (including domestic waste). <i>Minor</i>	Yes	No evidence of open burning sighted during the assessment.
C 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.	5.6.1	Documented plans to mitigate all polluting activities (Cross ref to C 5.1). <i>Major</i>	Yes	Cross refer to C5.1.
	5.6.2	Plans are reviewed annually. <i>Minor</i>	No	The annual reviewed Pollution Prevention Plan did not include the following issues: <ul style="list-style-type: none"> • Black smoke emission during (normal/uncontrolled burning/start-up & loading/overloading) • Plan for the Clean Air Regulations 2014 compliance in 5 years' time. • Noise pollution issue based on the results of noise boundary monitoring • GHG emission monitoring and reduction plan Therefore, Minor NCR # MH1 was issued.
	5.6.3	Monitor and reduce <u>peat</u> subsidence rate through water table management. (Within ranges specified in C 4.3). <i>Minor</i>	Yes	No peat soil at Rajawali Estate according to soil survey and assessment report by a soil expert in July 2008. Soil types at the visited operating unit were mainly of Bedup Series, Semarak Series and Bekenu Series.

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

Clause	Indicators		Comply Yes/No	Findings
C 6.1 Aspects of plantation and mill	I 6.1.1	A documented social impact assessment including records of meetings. <i>Major</i>	Yes	The CU had updated and made available the documented social impact assessment, including records of meetings. The document entitled "Management Plan on Social Impact Assessment", 20/11/13.

management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.	I 6.1.2	Evidence that the assessment has been done with the participation of affected parties. <i>Major</i>	Yes	The CU observed continue to involve affected parties in their assessment and consultation process. List of attendance of affected parties were maintained.
	I 6.1.3	A timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary. <i>Minor</i>	Yes	The CU continued to review its respective operating unit timetables. Status of previous action determined, implemented and new actions planned were updated.
C 6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.	I 6.2.1	Documented consultation and communication procedures. <i>Major</i>	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 such as briefings and meetings, notice boards, emails, letters, and so on. The morning briefings continued appear to be most popular channel through which the management communicates whatever policies to the workers.
	I 6.2.2	A nominated plantation management official at the operating unit responsible for these issues. <i>Minor</i>	Yes	There are management officials appointed to be responsible for social issues at the visited operating units.
	I 6.2.3	Maintenance of a list of stakeholders, records of all communication and records of actions taken in response to input from stakeholders. <i>Minor</i>	No	The CU maintained the list of its stakeholders, records of communication and records of actions taken in response to input from stakeholders. However, observed some of relevant stakeholders were not in the list of Rajawali CU. Among other, they are local government related agencies (such as <i>Jabatan Tenaga Kerja Sarawak</i> , social and welfare, immigration, drainage and irrigation, veterinary / wildlife) and Indonesian Consulate etc. Thus, Minor NCR # HO-2014-01 was raised.
C 6.3 There is a mutually agreed and documented	6.3.1	Documentation of the process by which a dispute was resolved and the outcome.	Yes	The inherited dispute between communities is still at on-going litigation process.

system for dealing with complaints and grievances, which is implemented and accepted by all parties.		<i>Major</i>		
	6.3.2	The system resolves disputes in an effective, timely and appropriate manner. <i>Minor</i>	Yes	The inherited dispute between communities is still at on-going litigation process.
	6.3.3	The system is open to any affected parties. <i>Minor</i>	Yes	The CU maintained affirms that its dispute system is open to any affected parties. Relevant policy and procedures were observed maintained available for sighted.
C 6.4 Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	6.4.1	Establishment of a procedure for identifying legal and customary rights and a procedure for identifying people entitled to compensation. <i>Major</i>	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'. This procedure was applicable to all Sime Darby's CUs. Meanwhile, compensation concerning employee issues to be handled by human resources department.
	I 6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented. This takes into account gender differences in the power to claim rights, ownership and access to land; and long-established communities; differences in ethnic groups' proof of legal versus communal ownership of land. <i>Minor</i>	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.
	I 6.4.3	The process and outcome of any compensation claims is documented and made publicly available. <i>Minor</i>	Yes	There was no case involving compensation.

C 6.5 Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.	I 6.5.1	Documentation of pay and conditions. <i>Major</i>	Yes	Pay and condition for employees and contractors of the CU maintained documented in their employment contract and contract respectively. Wages maintained comply with industry minimum standard of wages. Workers pay slips were available for verification.
	I 6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit. <i>Minor</i>	Yes	Workers employment contract maintained contain information pertaining work terms such as working hours, service period, medical facilities, housing, transportation allowance, maternity leave, entitle for sick leave and annual leave. Briefing on understanding about payment and calculation were observed. Interviewed with employees confirmed about the benefits that they enjoyed and they were aware the importance of the payslip, whereby they check to confirm the amount they should earned monthly.
	I 6.5.3	Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders). <i>Minor</i>	Yes	All employees of the CU maintained provided with accommodation, domestic water supply, electricity, clinic and welfare amenities such as mosque, crèche, kindergarten and playground for children and workers, and HUMANA school for foreign workers children. School bus is also provided by the CU.
C 6.6 The employer respects the right of all personnel to	6.6.1	Documented minutes of meetings with main trade unions or workers representatives. <i>Major</i>	Yes	The CU maintained is policy to allow workers / staff to forming / joining. However, there was no union formed in the CU.

form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.	6.6.2	A published statement in local languages recognizing freedom of association. <i>Minor</i>	Yes	Freedom of association policy maintained in the documented Social Policy established by HQ. The policy was written in Bahasa and English languages, and publicly displayed at strategic places.
C 6.7 Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.	6.7.1	Documented evidence that minimum age requirement is met. <i>Major</i>	Yes	Documented data base of employees was verified. No employee below minimum age observed employed by the CU.
C 6.8 Any form of discrimination based on race, caste, national	6.8.1	A publicly available equal opportunities policy. <i>Major</i>	Yes	The CU maintained its documented Social Policy that contain about equal opportunities policy. The policy displayed at strategic places.
	6.8.2	Evidence that employees and groups including migrant	Yes	Interviewed with local and foreign workers in the CU observed no complaint about discrimination issues between races, ethnics and religious.

origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		workers have not been discriminated against. <i>Minor</i>		
C 6.9 A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.	6.9.1	A policy on sexual harassment and violence and records of implementation. <i>Major</i>	Yes	The company maintained its Gender Policy that cover sexual harassment and violence cases against women, workers and communities. Gender Committee maintained active to oversee any issues on sexual and violence. Periodical meetings were conducted and minutes were made available.
	6.9.2	A specific grievance mechanism is established. <i>Major</i>	Yes	The specific grievance mechanism maintained by the CU. Chairman of Gender Committee at each operating units responsible in handling and channelling issue to management, if any.
C 6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.	6.10.1	Pricing mechanisms for FFB and inputs/services shall be documented. <i>Major</i>	Yes	The CU maintained to source FFB from its own certified supply base only. Thus, no pricing mechanism for FFB is necessary. Meanwhile any services obtained were based on suppliers' quotation, prior to select and award.
	6.10.2	Current and past prices paid for FFB shall be publicly available. <i>Minor</i>	Yes	The CU maintained to source FFB from its own certified supply base and none from outsiders. Therefore, current and past prices are not significant.
	6.10.3	Evidence that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. <i>Minor</i>	Yes	The suppliers/contractors and tenant interviewed mentioned that they understand their contracts and they have been dealing for quite a long time. They were happy with their business relation. Supplier / contractors affirm that usually received their payments in the form of cheques the following month after they had completed their order.
	6.10.4	Agreed payments shall be made in a timely manner. <i>Minor</i>	Yes	Payments observed were paid in timely manner, which were within 10 days of next month upon completed. Payments were in the form of cheques.
C 6.11 Growers and millers contribute to local sustainable	6.11.1	Demonstrable contributions to local development that are based on the results of	Yes	The CU continued to contribute to local development needs.

development wherever appropriate.		consultation with local communities. <i>Minor</i>		
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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.

Clause	Indicators		Comply Yes/No	Findings
C 7.1 A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.	7.1.1	An independent and participatory social and environmental impact assessment (SEIA) to be conducted and documented (Cross ref. to C 7.2, 7.3, 7.4, 7.5, 7.6). <i>Major compliance</i>		NA
	7.1.2	The results of the SEIA to be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. <i>Minor compliance</i>		NA
	7.1.3	Where the development includes smallholder schemes of above 500ha in total, the impacts and implications of how it is managed should be documented and a plan to manage the impacts produced. <i>Minor compliance</i>		NA
C 7.2 Soil surveys and topographic	7.2.1	Soil suitability maps or soil surveys adequate to establish the long-term		NA

information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.		suitability of land for oil palm cultivation should be available. <i>Major compliance</i>		
	7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure should be available. <i>Minor compliance</i>		NA
C 7.3 New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	7.3.1	A HCV assessment, including stakeholder consultation, is conducted prior to any conversion. <i>Major compliance</i>		NA
	7.3.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as per Peninsular Malaysia's National Physical Plan (NPP) and Sabah Forest Management Unit under the Sabah Forest Management License Agreement. <i>Major compliance</i>		NA
	7.3.3	No new plantings on floodplains (reference to be made to State DID). <i>Major compliance</i>		NA
	7.3.4	Dates of land preparation and commencement are recorded. <i>Minor compliance</i>		NA
C 7.4 Extensive planting (to be determined by SEIA) on steep	7.4.1	All new plantings should not be cultivated on land more than 300m above sea level and on land more than 25 degrees slope unless		NA

terrain, and/or on marginal and fragile soils, is avoided.		specified by local legislation (Ref: MSGAP Part 2: OP 4.4.1.3 & 4.4.1.4) <i>Major compliance</i>		
	7.4.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. <i>Minor compliance</i>		NA
C 7.5 No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	7.5.1	This activity should be integrated with SEIA required by C 7.1 <i>Major compliance</i>		NA
C 7.6 Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to	7.6.1	Documented identification and assessment of legal and customary rights. <i>Major compliance</i>		NA
	7.6.2	Establishment of a system for identifying people entitled to compensation.		NA

their free, prior and informed consent and negotiated agreement.		<i>Major compliance</i>		
	7.6.3	This activity should be integrated with the SEIA required by C 7.1. <i>Major compliance</i>		NA
	7.6.4	Establishment of a system for calculating and distributing fair compensation (monetary or otherwise). <i>Major compliance</i>		NA
	7.6.5	The process and outcome of any compensation claims should be documented and made publicly available. <i>Major compliance</i>		NA
	7.6.6	Communities that have lost access and rights to land for plantation expansion are given opportunities to benefit from plantation development. <i>Minor compliance</i>		NA
C 7.7 Use of fire in the preparation of new plantings is avoided other than in specific cases as identified in the ASEAN Guidance or other regional best practice.	7.7.1	No evidence of clearing by burning. This activity should be integrated with the SEIA required by C 7.1 <i>Major compliance</i>		NA
	7.7.2	Evidence of approval for controlled burning, as per Environmental Quality (Declared Activities) (Open Burning) Order 2003. <i>Major compliance</i>		NA

Principle 8: COMMITMENT TO CONTINUOUS IMPROVEMENT IN KEY AREAS OF ACTIVITY

Clause	Indicators		Comply Yes/No	Findings
C 8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	8.1.1	Minimise use of certain pesticides (C4.6). <i>Major</i>	Yes	Highly toxic herbicide such as paraquat was no longer in use. It was replaced by other less toxic chemicals.
	8.1.2	Environmental impacts (C5.1). <i>Major</i>	Yes	Identification and evaluation of environmental impact assessment has been carried annually as to identify other aspects and activities that can impact the environment. With the comprehensive assessment of impact, appropriate mitigation measures can be determined for continual improvement.
	8.1.3	Maximizing recycling and minimizing waste or by-products generation. <i>Major</i>	Yes	The programs implemented include commitment to zero waste, use of by-products such as EFB and POME in the fields and also increasing the awareness of workers on 3R's initiatives.
	8.1.4	Pollution prevention plans (C5.6). <i>Major</i>	Yes	Pollution prevention plan was available and had been reviewed annually for the mill and estates. However, the plan has yet to include the current issues as per Minor NCR MH1 under Indicator 5.6.2.
MY NIWG commits to demonstrate progressive improvement to the following but not limited to:	8.1.5	Social impacts (C6.1). <i>Major</i>	Yes	Annual social management and action plan were maintained, established, implemented, reviewed and updated by the CU.
	8.1.6	A mechanism to capture the performance and expenditure in social and environmental aspects. <i>Minor</i>	Yes	The CU continued to capture the performance and expenditure in social and environmental aspects through several methods such as expenditure reports and periodic environmental monitoring reports.

RSPO Supply Chain at the palm oil mill – Mass Balance Model –Module E

Item No	Requirement	Findings
D.1 D.1.1	Documented procedures The facility 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:	
	a) Complete and up to date procedures covering the implementation of all the elements in these requirements	Procedure is available: Standard Operating Procedure (SOP) for RSPO Supply Chain Certification System and Traceability: Segregation. The procedure covered both handling RSPO certified products under Segregation and Mass Balance models.
	b) The name 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 facilities procedures for the implementation of this standard.	Rajawali Mill Manager (En. Mohamad Azahar Saat) has been appointed to be the person having overall responsibility for and authority over the implementation of the supply chain requirements.
D.1.2	The facility shall have documented procedures for receiving and processing certified and noncertified FFBs.	Mechanism is stated in the procedure.
D.2 D.2.1	Purchasing and goods in The facility shall verify and document the volumes of certified and non-certified FFBs received.	Rajawali POM will only accept the RSPO certified FFB. Its main supply base are those Sime Darby's own estates i.e. Rajawali, Samudera, Semarak and Bayu. For the period under review, there was only one estate has sent its crop to Rajawali POM other than its main supply base i.e. Damai Estate. Damai Estate is RSPO certified. The volume of its suppliers' contribution is verified and documented on daily basis by Rajawali POM. For the duration from October 2013 to October 2014, Rajawali POM has received 158,465.21 mt of RSPO certified FFB.
D.2.2	The facility shall inform the CB immediately if there is a projected overproduction.	For the period under review, Rajawali POM has yet to deliver any RSPO certified CPO or PK. All products were delivered as conventional products. Therefore, no projected overproduction occurred.
D.3 D.3.1	Record keeping The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.	Records of FFB received and CPO & PK dispatched were adequately maintained by the mill.

D.3.2	Retention times for all records and reports shall be at least five (5) years.	Requirement is stated in the procedure.
D.3.3	The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.	Records of FFB received and CPO & PK dispatch are recorded on daily basis and available for three monthly compilations.
D.3.4	The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Segregated. The supply chain model used should be clearly indicated.	The mill has informed to the assessor that relevant documents shall be stamped with "RSPO certified/SG" if there is any delivery of RSPO certified products.
D.4 D.4.1	Sales and good out The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information: <ul style="list-style-type: none"> a) The name and address of the buyer; b) The date on which the invoice was issued; c) A description of the product, including the applicable supply chain model (Segregated) d) The quantity of the products delivered; e) Reference to related transport documentation. 	NA since no delivery of RSPO certified products. The CPO and PK delivered for the period under review were classified as conventional products by the mill.
D.5 D.5.1	Processing The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non certified material including during transport and storage and be able to demonstrate that is has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material ⁹ ; up to 5 % contamination is allowed.	Procedure was found adequate. Since Rajawali POM did not accept any RSPO non-certified FFB, its processing activity can guarantee the minimum standard of 95% segregation physical material.
D.5.2	The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.	No actual record yet since Rajawali POM has yet to have transaction of certified SG product.
D.5.3	In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that: <ul style="list-style-type: none"> • The crush operator conforms to these requirements for segregation 	Outsource activity was only for CPO & PK Transportation.

	<ul style="list-style-type: none"> The crush is covered through a signed and enforceable agreement 	
D.6 D.6.1	Training The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.	Training had been conducted to relevant employees and record of training was available for verification.
D.7 D.7.1	Claims The facility shall only make claims regarding the use of or support of RSPO certified palm oil that are in compliance with the RSPO Rules for Communication and Claims.	RSPO Trademark has not been used.

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 in Appendix 3. All major nonconformities have been closed out.

3.3 Status of Non-conformities Previously Identified

All previous nonconformities were verified for the corrective actions effectiveness. Corrective action has been taken and verified by the assessor. Details of the verified nonconformities are in Appendix 4.

3.4 Issues Raised by Stakeholders

There were various stakeholders interviewed during this assessment comprising of workers, surrounding villagers and contractors. Generally, all of the stakeholders had given positive feedback towards Rajawali CU.

3.5 Noteworthy Positive and Negative Observation

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

4.0 Assessment Recommendation and Date of Closing Non-conformities

☐

No NCR recorded. Recommended to continue certification.

☐

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

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

☒

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

☐

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

☒

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

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

IT IS CONFIRMED THAT ALL CORRECTIVE ACTIONS TAKEN ON MAJOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED, ACCEPTED AND VERIFIED AND ALL CORRECTIVE ACTIONS PLANS PROVIDED ON MINOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED AND ACCEPTED. RECOMMENDED FOR CONTINUATION OF RSPO P & C CERTIFICATION.

Audit Team
Leader:

VALENCE SHEM

(Name)



(Signature)

05/02/2015

(Date)

5.0 Organization's Acknowledgement of Internal Responsibility

5.1 Date of Next Surveillance Visit

The next surveillance visit will be conducted within 12 months but not sooner than 9 months from this audit.

5.2 Formal Sign-off of Surveillance Assessment Findings

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.

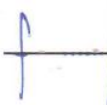


VALENCE SHEM
Lead Assessor

Date: 18/3/2015

I, the undersigned, on behalf of **Sime Darby Plantation Sdn Bhd, Rajawali Certification Unit** acknowledge and confirm the contents of the assessment report and findings of the assessment.

SIME DARBY PLANTATION SDN. BHD.
RAJAWALI PALM OIL MILL



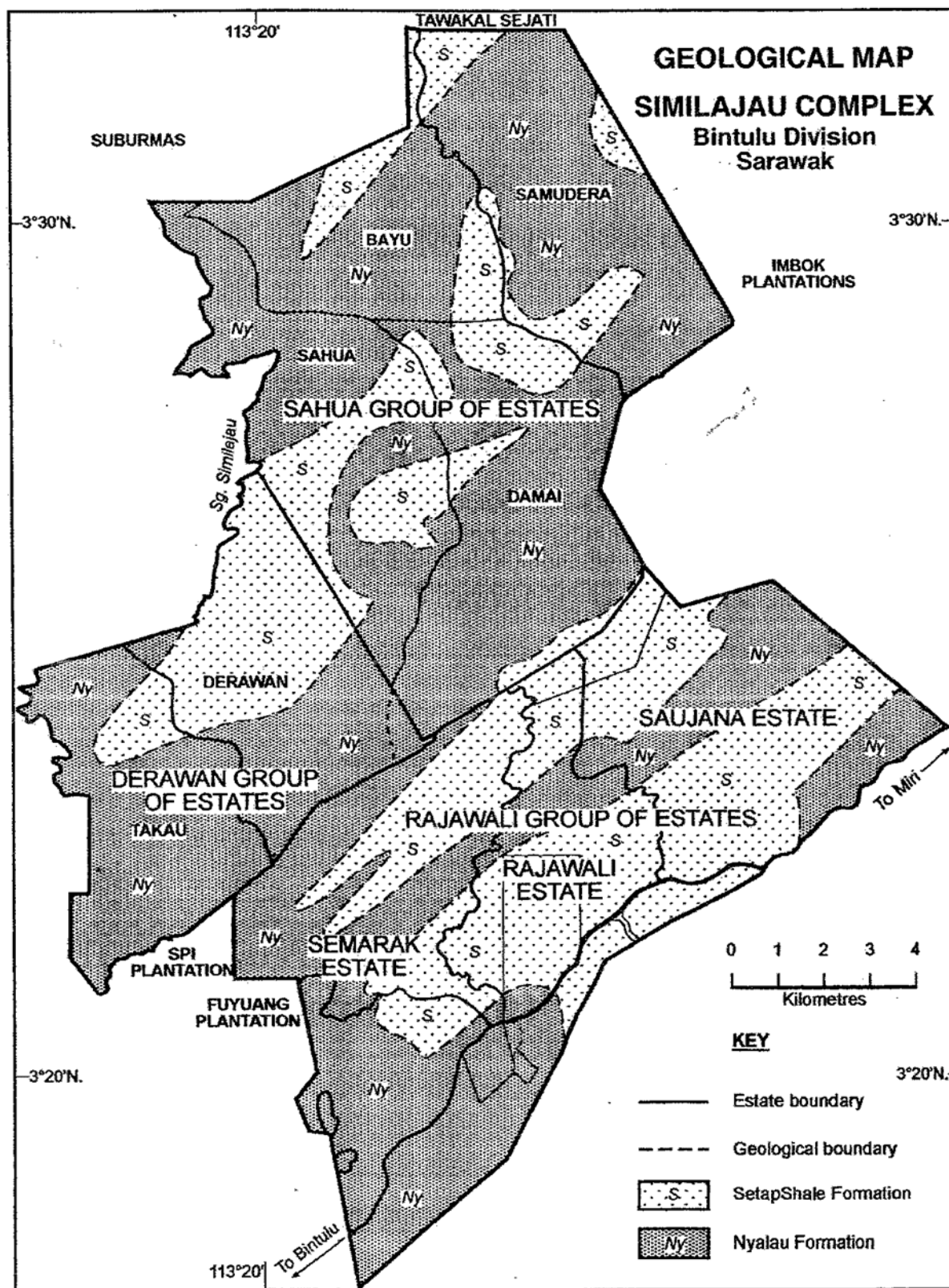
MOHAMAD AZAHAR SAAT
MILL MANAGER

Name : _____

Designation : _____

Date : 19-3-2015

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



Assessment Programme**Day One: 3rd November 2014 (Monday)**

Time	Hidhir	Hazani	Valence
0830-0900	Opening Meeting, audit team introduction and briefing on audit objectives, scope, methodology, criteria and programmes by audit team leader		
0900-0930	Briefing on the organization implementation of RSPO (including action taken to address main assessment findings) and update on time bound plan progress		
0930-1300	Site visit and assessment at Rajawali POM relating to Good Milling Practices, occupational safety & health environmental aspects Assessment on related Indicators of P1, P2, P3, P4, P5, P8	Site visit and assessment at Semarak Estate relating to social aspects, HCV and biodiversity. Assessment on related Indicators of P1, P2, P5, P6 and P8	Verification on general requirements with Rajawali CU Sustainability Team or relevant unit(s)
1300-1400	Lunch Break		
1400-1700	Continue assessment	Continue assessment	Site visit and assessment at Rajawali Estate relating to Good Agricultural Practice and environmental aspects Assessment on related Indicators of P1, P2, P3, P4, P5, P8

Day Two: 4th November 2014 (Tuesday)

Time	Hidhir	Hazani	Valence
0830-1300	Continue assessment at Rajawali POM	Continue assessment at Semarak Estate	Continue assessment at Rajawali Estate
1300-1400	Lunch Break		
1400-1700	Continue assessment	Continue assessment	Continue assessment

Day Three: 5th November 2014 (Wednesday)

Time	Hidhir	Hazani	Valence
0830-1300	Site visit and assessment at Samudera Estate relating to occupational safety & health and environmental aspects Assessment on related Indicators of P1, P2, P3, P4, P5, P8	Site visit and assessment at Rajawali POM relating to social aspects Assessment on related indicators of P1, P2, P3, P6, P8	Continue assessment at Rajawali Estate
1300-1400	Lunch Break		
1400-1700	Continue assessment	Continue assessment	Site visit and assessment at Rajawali POM relating to Supply Chain implementation including the model used

Day Four: 6th November 2014 (Thursday)

Time	Hidhir	Hazani	Valence
0830-1300	Continue assessment at Samudera Estate	Continue assessment at Rajawali POM	Continue assessment at Rajawali POM
1300-1400	Lunch Break		
1400-1700	Continue assessment	Continue assessment	Continue assessment

Day Five: 7th November 2014 (Friday)

Time	Hidhir	Hazani	Valence
0830-1000	Assessment Team discussion, preparation on assessment findings and issuance of NCR (if any)		
1000-1100	Closing Meeting		

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
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 	<p>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> <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 identified and evaluated.</p>	<p>Environmental aspect and impact have been identified and evaluated for replanting activity. The mitigation measures have been established and documented 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.</p> <p>Status: Closed</p>
Indicator 2.1.1	Major	<p><u>NCR # MH01</u> The following requirements were not fulfilled:</p> <ul style="list-style-type: none"> 1) Non-compliance to Workers Minimum Standards of Housing and Amenities Act 1990, Section 6(1)(a) <p><u>Objective evidence:</u> The manner of treating the water has yet to be approved by the Director General</p>	<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 from the department is not required. A copy of e-mail regarding the communication</p>

			between the CU and the Labour Dept. has been extended to the assessor on 4/2/2014 for verification. Status: Closed
		<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 schedule waste manager available at Rajawali CU</p>	<p>2) <u>Air Pollution Control Equipment</u> 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 (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>Status: Closed</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>Status: Closed</p>
Criterion 5.6 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 results of noise boundary monitoring • GHG emission monitoring 	<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 results • Updating records of GHG emission <p>Status: Minor Indicator. Will be verified in next assessment.</p>

Indicator 6.2.3	Minor	<p><u>NCR # HO-2014-01</u></p> <p>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>Status: Minor Indicator. Will be verified in next assessment.</p>
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Status of Non-conformities Previously (ASA II, 2013) Identified

Clause	Non conformity	Corrective Action Submitted	Status
Indicator 2.1.1 Evidence of compliance with legal requirements NCR # MM1 (MAJOR)	1) The following lapses were found: Licensee (RPOM) did not comply with every condition imposed in respect of every category of licence as specified in the licence in accordance with the Sixth (Clause 8) and Seventh Schedule, Regulation 21 (2) MPOB (Licensing) Regulations 2005. Objective evidence: All four local (Abdul Hafiz Nanda, Bayang ak Badar, Daniel ak Adong, Petrus Ngalai ak Jackie) and one Indonesian (Samsul Karau) FFB Graders were not trained by MPOB.	Mill planning to send the FFB helper/picker for training. Mill will be liaise with MPOB for the training schedule	Nominated FFB helper for MPOB FFB grading course i) Abdul Hafiz Nanda ii) Petrus Ngalai a/k Jackie MPOB FFB grading course for Sarawak was only conducted on July 2013. Waiting for the 2014 training calendar from MPOB. Status of the action taken will be verified in the next audit. Status: Closed. <u>Verification in this assessment:</u> Initially Rajawali POM had recruited a qualified FFB grader, Mr. Dennis anak Chabu, but he has resigned from the company. The mill has planned to send other personnel (Petrus Ngalai anak Jackie) to attend the FFB Grading course by MPOB on 2/6/2015. E-mail between the mill and MPOB about the registration of Mr. Petrus was available for verification. Status: Closed
	2) Non-compliance to Factories and Machinery (Person In Charge) Regulation 1970, Regulation (4), Last sentence that reads "in addition, the owner shall employ a first grade ICE visiting engineer." Objective evidence: RPOM did not have a 1 st Grade ICE visiting engineer.	Mill will seek for advice from Plantation Mill Operation to employ 1 st grade ICE visiting engineer.	Appointment of 1 st grade ICE visiting engineer through MSIEA (Malaysian Steam & Internal Combustion Engine Engineer Association). MSIEA currently still searching for the available competent person in Sarawak. Status of corrective action taken will be verified in the next audit. Status: Closed <u>Verification in this assessment:</u> An exemption to have the competent person was granted by the DOSH according to a letter between Sime Darby and DOSH [ref.: JKKP IS 127/789/Klt 12

			(79), dated 14/2/2014]. The exemption is valid until 31/7/2015 only. Status: Closed
	<p>3) Non-compliance to Electricity Rules 1999, Section 4 (5) Rule 3, Licence to Use, Work or Operate an Electrical Generating Installation as per the Sarawak Electricity Ordinance, Chapter 50, 2007.</p> <p>Objective evidence: All installation (RPOM and its estates offices that operate Generator Sets) did not possess licence to generate electricity exceeding 5kw.</p>	To apply for license to Use, Work or Operate an Electrical Generating Installation with SESCO	<p>Appointment of consultant for genset license submission to Ministry of Public Utility and SESCO.</p> <p>Quotation from consultant, PKM Projek Konsultant Sdn Bhd has been obtained. Refer PKM/RAJAWALI/LIH dated 6/12/13.</p> <p>PO to the appointed consultant.</p> <p>Status of corrective action taken will be verified in the next audit.</p> <p>Status : Closed</p> <p><u>Verification in this assessment:</u> The CU was still in the midst of applying the license. A set of required documents for obtaining the license has been submitted to the Ministry of Public Utility of Sarawak. At this point, the Ministry has yet to give its response.</p> <p>Status: Closed</p>
	<p>4) Non-compliance to Environmental Quality (Clean Air) Regulations 1978 approval conditions for all Rajawali CU estate's Diesel Generator sets.</p> <p>Objective evidence : There was no evidence that requirements on stack emission and noise level are within the regulated limit for all estates in Rajawali CU.</p>	To engage with consultant to conduct stack sampling and boundary noise monitoring.	<p>Asialab Group quotation was sighted. Refer ALM/EM/MKTG/0114/01 listed for all SOU estate's genset.</p> <p>Status : Closed</p> <p><u>Verification in this assessment:</u> The CU was in the midst of complying with the newly amended EQ (Clean Air) Reg. 2014. The CU has submitted the required documents to the DOE through a consultant (Vision Ting Sdn. Bhd.). The documents were part of the CU's written notification to the DOE on</p>

			air emission sources (generator) under Regulation 5 of the EQ (Clean Air) Reg. 2014. Status: Closed
	<p>5) Non-compliance to Workers Minimum Standards of Housing and Amenities Bill 1990, Section 19 (3).</p> <p>Objective evidence: SDPSB Management at Rajawali CU failed to arrange for a registered medical practitioner to visit all its clinic at least once a fortnight to supervise the operations and management of the clinic and to provide medical treatment to workers and their dependants.</p>	GM will conduct a survey to assign permanent VMO for Rajawali CU.	<p>HQ decision to recruit full time medical doctor. Refer correspondence with VP/II/DGM, Human Resource Upstream, Tn Muhammad Khairi Abu Bakar.</p> <p>Status of MO recruitment will be verified in the next audit.</p> <p>Status: Close</p> <p><u>Verification in this assessment:</u> A VMO has been appointed in July 2014. Plan of visits was available for verification.</p> <p>Status: Closed</p>
<p>Indicator 2.1.4 – A system for tracking any changes in the law</p> <p>(MINOR)</p> <p>NCR # MH1</p>	<p>No changes and updates incorporated in the legal register QSHE/04/5.2.4 at all operating units</p> <p>Objective evidence: Legal register file QSHE/04/5.2.4 was not updated with regards to</p> <ul style="list-style-type: none"> i) Environment Quality Act 1974, 49A on competence person (amendment 2012) ii) Code of Practice Confined Space 2010 iii) Sarawak Electricity Ordinance (Chapter 50) 2007 iv) MPOB Regulations (Licencing) 2005 v) The Business, Profession and Trading Licensing Ordinance (Section 5, 23 & 24(2)) 	To appoint person in charge to monitor and legal updates in Sarawak.	<p>Status of corrective action taken will be verified in the next audit.</p> <ul style="list-style-type: none"> - Appointment of person in-charge - Updated legal register <p>Minor indicator. Status of the action taken will be verified in the next audit</p> <p>Status: Open</p> <p><u>Verification in this assessment:</u> Legal register still not updated.</p> <p>Status: Upgraded to Major NCR</p>
<p>Indicators 4.7.1 – Evidence of documented</p>	The above requirements were not fulfilled.	<ul style="list-style-type: none"> i) To conduct refresher training for the sprayer and harvester on safety and first aid kit distribution 	<p>Verified records of training conducted.</p> <ul style="list-style-type: none"> - Sprayer refresher training (15/11/13)

<p>Occupational Safety and Health (OSH) plan which is in compliance with OSH Act 1994 and Factory and Machinery Act 1967(Act 139)</p> <p>(MAJOR)</p> <p>NCR #MH2</p>	<p>i) Some of the sprayer at Rajawali Estate was not wearing safety goggles during spraying activity at Block 13 field 96RB. Sighted harvester was also not wearing safety helmet while doing work at block 5 95RC.</p> <p>ii) Workplace inspection activity was not consistently implemented at Semarak Estate.</p> <p>iii) First aid kit was not available in the field at Block 13 field 96RB, Rajawali estate during spraying activity. First aid kit content shall be in accordance with 4th schedule, Safety Health and Welfare Regulation 1970 at Semarak Estate.</p>	<p>ii) To ensure first aid kit content is sufficient by regular inspection during workplace inspection</p> <p>iii) To conduct first aid kit training</p>	<p>- Safety briefing and first aid kit distribution training (27/11/13)</p> <p>Verified OSH plan FY2013/2014 for Semarak Estate. Sample of filled workplace inspection checklist carried out on 7/11/13 by Safety and health committee of Semarak Estate.</p> <p>Sample on inspection checklist for first aid kit was also verified.</p> <p>Verified records of training conducted.</p> <p>- Safety briefing and first aid kit distribution training. (27/11/13)</p> <p>Status: Close</p> <p><u>Verification in this assessment:</u> The above corrective actions have been effectively implemented at the visited operating units.</p> <p>Status: Closed</p>
<p>Indicator 4.4.3</p> <p>Outgoing water into main natural waterways should be monitored at a frequency that reflects the estates and mills current activities which may have negative impacts.</p> <p>NCR# MH4</p> <p>(MAJOR)</p>	<p>Outgoing water into waterways was not monitored as stipulated procedure ; Sustainable Plantation Management System, Appendix 1 SOP for taking water samples from streams/rivers dated 1/11/2008</p> <p>Objective evidence: Water sampling analysis was not conducted at Semarak Estate for both domestic and surface water. Water sampling point has been identified but it was not erected at site. (SP3 final sampling point)</p>	<p>i) To erect the water sampling point at main natural waterways</p> <p>ii) Water sampling test will be conducted in every 3 month interval</p>	<p>Water sampling point maps was verified.</p> <p>Verified latest water sampling analysis for SP1, SP2 and SP3 including domestic water point. Refer test report IE407/2013 date sampled 28/10/13 by R&D Centre Carey Island.</p> <p>Status : Close</p> <p><u>Verification in this assessment:</u> Water sampling analysis found to be consistently carried out based on verification at Samudera Estate.</p> <p>Status: Closed</p>

<p>Indicator 5.3.2 : Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid and reduce pollution.</p> <p>(MINOR)</p> <p>NCR# MH3</p>	<p>Waste management plan FY 2013/2014 for Semarak Estate was not consistently implemented.</p> <p>Objective evidence:</p> <ul style="list-style-type: none"> i) Sighted oil trap near to workshop area was not properly maintained. ii) Records related to notification (2nd Schedule), storage (5th Schedule), and disposal (6th and 7th schedule) was not properly maintained. iii) Labelling of schedule waste (solid and liquid) has to be in accordance with 3rd Schedule. iv) Some of the waste generated was not identified. I.e SW408 and SW312. v) Complete license and “<i>Jadual Pematuhan</i>” for SW contractor was not made available. 	<ul style="list-style-type: none"> i) Mill has budgeted new SW store for the next financial year. ii) Dedicated staff has been appointed to oversee the DOE issue and schedule waste management iii) ESH regional officer will be conducting training on schedule waste. 	<p>Status of corrective action taken will be verified in the next audit.</p> <ul style="list-style-type: none"> - Appointment of person in charge - Records of Scheduled waste training <p><u>Verification in this assessment:</u> Partially closed. Since this issue is interrelated with Indicator 2.1.4, this has been reissued under tracking changes of law.</p> <p>Status: Open</p>
<p>Criterion 4.8: All staffs, workers, smallholders and contractors are appropriately trained</p> <p>Indicator 4.8.1 (MAJOR)</p> <p>NCR # MRS01</p>	<p>Auditee did not really understand the requirements and action needed for grievance or complaints procedure and the documentation.</p> <p>Objective evidence:</p> <ul style="list-style-type: none"> i) Quality assurance officer was not sure how to record complaints / grievances if contractor want to made a complaint ii) Tenant of Rajawali POM canteen's doesn't know that he could made a complaint/grievance to mill by using grievance book 	<p>Mill will liaise with HR to conduct training on complaint/grievance procedure for all workers and contractor as per requirement.</p>	<p>Grievance briefing was conducted on 20/11/13 for Rajawali POM. Verified attendance list for the briefing.</p> <p>Status : Close</p> <p><u>Verification in this assessment:</u> Effectiveness of training found to be satisfactorily through interview with relevant personnel.</p> <p>Status: Closed</p>
<p>Indicator 6.1.3</p> <p>A timetable with the responsibilities for</p>	<p>There was no evidence to show that management has reviewed and updated mitigation and monitoring program on social issues with their stakeholders.</p>	<ul style="list-style-type: none"> i) Mill will start with management plan and action plan on SIA FY 2013/2014 	<p>Management plan and action plan FY2013/2014 has been established. Effective date 20/11/13 signed by Mill Manager.</p> <p>Verified training records for</p>

<p>mitigation and monitoring is reviewed and updated as necessary</p> <p>NCR # MRS02</p> <p>(MAJOR)</p> <p>upgraded</p>	<p>Objective evidence: Rajawali POM not preparing any management plan or action plan on social assessment since 2012</p>	<p>ii) Social and environment project unit shall conduct training on social assessment</p>	<p>- RSPO training on principle 6 at Rajawali POM (7/11/13)</p> <p>Status : Close</p> <p><u>Verification in this assessment:</u> The management plan and action plan to address social issues has been updated based on the stakeholders consultation conducted on 30/10/2014.</p> <p>Status: Closed</p>
<p>Indicator 6.5.2</p> <p>(MINOR)</p> <p>NCR # MRS03</p>	<p>During consultation with staffs and workers on payslip statement, they do not well understand the detail of payments.</p> <p>Objective evidence: Artide, Masud and Hamka which are foreign workers at the Rajawali POM were not understood details of payment in their payslip statement</p>	<p>To conduct briefing to all foreign workers including local regarding payslip details.</p>	<p>Status of corrective action taken will be verified in the next audit.</p> <p>- Records of briefing session</p> <p>Status : Close</p> <p><u>Verification in this assessment:</u> Based on the interview with local and foreign workers, it was found that their understanding on pay slip is satisfactorily.</p> <p>Status: Closed</p>
<p>Indicator 6.11.1</p> <p>Demonstrable contributions to local development that are based on the results of consultation with local communities</p> <p>(MINOR)</p> <p>NCR #MRS04</p>	<p>There was no documented evidence to show that management has demonstrated contributions to local development based on the results of consultation with local communities and other stakeholders.</p> <p>Objective evidence: i) No documented evidence to show that Rajawali POM has demonstrate contribution to local development based on results of consultation ii) During audit, auditee at the Rajawali POM cannot show any evidence of documented consultation with relevant stakeholders.</p>	<p>i) Mill will conduct a “teh tarik” session and 1 day discussion with all stakeholders ii) QA will ensure stakeholder meeting to be conducted on yearly basis.</p>	<p>Status of corrective action taken will be verified in the next audit.</p> <p>- Records of “<i>teh tarik</i>” session @ discussion - Stakeholder meeting plan/scheduled - Meeting minutes.</p> <p>Status: Close</p> <p><u>Verification in this assessment:</u> Contributions such as donation for a school sport day, providing school transportation for the children of the staff were materialized through stakeholder consultation.</p> <p>Status: Closed</p>

