



SIRIM QAS INTERNATIONAL SDN. BHD.
Building 4, SIRIM Complex, No. 1, Persiaran Dato' Menteri,
Section 2, 40700 Shah Alam, Selangor, Malaysia.

File Ref. : ES10170014

RSPO PUBLIC SUMMARY REPORT

CLIENT : SIME DARBY PLANTATION SDN BHD – SOU 32 RAJAWALI

PARENT COMPANY : SIME DARBY PLANTATION SDN BHD

RSPO MEMBERSHIP No.: 1-0008-04-000-00

LOCATION OF THE CERTIFICATION UNIT (MILL AND THE SUPPLY BASE):
(In the case of multisite certification, list additional sites in attachments) :

Certification Unit	Mill / Supply Base	GPS Location		Location
		Latitude	Longitude	
SOU 32 Rajawali	Rajawali Palm Oil Mill	N'3°22'14.4"	E113°24'01.1"	97011 Bintulu, Sarawak
	Rajawali Estate	N 3.42595°	E 113.379°	97008 Bintulu, Sarawak
	Samudera Estate	N 3°28'55"	E113°23'51"	97012 Bintulu, Sarawak.
	Semarak Estate	N 3.22536°	E 113.356°	97011 Bintulu, Sarawak.
	Bayu Estate	N'3° 28' 56"	E 113° 23'51"	97012 Bintulu, Sarawak.

MAP : See Attachment 1

AUDIT DATE : 19–23 September 2016

DURATION : 13.5 auditor days

TYPE OF AUDIT : ☐ Annual Surveillance Audit ☒ Recertification Audit

STANDARD : RSPO PRINCIPLE & CRITERIA MYNI 2014, AND RSPO SUPPLY CHAIN CERTIFICATION STANDARD 2014

SCOPE OF CERTIFICATION: Production of Crude Palm Oil and Palm Kernel Using Identity Preserved Model

VALIDITY OF RSPO CERTIFICATE : 30/12/2011 – 29/12/2016

The following attachments form part of this report:

Non-conformity Report(s) ☒ List of additional site(s) ☐

Report by Audit Team Leader

Name : Mohd Zulfakar Kamaruzaman

Signature : *Mohd Zulfakar*

Date : 20 December 2016

Acknowledgement by Client's Representative

Name : SIME DARBY PLANTATION(SARAWAK) SDN. BHD.
(617786-V)
RAJAWALI ESTATE

Signature : *Jayaganesh A/L Dharmeseelan*

Date : 20/12/16
JAYAGANESH A/L DHARMESEELAN
MANAGER

RSPO P&C AUDIT REPORT

SUMMARY OF AUDITS

Recertification audit			
On-site audit date :	19 th – 23 rd September 2016	No. of auditor days :	13.5 Auditor days
Audit team :	Mohd Zulfakar Kamaruzaman (LA), Jagathesan a/l Supiah, Selvasingam T. Kandiah,		
No. of major NCR :	-	Indicator: -	Closing date :
No. of minor NCR :	5	Indicator : 4.1.2, 4.1.3, 4.8.2, 5.2.3, 5.2.4	
Indicate the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers
	x		x
	Contract workers	NGOs	Govt. agency
			Independent growers
	Indigenous people	Contractor	Others (Please specify)
	x		
Supply base sampled :	Semarak Estate and Samudera Estate		

Annual Surveillance Audit 1			
On-site audit date :		No. of auditor days :	
Audit team :			
No. of major NCR :	-	Indicator:	Closing date :
No. of minor NCR :		Indicator :	
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers
	Contract workers	NGOs	Govt. agency
			Independent growers
	Indigenous people	Contractor	Others (Please specify)
Supply base sampled :			
Changes since the last audit :			

Annual Surveillance Audit 2			
On-site audit date :		No. of auditor days :	
Audit team :			
No. of major NCR :		Indicator:	Closing date :
No. of minor NCR :		Indicator :	
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers
	Contract workers	NGOs	Govt. agency
			Independent growers
	Indigenous people	Contractor	Others (Please specify)
Supply base sampled :			
Changes since the last audit :			

Annual Surveillance Audit 3			
On-site audit date :		No. of auditor days :	
Audit team :			
No. of major NCR :			Closing date :
No. of minor NCR :			

RSPO P&C AUDIT REPORT

Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers	Suppliers
	Contract workers	NGOs	Govt. agency	Independent growers
	Indigenous people	Contractor	Others (Please specify)	
Supply base sampled :				
Changes since the last audit :				

Annual Surveillance Audit 4				
On-site audit date :			No. of auditor days :	
Audit team :				
No. of major NCR :		Indicator:		Closing date :
No. of minor NCR :		Indicator :		
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers	Suppliers
	Contract workers	NGOs	Govt. agency	Independent growers
	Indigenous people	Contractors	Others (Please specify)	
Supply base sampled :				
Changes since the last audit :				

RSPO P&C AUDIT REPORT

SUMMARY OF INFORMATION

TYPE OF AUDIT	STAGE 2 / RA	ASA 1	ASA 2	ASA 3	ASA 4
Projection Period	September 2016 – August 2017				
Certified Area (Ha)	14,493.00				
Production Area(Ha)	9,156.68				
HCV Area (Ha)	-				
Certified FFB Processed (MT)	174,801.72				
Production of Certified CPO (MT)	38,456.37				
Production of Certified PK (MT)	8,225.39				
REMARKS	-				

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1.0 AUDIT PROCESS

1.1 Certification Body

SIRIM QAS International Sdn. Bhd. is the 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 and nationally 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 Executive Board of the United Nations Framework Convention on Climate Change (UNFCCC). SIRIM QAS International is a partner of IQNet, a network currently comprising of leading certification bodies in Europe, North and South America, East Asia and Australia.

SIRIM QAS International has vast experience in conducting audits related to RSPO certification. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001. SIRIM QAS International has also conducted many audits for sustainable production of palm oil products against the requirements of the RSPO P&C. SIRIM QAS International was approved by the RSPO as a RSPO certification body on 21 March 2008 and accredited by ASI on 27 September 2014.

1.2 Qualification of audit team

Member of the Audit Team	Role/area of RSPO requirements	Qualifications
Mohd Zulfakar Kamaruzaman	Lead Auditor / Conservation Scopes, Social and Supply Chain	<ul style="list-style-type: none"> Holds a B. Sc. Forestry from University Putra Malaysia. He had more than 4 years of working experience in the oil palm operation.
Jagathesan a/l Supiah	Auditor / Occupational Health & Safety, environmental related to mill and plantation	<ul style="list-style-type: none"> Possess a Bachelor of Chemical Science & Minor in Management (Hons). Had carried out audits for various scheme such as ISO 9001, ISO 13485, ISO 14001 and OHSAS 18001 regulations for the past 15 years.
Selvasingam T Kandiah	Auditor / Good Agricultural Practices (GAP), Occupational Health & Safety related to plantation	<ul style="list-style-type: none"> Holds a B. Sc. (Hons) in Agriculture. Had work as a planter with Kumpulan Guthrie Berhad for more than 10 years including one year in Liberia and 2 years in Estate Department in Guthrie Headquarters.

1.3 Audit methodology

The audit covered the one palm oil mill and Two of its supply base, i.e. the Samudera Estate, Semarak Estate. The audit included an on-site audit to the estates and mill and to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees, contractors and other relevant stakeholders were also conducted during the audit.

1.4 Stakeholder Consultation

SIRIM QAS International had initiated the stakeholder consultation by announcing the invitation in the the SIRIM QAS International's websites. There was no comment received for this Certification Unit.

1.5 Audit plan : Refer to Attachment 2

1.6 Date of next audit : The next surveillance audit will be conducted within 12 months but not sooner than 9 months from this audit.

2.0 SCOPE OF CERTIFICATION AUDIT

2.1 Description of the certification unit SOU 32

The Rajawali Certification Unit (CU) is one of the the Strategic Operating Unit (SOU) of Sime Darby Plantation Sdn. Bhd. (SDPSB). The CU is also known as SOU 32 and consisted of Rajawali Palm Oil Mill (RPOM), Rajawali Estate, Samudera Estate, Semarak Estate and Bayu Estate. The CU is located about 100km from Bintulu town and is accessible via the Bintulu-Miri Road.

Rajawali POM commenced its operations in 1993 with a processing capacity of 60 metric tonnes of (FFB) per hour. The total combined land area of the four estates is 14,493.00 hectares (Ha) of which 9,156.68 Ha had been planted with oil palm. All the estates within the CU have been fully developed before the year of 2005. Hence, Principle 7 of the RSPO P&C is therefore not applicable.

2.2 Description of the Supply Base (including the planting profile)

The FFB is sourced from company owned estates that are RSPO certified. Details of the FFB contribution from each source to the Rajawali Palm Oil Mill are shown in the following tables:

Table 1: Actual FFB production by the supply base for the last reporting period
(September 2015 to August 2016)

Estates	FFB Production	
	Tonnes	Percentage (%)
Rajawali	43,384.90	28.41
Samudera	41,989.41	22.35
Semarak	45,730.29	24.34
Bayu	46,803.91	24.91
Total	177,908.51	100.00

Table 2: Projected FFB production by the supply base for the next reporting period
(September 2016 to August 2017)

Estates	FFB Production	
	Tonnes	Percentage (%)
Rajawali	49,655.90	28.41
Samudera	37,021.48	21.18
Semarak	41,039.04	23.48
Bayu	47,085.30	26.94
Total	174,801.72	100.00

Table 3: Actual FFB received and CPO & PK dispatch by the Rajawali POM for the last reporting period
(September 2015 to August 2016)

	Total (MT)
FFB Received	177,908.51
FFB Processed	177,908.51
CPO Production	37360.78
PK Production	8857.44
CPO delivered as Identity Preserved	19,100.00
CPO delivered as non-RSPO certified	20,153.45
PK delivered as Identity Preserved	5,700.00
PK delivered as non-RSPO certified	3,157.44

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Table 4: Projected FFB received and CPO & PK dispatch by the Rajawali POM of the next reporting period (September 2016 to August 2017)

	Total (MT)
FFB Received	174,801.72
FFB Processed	174,801.72
CPO Production	38,456.37
PK Production	8,225.39
CPO delivered as Identity Preserved	38,456.37
CPO delivered as non-RSPO certified	-
PK delivered as Identity Preserved	8,225.39
PK delivered as non-RSPO certified	-

Table 5: Planted and certified area of the Rajawali CU

Estate	Planted (ha)	Certified (ha)
Rajawali	3374.71	7,046.00
Samudera	2050.38	2,608.00
Semarak	2242.78	2,598.00
Bayu	2183.35	2,241.00
Total	9,156.68	14,493.00

Table 6: Planting profile for Rajawali CU

<u>Estate</u>	<u>Year of establishment</u>	<u>Mature (Ha)</u>	<u>Immature (Ha)</u>	<u>Planted area</u>	<u>% of planted area mature</u>	<u>% of planted area immature</u>
Rajawali Estate	1993	2680.17	694.54	3374.71	79.41	20.59
Samudera Estate	1998	1851.39	198.99	2050.38	90.29	9.71
Semarak Estate	1993	1961.74	281.04	2242.78	87.46	12.53
Bayu Estate	1997	2183.35	0	2183.35	100	0
Total		8,676.65	1,174.57	9,851.22	88.00	12.00

2.3 Organizational Information/Contact Person(s)

The details of the contact person is as shown below:

SOU 32 Rajawali

Name	:	Mr. Jayaganesh Dharmaseelan
Position	:	Estate Manager
Address	:	Sarawak Zone Office Rajawali Complex, KM 52, Jln Bintulu-Miri, P.O. Box 673, 97008, Bintulu, Sarawak Rajawali Estate, P.O Box 673, 97008 Bintulu, Sarawak, Malaysia
Phone no.	:	+6086-477313/019-4591967
Fax no.	:	+6086-477313
Email	:	ldg.rajawali@simedarby.com

RSPO P&C AUDIT REPORT

3.0 AUDIT FINDINGS

3.1 Changes to certified products in accordance to the production of the previous year

There was no changes to the certified products since last assessment.

3.2 Time bound plans including changes and reasons for the changes see below

	Yes	No	<u>If yes, state reasons/justifications</u>
- acquisitions/disposals	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
- emergence/re-emergence of land disputes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
- labour conflicts	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

3.3 Overall comment in terms of acceptance or non-acceptance on the changes in the time-bound plan (including details of non-adherence or the conditions justifying a time-bound plan have changed)
There is no changes to the time-bound plan. Refer to Attachment 7

3.4 All associated smallholders (including scheme smallholders) where their fruit supply is included, by the mill, are audited within 3 years from when their fruit was first included in the mill certification.

If no, please state reasons N/A as there is no associated smallholders supplying FFB to the CU.

3.5 Any new acquisition which has replaced primary forests or HCV areas ☐ Yes ☒ No

3.6 Other changes (e.g. organizational structure, new contact person, addresses, etc.)
New Manager in Rajawali POM.

3.7 Status of previous non-conformities *

Closed ☒ Not closed ☐

* If not closed, minor non conformity will be upgraded to major non conformity

3.8. Complaint received from stakeholder (if any)

There were some stakeholders interviewed during the conduct of this audit. These include workers, contractors and suppliers. In general, all the interviewed stakeholders had given positive feedback on the CU.

4.0 DETAILS OF NON-CONFORMITY REPORT

4.1 For P&C (Details checklist refer to Attachment 3) :

Total no. of minor NCR(s) (details refer to Attachment 4) List : 5 STK 01 2016, JS – 2016 -01, MZK 01 2016, MZK 02 2016, MZK 03 2016
Total no. of major NCR(s) (details refer to Attachment 4) List :

4.2 For SC (Details checklist refer to Attachment 5) :

Total no. of minor NCR(s) List : 0 NA
Total no. of major NCR(s) List : 0 NA

RSPO P&C AUDIT REPORT

5.0 AUDIT CONCLUSION

The audit team concludes that the organisation has established and maintained its management system in line with the RSPO P&C requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements.

6.0 RECOMMENDATION

☐

No NCR recorded. Recommended to continue certification.

☒

Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit.

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

☐

Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided and accepted by the audit team. The NCR(s) have been satisfactorily closed out.

☒

Recommended to continue certification.

☐

Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s)..... have not been satisfactorily closed out within 60 days of the audit. Recommended for suspension of the certificate.

Note: Major NCRs which are not addressed within a further 60 days shall result in the certificate being withdrawn.

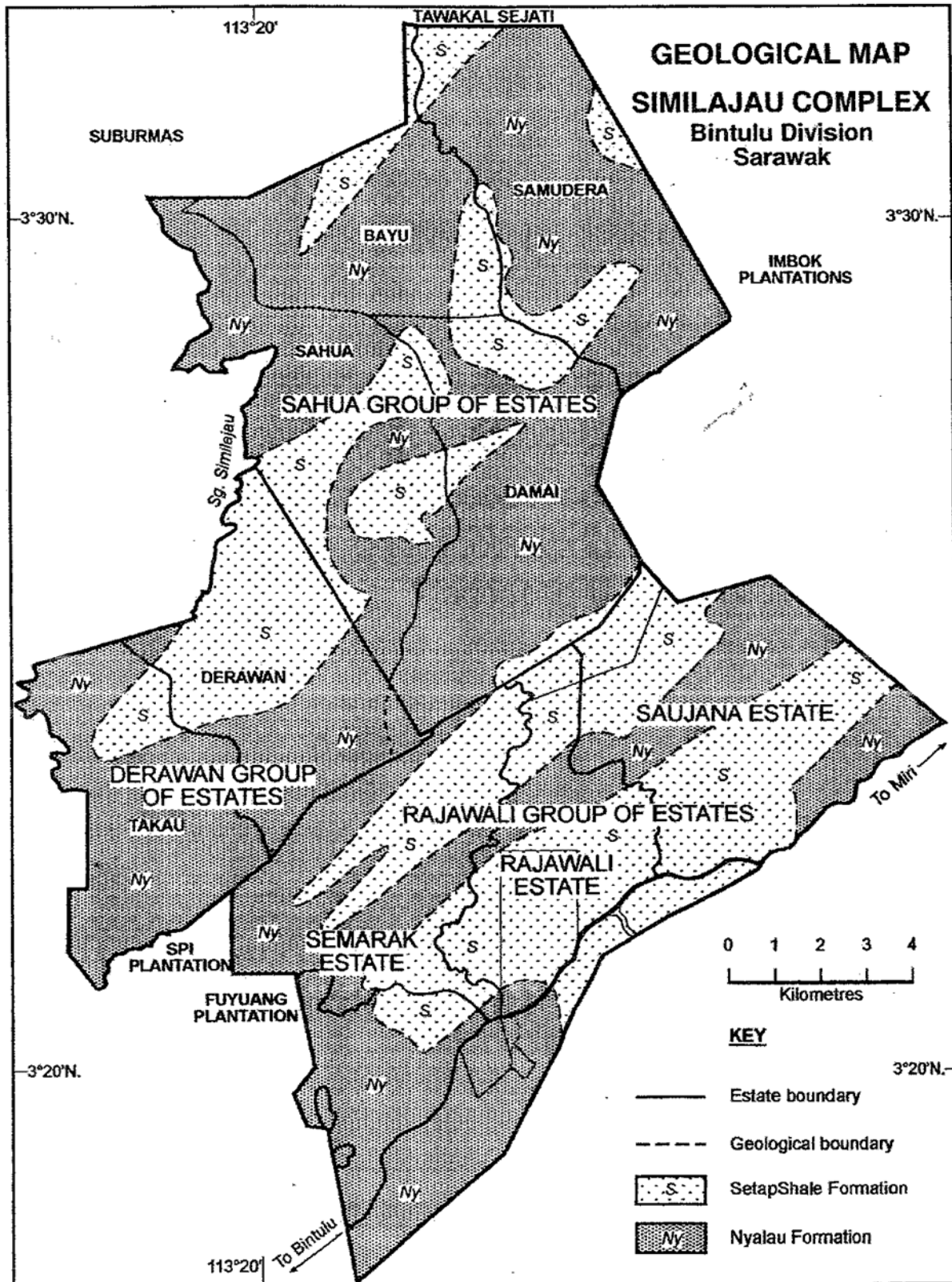
10. **IT IS CONFIRMED THAT ALL CORRECTIVE ACTIONS TAKEN ON MAJOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED, ACCEPTED AND VERIFIED AND ALL CORRECTIVE ACTIONS PLANS PROVIDED ON MINOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED AND ACCEPTED. RECOMMENDED FOR CONTINUATION OF RSPO P & C CERTIFICATION.**

Audit Team Leader : Mohd Zulfakar Kamaruzaman
(Name)

Mohd Zulfakar
(Signature)

20/11/2016
(Date)

Location map of Rajawali Certification Unit, Bintulu



RSPO P&C AUDIT REPORT

RSPO SURVEILLANCE AUDIT PLAN

1. Objectives

The objectives of the audit are as follows:

- (i) To determine Certification Unit conformance against the RSPO Principles & Criteria Malaysian National Interpretation (MYNI)
- (ii) To verify the effective implementation of corrective actions arising from the findings of last audit
- (iii) To make appropriate recommendations based on the audit findings

2. **Date of audit** : 19 - 23 September 2016

3. **Site of audit** : SOU 32 Rajawali

- Rajawali Palm Oil Mill
- Samudera Estate
- Semarak Estate

4. Reference Standard:

- RSPO P&C MYNI: 2014
- RSPO Supply Chain Certification Standard, 2014
- Company's audit criteria including Company's Manual/Procedures

5. Audit Team

a) Audit Team Leader : Mohd Zulfakar Kamaruzaman
b) Auditor : Jagathesan a/l Supiah
Selvasingam T. Kandiah

6. Audit Method

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

7. Audit Findings

Audit findings shall be classified as major and/or minor. Major non conformities shall be addressed within 60 days or else the certificate shall be suspended. If the major non conformities are still not addressed within another 60 days, the certificate shall be terminated. Recurrence of major non-conformities on the same issues shall be recommended for immediate suspension. Minor non-conformities shall be upgraded to major non-conformities if the corrective actions taken are not satisfactorily and effective.

For minor non conformities raised in the surveillance audit, corrective action plans shall be submitted within 60 days. Verification of implementation of corrective actions will be carried out during the next audit. If corrective action plans to address the minor non-conformity(ies) are not submitted within 60 days, the RSPO certificate will be recommended for suspension. If corrective action plans are not submitted within a further 60 days, the RSPO certificate will be recommended for termination.

8. Confidentiality Requirements

SIRIM QAS International shall not disclose any information concerning the company regarding all matters arising or coming to its attention with the conduct of the programme, which is of confidential in nature other than information, which is in the public domain. In the event that there be any legal requirements for disclosing any information concerning the organization, SIRIM QAS International shall inform the organization of the information to be disclosed.

RSPO P&C AUDIT REPORT

9. **Working Language** : English and Bahasa Malaysia

10. **Reporting**

- a) Language : English
- b) Format : Verbal and written
- c) Expected date of issue : Tentative date of issue of report not more than 30 days after the closure of the major NCR.
- d) Distribution list : Client file

11. **Facilities Required**

- a) Room for discussion
- b) Relevant document and record
- c) Personnel protective equipment if required
- d) Photocopy and printing facilities
- e) A guide for each auditor

12. **Audit Programme Details**: As shown below:

RSPO P&C AUDIT REPORT

Day 1: 19 Sept 2016 (Monday)

Time	Activities / areas to be visited			
9.00 – 9.30 am	<u>Opening meeting at Rajawali Palm Oil Mill</u> Lead Auditor to introduce audit team member, brief on audit objectives, scope, methodology, criteria and programmes Organization Representative to brief on the following : <ol style="list-style-type: none"> 1) RSPO implementation at SOU 32 Rajawali (i.e. mill & supply base) including changes 2) Time bound plan for Sime Darby Plantation Sdn. Bhd. 3) Significant changes on organization activities, machinery, supply bases capacity etc. 			Top mgmt & Committee Member
	Jagathesan	Selvasingam	Zulfakar	
9:30 – 1:00 pm	<u>Rajawali POM</u> Coverage of assessment: P1, P2, P4, P5, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Environmental management – witness activities at site • Waste & chemical management • Interview with FFB supplies and other supplies • Interviews with mill's workers • Facilities at workplace • Occupational safety & health practice – witness activities at site • Interview with workers , safety committee and contractors • Training and skill development programmes • Continuous improvement 	<u>Samudera Estate</u> Coverage of assessment: P1, P2, P3, P4, P5, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Interview with workers and contractors • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement • Occupational safety & health practice – witness activities at site • Interview with workers , safety committee and contractors • Training and skill development programmes 	<u>Semarak Estate</u> Coverage of assessment: P1, P2, P4, P5, P6, P8 <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Consultation with relevant government agencies • Interview workers, Contractors, gender committee, local communities and stakeholders • Check payslip, Contract Agreement • Check Sundry Shop • Inspection of protected sites with HCV attributes • Forested area, plantation boundary, adjacent and neighbouring land use • Riparian zone • Continuous improvement 	Guide(s) for each assessor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

RSPO P&C AUDIT REPORT

Day 2: 20 Sept 2016 (Tuesday)				
Activities /areas to be visited	Jagathesan	Zulfakar	Selvasingam	
9.00 – 1.00 pm	<u>Rajawali POM</u> Coverage of assessment: P1, P2, P4, P5, P7, P8 •Laws and regulations •Environmental management – witness activities at site •Waste & chemical management •Interview with FFB supplies and other supplies •Interviews with mill's workers •Facilities at workplace •Occupational safety & health practice – witness activities at site •Interview with workers , safety committee and contractors •Training and skill development programmes •Continuous improvement	<u>Samudera Estate</u> Coverage of assessment: P1, P2, P4, P5, P6, P8 • Laws and regulations • Land titles user rights • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Consultation with relevant government agencies • Interview workers, Contractors, gender committee, local communities and stakeholders • Check payslip, Contract Agreement • Check Sundry Shop • Inspection of protected sites with HCV attributes • Forested area, plantation boundary, adjacent and neighbouring land use • Riparian zone • Continuous improvement	<u>Samudera Estate</u> Coverage of assessment: P1, P2, P3, P4, P5, P7, P8 • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Interview with workers and contractors • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement • Occupational safety & health practice – witness activities at site • Interview with workers , safety committee and contractors • Training and skill development programmes	Guide(s) for each assessor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment	Continue assessment	Continue assessment	Guide(s) for each assessor

RSPO P&C AUDIT REPORT

Day 3 : 21 Sept 2016 (Wednesday)				
Activities /areas to be visited	Jagathesan	Zulfakar	Selvasingam	
9.00 – 1.00 pm	<u>Samudera Estate</u> Coverage of assessment: P1, P2, P4, P5, P7, P8 •Laws and regulations •Environmental management – witness activities at site •Waste & chemical management •Interview with FFB supplies and other supplies •Interviews with mill's workers •Facilities at workplace •Occupational safety & health practice – witness activities at site •Interview with workers , safety committee and contractors •Training and skill development programmes •Continuous improvement	<u>Rajawali POM</u> Site visit and assessment on Supply Chain Implementation including the Model used • General Chain of Custody System Requirements for the supply chain • Documented procedures • Purchasing and goods in • Outsourcing activity • Sales and goods out • Processing • Records keeping • Registration • Training • Claims	<u>Semarak Estate</u> Coverage of assessment: P1, P2, P3, P4, P5, P7, P8 • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Interview with workers and contractors • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement • Occupational safety & health practice – witness activities at site • Interview with workers , safety committee and contractors • Training and skill development programmes	Guide(s) for each assessor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment	Continue assessment	Continue assessment	Guide(s) for each assessor

Day 4: 22 Sept 2016 (Thursday)				
Activities /areas to be visited	Jagathesan	Zulfakar	Selvasingam	

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9.00 – 1.00 pm	<p style="text-align: center;"><u>Semarak Estate</u></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> •Laws and regulations •Environmental management – witness activities at site •Waste & chemical management •Interview with FFB supplies and other supplies •Interviews with mill's workers •Facilities at workplace •Occupational safety & health practice – witness activities at site •Interview with workers , safety committee and contractors •Training and skill development programmes •Continuous improvement 	<p style="text-align: center;"><u>Rajawali POM</u></p> <p>Coverage of assessment: P1, P2, P4, P5, P6, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Consultation with relevant government agencies • Interview workers, Contractors, gender committee, local communities and stakeholders • Check payslip, Contract Agreement • Check Sundry Shop • Continuous improvement 	<p style="text-align: center;"><u>Semarak Estate</u></p> <p>Coverage of assessment: P1, P2, P3, P4, P5, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Interview with workers and contractors • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement • Occupational safety & health practice – witness activities at site • Interview with workers , safety committee and contractors • Training and skill development programmes 	Guide(s) for each assessor
1.00–2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

Day 5: 23 Sept 2016 (Friday)

Activities /areas to be visited	Zulfakar	Jagathesan	Selvasingam	
9.00 – 11.00am	<ul style="list-style-type: none"> • Continue assessment on unfinished area • Verification on outstanding issues • Audit Team discussion, preparation on audit findings and issuance of NCR (if any) 			Guide(s) for each assessor
11.00–11.30am	Break			
11.30-12.30pm	<input type="checkbox"/> Closing meeting			Top management & Committee member

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Attachment 3

RSPO P&C AUDIT CHECKLIST AND FINDINGS

Principle 1: COMMITMENT TO TRANSPARENCY

Clause	Indicators	Comply Yes/No	Findings
C 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision -making.	1.1.1 There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Major Compliance	YES	<p>Rajawali CU had continued to implement the communication procedure as had been described and established for estates and mill. At the point of audit, there was no request for information from the stakeholders received by the CU. The CU also has established mechanism to channel such queries through regular meetings with workers. Various issues and complaints were heard by the management and decisions made for subsequent action</p> <p>In Samudera Estate and Semarak Estate, management documents relating to environment, social and legal issues, were made available to the public except for those prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>In addition to those, SDPSB continued to use the internet for disseminating public information. Information relating to land titles, safety and health plans, pollution prevention plans and the procedure for complaints and grievances were available at SDPSB website at http://plantation.simedarby.com.</p> <p>The procedure for responding to any communication is outlined in clause 5.5 of appendix 5.5.3.2 of their Standard Operation Manual of Estate Quality Management System documents. The flow chart of the procedure were made available on notice boards in the Estate office and Muster Grounds. Both estates continued to maintain stakeholders list for contractors, vendors/suppliers, government agencies, schools, local communities, etc.</p> <p>The following visits by the regulators were verified : <u>Rajawali POM</u></p> <p>a) DOSH visited on 9th May 2016. The visit is for periodic inspection of the machinery. No 'Prohibition Notice ' or 'Notice of Improvement' (NOI) issued. The following findings were highlighted :</p> <p>i) PMT 109427 Air receiver – to repair defect guarding – has been completed. ii) Error on pressure gauge - has been replaced and calibrated.</p> <p>b) DOE conducted spot checked on 25th April 2016. A Field Citation Report was issued pertaining to the following:</p> <p>i) Scheduled waste management – duplication of waste code - has been resolved ii) malfunction of the smoke density meter not reported to DOE. Letter to DOE explained on this issue was made on 25th May 2016. The equipment was repaired in May 2016. iii) Sighted Letter to DOE dated 26th May 2016 regarding installation of Wireless Module to</p>

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				<p>effectively share CEMS data with DOE.</p> <p>c) Fire Department – Fire Certificate license has been issued on 15th August 2016.</p> <p>d) MPOB conducted spot check visit on 22nd April 2016. No comment received.</p> <p>Samudera Estate :</p> <p>DOE communication – last visit : 12th Jan, 2016 – to solicit information to carry out ‘Environmental Protection Expenditure Survey’ - information has been provided to DOE.</p> <p>Semarak Estate :</p> <p>Natural resources and Environment Board (NREB), Sarawak – Enforcement Officer visit on 15th – 19th February 2016 indicating compliance with the EIA Approval Specific terms and Conditions document Ref : (1) NREB / 6 -3/25 dated 6th February 1996. Post EIA Monitoring visit to Semarak Estate on 26th April, 2016.</p>
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	YES	<p>The estates had identified personnel responsible for handling of complaints. Records of communication were maintained at respective offices. Communication with the authority such as DOSH, DOE and Labour Department were maintained in the communication file. At the point of this assessment, there has been no request for such information by the public.</p> <p>Among the records inspected were correspondences with the authorities, local communities and employees. The latest communications sighted in these records, Buku Aduan, was request for repairs at employee housing. Records of minutes of meeting with the stakeholders meeting held on 22.08.2016 at Rajawali Community Hall was also sighted during the audit.</p> <p>DOSH record of visit on 1.02.2016 to Semarak Estate confirmed there were no issues.</p> <p>For the Rajawali POM records sighted were from DOE such as – License no. 003054(valid from 1st July 2016 – 30th June 2017. The license sighted that the maximum capacity of the mill is 60 MT/ hr. The “Jadual Pematuhan – AS(SWK)(B) : 31/152/000/017 dated 1st July, 2016” also mentioned that the treated effluent is to be discharged to Singrok River. Monthly monitoring of the final discharge is to be carried out and reported to DOE. Sighted reports for the month of June , July & Aug 2016. Noted that the monitored parameters (pH, SS and BOD) were within the regulatory limit. The monitoring was carried out by ESI Laboratory Sdn. Bhd. Quarterly Report to DOE for the period from first and second quarter 2016 and 4th quarter 2015 were reviewed. Among the parameters tested were the temperature, pH, BOD, suspended solid, oil & grease, Ammoniacal Nitrogen, Total Nitrogen and flow rate. Review of the above reports indicated that the parameters were within the regulatory limit.</p>
C 1.2 Management documents are publicly available, except where this is prevented by commercial	1.2.1	Land titles/user rights (Criterion 2.2);	YES	Copy of land use titles of all audited sites were available. (See 2.2).
		Occupational health and safety plans (Criterion 4.7);	YES	Both estates and the mill have established the Safety and Health plan. Cross refer to C 4.7. The SDPSB OHS Policy is also available at all the operating units. The policy is available in Bahasa and English. The policy has been communicated to all level of employees through briefings and displayed at respective office's notice boards.

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confidentiality or where disclosure of information would result in negative environmental or social outcomes.		Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)	YES	<p>ESH Management System Manual (SD/ SDP / SQM (ESH) / 001-1 dated 1st July, 2012 is available. A Social Impact Assessment (SIA) for Rajawali CU and the related action plans based on the SIA findings were available to the auditors.</p> <p><u>Samudera Estate</u> Environmental Management Plan FY 2016 / 2017, Pollution Prevention Plan 2016 / 2017 and the Waste Management Action Plan 2016 / 2017 have been established by the estate. The implementation of the action plan were monitored accordingly.</p> <p><u>Semarak Estate</u> At the estate, the Water Reduction Plan FY 2016 / 2017, Pollution prevention Plan 2016 / 2017 and Waste Management Action Plan 2016 / 2017 were established. The status of the action taken were monitored accordingly by the Estate Assistant.</p> <p><u>Rajawali POM</u> Environmental, Safety, Health Program for 2016 / 2017, Environmental Management Plan 2016 / 2017, and the Pollution Prevention Plan were established in the mill. The status of the action taken were monitored accordingly. .</p>
		HCV documentation summary (Criteria 5.2 and 7.3);	YES	HCV documentation summary was made available at Samudera Estate and Semarak Estate. Cross refer to criteria 5.2.
		Pollution prevention and reduction plans (Criterion 5.6);	YES	<p><u>Samudera Estate</u> Pollution Prevention Plan and the Waste Management Action Plan for FY 2016 /2017 were reviewed by the Estate Assistant in July 2016. The status of the action taken were being monitored.</p> <p><u>Rajawali POM</u> The Environmental Management Plan 2016 / 2017 has been established and reviewed in August 2016. The plan also includes elements of Pollution Prevention Plan. The status of the action taken were being monitored.</p> <p><u>Semarak Estate</u> At the estate, the Water Reduction Plan FY 2016 / 2017, Pollution prevention Plan 2016 / 2017 and Waste Management Action Plan 2016 / 2017 were established. The status of the action taken were monitored accordingly by the Estate Assistant.</p> <p>Cross refer to C5.6.</p>
		Details of complaints and grievances (Criterion 6.3);	YES	Records of complaints and grievances were maintained. There was no grievance recorded. Nevertheless, the CU maintains its procedure for handling complaints and grievances. Cross refer to 6.3

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		Negotiation procedures (Criterion 6.4);	YES	Negotiation procedure as described in "Plantation Quality Management System" document, i.e. 'Appendix 3 – Flow Chart and Procedures for Handling Land Disputes' and 'Appendix 5 – Flow Chart and Procedures for Handling Social Issues' was made available to the auditors. There was no claim against the CU by any party. Cross refer to 6.4
		Continual improvement plans (Criterion 8.1);	YES	<p>Sime Darby Plantation Sdn. Bhd. is committed to utilise the established system to regularly monitor and review their key activities at the mill and estates. Relevant action plans were initiated to continuously improve its key areas of operations, environmental, safety, health and welfare of the workers as well as social contribution to the community. Details of the CU continual improvement plans have been reported in indicator 8.1. Among the continual improvement plans reviewed were:</p> <ul style="list-style-type: none"> (a) Pollution Prevention Plan – FY2016/17. (b) Identification and Management of Wastewater – FY2016/17. (c) Waste Management Plan – FY2016/17. (d) Environmental Improvement Plan - FY2016/17. (e) Water reduction Plan - FY 2016 / 2017. (f) Safety and Health Program - FY 2016 / 2017 <p>As stated under Principle 6 (6.1) a Social Impact Assessment (SIA) was prepared for the CU. The report highlighted various issues raised by the stakeholders of the respective estates and mill. Stakeholders' feedbacks, requests and comments were incorporated in the report. An action plan based on the findings of the SIA developed by the estate and mill audited was presented to the auditors.</p>
		Public summary of certification assessment report;	YES	Public summary can be assessed through this link: http://www.sirim-qas.com.my/core-files/uploads/2016/08/PUBLIC-SUMMARY-ASA-4-RAJAWALI-IP_170316.pdf .
		Human Rights Policy (Criterion 6.13).	YES	A Social Policy which included the need to respect human rights has been established by the CU. Through interview with workers, it was noted that the policy has been communicated to all levels of their employees.
C 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.	1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	YES	A documented code of ethical conduct and integrity in all operations and transactions has been established as observed in a "Code of Business Conduct (COBC)" booklet, which available in the website: http://www.simedarby.com/about-us/governance/ and had been communicated to employees. On top of that, there were also specific policies on social and humanity management, gender, and children's rights. These policies demonstrated the company's respect for fair conduct of business, prohibition of all forms of corruption, bribery and fraudulent use of funds and resources. These policies have been communicated to all level of the workforce through display on notice boards at the mill and estates, memos, morning briefings and trainings (as evident in the training files). The policies were also made accessible to the public. This showed the company's commitment to a proper disclosure of information in accordance with applicable regulations and accepted industry practices.

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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 relevant legal requirements shall be available. Major Compliance	YES	<p>The CU had continued to comply with legal requirements as per indicator. Guided by the established procedure, the annual evaluation of compliance has been carried out concurrently with the review of legal register in August 2016. The list of applicable legal and other requirements was made available during the assessment. The following legal requirements sampled for review :</p> <p><u>Rajawali POM</u></p> <p>a) Factories and Machinery Act 1967 (Notification, Certificate of Fitness and Inspection Regulation 1970, Steam Boiler & Unfired Pressure Vessel Regulation 1970, Safety Health and Welfare 1970, Noise Exposure Regulation 1989, Person In Charge Regulation 1970 etc.</p> <p>Steam Boiler and Unfired Pressure Vessel 1970. The mill maintains a 'List of Mill Certificates of Fitness'. The following licenses/permits from DOSH that were reviewed during this assessment.</p> <ul style="list-style-type: none"> i) Steam Boiler – PMD 11268 , valid until 17th July 2017. Capacity of boiler 24 MT / Hr. ii) Steam Boiler – PMD 111269, valid until 26th Oct 2016. Capacity of boiler 24 MT / Hr. iii) Pressure Vessel (Horizontal Air receiver) – SW PMT 4019, valid until 17th July, 2017 iv) Pressure Vessel (Air receiver tank) – SW PMT 7245, valid until 17th July, 2017 v) Sterilizer No 1 – PMT 85891, valid until 7th Oct 2016 <p>Environment Quality Act 1974, EQ(Prescribed Premise CPO) Regulations 1977, EQ(Clean Air) Regulation 2014 and EQ(Scheduled Wastes) Regulation 2005.</p> <p>DOE License No : 003054, valid until 30 June 2017. The license indicate that the mill has a capacity of 60 MT/ hr. Compliance Schedule (JP_2016 / 2017) dated 1st July, 2016 requires the parameters pH, BOD, COD, TS, SS, Oil & Grease, Ammonical Nitrogen & Total Nitrogen to be monitored. Monitoring result show all parameter monitored within the stipulated legal requirements.</p> <p>1. Occupational Safety and Health Act 1994 (NADOPOD Regulation 2004, Safety Health Committee Regulation 1996, USECHH Regulation 2004) etc.</p> <p>2. Fire Services (Fire Service Act 1984 & Fire Certificate Regulation 2001)</p> <p>3. Housing and Amenities (Worker's Minimum Standard of Housing and Amenities Act 1990)</p> <p>4. Labour, EPF and SOCSO (Employment Act 1955, Employee Provident Fund Act 1991, Employees Social Security Act 1969.</p> <p>Auditor has sighted 'Boiler Black Smoke & Compressor Cleaning monitoring Log' being maintained. Continuous monitoring between Mill and DOE was verified for Boiler No 1 and No 2. And Sighted Letter to DOE dated 26th May, regarding installation of Wireless Module to effectively share CEMS Data with DOE. Therefore past Major NCR RAG-02 2015 was closed</p>

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				<p>CU has obtained and renewed license and permits as required by the law. The following licenses / permit verified were :</p> <ul style="list-style-type: none"> i) MPOB license: 582388004000 (validity period 1/03/2016 – 28/02/2017) to 216 000 MT / year. i) Permit to store Diesel – BTU.P.01 / 1998 (D) – Diesel storage not more than 15, 000 liters monthly, – 19th Jan, 2016 – 18th Jan, 2017 <p><u>Samudera Estate</u></p> <ul style="list-style-type: none"> a) MPOB license: 504611702000 valid until 30.11. 2016. b) Air compressor permit No. PMT-SW49341 valid until 30.04.2017 c) Permit from the Domestic Trade Cooperatives and Consumerism for purchase and storage of diesel. Permit (serial no. Q006977) is valid until 2/5/17 for 20,000 litre of diesel and 200 litre of petrol. <p><u>Semarak Estate</u></p> <ul style="list-style-type: none"> a) MPOB license: 502995602000 validity until 31.01. 2017. b) Air compressor permit No. PMT-SW50150 valid until 30.04.2017 c) Permit from the Domestic Trade Cooperatives and Consumerism for purchase and storage of fertilizer, diesel and petro. The permit (serial no. Q006857) is valid until 10.9.2016 for purchase and storage of 36,000 litre of diesel, 180mt fertilizer and 300 litre petrol.
	2.1.2	A documented system, which includes written information on legal requirements shall be maintained Minor Compliance	YES	<p>The 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 them. Each estate and mill had its own Legal and Other Requirements Register (LORR) and were being evaluated individually annually for compliance. The legal registers were updated by the person in-charge and approved by the respective managers. The Sime Darby headquarters, PSQM Department is responsible to track changes and the information was disseminated to all its plantations and Mill department. Among the applicable legal and included in the legal register are Pesticides Act 1974 and Regulations, Environmental Quality Act 1974 and Regulations , Factories and Machinery Act 1967 and Regulations, Occupational Safety and Health Act 1994, Employment Act 1955, Aboriginal Peoples Act 1954, Industrial Relations Act 1967, Children and Young Persons (Employment) Act 1966, MPOB Regulations (Licensing) 2005.</p> <p>The latest legal register update by PSQM is related to changes in Water Ordinance 1994, Sarawak Water Ordinance 1993, Labour ordinance Sarawak 1952 amended 2005, MPOB licensing Regulation 2005, Sarawak electricity 2007 chapter 50, Electricity Supply Act 2015 and Minimum Wages Order 2016. The acts and its regulations were evaluated for compliance annually.</p> <p>At Rajawali POM, the compliance check was carried out on 22nd August 2016. At Samudera Estate on 4th July 2016 and at Semarak Estate on 1st July 2016. Compliance status was concluded.</p>

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	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	YES	The CU had a documented system for identifying, updating changes to legal requirements and to monitor the status of legal compliance in their EQMS & MQMS (Estate & Mill Quality Management System) included under the Standard Operation Manual. There was evidence of compliance to legal requirements and that it had been evaluated on an annual basis. These compliances were also ensured by PSQM Internal Audits, PA visits and by RSPO Audits. The CU has conducted internal audit in order to check status of compliance with legal requirements on 11.05.2016.
	2.1.4	A system for tracking any changes in the law shall be implemented. Minor Compliance	YES	PSQM department, which is based in Kuala Lumpur is responsible for tracking any changes to the Acts and Regulations. This was done through communicating with the publisher of the documents. This mechanism was outlined in its procedure. The updating of the legal register was carried out on a periodical basis. Any change in the law is disseminated to all CUs which then updates its legal register from time to time. Among the identified legal requirements were Environmental Quality Act 1974 and its Regulations, Factories and Machinery Act 1967 and its Regulations, Occupational Safety and Health Act 1994 and its Regulations, Pesticides Act, 1974, & Worker's Minimum Standards of Housing and Amenities Act 1990, Minimum Wages Order 2016 and Electricity Supply Act 2015
C 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal,customary or user rights	2.2.1	Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available. Major Compliance	YES	Evidence of legal ownership of the land including history of land tenure was verified during this audit. Each estate has provided with legal use of the land through a Country Lease signed by the Director of Lands and Surveys of Bintulu following the payment of premium. This document was made available at all the individual estates.
	2.2.2	There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance	YES	Auditor has verified boundary stone and pegs/trenching at Semarak Estate. The boundary stone and pegs have been monitored and visibly maintained along the boundary adjacent to Sarawak Pulp Industry (SPI). At Samudera estate pegs were visible along the boundary with HCV area.
	2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior	YES	There is no community living nearby the Semarak and Samudera estate, therefore this indicator was not applicable.

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		and informed consent (FPIC). Minor Compliance		
	2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. Major Compliance	YES	There is no community living nearby the Semarak and Samudera estate, therefore this indicator was not applicable
	2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable). Minor Compliance	YES	There is no community living nearby the Semarak and Samudera estate, therefore this indicator was not applicable
	2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance	YES	Auditor has verified through Stakeholders Meeting and interview with other oil palm plantation companies that there was no conflict raised due to violence action taken by Rajawali CU to maintaining peace. The CU has employed auxiliary police to maintain security in the estate in order to guard of their workers, staffs, children life, their belongings and companies property.
C 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.	2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). Major Compliance	YES	There is no community living nearby the Semarak and Samudera estate, therefore this indicator was not applicable
C 2.3 Use of the land for oil	2.3.2	Copies of negotiated agreements detailing the	YES	There is no community living nearby the Semarak and Samudera estate, therefore this indicator was not applicable

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palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.		process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. Minor Compliance		
	2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance	YES	There is no community living nearby the Semarak and Samudera estate, therefore this indicator was not applicable
	2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal	YES	There is no community living nearby the Semarak and Samudera estate, therefore this indicator was not applicable

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counsel.
Major Compliance

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	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. Major Compliance	YES	Both estates continued to commit to long-term economic and financial viability. The annual budgets for 2016/17 to 2019/2020 were sighted. The budget covers activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance etc. The budget also included projections on yield/ha, and total cost of production per m ton & per ha. Some of the parameters provided were: Samudera Estate				
					2016/17	2017/18	2018/19	2019/20
				Mature Ha	1,851.39	1,608.93	1,662.45	1,604.23
				Immature Ha	198.99	441.45	387.93	446.15
				Total Ha	2,050.38	2,050.38	2,050.38	2,050.38
				FFB Tons	41,989.41	37,021.48	38,651.96	38,501.52
				Yld/Ha	22.68	23.01	23.25	24.00
				Cost/Ton FFB	229.93	229.50	228.8	228.55
				Cost / Ha	4,708.89	4,143.83	4,314.46	4,291.65
				Semarak Estate				
					2016/17	2017/18	2018/19	2019/20
				Mature Ha	1,961.74	1,674.94	1,508.13	1,479.92
				Immature Ha	281.04	573.84	740.65	768.86
				Total Ha	2,242.78	2,242.78	2,242.78	2,242.78
FFB Tons	41,331.58	35,756.56	33,540.00	30,273.66				
Yld/Ha	21.65	21.35	22.24	20.46				
Cost/Ton FFB	159.37	124.10	124.24	126.20				
Cost / Ha	3,450.28	2,649.86	2,762.96	2,581.66				
	3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. Minor Compliance	YES	The long range replanting programme (LRRP) until 2026/27 were sighted for both Estates. This programme is reviewed once a year and is incorporated into their annual financial budget. The program for the next 5 years are as follows:				
				YEAR	Samudra Estate (Ha)	Semarak Estate (Ha)		
				2016/2017	160.55	287.60		
				2017/2018	189.18	180.68		
				2018/2019	92.20	311.20		
				2019/2020	164.77	302.29		
2020/2021	239.56	26672						

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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, consistently implemented and monitored	4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	YES	<p>Like all SDPSB operating unit, the CU had adopted and used in their daily operation the documented procedures established by the Sime Darby Plantation Sdn Bhd. The 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. Besides that, technical guidelines as listed in the Agricultural Reference Manual were also used</p> <p>Generally the documents include operation activities in the estates and the mills from seedlings in nursery to planting of young palms and plantation upkeep to mill FFB receipt, grading, processing, quality analysis and despatch of CPO & PK and security in the CU. Contents of the Manual were disseminated to the workers through morning roll call and trainings. The Manuals are 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>
	4.1.2 A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	NO	<p>The CU continued to use the established mechanism to ensure consistent implementation of good agricultural practices as per SOPs by on-site visits, inspections and discussions with relevant personnel and by conducting Assessments and audits like Internal Audits, PA visits and by RSPO Audits. Random interview with the estate workers showed that they understood the requirement stated in the SOPs. However, at time of visit, the following were found:</p> <ol style="list-style-type: none"> 1. The procedure for stacking cut fronds as per section 7, Item 3.1 of SDPSB Agriculture Manual (ARM) was not complied with. At Semarak Estate cut fronds were not stacked and some sighted inside and close to palm circles in Field 94SE, and 2. The practice of reusing the water from washings of agrochemical containers, PPE and spraying equipment and spillage during chemical mixing was not carried out. In both Samudera Estate and Semarak Estate water from the sump for collecting waters from washings of agrochemical containers, PPE and spraying equipment and spillage during chemical mixing was not used and seen overflowing into drains. <p>Thus, the Minor NCR STK 01 2016 was issued.</p> <p>Noteworthy issues: The oil palm nurseries on Semarak Estate was well managed with healthy looking palms in polybags. In the 2016 replants palms, in both estates, had been felled, well chipped and windowed. Paths had been well cambered for mechanised FFB evacuation.</p> <p>Both Estates had well established <i>Nephrolepis biserrata</i> in the interlines. This was due to the</p>

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				efforts made by management. In some areas management had planted ne and mulched them with EFB in areas.
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	NO	<p>Records of monitoring and the actions taken by the estates continued to be maintained. This is to ensure that the established procedures were consistently implemented. Among the monitoring records sighted were:</p> <ul style="list-style-type: none"> • “Harvesting Interval record”. Interval observed to be around 12 days. The delay was mainly due to more crop. • FFB quality is monitored through infield FFB grading conducted by the management on daily basis. • Progress report of application of fertilisers. The work progress was generally on schedule • Action taken on Non-conformances by workers was by issue of Sime Card and warning letters. <p>The RSPO internal consultative assessment is used as one of the mechanism to check consistent implementation of RSPO procedures are in place. However, at Samudera Estate, the RSPO internal consultative assessment findings carried out on 14th May, 2016, the rootcause investigation and corrective actions was yet to be initiated. Therefore, Minor JS – 2016 -01 was issued.</p>
	4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance	YES	Fresh Fruit Bunches are supplied from SDPSB owned estates which are certified to RSPO. There is no third-party FFB sent to the mil.
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	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance	YES	<p>Both Estates practised the maintenance of long-term soil fertility by annual application of fertilisers based on periodic foliar and soil analysis, biomass retention (pruned fronds left to decompose in the fields) and some EFB and compost application.</p> <p>Fertiliser application, which is important for the maintenance of soil fertility was carried based on the recommendation made by Sime Darby Research's Agronomist. Annual fertiliser recommendations were made based on annual foliar sampling and 5 yearly soil sampling. . Fertiliser application program was monitored using records like program sheets.</p>
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	YES	Fertiliser application program was monitored using records such as program sheets, bin cards, field cost book, etc. These records were reviewed by the auditors during the assessment. Records sighted showed that actual fertilisers applied in 2015/2016 was in line with program. 593.95tons and 740.41tons of fertilisers had been applied in Samudera Estate and Semarak Estate respectively. Fertiliser application for 2016 was on going in both estates.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	YES	From the Agronomist reports it was established that both estates carried out periodic foliar and soil sampling to monitor changes in nutrient status. Annual foliar sampling for the nutrients N, P, K, Mg,Ca & B had been carried out in and the results formed the basis for the fertiliser recommendations to maintain and to improve soil fertility. The latest foliar sampling in both Samudera Estate and Semarak Estate was carried out in November 2015 which formed the basis

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				for formulation of the fertiliser recommendation for 2016.
				Soil maps were made available to the auditors. Analysis for soil T-N, Av-P, Ex-K, Ex-Ca and Ex-Mg was carried at 5 yearly intervals. The sampling on Samudera Estate was carried out in November 2014 while on Semarak Estate in February 2015.
	4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance	YES	Both estates had a nutrient recycling strategy in place. Palm fronds were stacked in the fields to decompose and by EFB application. There is no specific programme for EFB mulching for mature areas. Application was only based on wherever possible area to be applied. Priority was given for application on new replants. In 2015/2016, 14,286 tons and 4,481 tons of EFB had been applied in Samudera Estate and Semarak Estate respectively. EFB was applied at 40 tons/Ha in the mature oil palm areas and at 30 tons/Ha in the immature areas. Currently, for year 2016/2017, 1549 tons had been applied in the 2016A replant on Semarak Estate. There was no pome or compost applied in both estates.
C 4.3 Practices minimise and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available. Major Compliance	YES	Based on the soil maps provided, there was no fragile/marginal soils in both estates visited.
	4.3.2	A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance	YES	<p>SDPSB had a management strategy in place for planting on slopes and to minimise and control erosion and degradation of soils. The strategy in place for plantings on slopes between 9 and 25 degrees was in Slope & River Protection Policy – Buffer Zone & 25degree slope and in item 8 Section 4 – Land Preparation for Terracing in ARM Manual. Both Estates had complied with this strategy.</p> <p>It was observed that practices to minimise and control erosion and degradation of soils were also advocated through proper stacking of fronds, EFB application, avoidance of blanket spraying, construction terraces, road maintenance and maintenance of soft vegetation in interlines</p> <p>It was observed in both mature and immature areas that slopes were terraced. In the new replants in both estates it was observed that slopes of above 25 degrees were not cultivated/replanted.</p> <p>Cover crop was observed planted in the replants and in some mature the fern <i>Nephrolepis biserrata</i> had been planted along some slopes by management. Management had generally encouraged the establishment of large areas with <i>Nephrolepis biserrata</i>, and this was sighted during the visit. No bare ground was sighted during the visit.</p>
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	YES	<p>During the field visit, it was noted that road conditions were well maintained in both estates. Regular road maintenance programmes were available to ensure that the estates were accessible. The programmes were supported by adequate provisions in the budgets. Surface run off water from roads is directed into fields and drains with well cambered roads, road sided drains and silt pits.</p> <p>For road maintenance both estates had hired a motor grader, a compactor and a back hoe each from Sime Darby Industries (SDI). For resurfacing crusher run was purchased. Heaps of this was sighted at strategy points in both estates.</p>

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	4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance	YES	There were no peat soils in both estates visited.
	4.3.5	Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance	YES	Not applicable as there were no fragile and problem soils in both estates visited
	4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance	YES	Not applicable as there were no fragile and problem soils in both estates visited
C 4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1	An implemented water management plan shall be in place. Minor Compliance	YES	<p>Both estates implemented water management plans. Plans for 2016/2017 for Semarak and Samudera estates was updated in June 2016 by the respective Assistant Manager. For Rajawali POM, the plan was updated on 30 June 2016 by the Assistant Engineer. The water management plans for estate was more towards soil water conservation, pollution prevention and domestic use. For the mill, the plan included the reduction of usage, reuse/recycle and for domestic use. The management plan covered dry spell/shortage and in case of water pollution.</p> <p>Workers quarters were provided with tanks to conserve the water. This tank also mix with water from rain water harvesting. This water from the tank is used for washing and drinking. Sighted water test has been made every 3 month. Results of analysis carried out on 19/5/2016 was available and the result is follow the Guideline from WHO. Result for analysis in August has yet to be obtained.</p> <p>Rainwater harvesting was also implement in the Oil Palm Nursery, workshop and store. The water is used for washing. Both estates carried out water analysis for treated water. At Samudera Estate the latest domestic water analysis were carried on 1.09.2016, 12.05.2016, 02.02.2016 and 29.12.2015. For river water, analysis was carried out on 26.08.2016, 04.05.16 and 02.02.2016 for 3 sampling points and all analysis results showed no adverse quality. for Semarak Estate the latest sample taken was on 25/5/16 and analysis results showed no adverse quality</p> <p>Records of rainfall data to assist in the water management plans were sighted from 1999.</p>
	4.4.2	Protection of water courses and	YES	The CU has continued to protect the water courses, including maintaining and restoring

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		wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated Major Compliance		appropriate riparian buffer zones along all natural waterways within the estate. During the site review at Semarak Estate and Samudera Estate, it was noted that the assigned buffer zone along Similajau River was left untouched. Sighted also at replanting area, the palm was left untouched as a guidance there is a buffer zone. It was clear that Sime Darby has the policy to maintain the buffer by restricting agrochemicals application and will be left undeveloped during replanting. 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	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). Minor Compliance	YES	<p>Identification & Management of wastewater for 2016 / 2017 dated 30th June 2016 was established. This included the identification of wastewater, action plan to reduce gresh water usage. The following being monitored to :</p> <ul style="list-style-type: none">i. Treated effluent discharge into waterways being monitored on a monthly basis. Verified results for the month of Sept, Aug & July 2016. Results were within the regulatory limit.ii. Quarterly Report to DOE, sighted report for period from April to May 2016, Jan to March 2016 and Oct to Dec 2015. The parameters analysed included Temperature, pH, BOD, Suspended Solid, Oil & Grease, Ammoniacal Nitrogen and Total Nitrogen. The results were within the specification specified by DOE.iii. Upstream and downstream monitoring of Sungai Singrok was being carried out on monthly basis. Verified the following<ul style="list-style-type: none">a) 'Water Analysis Test report' - IE 620/ 2016 dated 15th June, 2016b) 'Water Analysis Test report' - IE 559 / 2016 dated 23rd May, 2016 <p>Water sampling analysis on quarterly basis as stipulated in the procedure. Parameters tested in the analysis are as follows : pH, BOD,COD, Suspended Solids(SS), Ammonical Nitrogen (AN), Total Nitrogen and Oil & Grease. Water sample testing are carried out in Sime Darby - R & D Centre Carey Island – Selangor.</p>																	
	4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance	YES	<p>Processing water obtained from Sungai Similajau, the use of water in the mill was monitored as followed :</p> <table><tr><td>Year</td><td colspan="4">2016</td><td rowspan="2">Avg FY 15 / 16</td></tr><tr><td>Month</td><td>May</td><td>June</td><td>July</td><td>Aug</td></tr><tr><td>Consumption Water m³ / tonne FFB Processed</td><td>1.06</td><td>1.12</td><td>1.04</td><td>0.92</td><td>1.15</td></tr></table>	Year	2016				Avg FY 15 / 16	Month	May	June	July	Aug	Consumption Water m ³ / tonne FFB Processed	1.06	1.12	1.04	0.92	1.15
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Consumption Water m ³ / tonne FFB Processed	1.06	1.12	1.04	0.92	1.15																
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.	4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	YES	<p>As for all SDPSB estates, both Samudera Estate and Semarak Estate had in place documented integrated pest management (IPM) systems. The procedure referred is in the Agricultural Reference Manual (ARM) Section 15 -Plant Protection. The IPM program among others includes pest management of rats, bagworms, nettle caterpillars, rhinoceros beetles and ganoderma. The IPM technique for rats includes rearing barn owls (<i>tyto alba</i>), bagworm control includes the planting of beneficial plants such as <i>Cassia cobanensis</i>, <i>Antigonon leptopus</i> and <i>Turnera sublata</i> and for rhino beetles is by using pheromone trap. However, the rearing of barn owls is generally unsuccessful in Sarawak. Both estates carried out monthly detection and observation of leaf eating pests, rat damage and diseases like Ganoderma. These detection and observations were carried by staff. When damaged/disease was observed, proper census was then carried out. Records showed no outbreak had been taken place.</p>																	

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				Rat baiting was by calendar baiting at 2 campaigns per year. Baiting was continued until bait acceptance fell below 20%. Records showed that Beneficial plants were continuously planted in by both estates visited. During the visited it was observed a number of Beneficial Plants had been planted and both estates had plants in polybags, ready for planting, in the Nurseries.
	4.5.2	Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	YES	The estates had carried out training on all aspects IPM implementation for staff and workers. Records showed that the latest were conducted in August 2016.
C 4.6 Pesticides are used in ways that do not endanger health or the environment	4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance	YES	The written justification in Standard Operating Procedure (SOP) of all agrochemical was available in Section 15 and 16 of the Agricultural Reference Manual issue:1 version:3 dated 1/7/2011, and in the Safety Pictorial Book prepared by Sime Darby Plantation Sdn Bhd. The use of selective products that are specific to the target pest, weed or disease were demonstrated in the Agricultural Reference Manual.
	4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance	YES	Both estates had records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total quantity, number of applications and Ai/Ha. Pesticides were used only when justified and areas used are recorded in bin cards, program sheets, chemical register, and field cost books and in progress reports. Both estates had documented programs for spraying pesticides and for rat baiting
	4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance	YES	As part of the IPM plans, management of both estates had established nectariferous beneficial plants (<i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> and <i>Turnera subulata</i>) nurseries for continuous planting in order to attract natural predators and thus to reduce use of insecticides. As mentioned in 4.5.1, during the visit it was observed a number of Beneficial Plants had been planted and both estates had plants ready for planting in the Nurseries. However, in replants (2016) prophylactic spraying using diluted cypermethrin for immature palms in zero burning of oil palm to oil palm replanting was carried out against Rhinoceros beetles as per SOP.
	4.6.4	Pesticides that are categorised as World Health Organisation	YES	Both estates only used pesticides that were officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations

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		Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance		<p>(2000).</p> <p>There was no evidence of pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, had been used.</p> <p>Most pesticides used were class III & class IV, while for oil palm nursery use the estates had used class II pesticides.</p>
	4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). Major Compliance	YES	<p>Records showed that pesticides were handled, used and applied by trained persons and as per the MSDS of the pesticide. The staff and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involve and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to the workers through the CSDS training. It was also noted that CSDS are available at all sites during the audit.</p> <p>Training on pesticide handling was carried out on 23.08.2016 at Semarak Estate and on 20.05.2016 at Samudera Estate. The training included the safety aspects and usage of PPE when handling with pesticides. Record of training was available for verification</p> <p>All workers involved in pesticide application were provided with appropriate PPE and replaced when damaged. PPE issue and replacements records were verified by the auditors. It was also observed that PPE was used by sprayers working in 2016 replant on Semarak Estate. From interviews conducted with workers and staffs in the field and stores clerks it was established that they had been trained and were aware of safe handling procedures.</p>
	4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored	YES	<p>The chemical stores in both estates were observed to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149) and Regulations. Record of the purchase, storage and use had been properly maintained. All of the stores had been well ventilated, had exhaust fans and secured. Only authorized personnel were allowed to handle the chemicals. All the chemicals were stored and segregated accordingly.</p> <p>Empty pesticides containers had been triple rinsed, holes punched in them and stored separately</p>

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		in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance		at the scheduled waste store before being disposed.
	4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	YES	Pesticide applications were guided by SDPSB's ARM, Pictorial Guide, CHRA and by CSDS supplied by the manufacturer. The CHRA in both estates were reviewed on 25 & 26.07.2015.
	4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance	YES	Aerial spraying is not practiced at both estates and there was no evidence to show that any had been carried out.
	4.6.9	Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8). Minor Compliance	YES	The storekeepers, sprayers, fertilizer and rat bait workers were trained in various training related to safe chemical handling. The records for the following training were evident: <ol style="list-style-type: none"> 1. Pest & Disease - 11.06.2016 2. Rat baiting - 18.08.2015 3. Chemical Handling - 23.08.2016 4. Spraying - 06.09.2016
	4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance	YES	<p><u>Rajawali - POM</u> Procedure SD/SDP/PSQM (ESH)/203- EN1 – Scheduled Wastes (Hazardous Waste) Management has been established.</p> <ol style="list-style-type: none"> i. Management and disposal of wastewater 2016 / 2017 has been established compiled by Assistant Engineer dated 30th June, 2016. ii. Waste Management Plan 2016 / 2017 has been established prepared by QA and verified by Assistant Engineer addressing the source and disposal method of scheduled waste, domestic waste and industrial waste. <p><u>Samudera Estate</u> Procedure SD/SDP/PSQM (ESH)/203- EN1 – scheduled Wastes (Hazardous Waste) Management has been established.</p> <p>Disposal of waste material related to pesticide containers are being carried out as per</p>

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				<p>established procedures. Triple rinsing activities continually implemented for empty pesticide container. Triple rinsed container were then pierced and stored prior disposing. Records such as the 5th schedule inventory was evident. The 6th schedule consignment note was verified.</p> <p><u>Semarak Estate</u> Waste Management Plan for 2016 / 2017 has been established where type of waste has been identified. Spent lubricants, spent hydraulic oil, used batteries, used filters, contaminated rags, empty lubricant, grease and hydraulic oil containers were identified as scheduled wastes.</p>
	4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	YES	<p>The CHRAs for both Samudera Estate and Semarak Estate were reviewed on 25 & 26.07.2015. All sprayers, storekeepers and workers handling pesticides in both estates were sent for medical surveillance and records were presented to the auditors. Records for workers at both estates were reviewed accordingly.</p>
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women Major Compliance	YES	<p>Both estates had Internal Memos "No Work with Pesticides for Confirmed Pregnant and Breast-Feeding Women" signed by the respective managers. List of sprayers were maintained by the MA. Identification of pregnancy was done by the MA based on interviewing women on the last periods dates. This interview was done during the monthly medical check-up conducted. Pregnancy test was then conducted on doubtful cases. There was no evidence that work with pesticides was undertaken by pregnant or breast-feeding women. This was confirmed by the interviewed Medical Assistants and workers.</p>
<p>C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p>The occupational health and safety plan shall cover the following:</p>	4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance	YES	<p>Both estates continued to implement the SDPSB Occupational Safety and Health Policy. The policy had been communicated to all employees through briefings and being displayed on the estates notice boards. It was also communicated to all workers by the workers' representative in OSH committee. A safety and health plan for both estates was implemented and monitored every month. The progress of the implementation was provided to the auditor. The OHS plan covered workplace inspection for spraying, harvesting, pruning etc. The implementation was also monitored by internal audits conducted by OSH officers from PSQM department. For the POM, the Environment, Safety & Health Program has been established. The OHS management plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training program, accident and emergency procedures, treatment of illness/injury during the job, use of PPE, OSH Committee meetings, etc. Generally, the ESH program noted to be satisfactory.</p>
	4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to	YES	<p>The CU had identified the 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 like chemical mixing and spraying, chemical storage, harvesting and FFB collection and vehicle maintenance. At both Samudera Estate and Semarak Estate the last review was carried out on 1.07.2016, to include replanting activities. Full review of the HIRARC was conducted by the ESH committee.</p>

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		<p>the workers. Major Compliance</p>	<p>At Rajawali POM, HIRARC has been reviewed in 28th May 2016 by the Assistant Engineer and approved by Mill Manager. All hazard and risks associated with their operations have been identified and documented. No Accidents for 2015 / 2016 & 2016 /2017. The latest change in the HIRARC register was the used of PPE.</p> <p>The following health and safety related actions undertaken by the mill were reviewed :</p> <ul style="list-style-type: none"> • Chemical Health Risk Assessment Report 2015 - Discussion on finding with respect to – Laboratory, Effluent treatment, Kernel Plant, Boiler Operation and Workshop operation carried out. Actions to be taken have been identified and initiated. The recommendation at the CHRA Report is reviewed on a periodically basis taking into consideration the progress made in implementing the recommendation. Mitigating Actions have been identified, implemented and are being followed through. • Chemical Exposure Monitoring Report (Report Ref : SWK 1470) carried out on 21st January, 2015 by Hygien Technician 1. • Hexane personal Chemical exposure monitoring noted below its 8 – hr TWA limit of 1760.0 mg / m³ • Potassium Chromate personal chemical exposure monitoring is noted below its Maximum Exposure Limit (MEL) • Welding Fume (as Fe₂O₃) personal Chemical exposure monitoring is noted below 8- hr TWA limit of 5.0 mg / m³ • Medical Surveillance Report inclusive of USECHH 1, USECHH 2, USECHH 3, USECHH 4, USECHH 5i and 5ii, NADOPOOD 7 dated March, 2016. <p>Verified that the lab conductors, boiler operators, workshop, effluent and water treatment operators have been subjected to medical surveillance by an Occupational Health Doctor JKPP KES 127/669/1 (167). Records of the workers were sampled.</p> <p>For lab personnel, the parameters tested were n- Hexane :Blood test Screen, Urine 2.5 Hexanedione, Urine T.T – Muconic Acid Spirometry and Urinalysis. For workshop personnel, tested for blood Manganese, CXR, Blood Test Screen and Spirometry. For effluent plant operator, tested for CXR, blood test screen and Cea & AFP.</p> <p>Recommendation in the Medical Surveillance Report was reviewed to reflect the completion status. Sighted review on 16th to 17th March 2016. There was no abnormal findings indicated in the report. It was recommended that the medical surveillance to be conducted once a year.</p> <p>Audiometric Testing (under Factories and Machinery (Noise Exposure) Regulation 1989) was carried out by an OHD doctor. The report (Ref No: GGOSH / PUA-KKS Rajawali / 2015/01) dated 28th September 2015. Audiogram reports for 27 workers have been carried out. Recommendations provided were acted upon. Recommendation is being monitored with respect to their current status of completion. Latest review was carried out and next testing is planned in Sept 2016.</p>
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				Hearing Conservative Programme Committee (HCP) has been formed and list of workers working in areas where the noise level is > 85 dB has been identified and informed accordingly : Hearing records of the workers were sampled. 10 workers identified with hearing impairment – 2 has resigned and 8 are slotted for retesting on Sept, 2016
	4.7.3	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance	YES	<p>Training and briefing on the operations were provided for workers to educate them on safe working practices to ensure applicable precautions are adhered. Training for employees are conducted from time to time based on needs through various method such as on the job training, briefings, meetings, etc. The staff and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involve and how the chemicals should be used in a safe manner.</p> <p>Appropriate PPEs have been identified through HIRARC exercise and have been provided accordingly to the concerned workers. Workers involved with pesticides, observed spraying in the 2016 replant at Semarak Estate were with the appropriate PPE. Other sprayers when interviewed, confirmed using the appropriate PPEs issued to them. During the assessment, the auditor observed that workers conducting harvesting activities at both Samudera and Semarak Estate, and workers pruning in Samudera Estate were using the appropriate PPEs. When interviewed, it was confirmed that they were aware of all precautions and safety requirements. PPEs issue and replacement records were made available to auditors. Records of training for each employee (as in 4.8.2) were maintained at the office for reference and verification, and were verified during the audit. Therefore, past Major NCR STK 01 2015 was closed.</p> <p>Based on the HIRARC carried out at Samudera Estate and Semarak Estate, the types of PPE for various job were identified using the 'Daily Safety Checklist'. The management had carried out daily inspection for PPE to all workers by daily basis.</p>
				<p>The list of PPE that were given at the estate are as below:</p> <ul style="list-style-type: none"> i. Harvester- Safety Helmet, Sickle Cover, Hand Glove. Wellington Boots ii. Sprayers- Respirator, Nitrile Glove (Chemical Resistant) Goggles, Wellington Boots, Apron. iii. Manuring- Apron, Wellington Boots, Dust Mask
	4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. Major Compliance	YES	<p>The Safety and Health Committee chart for both estates were available and presented to auditors. At Samudera Estate, OSH committee comprised of the Manager as the Chairman, Secretary (Assistant Manager), 5 management representatives and 7 workers' representatives. Year quarterly meeting were held and records of meeting held were verified.</p> <p>For Semarak Estate, OSH committee comprised of the Chairman (manager), two Deputy Chairman (Assistant Managers), Secretary (Medical Assistant) and 9 staffs and 6 worker's representatives.</p> <p>Quarterly meetings were held. The last meeting held was on 20.06.2016 at Samudera Estate and</p>

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				<p>on 11.06.2016 at Semarak Estate. Records of meeting held were verified. The agenda of the meeting was as follow:</p> <ol style="list-style-type: none"> 1. Address by Chairman 2. Safety briefing 3. Passing of previous meeting minutes 4. Workplace inspection 5. Review of ESH performance <p>At Rajawali POM, the Safety & Health Committee chart for 2016 was available. The committee is chaired by the Mill Manager and the secretary is the Assistant Engineer. Periodic meeting related to were carried out accordingly.</p>
	4.7.5	<p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>Minor Compliance</p>	YES	<p>Both estates had adhered to SDPSB policy 'Crisis Management & Emergency Response' plan, ref: chapter 13 of PQMS, OSH manual and "Accident and Reporting and Investigation Procedure" in chapter 14 of the same manual.</p> <p>Name of the members of the Emergency Response Team (ERT) and their contact numbers were exhibited at the notice boards of respective estates as well as communicated to all workers. Telephone numbers of the Police Station, Fire Brigade, Immigration Department and Hospital were also exhibited.</p> <p>The ERT comprised of trained First Aiders, Field Staffs, Mandores, Office Staff, and Workshop Operator and Security personnel. The Field Staff and Mandores are responsible for handling emergency at the field. During field inspection it was noted that all operating units had been provided with first aid boxes which were checked on a monthly basis by the Medical Assistants. Records of replenishment were verified by the auditor.</p> <p>First aid trainings were planned and conducted by the Medical Assistants, eg. On 24.08.2016 and the records were verified. Records of Fire Drills and Emergency Building Evacuation Drill conducted (03.07.2016) by officers from PSQM department, Sarawak office were verified. From the JKK8 return, it was established that there were no fatal accidents and accidents with <4 days lost in 2015</p> <p>For Rajawali POM Accident and Emergency procedures have been established, the following reviewed :</p> <ol style="list-style-type: none"> i. Emergency Preparedness Response Team has been established – with the Mill Manager as the Emergency Commander ii. SOM Appendix 5.5.3.3 Emergency Preparedness & Response Procedure has been established , the following reviewed : <ol style="list-style-type: none"> a) Steps of Responses to an Environmental and OSH emergencies including Accident / Incident b) Emergency Action Plan in the event of Fire. c) Emergency Action Plan in the event of an Explosion d) Emergency Action Plan in the event of Oil Spillage.

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				<p>The following drills reviewed : satisfactory</p> <p>i) Chemical Spillage & Fire Drill – conducted by Mill Engineer – 28th June , 2016 – Evacuation time – 10 min 44 seconds – Generally Satisfactorily carried out.</p> <p>ii) Fire Fighting and Fire survival training– conducted by Mill Engineer for all workers– 20th Aug , 2016 – Generally Satisfactorily carried out.</p> <p>iii) ‘ Emergency Evacuation Guideline’ – presented in Zone Operation –</p> <p>a) held in the Improve the delivery of resustation care to the injured patient</p> <p>b) Reduced complications or suffering and improve patient outcomes</p> <p>c) Set achievable standards for emergency medical evacuation.</p>
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	YES	<p>Both Semarak and Samudera Estate had a clinic with qualified medical assistants to provide for daily basic and emergency medical care. Serious cases were sent to nearby government hospitals.</p> <p>It was verified that all employees were covered by accident insurance. Local workers are covered by SOCSO while for foreign works covered by insurance as required the Workmen Compensation Act 1952. SOCSO for some local workers at both estates were verified through the payslip. :</p> <p>For foreign workers the following insurance policy was verified:</p> <p>Samudera Estate - 2 of the policies issued by RHB Insurance Berhad were:</p> <ol style="list-style-type: none"> 1. FW187766 valid from 11 May 2016 to 10 May 2018 2. FW185316 valid from 10 March 2016 to 09 March 2018 <p>Semarak Estate - 2 of the policies issued by RHB Insurance Berhad were:</p> <ol style="list-style-type: none"> 1. FW189345 valid from 30 May 2016 to 29 May 2018 2. FW185351 valid from 10 March 2016 to 09 March 2018 <p>Rajawali Estate provides medical care to estate and mill workers with clinic established within the premises and more serious cases are referred to Hospital Bintulu which is about 50 Km (excess 50 minutes) .</p> <p>Ambulance service for Clinic Rajawali (which services Rajawali Estate and Rajawali Mill) to Hospital Bintulu is available.</p> <p>The mill had continued to provide a group insurance for all foreign workers as required under the Workmen Compensation Act 1992. Sighting of records and cross check with workers showed that they were covered with valid insurance policy. RHB Insurance – Policy No : BR-BG 141351 – WI Period of Cover : 15th June, 2016 to 14th June, 2018.</p> <p>Local workers are covered by SOCSO. Verified through ‘ Jadual Caruman Bulanan’ August, July & June - 2016 for mill workers.</p>

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	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	YES	<p>Accident statistics were being maintained and quarterly review by the management during the 'Health and Safety' committee meeting.</p> <p>The following were sighted :</p> <ul style="list-style-type: none">- For 2015 – no accidents recorded- For 2016 until to date – no accidents recorded.- JKKP 8 for 2015 submitted on 1st January, 2016- JKKP 7 submitted for workers with hearing impairment (Occupational Diseases). 10 workers were identified to have hearing impairment and necessary corrective actions have been initiated. <p>Submission of JKKP forms was carried out in a satisfactory manner. LTI as at 30th August 2016 was 646, 464 Hrs. Both estates had monitored the occupational injuries using Lost Time Accident (LTA) metrics.</p>															
C 4.8 All staff, workers, smallholders and contract workers are appropriately trained.	4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance	YES	<p>Formal training programmes for 2016/2017 covered all aspects of the RSPO Principles and Criteria. Regular assessments of training needs was presented to auditors by the POM and both estates. The training plan included the following:</p> <p><u>Rajawali Mill</u></p> <p>2016 Training Plan was established in January 2016. A training needs identification matrix has been established with target dates for the training to be conducted. The training program includes</p> <ul style="list-style-type: none">• ESH Legal & Other requirements• Safe handling of Electrical Equipment• Use & Standard Exposure of Chemical Hazardous to Health (USECHH) 2000• Accident Investigation Techniques• Emergency Respond Plan Training (e.g Chemical spill, poisoning, Fire. Lightening)• First Aid Training• Scheduled waste management• Safe Work Procedure for All Stations. <p>Training has been conducted and appropriate records maintained the following sampled were reviewed :</p> <table><tr><th>Training Date</th><th>Title of training</th><th>Participants</th></tr><tr><td>26th Mar 2015</td><td>HIRARC</td><td>Assistants</td></tr><tr><td>10th May 2016</td><td>Chemical Handling / Safety training</td><td>Store Operator & QA Chargehand</td></tr><tr><td>15th April 2016</td><td>Accident Class & LTI Reporting</td><td>ESH Representative , QA Chargehand</td></tr><tr><td>13th Aug 2016</td><td>First Aid Training</td><td>Staff & Workers</td></tr></table> <p><u>Samudera Estate</u></p> <p>Training Plan 2015/2016 and 2016/2017 was established. The training program includes :</p> <ul style="list-style-type: none">• Emergency Response handling• Scheduled Waste Management	Training Date	Title of training	Participants	26 th Mar 2015	HIRARC	Assistants	10 th May 2016	Chemical Handling / Safety training	Store Operator & QA Chargehand	15 th April 2016	Accident Class & LTI Reporting	ESH Representative , QA Chargehand	13 th Aug 2016	First Aid Training	Staff & Workers
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	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	NO	<p>The CU had trained their staff, workers and records of training were kept in the RSPO training file. The records included information on the title of the training, name and signature of the attendees, name of the trainer, time and venue. Verified records for the following training:</p> <ol style="list-style-type: none">1. Harvesting - 20.05.20152. First Aid – 24.07.20153. Fire Drill – 18.08.20154. Manuring – 05.09.20155. Operating MB – 06.10.20156. COBC - 30.04.20167. Emergency Response - 03.07.20168. Spraying - 15.08.20169. Chemical Handling – 23.08.201610. First Aid & First Aid Box – 24.08.201611. PPE & Manuring - 08.09.2016 <p>During the audit, the auditor found that the not all training records were effectively maintained. It was noted that at Rajawali POM, Semarak and Samudera Estate, although social related trainings were carried out but records were not found. Minor NCR MZK 01 2016 was issued.</p>																		

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

Clause	Indicators	Comply Yes/No	Findings
C 5.1 Aspects of plantation	5.1.1 An environmental impact assessment (EIA) shall be	YES	CU has established its environmental aspects / impacts register associated with their activities. Environmental aspect and impact (EAI) which covers form upstream activities such as FFB

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<p>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 continual improvement.</p>		<p>documented. Major Compliance</p>	<p>reception until downstream processes was sighted during assessment. Identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. Among the most significant environmental receptors are the boiler stack emission which associated with air emission, palm oil mill effluent (POME) discharge (water) and land contamination which related to managing the schedule waste and also general waste. For the estate operation, all activities from harvesting, pest and disease, upkeep programme until delivery to mill has been identified.</p> <p><u>Air pollution:</u></p> <p><u>Boiler Operation</u></p> <p>1) Dark smoke from boiler. Mitigation: proper usage of burning fuel i.e. shell & fibre, boiler preventive maintenance. During the assessment, it was found that the dark smoke emission of boiler's chimney had exceeded the regulated limit in several times. The mill has identified and established an action plan which included, even distribution of burning fuels into the furnace, reduce the usage of wet shell, install roofing to prevent fibre get wet from rain water and regular maintenance, checking and cleaning of the smoke density meter. Calibrated Smoke Density Meter used. Verified the following :</p> <p>i) Boiler No 1 : GGES Smoke Density Meter - Serial No GGES / 0210 / 001 – Cal date : 8th April, 2016 – Cert No : 6029</p> <p>ii) Boiler No 2 : Betronics Smoke Density Meter – Cal date : 29th April, 2016 – Cert No : 6030.</p> <p>Stack Sampling Report – carried out 2 times a year as per Malaysian Standard (MS 1596 : 2003) by ESI Sampling Sdn. Bhd, - verified the following reports Chimney 1 & 2 for period Jan – June 2016</p> <p>Stack Emission Monitoring Report are in place – verified. The dust emission measurements in Boiler – Chimney No. 1 and 2 were at 0.386 g/Nm³ and 0.382 g/ Nm³ respectively and these results were well within the limit of 0.400 g/Nm³ corrected at 12% CO₂.</p> <p>2) Smoke from generator set. Mitigation: preventive maintenance on engine room</p> <p>3) GHG emission from ETP. Monitoring mechanism in place.</p> <p><u>Water pollution:</u></p> <p>1) Scheduled wastes generation from accidental spillage.</p> <p>2) Leachate from EFB stockyard. Mitigation: construction of bund (retention wall).</p> <p>3) Waste water discharge from ETP.</p> <p><u>Soil contamination:</u></p> <p>Scheduled wastes generation – Mitigation: to be handled in accordance with EQA Scheduled Wastes regulations.</p>
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				<p>The following Schedule Waste being generated and disposed : SW 102 – 0.150 MT, SW 110 – 0.032 MT, SW 305 – 0.847 MT , The following disposal verified – disposal on 20th July, 2016, – concerned Consignment Note – 5th 6th & 7th Schedule reviewed – satisfactorily handled. Copy No 1 & 5 of Sixth Schedule is being maintained.</p>
	5.1.2	<p>Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons. Minor Compliance</p>	YES	<p>Rajawali - POM Environmental Aspect and Impact Identification Form & Environmental Impact Evaluation Form used to identify Aspect & Impact and take necessary action. Reviewed on 8th August, 2016 – prepared by QA Chargehand and Approved by Mill Manager.</p> <p>Environmental Impact Evaluation – Serial No. EIE/ 2016 / BS / 013 – No Significant changes to the Impact Evaluation — reviewed satisfactory.</p> <p>Environmental Management Plan FY 2016 / 2017 Comprising of Pollution Prevention Plan has been established d/d : 5th August, 2016 – verified Pollution prevention Plan being identified and monitored - verified the implementation.</p> <p><u>Samudera Estate</u> i) Environmental Management Plan - FY 2016 / 2017 ii) Environmental Aspect and Impact Identification Form has been used to identify the applicable Aspect and Impact& Environmental Impact carried out by Estate Assistants on 1st Nov, 2015. New Impact Identification carried out on Replanting Exercise - verified</p> <p><u>Semarak Estate</u> i) Environmental Management Plan - FY 2016 / 2017. ii) Environmental Aspect and Impact Identification Form has been used to identify the applicable Aspect and Impact& Environmental Impact. New Impact Identification carried out on Replanting Exercise - Verified</p>
	5.1.3	<p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. Minor Compliance</p>	YES	<p>Rajawali CU Pollution Identification Environmental improvement action plan' to monitor the effectiveness of the mitigation measures taken, are in place. The following indexes are being monitored : i) Fuel and Lubricant leakage discharged to the land ii) Chemical Spillage discharged to the land. iii) Dust pollution iv) Air pollution from vehicle v) Chemical spillage from spraying equipment. vi) Clinical Waste</p> <p>Y2016 Performance verified, noted to be satisfactory.</p>

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<p>C 5.2</p> <p>The status of rare, threatened or endangered species other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>	5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). Major Compliance	YES	The report "Biodiversity Baseline Assessment Report" was showed to the audit team. It was noted that the report was prepared by PS_RSPO Unit, TQEM Dept, Sime Darby Plantation in June 2009 and had identified all the High Conservation Value (HCV) within and adjacent to the SOU 32 Rajawali CU. The HCV assessment had identified there is no rare, threatened and endangered species (RTEs) except the crocodile at the Samudera and Semarak estate. The report has also included the management and action plan for both Estate. However, no RTE species was identified present at Samudera Estate and Semarak Estate during this Recertification Audit.
	5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance	YES	Semarak Estate had identified conservation areas and buffer zone as their HCV. The Estate maintained its commitment to discourage any illegal or inappropriate activities. Signages, e.g. "No Fishing" observed maintained erected in the Estate. Samudera estate has established action plan for HCV areas which are Nature Conservation area titled 'Action Plan Biodiversity of Sime Plantations Samudera Estate FY 2016/2017' dated July 2016. Measures have been taken to maintain their HCV area were (1) Marked the boundary (2) demarcate the buffer zone, (3) Regular patrolling and (4) Education and awareness. The only animal that has been identified as protected wildlife in both estate is crocodile.
	5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. Minor Compliance	NO	As mentioned in indicator 5.2.2, Sg. Similajau is known as habitat for crocodile was found in the Semarak Estate and Samudera Estate. The species was identified as protected species by Sarawak Wildlife Department. Sime Darby has established their own disciplinary measures if found any staff or workers found to capture, harm, collect or kill the RTE species. However, in Semarak Estate although the workers always see the crocodile come out from the river to rest in afternoon, the training/programme to regularly educate the workforce about the status of these RTE species was not available during the audit. Therefore Minor NCR MZK 02 2016 was raised.
	5.2.4	Where an action plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; Outcomes of monitoring shall be fed back into the 	NO	There was action plan on HCV and RTE by both estates. In the plan stated Interval monitoring has been conducted by Auxiliary Police at the HCV area and identified area of RTE. However, In Samudera estate, they have declare 214 ha are which is area not develop as a non-developing area. The records of monitoring result for that area was not available during this audit, Therefore Minor NCR MZK 03 2016 was raised during this audit.

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		action plan. Minor Compliance		
	5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. Minor Compliance	YES	There was no local communities lived within or near to the CU. Hence, this indicator is not applicable.
C 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.	5.3.1	All waste products and sources of pollution shall be identified and documented. Major Compliance	YES	Rajawali CU has documented identification of all waste product and sources of pollution. The environmental management plans were then established to mitigate applicable identified waste product and source of pollution. The most significant environmental receptors for the estates and mill operations were: Air – Source from boiler stack (smoke and particulate), vehicle & generator (smoke and gases), anaerobic processes (ETP, EFB dumping), GHG. Water – Cleaning water/run-off/process station waters (hydrocyclone /sterilizer condensate/clarification waste) & boiler quenching water and blowdown. Land – Scheduled waste, domestic waste and industrial/process waste. Clinical waste – generated from Clinics.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	YES	<u>Samudera Estate</u> Triple rinsing activities continually implemented for Empty Pesticide container. Triple rinsed container are pierced and stored prior disposing. – Records are maintained in the 5 th Schedule, verified 5 th Schedule, inventory of empty drums – 89 pcs – The latest disposal was on 6 th Sept, 2016, 6 th Schedule verified – to Environ Waste Management (M) Sdn. Bhd'.who holds DOE license for Schedule Waste Transportation and as a Storage Facility Operator. <u>Semarak Estate</u> Triple rinsing activities continually implemented for Empty Pesticide container. Triple rinsed container are pierced and stored prior disposing.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented Minor Compliance	YES	For the identified waste and pollutants, there were Procedures and guideline established as to guide the waste disposal activities and to reduce pollution on the routine operation. Mill process wastes had been disposed as follows; EFB were sent for mulching in the field, while crop residue/biomass i.e. fiber and shell were used as fuel in the boiler. On the monitoring of water and effluent discharge, monthly and quarterly report for final discharge were submitted in timely manner as stipulated in the written approval. Effluent quality monitoring was also done on the monthly basis. Sample taken at final discharge point was sent for analysis. Effluent Treatment Plant in place with final discharge leading to land irrigation. Result of analysis was found satisfactorily and below the stipulated limit.

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				On the scheduled waste management, the scheduled wastes were disposed through licensed contractor, Environ Waste Management (M) Sdn. Bhd. The storage, management and disposal of the following wastes were reviewed. Noted that the wastes have been satisfactory managed, hence the previous Minor NCR -RAG 03- 2015 was closed																																										
C 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.	5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. Minor Compliance	YES	<p>A plan for improving the efficiency of the use of fossil fuels is in place incorporated into the Environmental Aspect and Impact activities report for 2016, identified in the following</p> <p>i) Environmental Aspect Identification Summary FY 2016 / 2017 reviewed accordingly.</p> <p>ii) Environmental Impact Evaluation Summary FY 2016 / 2017 reviewed accordingly.</p> <p>Fossil fuel Program for Financial Year 2016 / 2017 established by the respective Estate Assistant in July 2016.</p> <p>Objectives and mitigating steps have been established</p> <p>i) To reduce diesel usage – by maintenance of the tractor to ensure at optimum level, to monitor diesel usage, provide training to workers regarding tractor handling.</p> <p>ii) To reduce petrol usage – by carrying out scheduled maintenance on petrol using machines.</p> <p>Diesel usage is being monitored as follows :</p> <p>Rajawali POM :</p> <table><tr><td>Month / 2016</td><td>Jan</td><td>Feb</td><td>March</td><td>April</td><td>May</td><td>June</td></tr><tr><td>Diesel (Lit) / FFB (mt)</td><td>4.85</td><td>4.43</td><td>4.25</td><td>3.71</td><td>4.48</td><td>4.55</td></tr></table> <p>Samudera Estate :</p> <table><tr><td>Month / 2016</td><td>Jan</td><td>Feb</td><td>March</td><td>April</td><td>May</td><td>June</td></tr><tr><td>Diesel (Lit) / FFB(mt)</td><td>3.75</td><td>4.06</td><td>3.66</td><td>4.01</td><td>3.82</td><td>4.76</td></tr></table> <p>Semarak Estate :</p> <table><tr><td>Month / 2016</td><td>Jan</td><td>Feb</td><td>March</td><td>April</td><td>May</td><td>June</td></tr><tr><td>Diesel (Lit) / FFB (mt)</td><td>8.98</td><td>8.84</td><td>7.57</td><td>5.63</td><td>6.42</td><td>9.27</td></tr></table>	Month / 2016	Jan	Feb	March	April	May	June	Diesel (Lit) / FFB (mt)	4.85	4.43	4.25	3.71	4.48	4.55	Month / 2016	Jan	Feb	March	April	May	June	Diesel (Lit) / FFB(mt)	3.75	4.06	3.66	4.01	3.82	4.76	Month / 2016	Jan	Feb	March	April	May	June	Diesel (Lit) / FFB (mt)	8.98	8.84	7.57	5.63	6.42	9.27
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C 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice	5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the <i>‘Guidelines for the Implementation of the ASEAN Policy on Zero Burning’ 2003.</i> Major Compliance	YES	SDPSB has a policy of no open burning. As advocated, both estates practiced Zero burning. In the 2016 replants visited during the audit in both Estates, it was evident that all palms were felled, shredded, windrowed and left to decompose.																																										

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	5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003.</i> Minor Compliance	YES	There was no evidence fire has been used for preparing land for replanting in both estates. The estates had adhered to the Zero Burning Policy of SDPSD.
C 5.6 Preamble Growers and millers commit to reporting on operational greenhouse gas emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognised that it is not always feasible or practical to reduce or minimise these emissions. Growers and millers commit to an implementation period until the end of December 2016 for promoting best practices in reporting to the RSPO, and thereafter to public reporting. Growers and millers make this	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).	YES	An assessment of identified polluting activities is being conducted and monitored, inclusive of gaseous emissions, particulate / soot emissions and effluent. 'Pollution Identification Environmental improvement action plan' – is used to identify the waste products and sources of pollution – is in place and is being reviewed accordingly. The most significant environmental receptors for the estates and mill operations were: Air – Source from boiler stack (smoke and particulate), vehicle & generator (smoke and gases), anaerobic processes (ETP, EFB dumping – GHG emission) Water – Cleaning water/run-off/process station waters (hydrocyclone / claybath /sterilizer condensate/clarification waste) & boiler quenching water and blowdown. Land – Scheduled waste, domestic waste and industrial/process waste.

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<p>commitment with the support of all other stakeholder groups of the RSPO. Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>				
	5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	YES	<p>Pollution Identification Environmental improvement action plan' – is used to identify the waste products and sources of pollution and actions taken to mitigate and reduce them are in place and are being reviewed accordingly</p> <p>Green House Gaseous – Potential sources are being identified using 'Carbon Inventory Calculation Methodology.</p> <p>Emission Sources have been identified from Land Conversation, Fertilizer (mineral) Manufacture & Transport, NO from fertilizer, Fuel Consumption, Peat Oxidation, POME and reported in the PalmGHG Summary Report.</p>
	5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. Minor Compliance	YES	<p>GHG Emission calculation and monitoring is available at CU level, using PalmGHG Summary Report . The PalmGHG report for Rajawali CU has been submitted to 20th Sept, 2016 to RSPO Emissions Source identified as:</p> <p>Land Conversion, Crop Sequestration, Fertilizer (mineral) manufacture & Transport, N₂O from fertilizer, Fuel consumption, Peat Oxidation, Sequestration in Conservation Areas, POME, Fuel Consumption.</p> <p>Mill Emission and Credits – Emissions Sources from POME activities and Fuel Consumption being monitored.</p>

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 management that have social impacts, including replanting, are identified in a participatory way, and	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance	YES	Rajawali CU has made available the documented social impact assessment, including records of meetings. The document entitled "Baseline Social Impact Assessment (SIA) – Sarawak Zone SOU 32 for Rajawali Estate, Samudera Estate, Semarak Estate, Bayu Estate and Rajawali POM", 19 June 2009. The SIA report has reported background and demographic pattern, data collection and sampling procedures, free, prior and informed consent, SIA approaches, local community, issues related to communities, issues related to stakeholders, issues related to workers, summary analysis and social management plan. Local communities that lived nearby with Rajawali CU were Rh. Sumok, Rh. Kakong, Kg. Wawasan, Kg. Nyalau, Rh. Nyalong, Rh.

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plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.				Jalau, Rh. Kutau, Rh. Nanang. All raised issues have been follow-up through social management plan which will be revised annually.
	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	YES	The assessment had involved affected parties in their assessment and consultation process. List of attendance of affected parties were maintained and recorded in the attendance sheet in the "External Stakeholder Meeting report – Sarawak Zone "dated 31 July 2009.
	6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. Major Compliance	YES	<p>Semarak Estate has continued to review its respective operating unit timetables titled 'Action Plan Social Assessment' dated July 2016. Status of previous action determined, status, person in-charge, actions planned and completion date were updated. Among the issues highlighted in the social management plan were:</p> <ul style="list-style-type: none"> • Workers Issue (August 2016) • Identification stakeholder; (August 2016) • Overtime limit monitoring; (solved) • Transport for schooling children; (solved) • Gender committee; (continuous monitoring) • Power Supply; (continuous monitoring) • Water Supply (continuous monitoring) • Issues/problem from outsider (continuous monitoring) <p>Also for Samudera Estate has continued to review its respective operating unit timetables titled 'Action Plan Social Assessment' dated August 2016. Status of previous action determined, status, person in-charge, actions planned and completion date were updated. Among the issues highlighted in the social management plan were:</p> <ul style="list-style-type: none"> • Complaints by Stakeholder (Continuous Monitoring) • Joint Consultative Committee; (Continuous Monitoring) • Identification Stakeholder; (solved) • Overtime limit monitoring; (solved) • Grievance Procedure (Continuous Monitoring) • Gender committee; (continuous monitoring) <p>For Rajawali POM SIA action Plan was update in Plan named 'Management Plan on Social Impact Assessment' dated 26 August 2016. Status of previous action determined, status, person in-charge, actions planned and completion date were updated. Among the issues highlighted in the social management plan were:</p> <ul style="list-style-type: none"> • Wiring Electricity at Workers Quarters too old (Continuous Monitoring) • Chemical Container Recycle usage (solved) • Chicken breeding at Linesite (Continuous Monitoring)

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	6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties Minor Compliance	YES	The social action plan for Semarak Estate was review on July 2016, Samudera Estate on August 2016 and Rajawali POM have been reviewed on dated 26 August 2016. The stakeholders meeting has been conducted with participation of affected parties for all over Rajawali CU such as government agencies, smallholders, contractors and suppliers dated 22/8/16.
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). Minor Compliance	YES	There was no smallholder schemes related with Rajawali CU, Therefore this indicator was not applicable.
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	6.2.1	Consultation and communication procedures shall be documented. Major Compliance	YES	The CU maintained its documented "Procedure for External Communication" in file EQMS/SOM/08/H35. Communication with external parties observed continued filed and made available. Internal communication also continued implemented via various means, such as briefings and meetings, notice boards, emails, letters, and so on. The morning briefings continued appear to be most popular channel through which the management communicates whatever policies to the workers. Also, Rajawali CU has started to use the Stakeholder Meeting to serve as a forum to discuss issues of interest to the estates, local government agencies and local communities.
	6.2.2	A management official responsible for these issues shall be nominated. Minor Compliance	YES	Rajawali POM has appointed Assistant Engineer as person in charge for social issue. For Semarak and Samudera Estate, the respective Assistant Manager were appointed as the person in charge for social issue.
	6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. Minor Compliance	YES	Rajawali POM, Semarak Estate and Samudera Estate have updated their stakeholders list with additional of significant stakeholders such as Jabatan Tenaga Kerja Sarawak, Jabatan Sosial dan Kebajikan Masyarakat Bintulu, Jabatan Imigresen and Jabatan Pengairan dan Saliran. The CU maintained the list of its stakeholders, records of communication and records of actions taken in response to input from stakeholders. Latest Stakeholder Meeting FY16/17 has been conducted on 22 August 2016. Rajawali CU has recorded any complaints/grievances from their stakeholders and workers using Grievance Form. There was no complaint made from stakeholders except from workers usually on repair/maintenance of their quarters. Latest complaint was made on 2/5/16 for workers and 19/9/16 for staff at Semarak estate, for Samudera Estate latest on 20/7/16, 1/7/16 and 7/7/16 and for Rajawali POM on 20/9/16, 18/9/16 and 17/9/16.
C 6.3	6.3.1	The system, open to all affected	YES	The Rajawali CU maintained affirms that its dispute system is open to any affected parties.

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There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties		parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistle-blowers, where requested. Major Compliance		Relevant policy and procedures were observed maintained available for sighted. Anonymity of complainants and whistleblowers will not reveal to third parties where requested as explained in the job description for management social responsible person. Sime Darby also has published guideline on whistle blowing complaint at http://www.simedarby.com/Whistleblowing.aspx . For workers, mill and estates have provided a complaint book for them especially for line-site maintenance.
	6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	YES	<p>The Rajawali CU reported that in the past there had not been any disputes, in any form. The domestic inquiry files were examined to find out whether or not the decisions of the panels of the enquiry had been contested.</p> <p>While for grievances from employees, there was no grievances/complaints recorded for Semarak Estate, Samudera Estate and Rajawali POM since last audit in October 2015 except for house maintenance. Housing complaints from the workers have been handled quite satisfactorily by the estate/mill. Interviews with workers revealed that they were quite happy with the policies of the estates pertaining to wages, jobs, housing, water, electricity, children education and clinic services.</p> <p><u>Case 1:</u> Worker at Rajawali POM has made a complaint on broken mosquito net on 20/9/16. Action: Rajawali POM had fixed the Mosquito net on 21/9/16.</p> <p><u>Case 2 :</u> Worker at Semarak Estate has made a complaint on Broken toilet and roof leaking on 2/5/16. Action: Semarak Estate had replaced the toilet and roof on 3/5/16.</p> <p><u>Case 3:</u> Worker at Samudera Estate has made a complaint on Broken toilet, kitchen door and roof leaking on 20/7/16. Action: Management of Samudera Estate had fixed the Broken toilet, kitchen door and roof leaking at 21/7/16.</p>
C 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities	6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance	YES	The procedure concerning legal and customary pertaining land issues, including compensation remain to be handled by Land Management Department of Sime Darby, if any, as stated in their procedure 'Appendix 3 - Flowchart and Procedures on Handling Land Disputes'. This procedure was applicable to all Sime Darby's CUs. Meanwhile, compensation concerning employee issues to be handled by human resources department.
	6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented,	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.

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and other stakeholders to express their views through their own representative institutions.		monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance		
	6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. Major Compliance	YES	According to the estates'/mill's management and record, there was no any dispute on land or squatters.
C 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages	6.5.1	Documentation of pay and conditions shall be available. Major Compliance	YES	<p>Pay slip for sprayer and harvester had been verified by auditor. Their wages had followed minimum national wages where they have been paid with total of RM920 per month (minimum). Employee's payslip (foreign worker for sprayer and harvester for August 2016 and employment agreement had been checked and verified. Seven (7) contracts of employment for foreign workers were examined at the Semarak Estate while at Samudera Estate, six (6) contracts of employment both for foreign and local workers were examined.</p> <p>A sample of eight contracts of employment both for foreign and local workers were examined at the Rajawali POM.</p> <p>The local workers contract states the monthly salary, working days, allowance, overtime, annual leave, public holidays, medical benefits, income tax and contributions to SOCSO. While for foreign workers, the contract states contract period, wage rate, working days and working hours, overtime, public holidays, house accommodation, medical benefits, sick leave, annual leave, insurance and in Bahasa Malaysia.</p> <p>The pay slips of a few workers were also seen at each estate/mill and each one was found to show correctly their monthly earnings. The monthly pay also conformed to the requirements of the Minimum Wages Order 2016 which specify that the basic pay should not be less than</p>

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	6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. Major Compliance	YES	RM920.00 per month or RM35.40 per day had been verified by auditor. The employment contract was in Bahasa for foreign workers and local workers. However, the pay slip is in English and its computations are quite complicated. The CU has explained the payslip to the workers. Sample of employment offer letter for local worker and employment contract of foreign workers had been verified by auditor which stated the working hours, employee provident fund (for local only), annual leave, medical benefits and sick leave, insurance scheme, retirement, and etc. During interviewing the local workers and foreign as mentioned in 6.5.1, they were understood the content of their contract of employment and payslip statement.
	6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders). Minor Compliance	YES	The Rajawali CU maintains provided with adequate domestic water supply, electricity, clinic and welfare amenities such as mosque, creche, kindergarten and playground for children and workers. Kids of Indonesian workers were sent to CLC school at Rajawali Estate. School bus also provided by estate for local staff's children who studying at the primary and secondary schools outside the CU. All facilities were provided without any charges. Rajawali CU also has conducted weekly inspection of worker's housing. Latest inspection has been conducted on 20/9/16, 9/9/16, 2/9/16, 26/8/16 and 19/8/16 for Semarak Estate, 12/9/16, 5/9/16, 29/8/16 and 23/8/16 for Samudera Estate and for Rajawali POM has been conducted by Rajawali Estate due to management for house is under the Rajawali Estate. Semarak Estate has conducted water analysis for domestic water usage. Latest water analysis report has been verified by auditor dated 25/5/16. Parameters that have been analysed were pH, BOD, COD, suspended solids, total solids, ammoniacal nitrogen, total nitrogen, oil & grease, total coliform and fecal coliform. Total coliform and fecal coliform were not detected.
	6.5.4	Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food. Minor Compliance	YES	Both Semarak and Samudera Estate have demonstrated effort to monitor the price of the goods at the sundry shop that operate in the estates. The latest monitoring was carried out by the respective estate manager on July 2016. Rajawali POM also monitored once a year on the Kantin KKS Rajawali (food stall that operate in the Mill) where the latest monitored on 1 August 2016 by Mill manager.
C 6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to	6.6.1	A published statement in local languages recognising freedom of association shall be available. Major Compliance	YES	Freedom of association policy is documented in the Social Policy established by HQ. The policy is dated on January 2015 and is available in both Bahasa Malaysia and English. The policy is publicly displayed outside and inside the operating unit offices.

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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	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	YES	As reported in previous audit, the workers are not unionised. However, workers' representatives have been appointed as members of the Social and Welfare Committee and Women and Children Committee in the estates and mill. For example at the Semarak Estate, Mr. Madong (Indonesia) is a permanent member in the Safety Committee 2016 and Darmi (Indonesia) is a permanent member in the Women and Children Committee 2016. While at the Samudera Estate, Irfan Purmanto (Indonesia) is a permanent member in the Safety committee 2016 and Nurmala Sari (Indonesia) is a permanent member in the Women and Children Committee 2016. For Rajawali POM, Muhaswari Mustarin (Indonesia) is a permanent member in the Safety committee 2016 and Hasnia Abu (Indonesia) is a permanent member in the Women and Children Committee 2016 Through these committees, the workers' issues both from local and foreign staffs and workers were brought to the attention of the management.
C 6.7 Children are not employed or exploited.	6.7.1	There shall be documentary evidence that minimum age requirements are met. Major Compliance	YES	The Child Protection policy (January 2015) is publicly available at the visited estates and mill. The policy statements emphasise on child under 18 years must not be employed to work in hazardous jobs. This policy is posted on notice boards for the understanding of the public and workers. Verification through employment card and copies of passports of foreign workers as at January 2016 for the Rajawali POM total of workers including local and foreign workers are 112 workers, for Semarak Estate with total of workers about 269 workers and for Samudera Estate with total of workers about 213 confirmed that there was no record of persons under age of eighteen, the minimum working age under Malaysian Labor Laws (Am. Act A238).
C 6.8 Any form of discrimination based on race, caste, national origin, religion, disability,	6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	YES	The Social Policy (dated January 2015) is publicly available in the estates and POM. The policy statements emphasize on worker information, recruitment and selection, training, employee development, terms of service and records of service. This policy is posted on notice boards in Bahasa Malaysia and English for the understanding of the public and workers.

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gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	YES	Interviews with Woman and foreign workers at the Rajawali POM, Semarak Estate and Samudera Estate revealed that the CU has not discriminated its staffs and workers. Foreign workers received similar pay rate, stay in the same house, and enjoy similar medical benefits as their local counterparts.
	6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance	YES	Recruitment and promotion observed were according to legal and industry standard as well as the CU criteria, including skills and medical fitness, Auditor has verified medical fitness record of new employee for position as General Worker. The recruitment and hiring process was based on education qualification and interview with manager. No issues concerning recruitment or promotion observed, which acknowledged by employees interviewed. Also auditor has verified Job Advertisement from Samudera estate that they require Office Assistant and Store clerk. All the requirement are follow the job skills, job scope and education qualification.
C 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.	6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. Major Compliance	YES	The company maintained its Gender Policy that cover sexual harassment, reproductive rights and violence cases again women, workers and communities. Gender Committee maintained active to oversee any issues on sexual and violence. Sighted Periodic meetings at least once in three months was held, for example at Semarak Estate last meeting was held on 17 June 2016, while at Samudera Estate on 15 April 2016 and 8 August 2016 were conducted and for Rajawali POM on 3 September 2016, 18 June 2016 and 12 March 2016 and all the minutes meetings were made available. The sexual policy and flowchart for handling social issues have been explained to all level of workforce during the Gender Committee meeting.
	6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. Major Compliance	YES	The company maintained its Gender Policy that cover sexual harassment, reproductive rights and violence cases again women, workers and communities. Gender Committee maintained active to oversee any issues on sexual and violence. Periodic meetings at least once in three months was held, for example at Semarak Estate last meeting was held on 17 June 2016, while at Samudera Estate on 15 April 2016 and 8 August 2016 were conducted and for Rajawali POM on 3 September 2016, 18 June 2016 and 12 March 2016 and all the minutes meetings were made available.
	6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. Minor Compliance	YES	A specific grievance mechanism which respects anonymity and protects complainants has been established as observed in a "Code of Business Conduct (COBC)" booklet, which available in the website: http://www.simedarby.com/about-us/governance/ . Managers at each operating units are responsible in handling and channelling issue to the higher management. The management has directed the Manager to respects and protects anonymity and complainants where requested. The mechanism has been communicated to all levels of the workforce as verified by auditor during interview with female workers at Semarak and Samudera Estate.
C 6.10 Growers and millers deal fairly and transparently with smallholders and	6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance	YES	The mill received FFB from its own certified supply base only. Thus, no pricing mechanism for FFB is necessary. For other services, the selection of vendors are based on the quotations.
	6.10.2	Evidence shall be available that	YES	The suppliers/contractors and canteen operator interviewed mentioned that they understand their

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other local businesses.		growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance		contracts and they have been dealing for quite long time. They were happy with their business relationship. Supplier / contractors affirm that usually received their payments in cheque at the following month after they had completed their job / order. At Samudera and Semarak Estate, auditor has verified contract of contractor/Supplier (Ansharullah Trading Co, Pilliank Trading Co and S.B. Pounce Enterprise Sdn. Bhd). The pricing and payment mechanism are documented in details in the contract agreement. For Rajawali POM, auditor has verified contract of contractor (Pre-C Sdn. Bhd. and Tommy Mielia Contractor). The pricing and payment mechanism are documented in details in the contract agreement.
	6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance	YES	From the interview with the contractor (Ansharullah Trading Co, Pre-C Sdn. Bhd., Tommy Mielia Contractor and S.B. Pounce Enterprise Sdn. Bhd) and canteen operator confirmed that they understood their contracts and they have been dealing with the Rajawali SOU for quite a long time. They were happy with their business relation and affirmed that they usually received their payments in the form of online banking at the following month after they had completed their job / order. The contractor also said they satisfied with new system payment (MEX) which is HQ handling the payment and straightly bank in into their account.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	YES	Payments observed were paid in timely manner, which were before 10 days of next month upon completed. Payments were in the form online banking into account. Auditor has verified quotation, and invoice that have been issued by contractor. The contractor also said they satisfied with new system payment (MEX) which is HQ handling the payment and straightly bank in into their account.
C 6.11 Growers and millers contribute to local Sustainable development where appropriate.	6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	YES	The CU continued to contribute to local development needs. Rajawali POM has employed 39 local communities (Iban, Melayu, Melanau, Kenyah, Kedayan) from Kg Mukah, Kg Bekenu, Kg Asap, Rh Unyang, Rh Padang, Kg Wawasan, Kg Sebauh and Kg Suai. And Samudera Estate has employed 10 local people (Iban dan Bugis) from Kg. Suai, Seratok, Kg Lavang, Kg Betong and Kg Wawasan.
	6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. Minor Compliance	YES	There was no smallholders FFB supplier involved with Rajawali CU.
C 6.12 No forms of forced or trafficked labour are used.	6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance	YES	There was no trafficked labour are used in the CU. This was verified through interview with several workers (chemical sprayers and harvesters), verification of their passport, contract agreements and work permit. The interviewed workers mentioned that they were employed voluntarily and freely, without any threats of penalty.

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	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	YES	As verified through employment contracts, passports, work permits and interview with foreign workers, there was no contract substitution occurred at the visited site.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	YES	Special labour policy for employment of foreign workers has been addressed in the Social Policy. It includes statement that all employees should be treated fairly in terms of recruitment, terms and conditions of work, provide decent living, no contract substitution and post arrival programme will be conducted once arrived for three months (for foreign workers). Sime Darby has established specific procedures/flowchart for employment of foreign workers titled as 'Sourcing Process for Foreign Workers'. The procedure has been implemented for any employment related with foreign workers.
C 6.13 Growers and millers respect human rights	6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). Major Compliance	YES	A Social Policy was sighted that included policy to respect Human Rights. The policy was displayed on notice boards at various strategic points in the estates and the mill. The existence of the policy was also communicated to employees through memos and morning briefings.
	6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation. Minor Compliance	YES	Rajawali CU has provided education facilities for children of foreign workers called Community Learning Centre (CLC) and Nursery for Estates Toddler (NEST) for toddler.

Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

SOU 32 Rajawali CU has no plan for any new planting and no new development of area was observed during the visit. Thus Principle 7 is not applicable.

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	8.1.1	The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill,		

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plans that allow demonstrable continual improvement in key operations.		and shall include a range of Indicators covered by these Principles and Criteria. As a minimum, these shall include, but are not necessarily be limited to: Major Compliance		
	a)	Reduction in use of pesticides(Criterion 4.6);	YES	<p>1. Both Samudera and Semarak estate continued to manage pests, disease and weeds using appropriate IPM techniques. In order to minimize use of insecticides, the estates had established nurseries for beneficial plants mainly Tunera subulata, Cassia cobanensis and Antigonon leptopus. This was to ensure continuity in the planting of beneficial plants</p> <p>2. The estates were committed to reduce the use of chemicals and only implemented only spray circles (Strip) and noxious weeds. Soft weeds and Nephrolepis bisserata were planted, maintained and encouraged in the inter rows. Harvester's paths were grass cut only.</p> <p>3. At the replants flat areas noted that chipped palm materials were stacked in close ended conservation trenches (CECT), which contained water, in order to minimise/prevent breeding of Rhinoceros Beetle thus reducing chemical control.</p> <p>4. EFB was applied in single layers and not dumped in large amounts to prevent breeding of Rhinoceros Beetles.</p> <p>5. Establishing more barn Owl boxes to ultimately achieve a ratio of 1 box to every 10 hectares.</p> <p>6. Efficient loose fruit collection and expedite circle raking to avoid VOPs.</p>
	b)	Environmental impacts (Criteria 4.3, 5.1 and 5.2);	YES	An Aspect and Impact assessment has been carried out, identifying the significant Environmental Impacts. Environmental Aspect Identification Summary FY 2016 / 2017 and Environmental Impact Evaluation Summary FY 2016 / 2017 reviewed accordingly. Pollution Identification Environmental improvement action plan' has been established and is being monitored. The plan included scheduled with the identification of the necessary function responsible.
	c)	Waste reduction (Criterion 5.3);	YES	The CU continued to practice the 3R (reduce, recycle, re-use) on waste management. Waste Management Plan has been established for 2016. The CU generally is active in maximizing the recycling. This could be evident through sales of recyclable materials such as plastic and metal.
	d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	YES	<p>'Pollution identification environmental improvement action plan' is used to identify the waste products and sources of pollution. The plan has been reviewed accordingly. Greenhouse Gas(GHG) – Potential sources are being identified using data from SIME EST & Mills Upstream Applications (also known as SEMUA software).</p> <p>Carbon Inventory Calculation Methodology used in the PalmGHG Summary Report was reviewed. It was noted that the report was submitted to RSPO on 20th Sept, 2016.</p>
	e)	Social impacts (Criterion 6.1);	YES	<p>Annual social management action plan was implemented and reviewed by the CU. Rajawali POM has budgeted for the housing repairs, furnish, rubbish collection, septic tank, compound upkeep, mosquito forging, medical, funeral expense, family day, sports day, kindergarten, crèche etc. for 2015/2016 (Year1), 2016/2017 (Year2), 2017/2018 (Year3) and 2018/2019 (Year4).</p> <p>Semarak Estate also budgeted in their capital expenditure management plan 2016/2017 to improve their facilities such as staff quarters, water pump and piping for irrigation system,</p>

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				furniture and roofing maintenance. Samudera Estate has budgeted in their CAPEX 2016/2017 to improve basic facilities in the estate. The management has plan to get electricity from SESCO due to instability electricity at both estates.
	f)	Encourage optimising the yield of the supply base	YES	In order to optimise yields, both estates implemented best agricultural practices, inclusive of: <ul style="list-style-type: none"> - timely and proper fertiliser application and EFB & Compost application - Improving on accessibility to maximise crop evacuation - expanding in field mechanised collection of FFB - constructing water bodies and water conservation pits to conserve moisture - reducing surface run off to prevent leaching of fertilisers - paying harvesters incentives

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Attachment 4

Details of Non-conformities and Corrective Actions Taken for RSPO P&C MYNI 2014

P & C Indicator	Specific ation Major/Minor	Detail Non-conformances	Corrective Action Taken by the CU and Verification by Auditors
Indicator 4.1.2	Minor	<p>#NCR No : STK 01 2016</p> <p>1) The procedure for stacking fronds as per section 7 item 3.1 of SDPSB Agriculture reference manual (ARM) was not complied with.</p> <ul style="list-style-type: none"> ➤ Semarak Estate – cut fronds were not stacked and some sighted inside and close to palm circle in field 94SE <p>2) The practice of re-using all waters from washing of agrochemical containers, PPE and Spraying equipment and spillage during chemical mixing was not re-used.</p> <ul style="list-style-type: none"> ➤ Semarak and Samudera Estate – water from sump for collecting water from washing of agrochemical containers, PPE and spraying equipment and spillage during chemical mixing was not used and was seen over flowing into drains. 	<p>Corrective Action:</p> <p>1) To training the worker, mandore and staff regarding to procedure of stacking frond</p> <p>2) To keep maintain the water pump and retrain the mandore/chemical mixer.</p> <p>Auditor Verification: Corrective action accepted.</p> <p>Status: The effectiveness of the corrective action will be verify during next audit.</p>
Indicator 4.1.3	Minor	<p>#NCR No : JS – 2016 -01</p> <p>The mechanism for carrying out cause investigation, initiating appropriate corrective actions and maintenance of appropriate records for follow up activities resulting from the findings raised during the RSPO internal consultative assessment is not effective.</p> <ul style="list-style-type: none"> - The RSPO internal consultative assessment is used as one of the mechanism to check consistent implementation of RSPO procedures are in place, however for the RSPO internal consultative assessment carried out at the Samudera Estate on the 14th May, 2016 the Cause Investigation and Corrective Actions are yet to be initiated. 	<p>Corrective Action:</p> <p>The report was misplace during the audit – to ensure recording and filing is available and training regarding to record keeping.</p> <p>Auditor Verification: Corrective action plan accepted</p> <p>Status: The effectiveness of the corrective action will be verify during next audit.</p>
Indicator 4.8.2	Minor	<p>#NCR No : MZK 01 2016</p> <p>The process of maintaining Training records found not effective</p> <ul style="list-style-type: none"> • At Rajawali POM, Semarak and Samudera Estate – Although Social related Trainings are stated to be carried out, however the records of the training were not available. 	<p>Corrective Action:</p> <ul style="list-style-type: none"> • Already arrange social related with Social and Environmental Project Unit, will be conduct the training on December 2016 <p>Auditor Verification: Corrective action plan accepted</p> <p>Status: The effectiveness of the corrective action will be verify during next audit.</p>

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Indicator 5.2.3	Minor	#NCR No : MZK 02 2016 The records of RTE Training was not available during the audit <ul style="list-style-type: none"> At Semarak Estate – Although the workers always see the crocodile come out from the river to rest in afternoon, the records of training to regularly educate the workforce about the status of these RTE species was not available. 	Corrective Action: <ul style="list-style-type: none"> Already arrange RTE training with Social and Environmental Project Unit, will be conduct the training on December 2016 Auditor Verification: Corrective action plan accepted Status: The effectiveness of the corrective action will be verify during next audit.
Indicator 5.2.4	Minor	#NCR No : MZK 03 2016 The records of Monitoring HCV area was not available during the audit <ul style="list-style-type: none"> At Samudera Estate – There was an Action Plan for monitoring the HCV area using Auxiliary Police. However, the records of monitoring result for that area was not available during this audit 	Corrective Action: <ul style="list-style-type: none"> To retrain Regarding to HCV area Auditor Verification: Corrective action plan accepted. Status: The effectiveness of the corrective action will be verify during next audit

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Attachment 5

RSPO Supply Chain at the Rajawali Palm Oil Mill – Identity Preserved – Module D

Item No	Requirement NOV 2014	Findings Standard Nov 2014
D.1 D.1.1	Defination To verify : a) the volume of certified and uncertified FFB entering the mill b) the volume sales of RSPO certified The claim only the volume of oil palm products produced from processing of the certified FFB as MB	Actual (Sept 2015 – August 2016) <div style="text-align: right; margin-right: 20px;"><u>MT</u></div> a) FFB Received 177,908.51 RSPO 177,908.51 Non-RSPO 0 FFB Processed 177,908.51 RSPO 177,908.51 Non-RSPO 0 CPO Production 37,360.78 PK Production 8,857.44 b) Delivery of CPO 37,360.78 RSPO(IP) 19,100 Non-RSPO 18,260.78 Delivery of PK 8,857.44 RSPO (IP) 5,700 Non-RSPO 3,157.44
D 2 D.2.1	Explanation Estimate total tonnage of CPO and PK potentially produce in a year	Projection (Sept 2016 – August 2017) <div style="text-align: right; margin-right: 20px;"><u>MT</u></div> (1) FFB Received 174,801.72 RSPO 174,801.72 Non-RSPO 0 (2) FFB Processed 174,801.72 RSPO 174,801.72 Non-RSPO 0 (3) CPO Production 38,456.37 (4) PK Production 8,225.39
D 3 D 3.1	Documented procedures The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements; b) The role of the person having overall responsibility for and	a) Rajawali POM had revised their documented procedure title ' <i>Standard operating procedure for Sustainability Supply Chain and Traceability SD/SDP/PSQM/001</i> ', version 2, dated March 2016. The procedure described the following: <ul style="list-style-type: none"> • Clause 4.0 ~ the responsibility of for the implementation of RSPO SCC i.e. head of operating unit • Clause 5.0 ~ Control of document & records such as weighbridge tickets, consignment note , training record & contracts. Record retention for 10 years. Define the critical control point (CCP) :estate – weighbridge, mill – weighbridge,

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	<p>authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>admin office, ramp, CPO despatch area, CPO storage tank. Kernel silos.</p> <ul style="list-style-type: none"> • Clause 6.0 ~ Delivery of FFB from the estate – relevant record involved, flowchart for crop diversion, list of mill and their supply chain model i.e. IP or MB • Clause 7.0 ~ Receiving FFB at the mill – list of supply base, rules for determining diverted FFB destination, relevant record • Clause 8.0 ~ process monitoring – for IP model mill need to ensure no mixing of RSPO certified and non-certified • Clause 9.0 ~ CPO and PK despatch – [Clause 9.1] all delivery of CPO and PK shall be in accordance with the contract allocated by Global Trading & Marketing (GTM) department. [Clause 9.2] Outgoing document for CPO and PK (e.g. contract, weighbridge ticket / despatch note) shall specify the following information which can be either presented in single document or across a range of document Trade name / RSPO IP, RSPO certificate no. : RSPO 0025, • Clause 10.0 ~ Non-conforming material / product – requirement to downgrade the RSPO Product • Clause 11.0 ~ product claim – shall follow RSPO rules on market communication & claim • Clause 12.0 ~ Outsourced contractor - the mill has established list of outsourced contractor. Sighted list of transporter for CPO and PK. • Clause 13.0 ~ Training – the mill shall provide training for relevant personnel carrying the task at tech critical control point (CCP). • Clause 14.0 ~ Reclassification of mill's supply chain model - Reclassification of mill's supply chain model may be determined by GTM/ PSQM. CB shall be notified. All communicated shall be recorded. • Clause 15.0 ~ Production volume <p>The procedure was kept in file RSPO Supply Chain Manual (SCM/RSPO/SD) Appropriate changes were also made in the change from the previous Segregation to Identity Preserved model. Therefore previous #NCR RAG 01 2015 was closed</p> <p>b) The Asst Engineer (Mohd Shahril Minirin) remained as the person with overall responsibility for and authority over the implementation of the supply chain requirements.</p>
D 3.2	<p>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>Clause 7.0 of <i>SOP for Sustainable Supply Chain and Traceability</i>, version 2 has described how the Rajawali mill manages the FFB from certified source. It was confirmed that no non-certified FFB was received by Rajawali POM.</p>
D.4 D.4.1	<p>Purchasing and goods in</p> <p>The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p>	<p>Rajawali POM will only accept the RSPO certified FFB which are from Sime Darby's own estates i.e. Semarak Estate, Samudera Estate, Rajawali Estate and Bayu Estate. Monitoring records titled as <i>"Mass Balancing Records for Oil Mills"</i> has recorded the tonnage of certified FFB and its supplying estate.</p> <p>Verified through Rajawali POM weighing system called '<i>SimeWeigh</i>' and random sample of weighbridge ticket from Bayu Estate, Samudera Estate and Semarak Estate. Among the</p>

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		<p><i>information available i.e.</i> <u>Weighbridge ticket for FFB received from Bayu Estate:</u> Ticket no. :168264 Date:28/8/16 Vehicle no. : CAY 619 Supplier : E247-E- BAYU Weight: Gross, Nett & variance Field no. : 00BH,00BI,06BA,98BA.</p> <p><u>Weighbridge ticket for FFB received from Semarak Estate</u> Ticket no. :163590 Date:24/05/16 Vehicle no. : WFS 8376 Supplier : E234-E-SEMARAK Weight: Gross, Nett & variance Field no. : 93SC</p> <p><u>Weighbridge ticket for FFB received from Samudera Estate</u> Ticket no. :164803 Date:18/6/16 Vehicle no. : WBB7050 Supplier : E246-E-SAMUDERA Weight: Gross, Nett & variance Field no. : 00SA,00SB,00SC</p> <p>There was no non-certified FFB received based on the records.</p>
D 4.2	The site shall inform the CB immediately if there is a projected overproduction.	There was no overproduction of certified CSPO during the period under review (Sept 2015 – Aug 2016).
D.5 D.5.1	Record keeping The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	Rajawali POM has maintained the three-monthly accounting system to record RSPO certified FFB and deliveries of RSPO certified CPO and PK. Record titled as “ <i>Mass Balancing Records for Oil Mills</i> ”.
D 6 D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.	<p>Global Trading & Marketing (GTM) Bintulu office informed Sime Darby Austral Sdn.Bhd (SDASB) by e-mail on the dispatch of RSPO certified CPO from the supplying POMs (Rajawali). The dispatch of the RSPO certified CPO to SDASB by the supplying POMs was made based on a specific contract.</p> <p>The receiving pit, pipelines and tanks in SDASB were thoroughly cleaned, swept and flushed before RSPO certified CPO was pumped in to avoid contamination. Dedicated tanks were used to store RSPO certified CPO from Rajawali POM.</p> <p>For traceability of a specific batch of RSPO certified CPO back to the supplying POM,</p>

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		<p>SDASB kept the relevant documents such as the weighbridge ticket, CPO dispatch note, Dispatch oil quality ticket, Authorization from transporter, Borang MPOB L3, CPO dispatch authorization issued by the POM.</p> <p>Verified CPO and PK contract no. S/C-KSK/1609/CPO0065 and S/C-KSK/1609/PK0067 Verified weighbridge ticket no. 011859 and 011855 for CPO and 011835 and 011835 for PK</p>
D.6.2	The objective is for 100 % segregated material to be reached.	Rajawali POM does not accept any non-certified FFB. It was confirmed through summary of weighbridge ticket and interview with weighbridge operator. Therefore CPO and PK can be considered 100% segregated.

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Attachment 6

Status of Non-conformities Previously Identified

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action	Verification by Assessor
RSPO SCCS D3.1	Major	The written procedures was not up to date covering the implementation of all the elements in the RSPO SCCS November 2014. The existing procedure ' <i>Appendix 15 – Standard operating procedure (SOP) for RSPO Supply Chain Certification System and Traceability</i> ' version 1, 2013, issue no.: 1 , issue date : March 2013 refer to the standard RSPO SCCS Nov 2011. which relate to Segregation model (SG)	Auditor has received new version of SOP for supply chain for IP and MB models titled ' <i>Standard operating procedure for Sustainable Supply Chain and Traceability</i> ' – Doc. No.: SD/SDP/PSQM/001 version 1/3/2015.	Sighted procedure in file RSPO Supply Chain Manual (SCM/RSPO/SD) titled ' <i>Standard Operating Procedure for Sustainable Supply Chain and Traceability</i> ' (Version 2, Issue no 1 dated March 2016) Appropriate changes were also made in the change from the previous Segregation to Identity Preserved model. Status: Closed
Indicator 2.1.1	Major	Noncompliance against the above requirement related to boiler smoke emission from boiler no 1. Continuous Emission Monitoring System (CEMS) reading found inaccurate.(Actual emission against the CEMS report.)	The mill has fixed the CEMS equipment sensor including daily cleaning to ensure the data transmit is correct dated 03/11/2015. The monitoring will be recorded in the 'Boiler black smoke & compressor cleaning monitoring'. Auditor has verified CEMS report for date 3-4/11/2015.	1) 'Boiler Black Smoke & Compressor Cleaning monitoring Log' being maintained. 2) Continuous monitoring between Mill and DOE was verified for Boiler No 1 and No 2. – verified closed. 3) Sighted Letter to DOE dated 26 th May, regarding installation of Wireless Module to effectively share CEMS Data with DOE. – verified closed Status: Closed
Indicator 4.7.3	Major	Workers were not adequately trained in safe working practices. In Rajawali Estate: 1.In Field P13A workers kept all their PPE in the container, used for rat baits, which had remnant bits and dust of baits 2.Harvesters in Field P97SD though provided with boots and safety helmets were not using them.	The CU will conduct refresher training on Personal Protective Equipment (PPE) for workers in handling rat bait and harvesters.	Auditor has checked record of PPE training last training regarding on PPE was on 08.09.2016 The management had carried out daily inspection for PPE to all workers by daily basis. Auditor has verified record of monitoring. Status: Closed

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Indicator 5.3.3	Minor	<p>Waste management was not implemented as per Criterion 5.3.3 and MQMS/SOP/08 – related to waste storage and record. A waste management and disposal plan to avoid or reduce pollution shall be implemented and as per 1.4.4 Handling, Storing and Labelling. The date first generated shall be clearly label and shall be with applicable code.</p> <p>1.Rajawali Estate : The hazard sign, waste code , date when the scheduled wastes are first generated, name address and telephone number of the estate not clearly labelled on the waste containers (i.e. spent lubricant oil , spent hydraulic oil and spent battery).</p> <p>2.Scheduled waste inventory found inaccurate</p> <p>3.Rajawali mill : The waste management such as boiler ash, decanter solid and excess fibre was not dispose appropriately.</p>	<p>1.Rajawali Estate will conduct awareness training on hazard sign, waste code and scheduled waste inventory as per Environment Quality Act (Scheduled Waste) 2005.</p> <p>2.Rajawali Mill will communicate with Rajawali Estate on the new placement of boiler ash, decanter solid and excess fibre</p>	<p>1) Schedule waste inventory at 'Rajawali Mill 'being maintained verified 'Fifth Schedule for Sept, 2016 – with the latest disposal in July, 2016. Inventory Comparison carried out found to be matching.</p> <p>2) The hazard sign, waste code, date when the scheduled wastes are first generated, name address and telephone number of the estate clearly labelled on the waste containers.</p> <p>3) At Samudera Estate the schedule waste inventory found to be Nil.</p> <p>4) The waste site of Rajawali mill sighted boiler Ash and decanter solid are disposed at the same site but in a safe manner, is being levelled as the pile grows. The fiber which can be a fire hazard is no longer disposed, is being used up as Boiler fuel. – verified closed</p> <p>Status: Closed</p>
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Attachment 7

SDP - RSPO Certification Status for Malaysia Operations

SOU NO	Name of SOU	Location	Date of Certification	End Date of Certification	Certificate Number	Remarks
1	Sg. Dingin	Karangan, Kedah	12 Aug '10	11-Aug-20	SPO 550179	
2	Chersonese	Kuala Kurau, Perak	5 Oct '11	4-Oct-16	CU-RSPO-815148, SPO 590800	
3	Elphil	Sg Siput, Perak	18 Jun '11	17-Jun-21	SPO 550180	
4	Flemington	Teluk Intan, Perak	5 Oct '11	4-Oct-16	CU-RSPO-819144, SPO 590802	
5	Seri Intan	Teluk Intan, Perak	3 Mar '11	2-Mar-21	CU-RSPO-811218, RSPO 0015	
5	Selaba	Teluk Intan, Perak	3 Mar '11	2-Mar-21	CU-RSPO-819142, RSPO 0016	
5a	Sg Samak		3 Mar '11	NA	NA	
6	Tennamaram	Bestari Jaya, Selangor	3 Mar '11	2-Mar-21	CU-RSPO-819143, RSPO 0014	
7	Bkt Kerayong	Kapar, Selangor	15 Apr '11	14-Apr-21	RSPO 550181	
8	East	Carey Island, Selangor	19 May '10	18-May-20	SPO 543543	
9	West	Carey Island, Selangor	19 May '10	18-May-20	SPO 543594	
9a	Sepang	Sepang, Selangor	19 May '10	NA	NA	
10	Bukit Puteri	Raub, Pahang	7 Jul '11	6-Jul-16	CU-RSPO-815147, 18502206 001	Re-certification is in progress and currently under e-Trace extension
11	Kerdau	Temerloh, Pahang	7 Jul '11	6-Jul-16	CU-RSPO-819155, 18502207 001	Re-certification is in progress and currently under e-Trace extension
12	Jabor	Kuantan, Pahang	7 Jul '11	6-Jul-16	CU-RSPO-819156, RSPO 928288	Re-certification is in progress and currently under e-Trace extension
13	Labu	Nilai, Negeri Sembilan	30 Dec '11	29-Dec-16	CU-RSPO-819163	
14	Tanah Merah	Port Dickson, Negeri Sembilan	19 May '10	18-May-20	SPO 541905	
15	Sua Betong	Port Dickson, Negeri Sembilan	2/18/2014	17-Feb-19	SGS-RSPOPMY14/01364	Sua Betong Oil Mill has been commissioned to replace Rantau Oil Mill with Certificate No: CU- RSPO- 819165, certification date: 30 Dec 2011.
16	Kok Foh	Bahau, Negeri Sembilan	7 Jul '11	6-Jul-16	CU-RSPO-819157, RSPO 928188	Re-certification is in progress and currently under e-Trace extension

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17	Kempas	Jasin, Melaka	19 May '10	18-May-20	RSPO 005	
18	Diamond Jubilee	Jasin, Melaka	5 Oct '11	4-Oct-16	CU-RSPO-819146, SPO 591224	
19	Pagoh	Muar, Johor	1/28/2014	27-Jan-19	SPO 600305	Pagoh Oil Mill has been commisioned to replace Nordanal Oil Mill with Certificate No: SPO 549297, certification date: 7 Jan 2011.
19a	Yong Peng	Yong Peng, Johor	20 Oct '10	19-Oct-15	SPO 550182	
20	Chaah	Chaah, Johor	18 Nov '10	17-Nov-20	SPO 548299	
21	Gunung Mas	Kluang, Johor	19 May '10	18-May-20	RSPO 901888	
22	Bukit Benut	Kluang, Johor	5 Oct '11	4-Oct-16	CU-RSPO-819147, SPO 591229	
23	Ulu Remis	Layang-layang, Johor	12 Apr '11	11-Apr-16	SGS-RSPO/PM-00722	Re-certification is in progress and currently under e-Trace extension
24	Hadapan	Layang-layang, Johor	29 Mar '11	28-Mar-21	824 502 16040	
25	Segaliud	Sandakan, Sabah	20 May '10	19-May-15	SPO 547123	
26	Sandakan Bay	Sandakan, Sabah	1 Oct '08	30-Sep-18	SPO 537872	
27	Melalap	Tenom, Sabah	21 Jan '11	20-Jan-21	SPO 547124	
28	Binuang	Kunak, Sabah	16 Jan '09	12-Jul-20	RSPO 001	
29	Giram	Kunak Sabah	16 Jan '09	12-Jul-20	RSPO 002	
30	Merotai	Tawau, Sabah	16 Jan '09	12-Jul-20	RSPO 004	
30a	Jeleta Bumi	Kunak, Sabah	5/24/2010	NA	NA	
30b	Mostyn	Kunak Sabah	16 Jan '09	NA	NA	
31	Lavang	Bintulu, Sarawak	30 Dec '11	29-Dec-16	CU-RSPO-819166, MUTURSPO/053	
32	Rajawali	Bintulu, Sarawak	30 Dec '11	29-Dec-16	CU-RSPO-819167, RSPO 0020	
33	Derawan	Bintulu, Sarawak	30 Dec '11	29-Dec-16	CU-RSPO-819169, RSPO 0019	
34	Pekaka	Bintulu, Sarawak	30 Dec '11	29-Dec-16	CU-RSPO-815150, MUTURSPO/054	

SDP- RSPO Certification Status for Indonesia Operations

NO	Name of PT	Name of Mill	Location	Date of Certification	End Date of Certification	Certificate Number	Remarks
1	PT LAHAN TANI SAKTI	ALUR DUMAI	Bagan Sinembah/Tanah Putih, Pujud, Rokan Hilir, Riau	16-Jan-12	16-Jan-17	MUTU-RSPO/011	
2	PT SAJANG HEULANG	ANGSANA MINI	Sebamban, Indonesia	6-Jul-11	6-Jul-16	MUTU-RSPO/006b	Re-certification is in progress and currently under e-Trace extension
3		MUSTIKA OIL MILL		3-Jul-13	3-Jul-18	MUTU-RSPO/027	

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4	PT LADANGRUMPUN SUBURUBADI	ANGSANA	Sebamban, Indonesia	6-Jul-11	6-Jul-16	MUTU-RSPO/006a	
5	PT LANGGENG MUARAMAKMUR	BEBUNGA	Pamukan Utara, Tanah Grogot, Kotabaru/Pasir, Kalimantan Selatan/Kalimantan Timur	16-Mar-12	16-Mar-17	MUTU-RSPO/014	
6	PT KRIDATAMA LANCAR	SUKAMANDANG	Seruyan Tengah, Sampit, Seruyan, Kalimantan Tengah	5-Jul-11	5-Jul-16	MUTU-RSPO/003	Re-certification is in progress and currently under e-Trace extension
7	PT BAHARI GEMBIRA RIA	LADANG PANJANG	Kumpeh Ulu, Jambi, Muaro Jambi, Jambi	9-Jul-12	9-Jul-17	MUTU-RSPO/019	Re-certification is in progress and currently under e-Trace extension
8	PT TUNGGAL MITRA PLANTATIONS	MANGGALA	Riau, Indonesia	25-Nov-10	24-Nov-20	MUTU-RSPO/002	
9	PT PARIPURNA SWAKARSA	PONDOK LABU	Pamukan Selatan, Tanah Grogot, Kotabaru, Kalimantan Selatan	16-Mar-12	16-Mar-17	MUTU-RSPO/016	
10	PT BERSAMA SEJAHTERA SAKTI	GUNUNG ARU	Sebamban, Indonesia	5-Jul-11	5-Jul-16	MUTU-RSPO/005	Re-certification is in progress and currently under e-Trace extension
11	PT GUTHRIE PECCONINA	RANTAU PANJANG	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	16-Mar-12	16-Mar-17	MUTU-RSPO/017	
12	PT LAGUNA MANDIRI	RANTAU	Sungai Durian, Kotabaru, Kalimantan Selatan	30-Dec-11	30-Dec-16	MUTU-RSPO/009	
13		BETUNG OIL MILL		1-April-14	1-April-19	MUTU-RSPO/035	
14	PT INDOTRUBA TENGAH	SEKUNYIR	Kalimantan Tengah, Indonesia	23-Nov-10	22-Nov-20	MUTU-RSPO/001	
15	PT SWADAYA ANDIKA	SELABAK	Sungai Durian, Kotabaru, Kalimantan Selatan	16-Mar-12	16-Mar-17	MUTU-RSPO/015	
16	PT BINA SAINS CEMERLANG	SG PINANG	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	11-Sep-12	11-Sep-17	MUTU-RSPO/020	
17	PT TEGUH SEMPURNA	PEMANTANG	Kuala Kuayan, Sampit, Kotawaringin Timur, Kalimantan Tengah	5-Jul-11	5-Jul-16	MUTU-RSPO/004	Re-certification is in progress and currently under e-Trace extension
18	PT BHUMIREKSA NUSA SEJATI	TELUK BAKAU	Pelangiran, Sg. Guntung, Indragiri Ilir, Riau	11-Oct-11	11-Oct-16	MUTU-RSPO/008	
19				1 April 2014	1 April 2019	MUTU-RSPO/036	

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		MANDAH OIL MILL					
20	PT ANEKA INTIPERSADA	TELUK SIAK	Tualang, Perawang, Siak, Riau	11-Oct-11	11-Oct-16	MUTU-RSPO/007	
21	PT TAMACO GRAHA KRIDA	UNGKAYA	Witaponda, Kolonodale, Morowali, Sulawesi Tengah	10-Jul-12	10-Jul-17	MUTU-RSPO/018	
22	PT SIME INDO AGRO	BK AJONG	Kalimantan Barat, Indonesia	18-Jul-16	17-Jul-21	MUTU-RSPO/088	
23	PT PADANG PALMA PERMAI/PT PERKASA SUBUR SAKTI	BLANG SIMPO	Karang Baru, Kuala Simpang, Aceh Tamiang, Nangroe Aceh Darussalam	3-May-13	3-May-18	MUTU-RSPO/026	
24	PT SANDIKA NATAPALMA/PT BUDIDAYA AGRO LESTARI	LEMBIRU	Desa Suka Karya Kec. Marau Kab. Ketapang, Kalimantan Barat	3-Jul-14	2-Jul-19	MUTU-RSPO/044	
25	PT MITRAL AUSTRAL SEJAHTERA	MAS Mill	Desa Rahayu Kec. Parindu Kab.Sanggau, Kalimantan Barat	NA	NA	NA	