

RSPO PRINCIPLES & CRITERIA CERTIFICATION REPORT

Public Summary Information

Project Number:	ID-6113		
Client:	PT Harapan Sawit Lestari – Paku Juang Mill	RSPO membership #	2-0215-11-000-00
Country:	Indonesia	RSPO Registered Parent Company:	Cargill Incorporated
Scope:	Receiving and processing of RSPO certified Fresh Fruit Bunches (FFB) from its supply base, production and sales of RSPO certified Crude Palm Oil (CPO) and Palm Kernel (PK) under Identity Preserved Supply Chain Modules		
Supply Chain Module:	Module D: CPO Mills: Identity Preserved		
Mill Capacity	60 mt/hour	Number of Estate	4 (four) Estates
Certificate Number:	SGS-RSPO/PC17-00003	Start Date:	05 January 2014
		End Date:	04 January 2019
		Date of Certificate issue:	03 April 2018
		Date of First Certification	05 January 2014
SGS Accreditation Code	ASI-ACC-007	Date of accreditation:	5 th July 2016
Contacts Job Description:	Group Sustainability Manager		
Name:	Mrs. Yunita Widiastuti		
Address:	<u>Physical address:</u>	<u>Postal address:</u>	
Street and number: Town/City State/Country Zip/Postal code Country	Desa Air Upas Kecamatan Air Upas Kabupaten Ketapang 78864 Kalimantan Barat – Indonesia	Desa Air Upas Kecamatan Air Upas Kabupaten Ketapang 78864 Kalimantan Barat – Indonesia	
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Web Site Address:	www.cargill.co.id		
Email:	Yunita.Widiastuti@cargill.com		
Standard:	Indonesian National Interpretation of RSPO P&C 2013 standard (30 September 2016) RSPO Supply Chain Certification Standard (21 November 2014)		
Date of last report update	March 2018		
Certified FFB Received by the Mill - (June 2016/May 2017) – Claimed for certification	June: 16,751.02 MT July: 17,017.08 MT August: 22,357.23 MT September: 32,541.81 MT October: 35,385.91 MT November: 34,449.78 MT	December: 27,710.94 MT January: 22,906.54 MT February: 15,446.21 MT March: 18,466.47 MT April: 21,158.53 MT May: 23,111.60 MT	
Actual CSPO Tonnage produced – (June	58,356.69 MT		

SGS services are rendered in accordance with the applicable SGS General Conditions of Service accessible at <http://www.sgs.com/en/Terms-and-Conditions.aspx>

2016/May 2017) – claimed for certification	
Actual CSPK Tonnage produced – (June 2016/May 2017) – claimed for certification	14,146.05
Annual CSPO Tonnage Sold 2017 (Sept 2016/Aug 2017)	32,237 MT
Annual CSPK Tonnage Sold 2017 ((Sept 2016/Aug 2017)	13,500 MT

Certified Production versus Sales	Palm Oil (mt)	PK (mt)
Last year (projected) 2017 certified volume (RSPO Certified) in Palm trace	68,776.81	15,560.37
Last year's 2017 Actual sold volume (RSPO Certified) in Palm trace	32,237	13,500
Last year's 2017 Actual sold volume (Other schemes certified)	33.589	0
Last year's 2017 Actual sold conventional	0	0
New (Projected) 2018 Certified Volume (RSPO Certified) in Palm Trace	68,364.74	17,013.85

End of Public Summary

BASIC EVALUATION INFORMATION

MAIN EVALUATION			
Evaluation Dates:	18 th to 20 th April 2013		
Team Leader/Team:	Done by previous CB		
Affiliate Project Manager:		Date:	
Report approved by:	Done by previous CB	Date:	13-01-2014
Certification approved by:	Done by previous CB	Date:	29-01-2014
Database logged by:	Done by previous CB	Date:	29-01-2014
SURVEILLANCE 1			
Evaluation Dates:	11 – 13 December 2014		
Team Leader/Team:	Done by previous CB		
Affiliate Project Manager:		Date:	
Report reviewed & approved by:	Done by previous CB	Date:	25-01-2015
Certification approved by:	Done by previous CB	Date:	25-01-2015
Database logged by:	Done by previous CB	Date:	25-01-2015
SURVEILLANCE 2			
Evaluation Dates:	10, 11, & 13 November 2015		
Team Leader/Team:	Done by previous CB		
Affiliate Project Manager:		Date:	
Report reviewed & approved by:	Done by previous CB	Date:	09-05-2016
Certification approved by:	Done by previous CB	Date:	09-05-2016
Database logged by:	Done by previous CB	Date:	09-05.2016
SURVEILLANCE 3			
Evaluation Dates:	27, 28, 30 November, 1-3 Dec 2016		
Team Leader/Team:	Zaenal Abidin (Lead Auditor)/Ahmad Bahruji /Gunung Wijanarko/Heru Puryanto		
Affiliate Project Manager:		Date:	
Report reviewed & approved by:	Aryo Gustomo	Date:	23-03-2017
Certification approved by:	Shashibhushan Jogani	Date:	24-03-2017
Database logged by:	Lisda Verawati	Date:	27-03-2017
SURVEILLANCE 4			
Evaluation Dates:	11-16 Dec 2017		
Team Leader/Team:	Fourry Meilano (Lead Auditor)/ Zaenal Abidin /Taryanto Wijaya/Moch. Nurul Anwar		
Affiliate Project Manager:		Date:	
Report reviewed & approved by:	Aryo Gustomo	Date:	3 April 2018
Certification approved by:	Shashibhushan Jogani	Date:	3 April 2018
Database logged by:	Faridah Daud	Date:	3 April 2018

TABLE OF CONTENTS

BASIC EVALUATION INFORMATION	3
List of Abbreviation	6
1. scope of certification assessment	7
1.1 National Interpretation Used	7
1.2 Certification Scope.....	7
1.3 Location and Maps.....	7
1.4 Description of Supply Base and Mill Processing Capacity.....	10
1.5 Area of Plantation	11
1.6 Date of Planting and Cycle	12
1.7 Other Certification Held.....	12
1.8 Organizational Information and Contact Person.....	13
1.9 Time-bound Plan for Other Management Units	13
2. Assessment Process	19
2.1 Certification Body.....	19
2.2 Assessment Methodology, Programme, Site Visits	19
2.3 Qualification of Lead Assessor and Assessment Team.....	21
2.4 Stakeholder Consultation and List of Stakeholders Contacted.....	22
3. Assessment Findings	22
3.1 Summary of Findings.....	22
3.2 Corrective Action Request	73
3.3 Noteworthy Positive & Negative Observation	73
3.4 Status of Non-Conformities Previously Identified.....	73
3.5 Issues Raised by Stakeholders and Findings	73
4. Acknowledgement of Organization Internal Responsibility	74
4.1 Conclusion	74
4.2 Date of Next Surveillance Visit.....	74
4.3 Date of Closing Non-Conformities	74
4.4 Acknowledgement of Internal Responsibility and Formal Sign-off Assessment Findings.....	74
APPENDIX A: CORRECTIVE ACTION REQUEST & OBSERVATION	75
APPENDIX B: NON-CONFORMITIES PREVIOUSLY IDENTIFIED	79
APPENDIX C: TIMEBOUND PLAN	82
APPENDIX D: LIST OF STAKEHOLDERS CONTACTED.....	84

LIST OF TABLES

Table 1: Mill and Supply Base GPS Location 7

Table 2: Actual and Projected FFB from Supply Base (Financial Year) 11

Table 3: Actual and Projected Mill Processing Data..... 11

Table 4: Planting Age Profiles for all Supply Base Estates 12

Table 5: Area Statement of the Supplying Estates..... 12

Table 6: Assessment Program 20

Table 7: Auditors Profile 21

LIST OF FIGURES

- Figure 1: Location Map for PT. Harapan Sawit Lestari – Paku Juang Mill
- Figure 2: Estates and Mill Location Map
- Figure 3: HSL East and West Layout

LIST OF ABBREVIATION

Short Form	Meanings
AMDAL	<i>Analisis Mengenai Dampak Lingkungan</i> (Environmental Impact Assessment-EIA)
ASEAN	Association of South East Asia Nations
B3	<i>Bahan Berbahaya dan Beracun</i> (hazardous material)
BOD	Biological Oxygen Demand
CAR	Corrective Action Request
CPO	Crude Palm Oil
CBD	Convention on Biodiversity
EFB	Empty Fruit Bunches
EMS	Environmental Management System
FFA	Free Fatty Acids
FFB	Fresh Fruit Bunches
Ha	Hectare
HCV	High Conservation Value
HGU	<i>Hak Guna Usaha</i> (Land Use Title)
IPM	Integrated Pest Management
INANI	Indonesian National Interpretation
ISO	International Organisation for Standardisation
IUCN	International Union for Conservation of Nature and Natural Resources
IUP	<i>Izin Usaha Perkebunan</i> (Plantation Operation Licence)
K3	<i>Kesehatan dan Keselamatan Kerja</i> (Occupational Health and Safety)
kW	Kilowatt
LC	Land Clearing
M	Meter
Mg	Magnesium
Mm	Millimeter
MT	Metric ton
N	Nitrogen
NGO	Non Governmental Organisation
OER	Oil Extraction Rate
OSH	Occupational Safety & Health
P	Phosphate
P & C	Principles and Criteria
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RKL/RPL	<i>Rencana Kelola Lingkungan/Rencana Pemantauan Lingkungan</i> (Environmental Management Plan/Environmental Monitoring Plan)
SOP	Standard Operating Procedure
UKL/UPL	<i>Upaya Kelola Lingkungan/Upaya Pemantauan Lingkungan</i> (Environmental Management Efforts/Environmental Monitoring Efforts)
WHO	World Health Organisation
yr	Year

1. SCOPE OF CERTIFICATION ASSESSMENT

1.1 National Interpretation Used

The operations of the mill and their supply based of FFB were assessed against the **Roundtable on Sustainable Palm Oil (RSPO), Indonesian National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production 2013 (approved by RSPO on 30 September 2016)**

1.2 Certification Scope

The scope of certification includes the production of PT Harapan Sawit Lestari – Paku Juang Mill and its supply base from Kebanteng Estate, Paku Juang estate, Keluwin Estate, Sungai Dabu Estate, and its KKPA Smallholder schemes according to the standard of **Roundtable on Sustainable Palm Oil (RSPO), Indonesian National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production 2013 (approved by RSPO on 30 September 2016)** and **RSPO Supply Chain Certification Standard (21 November 2014)**.

1.3 Location and Maps

The Company is located in Desa Air Upas, Kecamatan Air Upas, Kabupaten Ketapang, Kalimantan Barat – Indonesia (Figure 1). More detailed information on the estates location and layouts is shown in **Figures 2 and 3**. The GPS locations of the mills are shown in Table 1.

Table 1: Mill and Supply Base GPS Location

Mill/Supply Base	Longitude	Latitude
Paku Juang Mill	E 110°49'3.04"	S 2°25'59.76"
Kebanteng Estate	E 110°49'41.38"	S 2°27'20.46"
Paku Juang Estate	E 110°52'25.62"	S 2°25'52.90"
Keluwin Estate	E 110°48'23.28"	S 2°23'33.45"
Sungai Dabu Estate	E 110°46'24.73"	S 2°23'40.02"

Figure 1: Location Map for PT HSL - PJM

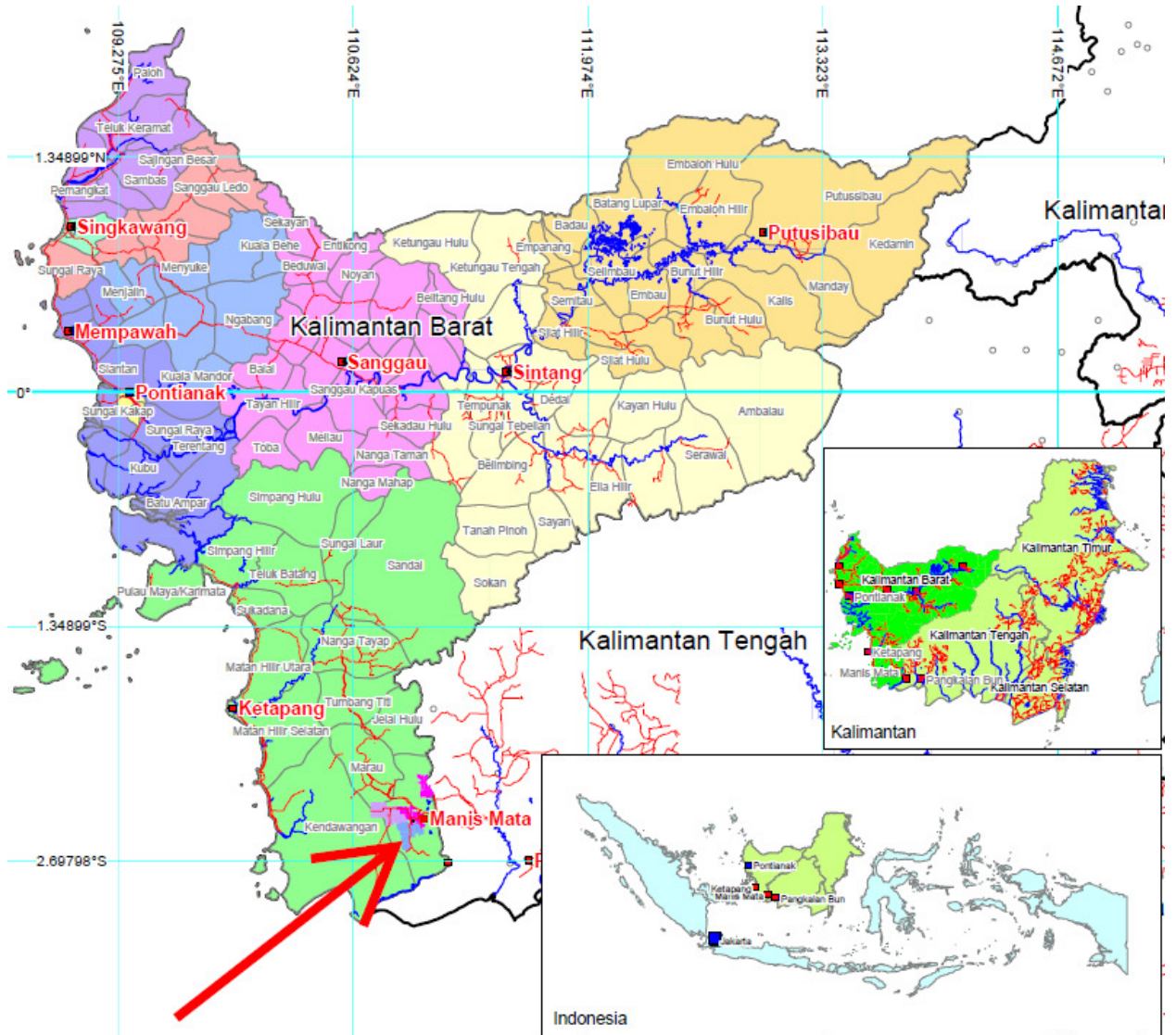


Figure 2: Estates and Mill Location Map

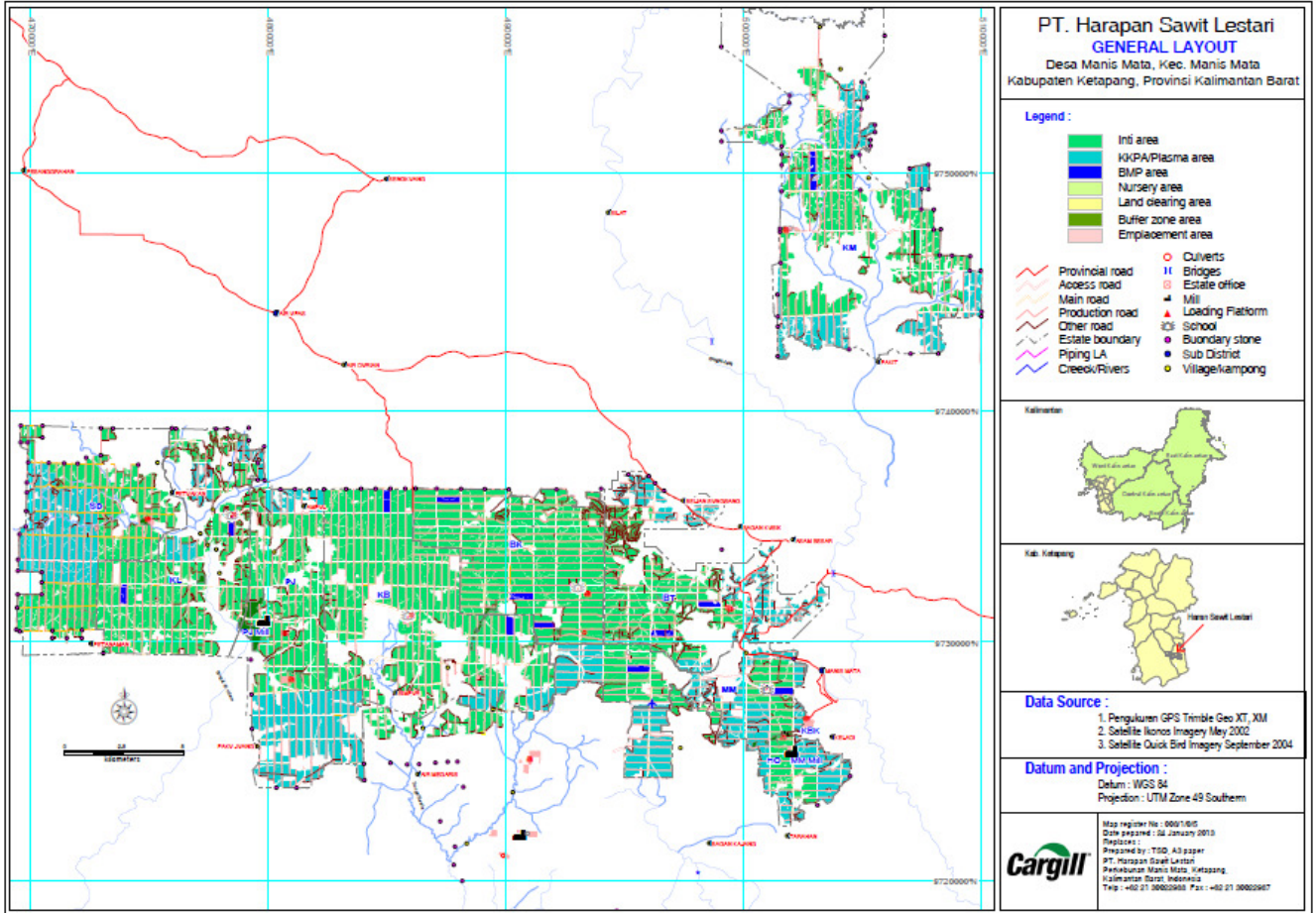
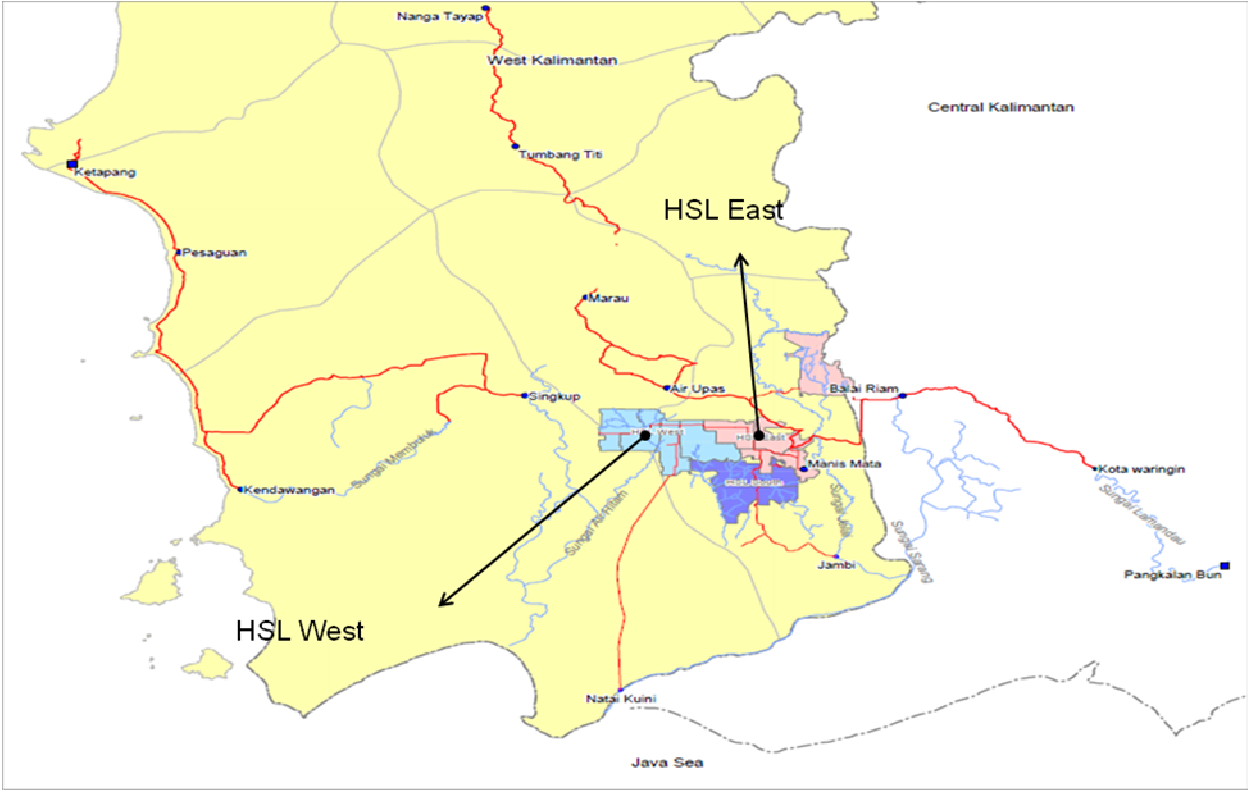


Figure 3: HSL East and West Layout



1.4 Description of Supply Base and Mill Processing Capacity

The FFB sources is maintained from 4 (four) company owned estates which includes KKPA Smallholder schemes that are directly managed by Company. PT. Harapan Sawi Lestari – Paku Juang Mill has direct management control over the land and operations carried out on the KKPA (associated smallholder)’s land. The KKPA smallholders are land-owners and leased the land to the company that owns a mill and has developed oil palm on the smallholder’s land. The KKPA smallholders receive dividends based on production on their applicable plot of land. The mill-with-supply-base makes decisions on behalf of the KKPA smallholders. The smallholders don’t have capacity and resources for certification, hence according to RSPO Management System Requirements and Guidance for Group Certification of FFB Production documents (7th March 2016) the FFB production from smallholders should be certified under mill’s P&C certificate. Therefore, the Group Certification Standard requirements is not being used during this assessment.

Paku Juang Mill is continuously received FFB from other adjacent estate namely Bagan Kusik Estate. This Estate is managed by PT Harapan Sawit Lestari itself, but Bagan Kusik Estate is frequently sent their FFB to other Mill under PT Harapan Sawit Lestari as well i.e. Manis Mata Mill. They are sending FFB occasionally to Paku Juang Mill when there are some breaking down of their own Mill (Manis Mata Palm Oil Mill) due to operational reasons, as well as, when the heavy raining seasons which make bad access road condition.

The actual OER rate during June 2016 to May 2017 was 20.34%. The budgeted crop yields from each estate are listed in Table 2 and the projected mill processing data is listed in Table 3 below. These figures were extracted from PT Harapan Sawit Lestari – Paku Juang Mill’s financial year calculation.

Table 2: Actual and Projected FFB from Supply Base (FY 2016/2017)

Estates/Smallholders	FFBs (Tonnage)		
	Estimation (2016/2017) ^{*)}	Actual (2016/2017) ^{*)}	Projection (2017/2018) ^{**)}
Kebanteng Estate	102,898.29	88.069,81	78.594,00
Kebanteng Estate (KKPA Smallholder schemes)	5,249.41	1.611,05	4.848,00
Keluwin Estate	61,001.50	59.202,48	67.451,00
Keluwin Estate (KKPA Smallholder schemes)	7,382.25	7.989,07	8.747,00
Paku Juang Estate	40,639.30	33.761,50	44.014,00
Paku Juang Estate (KKPA Smallholder schemes)	32,409.07	31.696,57	37.064,00
Sungai Dabu Estate	38,265.47	35.441,51	42.116,00
Sungai Dabu Estate (KKPA Smallholder Schemes)	23,362.01	23.975,49	26.508,00
Subtotal own RSPO certified supply base Claimed for Certification	311,207.30	281.747,48	309.342,72
Certified FFB received from other RSPO certification scope within adjacent estate:	0	5,555.64	0
- Bagan Kusik Estate			
Subtotal (other RSPO certified supply base)	0	5,555.64	0
Grand Total	311,207.30	287,303.12	309,342.72

*) June 2016 to May 2017

**) June 2017 to May 2018

Table 3: Actual and Projected Mill Processing Data

Mill Name	Mill Production Figures (MT) Claimed for Certification					
	Estimation (2016/2017)		Actual (2016/2017)		Projection (2017/2018)	
	CPO	PK	CPO	PK	CPO	PK
Paku Juang Mill	68,776.81	15,560.37	58,356.69	14,146.05	68,364.74	17,013.85
Extraction Rate	22,1%	KER : 5%	OER: 20.34%	KER: 4.93%	OER: 22.10%	KER: 5.50%

1.5 Area of Plantation

The areas of supplying estates for this operating unit are listed in Table 4. Details of planted area (mature/immature), total land area, conservation, HCV and others are also listed.

Table 4: Area Statement of the Supplying Estates

Name of Estates	Planted Area		Conservation Area (Ha)	HCV Area (Ha)	Others use	Total Land Lease Area (Ha)
	Immature Area (Ha)	Mature Area (Ha)				
Kebanteng Estate	-	4,155.02	462.90	55.95	48.98	4,722.85
Kebanteng KKPA (Smallholder schemes)		197.58	-	-	-	197.58
Paku Juang Estate	-	1,669.25	239.06	38.91	54.48	2,001.70
Paku Juang KKPA (Smallholder schemes)		1,395.48	-	-	-	1,395.48
Keluwin Estate	-	2,405.21	300.36	75.21	24.46	2,805.24
Keluwin KKPA (Smallholder schemes)		309.91	-	-	-	309.91
Sungai Dabu Estate	-	1,626.35	-	47.33	20.16	1,693.84
Sungai Dabu KKPA (Smallholder schemes)		1,161.45		-	-	1,161.45
Total	-	12,920.25	1002.32	217.40	148.08	14,288.05

1.6 Date of Planting and Cycle

The PT. HSL-PJM own estates were planted between 2005 and 2010. The palms were considered matured when approaching 4 (four) years after planting and productive until the age of 25 years. The age profiles for all the estates are simplified in Table 5 below.

Table 5: Planting Age Profiles for all Supply Base Estates

Name of supplying estate	Planting Age (Ha)			
	Immature	>4 - 14 years	>14 - 25 years	>25 years
Kebanteng Estate	-	759.5	3,593.1	-
Paku Juang Estate	-	435.7	2,629.0	-
Keluwin Estate	-	60.9	2,654.2	-
Sungai Dabu Estate	-	231.8	2,556.0	-
Total	-	1,487.9	11,432.3	-

1.7 Other Certification Held

PT HSL-PJM has implemented ISO 9001:2008 and ISO 14001:2004 but the certificate is no longer. In addition they are also re-certified under Halal in 2011. They have been VREG (Belgium) compliance since 2008 and were approved for ISCC certification in 2013.

1.8 Organizational Information and Contact Person

The company contact person details are as follows:

Name:	Yunita Widiastuti
Designation:	Group Sustainability Manager
Address:	Desa Manis Mata Kecamatan Manis Mata Kabupaten Ketapang 78864 Kalimantan Barat – Indonesia
Contact No.:	(62) 21-5746168
Email address:	Yunita.Widiastuti@cargill.com

1.9 Time-bound Plan for Other Management Units

Cargill is a member of RSPO and has been involved in the certification since 2004; the membership number with RSPO is 2-0215-11-000-00.

Cargill Incorporated owns and operates 6 mills and 16 oil palm estates including KKPA Smallholder schemes, with 6 management units of subsidiary companies covering approximately 66,117 ha.

In the late 2014, Cargill Incorporated taken over majority shareholder of Alpha Capital Limited (RSPO Membership number: 1-0199-16-000-00). Alpha Capital Limited owns 3 Palm Oil Mills and 13 oil palm estates in Indonesia covering approximately 60,000 Ha operated by 5 management units of subsidiary companies. All management units under Cargill Incorporated have gained RSPO P&C certificates; while from new acquisition of 5 subsidiary companies under Alpha Capital Limited, 1 (one) subsidiary company i.e. PT Poliplant Sejahtera has achieved RSPO certification, where the rest are under process of getting RSPO Certification. Cargill is committed to achieve RSPO certification of all new acquisition subsidiary companies by 2017. Until this 4th Surveillance assessment, the progress of its subsidiary companies is still pending for certification due to some action plans are being made monitored and not completed yet. The list of Cargill’s subsidiary companies and progress towards Time-bound plan is presented in **Appendix C**.

Cargill is using the experience gained from achieving certification of the first few mills and estates to implement the RSPO P&C in parallel with the remaining of its operations. The SGS assessment team considers that Cargill is on the right track which is reasonable and challenging, given the widespread geographic locations of its properties, the resources required and the numbers of smallholders involved.

Auditor Finding on the Time Bound Plan and Partial Certification

Time Bound Plan		
Requirement	Findings and any action required	Compliance
Description of Company’s Management Structure being audited in relation to Majority of shareholder (whom ultimately controlling shareholder) and its subsidiaries companies. <u>Guidance for Auditor:</u> <i>Beside interview with company’s management representative, these required information should be supported with browsing through</i>	PT Hindoli has 3 mills in South Sumatera as follows: <ul style="list-style-type: none"> • PT Hindoli-Sungai Lilin Mill • PT Hindoli-Tanjung Dalam Mill • PT Hindoli-Mukut Mill PT Hindoli is owned and managed by Cargill Tropical Palm Holdings Pte Ltd as a subsidiary of Cargill Incorporated.	Yes

<p><i>Internet search for the company name such as media coverage, legal registration, and RSPO Annual Communication on Progress (ACOP). As addition, if other Certification Body(s) has performing evaluation to this requirements either in the company being audited and/or at other certified companies under same holding, Auditor may request for the summary report through the company and consider it as part of this audit.</i></p> <p><i>The parent organization or one of its majority owned and / or managed subsidiaries are member of RSPO, whether the registered RSPO member is the holding company or one of its subsidiaries;</i></p> <p><i>NOTE 1: For groups with complex management structures the following are required:</i></p> <p><i>i. A statement of the ultimate controlling shareholders and directors in the managing agency company/companies.</i></p> <p><i>ii. Ditto in respect of each of the operating groups.</i></p> <p><i>iii. Application for membership by the top asset owning company/companies.</i></p> <p><i>iv. Application for membership by the managing agency company/companies</i></p> <p><i>NOTE 2 : Majority shareholding: the largest shareholding, where the largest shareholdings are equal (e.g. 50/50) this applies to the organisation that has management control.</i></p>		
<p>Does the plan include all subsidiaries, estates and mills?</p>	<p>All management units under Cargill have gained RSPO P&C certificates consists of 6 Palm Oil Mills and 16 Estates including KKPA Smallholder schemes.</p> <p>1 (one) subsidiary companies under Alpha Capital Limited, i.e. PT Poliplant Sejahtera consists of 1 Palm Oil Mill and 1 Estate, has achieved RSPO Certificate on 1st September 2016.</p> <p>4 (Four) subsidiary companies under Alpha Capital Limited are in the process of getting RSPO Certificates, consists of 2 Palm Oil Mills and 12 Estates. The target for certification is adjusted from previous assessment year - <i>See Appendix C</i></p>	<p>Yes</p>
<p>Have there been any newly acquired subsidiaries?</p>	<p>In the late 2014, Cargil Incorporated taken over majority shareholder of Alpha Capital Limited (RSPO Membership number: 1-0199-16-000-00). Alpha Capital Limited owns 3 Palm Oil Mills and 13 oil palm estates in Indonesia covering approximately 60,000 Ha operated by 6 management units of subsidiary companies. All management units under Cargill Incorporated have</p>	<p>Yes</p>

	gained RSPO P&C certificates; while from new acquisition of 6 subsidiary companies under Alpha Capital Limited, 1 (one) subsidiary company i.e. PT Poliplant Sejahtera has achieved RSPO certification on 1 st September 2016, where the rest are under process of getting RSPO Certification.	
<p>Is the time bound plan challenging?</p> <ul style="list-style-type: none"> • Age of plantations. • Location. • POM development • Infrastructure. • Compliance with applicable law. 	<p>Cargill has high commitment to comply with RSPO requirements for all subsidiary companies by 2017 considering for new acquisition land. However, adjustment has been made on the completion of certification due some several issues (e.g. RaCP, HGU, etc) – See <i>appendix C</i></p> <p>Cargill has fully support to ensure that other subsidiary companies that still un-certified to fulfil RSPO requirements considering the variety of Palm age, geographical location, Palm Oil Mill development and infrastructures, as well as compliance to national and local regulation.</p> <p>This is a challenging time bound plan has been set up by Cargill Incorporated</p>	Yes
<p>Have there been any changes since the last audit? Are they justified?</p>	<p>See above explanation. The existing 6 Mills and 16 Estates including KKPA smallholder schemes have been certified.</p> <p>Furthermore, Cargill has new acquisition land through took over majority of shareholder from Alpha Capital Limited consists of 3 Mills and 13 Estates. Cargill has set up a time bound to achieve RSPO certification for all subsidiary companies including new acquisition land by 2017. However, adjustment has been made on the completion of certification due some several issues (e.g. RaCP, HGU, etc) – See <i>appendix C</i></p>	Yes
<p>If there have been changes, what circumstances have occurred?</p>	<p>See explanation above.</p> <p>Cargill has fully committed to achieve RSPO certification for all new acquisition land by 2017, taking into account that the time bound plan is challenging.</p> <p>However, adjustment has been made on the target completion of certification due some several issues (e.g. RaCP, HGU, etc) – See <i>appendix C</i></p>	Yes
<p>Have there been any isolated lapses in implementation of the</p>	<p>There is no isolated laps. The existing 6 Mills and 16 Estates including KKPA Smallholder scheme</p>	Yes

<p>plan?</p>	<p>have been certified.</p> <p>1 (one) subsidiary companies under Alpha Capital Limited, i.e. PT Poliplant Sejahtera consists of 1 Palm Oil Mill and 1 Estate, has achieved RSPO Certificate on 1st September 2016.</p> <p>Cargill has adjusted the time bound plan for all new acquisition land (under Alpha Capital Limited) by which previously 2017 onto 2018. This is due some several issues (e.g. RaCP, HGU, etc) – See <i>appendix C</i>.</p> <p>This would be further verified on the next assessment visits.</p>	
<p>Have there been any stakeholder comments during assessment to the Company's Time Bound Plan, or to other certified companies under same holding?</p> <p><u>Guidance for Auditor:</u></p> <p><i>Targeted stakeholder consultation may be carried out by the SGS audit team either contacting them by email, phone call, meeting, or other methods.</i></p> <p><i>If this has already been conducted by other certification body(s) either in the company being audited and/or at other certified companies under same holding, Auditor may request for the summary report through the company and consider it as part of this audit.</i></p> <p><i>These must be recorded in this audit report i.e. Section 2.4 and Appendix D and should be part of consideration during this verification process.</i></p>	<p>No Stakeholder comment that affect Time bound Plan set up by Cargill</p>	<p>Yes</p>
<p>Un-Certified Units or Holdings</p> <p>Note for Auditor:</p> <ul style="list-style-type: none"> ▪ Companies should demonstrate compliance by clear evidences of a self-audit (i.e. an internal audit for all subsidiaries, estates and Palm Oil Mills) against each of the RSPO P&C requirements. ▪ Auditor should select sample(s) of un-certified units subsequently review/check the Internal audit results. The minimum sample(s) should follow $0.8\sqrt{y}$ where y is number of subsidiaries company. Auditor may increase the number of sample(s) selected if there are some stakeholder inputs received during assessment. ▪ The Company responsible for the area being audited and shall ensure that any necessary corrections and corrective actions are taken without undue delay to eliminate detected non-conformities and their causes. If not then Auditor should consider to raise Major or Minor non-compliances. 		
<p>Requirement</p>	<p>Findings and any action required</p>	<p>Compliance</p>
<p>Did the company conduct an internal audit? If so, has a positive assurance statement been produced?</p> <p><u>Guidance for Auditor:</u></p> <p><i>Positive assurance statement, which is based upon self-assessment (i.e. internal audit) by the organisation. This</i></p>	<p>Cargill has conducted Internal audit for all un-certified Units consists of 2 Palm Oil Mills and 12 Estates under Alpha Capital Limited (<i>new acquisition</i>). Internal audit was completed on September/October 2017.</p> <p>There was positive findings related to implementation of RSPO</p>	<p>Yes</p>

<p><i>would require evidence of the self-assessment against each RSPO P&C requirement for all un-certified units.</i></p>	<p>requirements, however some gaps are remain exist in particular for un-certified Units. This is due to the previous Holding companies before took over by Cargill was not fully committed to support their management units to be complied with RSPO requirements. Cargill has put big effort and investment to increase the level of RSPO compliance for new acquisition subsidiary companies and fully committed to achieve RSPO certification by end of 2017.</p> <p>Cargill has adjusted the time bound plan for all new acquisition land (under Alpha Capital Limited) by which previously 2017 onto 2018. This is due some several issues (e.g. RaCP, HGU, etc) – See <i>appendix C</i>.</p> <p>This would be further verified on the next assessment visits.</p>	
<p>Are there any stakeholder comments during assessment to the un-certified companies under same holding?</p> <p><u>Guidance for Auditor:</u></p> <p><i>Targeted stakeholder consultation may be carried out by the SGS audit team either contacting them by email, phone call, meeting, or other methods.</i></p> <p><i>If this has already been conducted by other certification body(s) either in the company being audited and/or at other certified companies under same holding, Auditor may request for the summary report through the company and consider it as part of this audit.</i></p> <p><i>These must be recorded in this audit report i.e. Section 2.4 and Appendix D and should be part of consideration during this verification process.</i></p>	<p>Based on interview result with Group Sustainability Manager and internet browsing stated that there are no any stakeholder comments to the un-certified companies.</p>	<p>Yes</p>
<p>No replacement after dates defined in NIs Criterion 7.3:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. <p><u>Guidance for Auditor:</u></p> <p><i>If this cases occur in one or more of company's un-certified units, the following shall be checked and verified:</i></p> <ul style="list-style-type: none"> - Action Plan (with details steps and time line to fulfill) - Does company follow the latest 	<p>Relevant to above explanation (i.e. Internal Audit), Cargill Incorporated through Sustainability Department is aware that there are several cases found to be non-conformances to RSPO requirements in all un-certified Units (new acquisition).</p> <p>Most of the cases are related to non-compliance to New Planting Procedures and LUCA & RaCP process.</p> <p>Cargill has started to proceed corrective action and improvement for those cases for instance: communication to RSPO Secretariat on the NPP sanction rules, Preparing LUCA & RaCP as required by RSPO.</p> <p>Due to these reasons, the time bound plan for un-certified units have</p>	<p>Yes</p>

<p><i>requirements of LUCA and RaCP procedures?</i></p>	<p>been changed from previously 2017 onto 2018</p>	
<p>Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure.</p>	<p>Cargill Incorporated through Sustainability Department is aware that there are several cases found to be non-conformances to RSPO requirements in all un-certified Units (new acquisition).</p> <p>Most other cases are related to non-compliance to New Planting Procedures for areas planted after 1st January 2010.</p> <p>Cargill has started to proceed corrective action and improvement for those cases for instance: communication to RSPO Secretariat on the NPP sanction rules, and committed to follow the requirements.</p> <p>The progress of compliance to NPP requirements will be further checked during next assessment visits.</p>	<p>Yes</p>
<p>Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.</p> <p><u>Guidance for Auditor:</u></p> <p><i>To check the as to whether this cases found during Internal audit at company's uncertified units.</i></p> <p><i>Auditor should also checked in RSPO Complaint tracker in RSPO website as one of the following links:</i></p> <p>http://www.rspo.org/</p> <p>http://www.rspo.org/members/status-of-complaints/</p> <p>http://www.rspo.org/members/dispute-settlement-facility</p> <p>http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes</p> <p><i>As addition to check is to search in the public court documents which available online. Some countries may not available due to restriction rules.</i></p>	<p>According to internal audit results for all un-certified units (new acquisition), there are several cases of land conflict being in progress and resolved. Cargill has noticed these cases and fully committed to comply with RSPO requirements particularly land conflict resolution process.</p> <p>However, there was no land conflict that being logged in RSPO Grievance procedure or Dispute Settlement Facility processes.</p> <p>The progress of this requirement will be further checked during next assessment visits.</p>	<p>Yes</p>
<p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p> <p><u>Guidance for Auditor:</u></p> <p><i>To check the as to whether this cases found during Internal audit at company's uncertified units.</i></p> <p><i>Auditor should also checked in RSPO Complaint tracker in RSPO website as one of the following links:</i></p> <p>http://www.rspo.org/</p> <p>http://www.rspo.org/members/status-of-</p>	<p>No labour dispute cases found to be happened according to internal audit.</p>	<p>Yes</p>

<p><u>complaints/</u> <u>http://www.rspo.org/members/dispute-settlement-facility</u> <u>http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes</u> As addition to check is to search in the public court documents which available online. Some countries may not available due to restriction rules.</p>		
<p>Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2. <u>Guidance for Auditor:</u> To check the as to whether this cases found during Internal audit at company's uncertified units. Auditor should also checked in RSPO Complaint tracker in RSPO website as one of the following links: <u>http://www.rspo.org/</u> <u>http://www.rspo.org/members/status-of-complaints/</u> <u>http://www.rspo.org/members/dispute-settlement-facility</u> <u>http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes</u> As addition to check is to search in the public court documents which available online. Some countries may not available due to restriction rules.</p>	<p>According to internal audit results for all un-certified units (new acquisition), there are several cases found related to legal non-compliance such as Health & Safety regulation, land ownership, etc. Cargill has noticed these cases and fully committed to comply with RSPO requirements. They are committed to be RSPO certified by end of 2017 for all un-certified units. However, adjustment has been made on the target completion of certification due some several issues (e.g. RaCP, HGU, etc) – See appendix C The progress of this requirement will be further checked during next assessment visits.</p>	<p>Yes</p>

2. ASSESSMENT PROCESS

2.1 Certification Body

SGS is the world's leading inspection, verification, testing and certification company. SGS is recognized as the global benchmark for quality and integrity. With more than 80,000 employees, SGS operates a network of over 1,650 offices and laboratories around the world.

The RSPO Programme is the SGS Group's RSPO Certification Programme internationally accredited by the ASI to carry out oil palm plantation and supply chain certification for global RSPO certification.

2.2 Assessment Methodology, Program, Site Visits

The company was initially certified on 5th January 2014 by SGS (Malaysia) Sdn Bhd. The 2nd Annual Surveillance was conducted on 10-13 November 2015 by SGS (Malaysia) Sdn Bhd, however due to Accreditation withdrawal of SGS (Malaysia) Sdn Bhd on 31st December 2015 by then the certificate was transferred to Sucofindo and certificate was re-issued on 9 May 2016. Company decided to continue the certification (i.e. certificate transfer) with PT SGS Indonesia

on 2016, and PT SGS Indonesia conducted the 3rd Annual Surveillance assessment on 27,28, 30 Nov and 1-3 Dec 2016 (as part of certificate transfer) of PT. Harapan Sawit Lestari – Paku Juang Mill.

This 4th Surveillance assessment was conducted between 12 – 15 December 2017. The assessment was conducted in 4 (four) audit days and involving Paku Juang Mill and 3 (three) selected sampled estates and its KKPA smallholder schemes (i.e. Kebanteng, Paku Juang, and Keluwin Estates). The audit covers documentation review, internal procedures, management system, field inspection as well as identification of any significant issues for both environment or social issues. A sample of stakeholders was consulted during the assessment to get their feedback on the management practices.

The assessment was conducted based on random samples and therefore nonconformities may exist which have not been identified. The methodology for objective evidence collection included physical site inspection, observation of tasks and processes, interview with workers, families and stakeholders, documentation review and monitoring data.

The assessment program is included as shown in Table 6 below.

Table 6: Assessment Program

Date	Time	Auditor	Area / Department / Process / Function
11.12.17	15.45	A, B, C, D	Travel to Pangkalan Bun by Trigana
	17.00		Auditors arrive at Pangkalan Bun Airport and continues to HSL Office by Car
	PM		Auditors arrive at site
12.12.17	08.00	A, B, C, D	Opening Meeting (PT HSL – Manis Mata Mill and PT HSL - Paku Juang Mill)
	08.30	A, B, C, D	Document review (legal, land title, HGU,laws, labour, OSH, environmental, timebound plan, replanting programme, SOP)
	12.00		Break and Lunch
	13.00	A, B, C, D	Continue morning agenda
	13.00	A, B, C, D	Audit to HSL- Paku Juang Mill
	17.00		End of day 1 audit
13.12.17	08.00	A, B, C, D	Sungai Dabu and KKPA: <ul style="list-style-type: none"> Field work inspection: IPM, spraying, fertiliser, riparian/ buffer zone, HCV, boundary stones, road maintenance, waste disposal, storage area, line-site, interview with workers and stakeholders, OSH
	12.00		Break and Lunch
	13.00	A, B, C, D	Continue morning agenda
	17.00		End of day 2 audit
14.12.17	08.00	A, B, C, D	Paku Juang Estate and KKPA: <ul style="list-style-type: none"> Field work inspection: IPM, spraying, fertiliser, riparian/ buffer zone, HCV, boundary stones, road maintenance, waste disposal, storage area, line-site, interview with workers and stakeholders, OSH
	12.00		Break and Lunch
	13.00	A, B, C, D	Continue morning agenda
	17.00		End of day 3 audit

Date	Time	Auditor	Area / Department / Process / Function
15.12.17	08.00	A, B, C, D	Kebanteng Estate and KKPA: <ul style="list-style-type: none"> Field work inspection: IPM, spraying, fertiliser, riparian/ buffer zone, HCV, boundary stones, road maintenance, waste disposal, storage area, line-site, interview with workers and stakeholders, OSH Palm Oil Mill and KCP Supply Chain (procedure, record keeping, training, FFB receiving, processing, sales of RSPO products, registration and claims) Site & facilities visit (water usage, production area, workshop, chemical room, bulky storage, waste water pond, hazardous waste storage, environmental management and monitoring, interview with workers and OSH).
	12.00		Break and Lunch
	13.00		Continue morning agenda
	15.00	All	Report preparation
	16.00	All	Closing meeting
	17.00	All	End of Surveillance Audit and travelling to Pangkalan Bun
	21.00	All	Stay overnight in Pangkalan Bun
16.12.17	07.35	All	Travelling back to Jakarta by Trigana

Note: A = Fourry Meilano (audited aspects: environmental, HCV and supply chain)
 B = M. Nurul Anwar (audited aspects: good agriculture practices and legal)
 C = Zaenal Abidin (audited aspects: environment and health and safety)
 D = Taryanto Wijaya (audited aspects: social and labor)

2.3 Qualification of Lead Assessor and Assessment Team

PT SGS Indonesia holds copies of educational qualifications, certificates and audit logs for each of the audit team members. SGS has evaluated the qualifications and experience of each audit team member and has registered the following designations for conducting RSPO Assessment. Summary of auditors' educational background and experience are listed in Table 7 below.

Table 7: Auditors Profile

Evaluation Team	Notes
Team Leader – Environmental	Fourry Meilano has a degree in Forestry and CBE Auditor in SGS ID (Indonesia), 15 years national experience in forestry sector in Indonesia. He has undergone FSC COC Lead Auditor, ISCC Lead Auditor, and RSPO Auditor. He has involved in a number of audits on oil palm plantations and forest certification in Indonesia. His specific qualification for RSPO audit is environmental, HCV and supply chain.
Auditor 1 – Plantation	M. Nurul Anwar, a Bachelor of Agriculture Science holder. He has 23 years working experience in oil palm plantation sector in Indonesia. He has undergone ISPO Lead Auditor training and involved in a number of audits on oil palm plantations in Indonesia. His specific qualification for RSPO audit is Good Agriculture Practices and Legal.
Auditor 2 – Environmental	Zaenal Abidin has a degree in Forestry and CBE Auditor in PT SGS Indonesia, 22 years national experience in forestry sector in Indonesia. Has undergone the necessary ISO 14001, ISO 9001, RSPO and ISPO Lead Auditor course and involved in a number audits on oil palm plantations and forest certification. His specific qualification for RSPO audit is Environmental and Health and Safety.

Auditor 3 - Social	Taryanto Wijaya has a degree on social. More than 17 years working experience in forestry. He has undergone FSC Auditor. He has involved in a number of audits on oil palm plantations and forest certification in Indonesia. His specific qualification for RSPO audit is Social, and Labour.
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2.4 Stakeholder Consultation and List of Stakeholders Contacted

Stakeholder consultation was held on 12 - 15 December 2017 during surveillance audit. Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone and email to arrange meetings at a location convenient to them to discuss Cargill Certification Unit's environmental and social performances.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made; These included environmental interest groups, local government agencies and relevant authorities, social groups, and workers' unions etc. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted with detail comments is included as **Appendix D**.

3. ASSESSMENT FINDINGS

3.1 Summary of Findings

3.1.1 Principles & Criteria

As outlined, objective evidence was obtained separately for each of the RSPO Indicators and criterion for the mills and estates. The results for each indicator from each of the operational areas were evaluated to provide an assessment of conformity. A statement is provided for each of the RSPO indicators in order to support the findings of the assessment team.

There is 2 (two) Minor Non-conformities identified during this annual surveillance audit. Some areas identified with potential areas for improvement has leaded into 7 (seven) Observations raised. Details for each Non-conformities and observations are given in **Appendix A**. Major Non-conformities has been closed. Minor Non-compliances and Observations will be followed up during the next Annual Surveillance Audit which is scheduled to be conducted within 9 months and 12 months from its certificate anniversary date.

Principle 1: Commitment to Transparency
Criterion 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	List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available.					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>The company has established procedure for providing information to stakeholders (transparency), as per reflected in the SOP document entitled communication, participation and consultation (REP-SOP-REP.03-R.02) dated 01 March 2009 revised 08 January 2013. The document specifies the objectives of the document that is to manage, mechanism, communicate, (internal and external), participation, health and safety, and environment so that it can be understood by stakeholders effectively.</p> <p>There is a list of information that can be accessed by relevant stakeholders. There are 20 documents listed include authorization who take responsible to give this documents to the public, when requested. These are including:</p> <ul style="list-style-type: none"> a) Land titles / user rights (C 2.2) b) Safety and health plan (C 4.7) c) Plans and impact assessment relating to environmental and social impacts (C 5.1, 6.1, 7.1, 7.8) d) HCV documentation (Criteria 5.2 and 7.3) e) Pollution Prevention and Reduction Plans (C 5.6) f) Details of complaints and Grievances (C 6.3) g) Negotiation procedures (C 6.4) h) Continual improvement plans (C 8.1) i) Public summary of certification assessment report j) Human Rights Policy (C 6.13) 					
1.1.2	Records of requests for information and responses to the information requested shall be available.					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>As mentioned earlier, records of requests from stakeholders are available and recorded individually at estates and mill levels that include land dispute and donation requests. Requests from the stakeholders are mainly for donation for the villages, for examples road construction and maintenance, agricultural equipment, book package, etc. in addition, other assistance such as assistance in providing fuel/diesel is also observed to be recorded.</p> <p>Records of requests and responses were documented on <i>Matrik Komunikasi Internal dan External</i>. Description of information received, response and status has been recorded on the matrix.</p> <p>During surveillance audit 2017, it was reviewed procedure REP-SOP-REP.03 regarding Communication, Participation, and Consultation. The internal and external communication matrix presenting 28 communication records that consist of 17 internal communication and 11 external communication.</p>					
Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.						
1.2.1 (a)	Land titles/user rights (Criterion 2.2)					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>There is a land titles/user rights documents that available for public. There are land titles/user rights documents listed include authorization who take responsible to giving this documents to the public, when requested.</p> <p>The company has land titles (HGU) with certificate # 08 with decree #5/HGU/BPN/2000 for 5,000.76 ha. Some areas at PT. HSL – Paku Juang Mill are still on process to get the land title,</p>					

	<p>where the latest process evidences are as follows :</p> <ul style="list-style-type: none"> • Letter # 872/002-9/61/V/2014 on 13 Mei 2014 from Head of Land Bureau Agency of West Kalimantan on 13 Mei 2014 according to land title proposal on behalf PT. ASL for 1,950.83 ha. • Letter # 713/9-61/W/2015 on 28 April 2015 from Head of Land Bureau Agency of West Kalimantan, according to signing of Risalah Panitia B of PT. ASL and PT. ISK • Letter # 075/PAGL-ASL/IX/2015 on 29 September 2015 from PT. ASL to Head of Land Bureau of West Kalimantan, according to land title proposal on behalf PT. ASL for 112.41 ha. Accepted by Land Bureau Agency of West Kalimantan on 05 October 2015. • Letter # 69/PAGL-ASL/IX/2014 on 06 November 2014 from PT. ASL to Head of Land Bureau of West Kalimantan, according to building use right proposal on behalf PT. ASL for 26.45 ha. Accepted by Land Bureau Agency of West Kalimantan on 24 November 2014. <p>For the time being, there is letter from PT Mayangkara Tanaman Industri dated on 20 August 2015 request land title (404 land titles) of the land disputes at Plasma KKPA – Koperasi Sepakat Mekar.</p>			
1.2.1 (b)	Occupational health and safety plans (Criterion 4.7);			<i>Major</i>
Findings	In compliance:	Yes:	X	No:
Objective evidence:	<p>There are Occupational Safety and Health documents that available for public. Occupational Safety and Health documents include authorization who take responsible to giving this documents to the public, when requested.</p> <p>Documented Occupational Safety and Health (OSH) is available in <i>Kebijakan Lingkungan, Kesehatan Kerja, Mutu & Keselamatan Pangan (LK3MKP)</i> signed by Mr John J. Hartmann, CEO of Cargill Tropical Palm and Mr. Nharong Somchit (President Director) dated 26th Feb 2015. The policy has been displayed at the estate office and communicated to all workers through information board and morning briefing. The policy which is available in both Indonesian and English language specifies that the company is committed to comply with all applicable occupational health and safety, process safety, and procedure safety requirements, continually improve performance on criteria relevant to its businesses and operations, and insist that all work, however urgent, be done safely.</p> <p>Site inspection in the production unit evident that all workers are in compliance with the OSH policy and using appropriate Personal Protective Equipment (PPE) as per listed in HIRARC.</p> <p>The company distributes PPE for each employee twice a year in June and December. For example in June 2017, there was distribution of safety shoes for all departments (office 13 pairs, grading 4 pairs, Loading Ramp 4, Loading Cage 4, Sterilizer 4, Tippler 4, Pressing 4, Kernel 4, Clarification 4, Project 2, Boiler 10, Electric 10, Mechanic 16, Laboratory 13, KCP 13, Driver 4, Staff Process 7, Security 13. (Dated June 13, 2017).. Masker distributed once every three month, earplug ,</p>			
1.2.1 (c)	Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);			<i>Major</i>
Findings	In compliance:	Yes:	X	No:
Objective evidence:	<p>There is a impact assessment documents that available for public. There are impact assessment documents include authorization who take responsible to giving this documents to the public, when requested.</p> <p>A documented impact assessment, i.e. <i>Analisis Mengenai Dampak Lingkungan (AMDAL)</i> dated January 2003 is available, which consists of the following documents</p> <ol style="list-style-type: none"> 1. The actual environmental impact assessment report, i.e. <i>Analisis Dampak Lingkungan (ANDAL)</i> 2. Rencana Pemantauan Lingkungan – Perkebunan dan Pabrik Pengolahan Kelapa Sawit – PT Ayu Sawit Lestari 3. Rencana Pengelolaan Lingkungan – Perkebunan dan Pabrik Pengolahan Kelapa – PT Ayu Sawit Lestari <p>The AMDAL document has been approved by government and the process to get approval has been followed through stakeholders consultation in order to identify impacts and develop any mitigation measures.</p> <p>The AMDAL also cover to both estates and mills. The environmental impacts identified are land</p>			

	erosion, water pollution, wild life disturbance, fire, social economic and culture and health.																
	The organisation is also implement environmental management system according to ISO 14001:2004. According to the EMS system, the organisation is always update their environmental aspects in every changing of the company operation and activities such as building new road, expansion of planting, changing of operation system (e.g. land application)..																
1.2.1(d)	HCV documentation (Criteria 5.2 and 7.3);				<i>Major</i>												
Findings	In compliance:	Yes:	X	No:													
Objective evidence:	<p>High Conservation Value assessment has been done on 2013 in corporation with the university (Bogor Agricultural University – IPB). According to the assessment has been conclude following HCV areas :</p> <ul style="list-style-type: none"> - HCV 1.2. RTEs species - HCV 1.3 RTEs habitat <p>Those RTEs habitat located at riparian of Kebanteng river, Tarahan Batu-Utara river, Pakit river, Ringis river, Perupuk atas river, rasak river, swamp forest Pakit and Selaba.</p> <p>The RTEs species identified mainly flora species such as Ketanggang (<i>Dipterocarpus tempehes</i>), Emang (<i>Hopea mengerawan</i>), Meruyan (<i>Parashorea lucida</i>) and Belangeran (<i>Shorea belangeran</i>), Kelukup (<i>Shorea lamellata</i>), anggrek (<i>Bulbophyllum</i> sp.) and Kebangkit (<i>Combretocarpus rotundatus</i>)</p> <p>According to the assessment to HCV 2, the assessment is also considered to relevant wider landscape-level. The planted area is only 0.081% of the total forest area in Kalimantan</p>																
1.2.1 (e)	Pollution prevention and reduction plans (Criterion 5.6);				<i>Major</i>												
Findings	In compliance:	Yes:	X	No:													
Objective evidence:	<p>There is pollution prevention and reduction plans documents that available for public. There are Pollution prevention and reduction plans documents include authorization who take responsible to giving this documents to the public, when requested.</p> <p>An assessment of all pollutions and emissions has been conducted periodically through the implementation of the Environmental Management Plan (RKL/RPL), GHG calculation according to ISCC and GHG calculation according to RSPO palm GHG calculator.</p> <p>In term of RKL/RPL specifies the following polluting activities</p> <ol style="list-style-type: none"> a. Land erosion b. Water pollution c. Fire d. Wild life disturbance e. Air emission from boiler stack, genset and vehicles <p>GHG calculation according to ISCC has been periodically provided since 2011. The GHG assessment according to RSPO palm GHG calculator has been started since 2014 (using basic data 2012, 2013, 2014 and 2015). The total GHG emission according to ISCC for Paku Juang mill and estate(s) are as following:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>GHG value</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>1059.95 kg CO2 eq/Ton CPO</td> </tr> <tr> <td>2012</td> <td>1086.98 kg CO2 eq/Ton CPO</td> </tr> <tr> <td>2013</td> <td>1105.05 kg CO2 eq/Ton CPO</td> </tr> <tr> <td>Sep 2014/Agt 2015</td> <td>1105.05 kg CO2 eq/Ton CPO</td> </tr> <tr> <td>Mar 2015/ Feb 2016</td> <td>964.53 kg CO2 eq/Ton CPO</td> </tr> </tbody> </table>					Year	GHG value	2011	1059.95 kg CO2 eq/Ton CPO	2012	1086.98 kg CO2 eq/Ton CPO	2013	1105.05 kg CO2 eq/Ton CPO	Sep 2014/Agt 2015	1105.05 kg CO2 eq/Ton CPO	Mar 2015/ Feb 2016	964.53 kg CO2 eq/Ton CPO
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1.2.1 (f)	Details of complaints and grievances (Criterion 6.3);				<i>Major</i>												
Findings	In compliance:	Yes:	X	No:													
Objective evidence:	<p>There are a detail of complaints and grievances documents that available for public. There are details of complaints and grievances documents include authorization who takes responsible to giving these documents to the public, when requested.</p>																

	<p>Furthermore, there is also a system through Cargill guiding principles (7 principles) where ensuring anonymity of complainants and whistle blowers clearly (page 5). The guidance is also provides hot line channel for accommodating this matter (1-800-357-OPEN).</p> <p>Based on the complainant recording there had been 27 grievances resolved in 2017. Such records checked during audited at Kebanteng estate as below:</p> <table border="1"> <thead> <tr> <th><u>Dated</u></th> <th><u>Complainant</u></th> <th><u>Issues</u></th> <th><u>Fixing date</u></th> </tr> </thead> <tbody> <tr> <td>29.01.2017</td> <td>Arianto</td> <td>broken house gate</td> <td>02.02.2017</td> </tr> <tr> <td>17.07.2017</td> <td>Maiko W</td> <td>broken roof house</td> <td>24.07.2017</td> </tr> <tr> <td>06.11.2017</td> <td>Susanto</td> <td>broken bathroom</td> <td>13.11.2017</td> </tr> </tbody> </table>					<u>Dated</u>	<u>Complainant</u>	<u>Issues</u>	<u>Fixing date</u>	29.01.2017	Arianto	broken house gate	02.02.2017	17.07.2017	Maiko W	broken roof house	24.07.2017	06.11.2017	Susanto	broken bathroom	13.11.2017
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29.01.2017	Arianto	broken house gate	02.02.2017																		
17.07.2017	Maiko W	broken roof house	24.07.2017																		
06.11.2017	Susanto	broken bathroom	13.11.2017																		
1.2.1 (g)	Negotiation procedures (Criterion 6.4);				<i>Major</i>																
Findings	In compliance:	Yes:	X	No:																	
Objective evidence:	<p>There is a negotiation procedures documents that available for public. There are negotiation procedures documents include authorization who take responsible to giving this documents to the public, when requested.</p> <p>PT HSL has established SOP for social problem solving (HSL-SOP-PSS.04-R.00) and SOP for land claim resolution (HSL-SOP-PSS.02-R.00) for the identification and calculation of fair compensation for the loss of legal or customary right of the land, with the involvement of local community representatives and relevant agencies and made publicly available.</p> <p>Record of land acquisition document is available, for example: agreement letter. This document consist negotiations processes and/or the details of compensation settlements and official report of compensation payment accompanied with receipt.</p> <p>During 2017, there was no land acquisition by the company.</p>																				
1.2.1 (h)	Continual improvement plans (Criterion 8.1);				<i>Major</i>																
Findings	In compliance:	Yes:	X	No:																	
Objective evidence:	<p>There is a continual improvement plans documents that available for public. There are continual improvement plans documents include authorization who take responsible to giving this documents to the public, when requested.</p> <p>The management regularly monitors and reviews their social and environment program to allow for demonstrable continuous improvements. The company captures the performance and expenditure in social and environmental aspects through their budget which is reviewed and adjusted annually to cope with changes in requirement.</p> <p>The company has been doing training for supporting the continual improvement:</p> <ol style="list-style-type: none"> 1) Bulk material handling and storage 2) Confined Space 3) Elevated Work 4) LoTo Training 5) RVS 																				
1.2.1 (i)	Public summary of certification assessment report;				<i>Major</i>																
Findings	In compliance:	Yes:	X	No:																	
Objective evidence:	<p>There is a public summary of certification assessment report documents that available for public. The public summary of certification assessment report documents (hard copy) include authorization who takes responsible to provide this document to the public, when requested. The public summary is available in KBK office. It has also available in website RSPO (www.rspo.org).</p>																				
1.2.1 (j)	Human Rights Policy (Criterion 6.13)				<i>Major</i>																
Findings	In compliance:	Yes:	X	No:																	
Objective evidence:	<p>There is a Human Rights Policy documents that available for public. The Human Rights Policy includes authorization who takes responsible to giving this document to the public, when requested.</p> <p>Principles Handbook signed by Chairman and Chief Executive Officers Greg R. Page (CEO). The</p>																				

	policy has communicated to all levels of the workforce and operations including contracted third parties using pocket book.			
Criterion 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 along with the documentation of socialisation process of the policy to all levels of the workers and operations.			<i>Minor</i>
Findings	In compliance:	Yes:	X	No:
Objective evidence:	<p>The Company has established policies related to the integrity and ethical behavior in the code of conduct Cargill handbook (issued in 19 June 2012) included:</p> <ul style="list-style-type: none"> • Comply with law and regulation. • Conducting business with integrity, fairness and ethical. • Do not offer or accept bribes or receive prizes in doing business. • Doing healthy competition and honest. • Protect information, assets, and Cargill business. • Committed to the responsible world member. • Committed to compliance laws. <p>The policy has been disseminated to both internal employees as well as to other stakeholders including contractors.</p>			

Principle 2: Compliance with Applicable Laws and Regulation				
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.				
2.1.1	Evidence of compliance with relevant legal requirements shall be available.			<i>Major</i>
Findings	In compliance:	Yes:	X	No:
Objective evidence:	<p>The company has valid permits and documents to comply with all applicable legal requirements, for examples:</p> <ul style="list-style-type: none"> • Environmental Impact Assessment (AMDAL), approved by head of environmental agency West Kalimantan Province # 660.1/171/Bapedalda-A dated 10 March 2003 for PT. HSL. Valid as long as there aren't changes operational plantation and mill • Site Permit, approved by Head of Land Office of Ketapang Regency # 02/1993 dated on 8 December 1993, total area of 9,700 ha. Valid until 2 years. • Site Permit, approved by Head of Ketapang Regency # 21/2004 dated on 26 January 2004, total area of 4,750 ha. Valid until 2 years. • Forest Release Permit, approved by Minister of Forestry # 776/Kpts-II/1999 dated on 27 September 1999, total area of 5,056.60 ha. Valid as long as operational pantation and mill • Plantation Operation Registration Letter, approved by Minister of Forestry and Plantation # 705/Menhutbun-VII/2000 dated on 21 June 2000, total area of 9,082 ha. Valid as long as there aren't changes operational pantation and mill • Plantation Operation Permit (<i>Izin Usaha Perkebunan-IUP</i>), approved by Head of Ketapang Regency # 227/Disbun-D/2012 dated on 4 May 2012, total area of 5,242 ha. Valid as long as there aren't changes operational pantation and mill • Land Use Title (<i>Hak Guna Usaha</i>), approved by National Land Bureau # 35/HGU/BPN/1997 dated on 3 January 1997, total area of 3,502.67 ha. Valid until 35 years. • Land Use Title (<i>Hak Guna Usaha</i>), approved by National Land Bureau # 5/HGU/BPN/2000 dated on 3 February 2000, total area of 5,000.76 ha. Valid until 35 years. • Land Use Title (<i>Hak Guna Usaha</i>) Release Permit, approved by National Land Bureau # 2-VIII/2000 dated on 12 July 2000, total area of 579.33 ha. Valid until 35 years. • Industry Operation License (<i>Ijin Usaha Industri</i>), approved by Head of Cooperation, UKM, Industry and trading Agency, Ketapang Regency # 535/005/Kop.UKM.Perindag-B/KBLI.15144/VIII/2009 dated on 11 August 2009. Valid as long as there aren't changes 			

	operational pantation and mill	
	<ul style="list-style-type: none"> Industry Operation License (<i>Ijin Usaha Industri</i>), approved by Head of Cooperation, UKM, Industry and trading Agency, Ketapang Regency # 535/002/Kop.UKM.Perindag-B/KBLI.15144/IX/2011 dated on 13 September 2011. Valid as long as there aren't changes operational pantation and mill Industry Operation License (<i>Ijin Usaha Industri</i>), approved by Head of Cooperation, UKM, Industry and trading Agency, Ketapang Regency # 535/001/Kop.UKM.Perindag-C/KBLI.15144/VII/2012 dated on 30 July 2012. Valid as long as there aren't changes operational pantation and mill Permits on water intake has been expired since last 2014 and renewal of permit is being in progress. Last progress is the permit being proposed to Ministrial Office Pekerjaan Umum & Pekerjaan Rakyat Direktorat Jendral Sumber Daya Air as per 20.10.2017. See Observation. Land application permits for Paku Juang Mill base on Regency Head of Ketapang Decree #330/KLH-B/2013 for 216.65 ha. Valid for 5 year (1 July 2013 – 30 June 2018). Hazardous waste storage permit #614/KLH-B/2013 dated on 27.11.2013from Regency Head of Ketapang. Valid for 5 years. Boiler permit # 81/Naker/2014 issued on 10.10.2014, last inspection report on 11 May 2017. Boiler permit # 11/Naker/2006 issued in October 2006, last inspection report on 15 May 2017. Generator electricity (diesel) permit # 566/648/TKTKS-c/2006 dated on 25.09.2006, last inspection report on 4 June 2016. Generator electricity (diesel) permit # 566/808/TKTKS-c/2006 dated on 25.09.2006, last inspection report on 4 June 2016. WB calibration (WB # 161540136 and 101850297) dated on 05.05.2017 issued by Balai Standarisasi Meteorologi Legal Regional III 	
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Documentation system according to written information of legal compliance for PT. HSL is available on excel document with file name List and evaluations of legal and other requirements (<i>Daftar dan Evaluasi Persyaratan Hukum dan Persyaratan Lainnya</i>) dated on 01 August 2017. According to the document there were indentify more than 277 law and regulations that related to palm oil operations.	
2.1.3	A mechanism for ensuring compliance shall be implemented.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The company has SOP for identification of legal and other requirements and its evaluation No. REP-SOP-REP.02-R.05. Such procedures ensure that all legal and other requirements documented, communicated to all parties as well as to identify every 6 months or more if necessary to update the legal requirements. The company has carried out identification of legal through newspapers, internet access, visits to the relevant departments. The MR (Management Representative) has resposible to periodic evaluate its compliance with legal and other requirements (twice a year) according to list and evaluations of legal and other requirements (<i>Daftar dan Evaluasi Persyaratan Hukum dan Persyaratan Lainnya</i>). Last evaluation was conducted on 01 August 2017 (100% compliances).	
2.1.4	A system for tracking any changes in the law shall be available and implemented.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	According to the list and evaluation of legal and other requirements (01 August 2017), some regulations have been updated accordingly.	
Criterion 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 ownership/control, and the actual legal use of the land shall be available.	<i>Major</i>

Findings	In compliance:	Yes:	X	No:									
Objective evidence:	<p>Currently, company has land titles (HGU) with certificates i.e. #35/HGU/BPN/1997 for 3,502.67 Ha; #5/HGU/BPN/2000 for 5,000.76 ha; #02-VIII/2000 for 579.33 Ha. However, some areas within supply base's estates to PT. HSL – Paku Juang Mill are still on process to get the land title, where the latest process evidences are as follows :</p> <ul style="list-style-type: none"> • Letter # 872/002-9/61/V/2014 on 13 Mei 2014 from Company to the Head of Land Bureau Agency of West Kalimantan regarding to land title proposal for 1,950.83 ha. • Letter # 713/9-61/W/2015 on 28 April 2015 from Head of Land Bureau Agency of West Kalimantan to Company, with regards to the process of <i>Risalah Panitia B</i>. • Letter # 69/PAGL-ASL/IX/2014 on 06 November 2014 from Company to Head of Land Bureau of West Kalimantan, regarding additional area proposal for 26.45 ha. Accepted by Land Bureau Agency of West Kalimantan on 24 November 2014. • Letter # 075/PAGL-ASL/IX/2015 on 29 September 2015 from Company to Head of Land Bureau of West Kalimantan, regarding additional area proposal for 112.41 ha. Accepted by Land Bureau Agency of West Kalimantan on 05 October 2015. <p>For the time being, the process till going on at the government level.</p>												
2.2.2	Legal boundaries are demonstrated clearly and maintained.						<i>Minor</i>						
Findings	In compliance:	Yes:	X	No:									
Objective evidence:	<p>Legal boundaries are clearly demarcated and maintained. During the field visit to Paku Juang Estate (PJE), boundary was maintained and demarcated clearly for example:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">No</td> <td style="width: 33%;">Longitude</td> <td style="width: 33%;">Latitude</td> </tr> <tr> <td>Blok J23 BPN 21 (<i>Inti + KKPA</i>)</td> <td>E 110° 50' 07,8"</td> <td>S 02° 27' 39,1"</td> </tr> </table>							No	Longitude	Latitude	Blok J23 BPN 21 (<i>Inti + KKPA</i>)	E 110° 50' 07,8"	S 02° 27' 39,1"
No	Longitude	Latitude											
Blok J23 BPN 21 (<i>Inti + KKPA</i>)	E 110° 50' 07,8"	S 02° 27' 39,1"											
2.2.3	In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.						<i>Minor</i>						
Findings	In compliance:	Yes:		No:	X								
Objective evidence:	<p>As result of stakeholder meeting with Sepakat Mekar Cooperative, it was noted there is a proposal for independent plasma development raised by the cooperative to the company since 2015, covers 1300 hectares, actually no formal responses from the company to this proposal.</p> <p>There are actual conversion of HCV areas (riparian) to palm oil plantation by local communities as reported on the Sustainability monthly report 11.11.2017 as following :</p> <ol style="list-style-type: none"> 1. Sungai Dabo Estate – riparian of sungai dabu (1.5 ha) 2. Kebanteng estate – riparian of sungai kelik and kebanteng (17.25 ha) 3. Paku Juang and Keluwin estate – riparian water reservoir Paku Juang Mill (10 ha). <p>All of those HCV areas actually belong of the land title(s) (Hak Guna Usaha – HGU) of the company, however, no evidence of legitimate acquisition and compensation or compensation settlement process ("pembebasan lahan") on these riparian zones.</p> <p>These areas now cover to 217.ha.</p> <p>See minor CAR</p>												
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.						<i>Major</i>						
Findings	In compliance:	Yes:	X	No:									
Objective evidence:	<p>Based on document review, field visit, interview with the company and stakeholder, no dispute at the company areas for the time being. The social conflict managed by PSS dept then consulted to Acting GM who manages the Corporate Responsibility. The CSR program in 2017 verified for instance road and bridge maintenance in Air Upas, Pantai Ketikal Villages by PT ASL, and also in collaboration with PT ISK in Air Durian Village. These villages are in which the SIA addressed.</p>												

2.2.5	For any conflict or dispute over the land, the evidence of the extent of disputed area is mapped out in a participatory way with involvement of affected parties (including neighboring communities and local government where applicable), shall be available.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Based on document review, field visit, interview with the company and stakeholder, there is dispute at the company areas at the current times, as as following: 1) 144 hectares in the license letter but out of HGU 2) 216 hectares is located in the licensed letter and controlled by Estate and harvested regularly. PT ASL in Sungai Dabu Estate showed that both disputed land has been agreed in the quo status, then the company decided to do nothing at that area, and that just monitoring the area, and no parties does the harvesting for the conflicting area. The company showed the evidence of security patrol until the 247 th day since the status quo.	
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and/or planned operations.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	No evidence of violence in maintaining peace and order in their current and planned operations. There is no operation for 247 days until December 14, 2017. Monitoring done by security officer daily bases in E8IM11, 10, 09, 08 while harvesting in Blok E8HM11,10, 09, 08.	
Criterion 2.3: Use of the land for oil palm does not diminish the legal, customary or users rights of other users without their free, prior and informed consent.		
2.3.1	Maps with appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities).	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Provided a map of land compensation within the map document master restitution of land to the scale of 1: 10,000. the map has also been signed by the owner of such land on behalf of Pantoni area of 0.5 ha and Binting of 0.088 ha.	
2.3.2	Copies of negotiated agreements including the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and these include: a. Evidence of consultation b. Statement of transfer of rights c. Evidence of compensation See specific guidance 2.3.2	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	PT.ASL still keeps records of land acquisition. Records of negotiations detailing process of consent are available, clearly demonstrating an agreement between local community and PT.ASL, for example: official report of land compensation dated 29 October 2011 which clearly demonstrates the free, prior and informed consent from local community to sell their land to PT.ASL for a stipulated price which is agreed by the both parties witnessed by local government. This document is complete with maps showing the extent of the land and photographs of the local community receiving the compensation amount. A copy of the land payment cheque is also attached in the document as an additional proof of payment made to the traditional land owners.	
2.3.3	Relevant information shall be available in appropriate forms and languages, including analysis of impacts, proposed benefit sharing, and legal arrangements.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	

Objective evidence:	All information regarding to agreement, land compensation and records of negotiations available in bahasa and well known by related parties in West Kalimantan, records available and verified (see 2.3.2)				
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	All records for land negotiations, land compensation and the agreements, shows that the communities' rights regarding to legal counsel and representatives of their own choosing are facilitated by the company. Records verified as 2.3.2				

Principle 3: Commitment to Long-Term Economic and Financial Viability

Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.

3.1.1	A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders.				<i>Major</i>
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Findings	In compliance:	Yes:	X	No:	
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Objective evidence: Management plant available on Cargill Tropical Palm Business Unit. According to the document, the management plan are :

Key Measures	Actual 14/15	Forecast 15/16	Budget 16/17	Stretched Target 16/17	Projected 17/18	Projected 18/19	Projected 19/20
Safety Index	0.21	0.30	0.00	0.00	0.00	0.00	0.00
Average CPO selling Price FOB Site net of export tax	638	485	546	576	728	728	728
EBITDA (\$'000)	57,400	26,200	81,636	99,079	208,000	237,000	260,000
NOPAT (\$'000)	18,962	(20,400)	18,644	36,206	109,000	126,000	139,000
Adj Op Earnings (\$'000)	Not avail	(19,000)	20,000	37,562	110,500	127,500	140,500
ROGI (%)	13.1%	2.7%	6.5%	8.0%	14.9%	16.2%	17.5%
Cost \$/ton CPO to EBITDA estate+mill	355	395	312	292	308	288	274
Cost \$/ton CPO to NPBT estate+mill	580	695	584	563	520	496	481
Cost \$/ton CPO to NPBT (netting smallholder margin and by-product rev)	453	595	468	442	419	395	380
Inti ha mature CTP	70,539	72,950	76,491	76,491	79,671	79,671	78,939
Estate ffb	951,891	1,159,507	1,418,055	1,418,055	1,783,215	1,929,438	2,029,780
Estate tons ffb / hectare	13.5	15.9	18.5	18.5	22.4	24.2	25.7
% site yield potential	74.4%	65.6%	79.2%	79.2%	87.6%	87.0%	89.5%
CPO ton / hectare estate	2.9	3.2	4.2	4.2	5.0	5.5	5.9
Smallholder ffb	666,387	850,006	861,172	861,172	806,615	773,235	748,529
Smallholder ha mature CTP	41,630	42,864	43,813	43,813	37,993	36,315	33,103
Smallholder tons ffb / hectare	16.0	19.8	19.7	19.7	21.2	21.3	22.6
CPO extraction rate	21.31%	20.98%	22.47%	22.50%	22.29%	22.58%	22.81%
Palm kernel extraction rate	5.23%	5.14%	5.00%	5.10%	4.91%	4.92%	4.95%
Palm kernel oil extraction rate	39.45%	39.80%	41.27%	41.27%	41.65%	41.62%	41.62%
Tons CPO produced	349,974	422,415	515,000	515,705	577,841	610,622	634,209

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.				<i>Minor</i>
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Findings	In compliance:	Yes:	X	No:	
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Objective evidence: There is no replanting activity during audit. However PT. HSL – Paku Juang Mill already had replanting programs. Based on the document PT. HSL – Paku Juang Mill has planed replanting in 2021 for 204 ha. There is a sandy land management in PT.HSL by adding a bunch empty and

	solid.
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Principle 4: Use of Appropriate Best Practices by Growers and Millers						
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.						
4.1.1	Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available.					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>The company has established and documented the operational SOP mil plantation and mill, example as below:</p> <p>The updated procedures include PT.ISK, PT HSL and PT ASL on 22 November 2016 as follows:</p> <ul style="list-style-type: none"> • SOP for land clearing without fire (EST-SOP-ASD.10-R.02) • SOP for nursery (EST-SOP-ASD.01.R02) • SOP for immature plant (EST-SOP-ASD.02-R.00) • SOP for mature plant (EST-SOP-ASD.03-R.02) • SOP for harvesting (EST-SOP-ASD.29-R.03) • SOP for empty fruit bunch application (EST-SOP-ASD.18-R.02) • SOP for manuring (EST-SOP-ASD.38-R.02) • SOP for planting beneficial plant (EST-SOP-ASD.42-R.00) • SOP for Weighbridge (ENG-SOP-MMM.001-R.03) • SOP for Loading Ramp Station (ENG-SOP-MMM.002-R.01) • SOP for Sterilizer Station (ENG-SOP-MMM.003-R.05) • SOP for Tippler Station (ENG-SOP-MMM.004-R.02) • SOP for Press Station (ENG-SOP-MMM.005-R.03) • SOP for Clarification Station (ENG-SOP-MMM.006-R.03) • SOP for Storage Tank (ENG-SOP-MMM.011-R.04) • SOP for Kernel Station (ENG-SOP-MMM.007-R.03) <p>During audit 2017 noted, the updated SOPs for Press Station and Warehouse at Paku Juang Mill are not in place as the last revision made as following:</p> <ol style="list-style-type: none"> 1) ENG-SOP-PJM-05.-R.03 in Press Station 2) ENG-SOP-PJM-010.-R.03 in Warehouse <p>Meanwhile there are three SOPs that not put the number or revision in consistent way in the approval sheet and in the head of SOP body found in the folder of SOP as following:</p> <ol style="list-style-type: none"> 1) HSL-SOP-SAF 05 on General Condition Inspection 2) HSL-SOP-SAF 05 on Pre Job Hazard Analysis 3) HSL-SOP-SAF 05 on LOTO <p>See Observation</p>					
4.1.2	Checking or monitoring of operations procedures is conducted at least once a year.					<i>Minor</i>
Findings	In compliance:	Yes:		No:	X	
Objective evidence:	<p>Field audit conducted in order to check the implementation of procedure at PT. HSL. The Agronomy Service Department has conducted the field check periodically to ensure the SOP implementation. Records for these activities are available at field agriculture appraisal, e.g. :</p> <p>Records of field agriculture appraisal – mature for Sungai Dabu Estate in November 2017:</p>					

	<ul style="list-style-type: none"> ▪ Harvesting activities got score 55 %, ▪ Cultivation and Upkeep 80 % and ▪ Manuring 100 %; <p>Records of field agriculture appraisal – mature for Paku Juang Estate in November 2017:</p> <ul style="list-style-type: none"> ▪ Harvesting activities got score 53%, ▪ Cultivation and Upkeep 75 % and ▪ Manuring 100 %; <p>Records of field agriculture appraisal – mature for Kebanteng Estate in November 2017:</p> <ul style="list-style-type: none"> ▪ Harvesting activities got score 61 %, ▪ Cultivation and Upkeep 76 % and ▪ Manuring 97 %; 	
4.1.3	Records of monitoring and any follow-up actions shall be available.	<i>Minor</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>Records of monitoring and the action taken as a result from field agricultural are maintained. These records available at "Permintaan Tindakan Perbaikan dan Pencegahan (form NC)" doc: REP-SOP-REP.06-F.01</p> <p>Internal Audit field is done monthly (routine) by ASD Team, and if any inconsistency with SOP, ASD team will issue NC "Request for Repair and Prevention Action" / Form No.PTPP-HSL-TSD-00XXXX)</p> <p>Examples of non-conformities examined are:</p> <ul style="list-style-type: none"> • Form No.PTPP-HSL-TSD-001361 dated May 8, 2017 on: the crushed palm fruit left behind and harvest interval • Form No.PTPP-HSL-TSD-001368 dated June 13, 2017 on: the crushed palm fruit left behind, Ground cover and pruning • Form No.PTPP-HSL-TSD-001334 dated 11 March 2017 on: the crushed palm fruit left behind and pruning <p>All NC has been acted upon by the responsible person of the activity.</p>	
4.1.4	Records of the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and outgrower) shall be available.	<i>Major</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	Records of third party FFB sources are available and maintained by the Paku Juang Mill. No FFB from the third party, the FFB supplier of Paku Juang Mill are Kebanteng Estate, Paku Juang Estate, Keluwin Estate, Sungai Dabu Estate and its KKPA smallholder schemes. While the Mill is also received FFB occasionally from other certified adjacent estates i.e. Bagan Kusik Estate during breakdown of neighboring mill (i.e. Manis Mata Mill) or during heavy rain which caused bad access road condition.	
Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
4.2.1	A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available	<i>Minor</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>The company was maintaining the soil fertility to ensure the optimal and sustained yield. In order to maintain the soil fertility, the company has conducted fertilizer application based on SOP for Manual Manuring and Mechanical Manuring.</p> <p>Manuring activity has referred to fertilizers recommendation based on result of soil and leaf sampling unit. Soil Sampling Unit (SSU) is conducted regularly based on SOP <i>Pengambilan Sample Tanah</i> and Leaf Sampling Unit (LSU) is conducted based on SOP <i>Pengambilan Kesatuan Contoh Daun</i>. The last analysis period are :</p> <ul style="list-style-type: none"> • SSU is conducted once in 5 years where the point of SSU area located on the LSU point. 	

	<p>Last monitoring in fiscal 2012/2013.</p> <ul style="list-style-type: none"> • LSU is conducted every years with sample point 0.8 – 1% of population/ha. Last monitoring fiscal 2015/2016. • Fertilizers analysis is conducted using nutrient balance. 																
4.2.2	Records of fertilizer inputs shall be available.					<i>Minor</i>											
Findings	In compliance:	Yes:	X	No:													
Objective evidence:	<p>Records for agronomy activities available at OMP and it can be grouping by job title, e.g fertilizer application. Records of fertilizers input are available and maintained at fertilizers application programs. Checked record of fertilizer application at Sungai Dabu estate as following:</p> <table border="1"> <thead> <tr> <th></th> <th>Fertilizer recommendation 2016/2017</th> <th>Fertilizer Realization 2016/2017</th> </tr> </thead> <tbody> <tr> <td>Urea</td> <td>943.3 Ton</td> <td>963 Ton</td> </tr> <tr> <td>RP</td> <td>700.4 Ton</td> <td>700.9 Ton</td> </tr> <tr> <td>KCL</td> <td>1 506.3 Ton</td> <td>1 492 Ton</td> </tr> </tbody> </table> <p>Data of fertilizer application is available, for instance in October 2016 18 ton to compartment K8BM12, K8BM13, K8BM14 and K8BM15. The total area KBM 12 is 17.57 ha, number of palm are 2 089 total application is 3 150 kg (1.5 Kg per palm).</p>						Fertilizer recommendation 2016/2017	Fertilizer Realization 2016/2017	Urea	943.3 Ton	963 Ton	RP	700.4 Ton	700.9 Ton	KCL	1 506.3 Ton	1 492 Ton
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Urea	943.3 Ton	963 Ton															
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KCL	1 506.3 Ton	1 492 Ton															
4.2.3	Records of periodical leaf, soil and visual analysis shall be available.					<i>Minor</i>											
Findings	In compliance:	Yes:	X	No:													
Objective evidence:	<p>The company conducted the tissue and soil sampling periodically. Records are available at OMP program for soil and leaf data by block list. Latest soil sampling conducted on 2012/2013 and latest leaf sampling unit conducted on 2015/2016.</p>																
4.2.4	A nutrient recycling strategy is recorded, including use of Empty Fruit Bunches (EFB), land application, and palm residues after replanting.					<i>Minor</i>											
Findings	In compliance:	Yes:	X	No:													
Objective evidence:	<p>There is evidence of Fertiliser Programme the palm residues such as frond stacking, EFB and POME.</p> <p>the latest reports 2016/2017 were available:</p> <ul style="list-style-type: none"> - EFB applied 10 800 Ton - Decanter cake applied 700 ton - POME applied 66.873 (t) 																
Criterion 4.3: Practices minimize and control erosion and degradation of soils.																	
4.3.1	Maps of any fragile/marginal soils shall be available.					<i>Major</i>											
Findings	In compliance:	Yes:	X	No:													
Objective evidence:	<p>The company has a soil maps with scale 1:50,000. Based on the soil map, no fragile soil at the company areas. Soil type at the company areas are Deep Tropept, Pale Udult, Laterite, SW Entisol, DP Entisol, and Ultisol.</p>																
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).					<i>Minor</i>											
Findings	In compliance:	Yes:	X	No:													
Objective evidence:	<p>Topography maps are available with scale 1:50,000. The company has applied specific technique at hilly areas as follows:</p> <ul style="list-style-type: none"> • Front stacking technique, those cross to the slope. • Individual terrace and continues terrace. • Spraying technique conducted by selective weeding, not blanket spraying. 																
4.3.3	A road maintenance programme shall be in place.					<i>Minor</i>											

Findings	In compliance:	Yes:	X	No:																																	
Objective evidence:	The road maintenance programs are available. The company has an annual budget year 2016 – 2017, where the road maintenance program included, for example: realization of mechanical road maintenance on the Kebanteng Estate verified as following:																																				
		Budget 2016/17	Realisation 2016/17	Budget 2017/18																																	
	Repair (IDR)	343 731 000	457 319 000	393 463 000																																	
	Surfacing (IDR)	307 950 000	293 691 000	613 060 000																																	
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.						<i>Major</i>																														
Findings	In compliance:	Yes:	X	No:																																	
Objective evidence:	Not applicable. Based on the soil map, no peat soil at PT. HSL.																																				
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.						<i>Minor</i>																														
Findings	In compliance:	Yes:	X	No:																																	
Objective evidence:	Not applicable. Based on the company soil map, no peat soil at PT. HSL.																																				
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).						<i>Minor</i>																														
Findings	In compliance:	Yes:	X	No:																																	
Objective evidence:	No peat soil at the company areas. However there were sandy soils at the company areas. Management strategy to maintain the sandy soil the company has been established in SOP <i>Pengelolaan Tanah Berpasir # EST-SOP-ASD.42R.00</i>																																				
Criterion 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.						<i>Minor</i>																														
Findings	In compliance:	Yes:	X	No:																																	
Objective evidence:	<p>The production unit was monitoring and implementing the water management plan as per SOP Rencana Pengelolaan Air (HSL-SOP-EHS.21-R.01 dated 2 Apr 2012). The SOP has defined best practices and monitoring requirements of the water usage.</p> <p>During site examination to riparian of Sungai Terusan at Paku Juang Estate noted signs of prohibition for the chemical applications around the pond as per the SOP for buffer zone. Minor CAR closed.</p> <p>In Paku Juang Mill, there are some records available to monitor the water usage and management plan, e.g.: <i>Program perbaikan lingkungan, aspek dampak lingkungan</i> and monthly water usage.</p> <p>Data of water consumption is available as following:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 15%;">Month</th> <th style="width: 20%;">Mill Process (including process & boiler) (M³)</th> <th style="width: 15%;">Process (MT FFB)</th> <th style="width: 15%;">FFB Processed (M³/MT)</th> <th style="width: 35%;">Domestic (M³)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Nov-16</td> <td style="text-align: right;">45 741</td> <td style="text-align: right;">34 270.66</td> <td style="text-align: right;">1.33</td> <td style="text-align: right;">12 066.00</td> </tr> <tr> <td style="text-align: center;">Dec-16</td> <td style="text-align: right;">40 078</td> <td style="text-align: right;">28 448.46</td> <td style="text-align: right;">1.41</td> <td style="text-align: right;">13 813.00</td> </tr> <tr> <td style="text-align: center;">Jan-17</td> <td style="text-align: right;">31 905</td> <td style="text-align: right;">22 719.54</td> <td style="text-align: right;">1.40</td> <td style="text-align: right;">13 555.10</td> </tr> <tr> <td style="text-align: center;">Feb-17</td> <td style="text-align: right;">19 337</td> <td style="text-align: right;">15 471.25</td> <td style="text-align: right;">1.25</td> <td style="text-align: right;">12 238.60</td> </tr> <tr> <td style="text-align: center;">Mar-17</td> <td style="text-align: right;">24 171</td> <td style="text-align: right;">18 446.58</td> <td style="text-align: right;">1.31</td> <td style="text-align: right;">11 907.50</td> </tr> </tbody> </table>							Month	Mill Process (including process & boiler) (M ³)	Process (MT FFB)	FFB Processed (M ³ /MT)	Domestic (M ³)	Nov-16	45 741	34 270.66	1.33	12 066.00	Dec-16	40 078	28 448.46	1.41	13 813.00	Jan-17	31 905	22 719.54	1.40	13 555.10	Feb-17	19 337	15 471.25	1.25	12 238.60	Mar-17	24 171	18 446.58	1.31	11 907.50
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4.4.2	Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.					<i>Major</i>																																													
Findings	In compliance:	Yes:	X	No:																																															
Objective evidence:	<p>The production unit was protecting watercourses and wetlands, including maintaining and restoring appropriate riparian buffer zones as per explained in the SOP Buffer Zone (EST-SOP-ASD.13-R.03). All riparian identified are clearly marked on the ground and marked in the field map to ensure no activities (i.e.: spraying; manuring) being conducted in the area.</p> <p>Example : Buffer zone "Persemaian River" at Kebanteng Estate block # H45 with coordinate 02°28,434' S, 111°01,430' E.</p>																																																		
4.4.3	Records for monitoring of effluent especially BOD (<i>Biochemical Oxygen Demand</i>) and efforts to comply with legal requirements, shall be available (see criteria 2.1 and 5.6).					<i>Minor</i>																																													
Findings	In compliance:	Yes:	X	No:																																															
Objective evidence:	<p>Monthly submission of report on the discharge of effluent for land application is available, for example: <i>Laporan bulanan pemanfaatan air limbah ke lahan perkebunan PT. HSL</i> Period August, September, and October 2017.</p> <p>Records showed that the BOD of the effluent was within the permitted level (4000 ppm). For instance:</p> <ul style="list-style-type: none"> - January 2017 = 1 934 ppm - February 2017 = 1 747 ppm - March 2017 = 3 345 ppm 																																																		
4.4.4	Monitoring of mill water use per ton of FFB shall be recorded.					<i>Minor</i>																																													
Findings	In compliance:	Yes:	X	No:																																															
Objective evidence:	<p>The mill has monitored the water usage separately from the estate covering both operational and domestic use (workers accommodations, mosque and clinic). The mill has monitored a monthly basis within the Summary of Water Consumption as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="text-align: center;">Month</th> <th style="text-align: center;">Mill Process (including process & boiler) (M³)</th> <th style="text-align: center;">Process (MT FFB)</th> <th style="text-align: center;">FFB Processed (M³/MT)</th> <th style="text-align: center;">Domestic (M³)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Nov-16</td> <td style="text-align: right;">45 741</td> <td style="text-align: right;">34 270.66</td> <td style="text-align: right;">1.33</td> <td style="text-align: right;">12 066.00</td> </tr> <tr> <td style="text-align: center;">Dec-16</td> <td style="text-align: right;">40 078</td> <td style="text-align: right;">28 448.46</td> <td style="text-align: right;">1.41</td> <td style="text-align: right;">13 813.00</td> </tr> <tr> <td style="text-align: center;">Jan-17</td> <td style="text-align: right;">31 905</td> <td style="text-align: right;">22 719.54</td> <td style="text-align: right;">1.40</td> <td style="text-align: right;">13 555.10</td> </tr> <tr> <td style="text-align: center;">Feb-17</td> <td style="text-align: right;">19 337</td> <td style="text-align: right;">15 471.25</td> <td style="text-align: right;">1.25</td> <td style="text-align: right;">12 238.60</td> </tr> <tr> <td style="text-align: center;">Mar-17</td> <td style="text-align: right;">24 171</td> <td style="text-align: right;">18 446.58</td> <td style="text-align: right;">1.31</td> <td style="text-align: right;">11 907.50</td> </tr> <tr> <td style="text-align: center;">Apr-17</td> <td style="text-align: right;">26 052</td> <td style="text-align: right;">20 877.33</td> <td style="text-align: right;">1.25</td> <td style="text-align: right;">11 296.00</td> </tr> <tr> <td style="text-align: center;">Mei-17</td> <td style="text-align: right;">29 370</td> <td style="text-align: right;">23 165.81</td> <td style="text-align: right;">1.27</td> <td style="text-align: right;">11 603.40</td> </tr> <tr> <td style="text-align: center;">Jun-17</td> <td style="text-align: right;">25 664</td> <td style="text-align: right;">20 042.31</td> <td style="text-align: right;">1.28</td> <td style="text-align: right;">8 256.40</td> </tr> </tbody> </table>						Month	Mill Process (including process & boiler) (M ³)	Process (MT FFB)	FFB Processed (M ³ /MT)	Domestic (M ³)	Nov-16	45 741	34 270.66	1.33	12 066.00	Dec-16	40 078	28 448.46	1.41	13 813.00	Jan-17	31 905	22 719.54	1.40	13 555.10	Feb-17	19 337	15 471.25	1.25	12 238.60	Mar-17	24 171	18 446.58	1.31	11 907.50	Apr-17	26 052	20 877.33	1.25	11 296.00	Mei-17	29 370	23 165.81	1.27	11 603.40	Jun-17	25 664	20 042.31	1.28	8 256.40
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Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.																																																	
4.5.1	Monitoring of Integrated Pest Management (IPM) plan implementation shall be available.				<i>Major</i>																																												
Findings	In compliance:	Yes:	X	No:																																													
Objective evidence:	<p>The company has implemented the IPM program to control the pests and diseases. The activities that company conducted in order to control including :</p> <p>Monitoring; To monitor the pests and diseases condition, the company was conducting the detection activities.</p> <p>Census will conducted if the detection result shows a significant attack. Detection conducted monthly.</p> <p>Prevention; to control the pests and diseases condition, the company using a biological agent as prevention activities, such as <i>Turnera subulata</i> and <i>Turnera umbifolia</i>, and <i>Antigonon leptopus</i>.</p> <p>A record of detection activities is available on detection records, for instance at monthly monitoring at Sungai Dabu Estate in September 2017 observed to 180 751 palms. It was noted attacked in low intensity i.e.:</p> <ul style="list-style-type: none"> - Nitle caterpillar = 85 - Bag worm = 1 026 - Oreyctes = 278 <p>According to the data pest and diseases sensus at Paku Juang Estate compartment H23 and H24 in July and September 2017 noted Orycthes attacked were detected with intensity more than 2 %. Action has yet taken in order to monitor integrated pest management plan to these areas. See Observation.</p>																																																
4.5.2	Training records of Integrated Pest Management (IPM) shall be available.				<i>Minor</i>																																												
Findings	In compliance:	Yes:	X	No:																																													
Objective evidence:	<p>The company has been conducting the IPM training regularly. IPM training facilitated by the Agronomy Service Department. Records of IPM training are available, e.g.:</p> <p>FY 2017/2018</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Participant</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>04-Sep-17</td> <td>IPM control</td> <td>10</td> <td>Sungai Dabu</td> </tr> <tr> <td>27-Nov-17</td> <td>Calibration Sprayer</td> <td>8</td> <td>Sungai Dabu</td> </tr> <tr> <td>27-Nov-17</td> <td>IPM control</td> <td>11</td> <td>Sungai Dabu</td> </tr> <tr> <td>03-Jun-17</td> <td>Pest Detection</td> <td>15</td> <td>Kebanteng</td> </tr> <tr> <td>26-Agu-17</td> <td>Spray Caterpillar</td> <td>5</td> <td>Kebanteng</td> </tr> <tr> <td>04-Nov-17</td> <td>Calibration Sprayer</td> <td>10</td> <td>Kebanteng</td> </tr> <tr> <td>04-Nov-17</td> <td>IPM control</td> <td>15</td> <td>Pau Juang</td> </tr> <tr> <td>05-Des-17</td> <td>IPM control</td> <td>12</td> <td>Paku Juang</td> </tr> <tr> <td>17- Okt-17</td> <td>How to Spraying</td> <td>10</td> <td>Paku Juang</td> </tr> <tr> <td>11- Okt-17</td> <td>How to safely harvest high crops</td> <td>11</td> <td>Paku Juang</td> </tr> </tbody> </table>					Date	Training Topic	Participant	Estate	04-Sep-17	IPM control	10	Sungai Dabu	27-Nov-17	Calibration Sprayer	8	Sungai Dabu	27-Nov-17	IPM control	11	Sungai Dabu	03-Jun-17	Pest Detection	15	Kebanteng	26-Agu-17	Spray Caterpillar	5	Kebanteng	04-Nov-17	Calibration Sprayer	10	Kebanteng	04-Nov-17	IPM control	15	Pau Juang	05-Des-17	IPM control	12	Paku Juang	17- Okt-17	How to Spraying	10	Paku Juang	11- Okt-17	How to safely harvest high crops	11	Paku Juang
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Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment.																																																	
4.6.1	Documented evidence shall be available to show that pesticide used based on regulations and the use of pesticide is specific to target species with appropriate dosage which have minimal impact on non-target species.				<i>Major</i>																																												
Findings	In compliance:	Yes:	x	No:																																													
Objective evidence:	<p>The ASD has justified the pesticides that would be use in every fiscal year. One of method that used on pesticides justification is by referring to the green book of allowed pesticide that published by the Agriculture Ministry. Pesticides trials conducted for the new type and label in the</p>																																																

	first time use of pesticides.																	
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 available.					<i>Major</i>												
Findings	In compliance:	Yes:	X	No:														
Objective evidence:	<p>The company maintained the records of the oil palm plantation operational records including records according to the use of pesticides at OMP programs with IT based. During the surveillance audit the company maintained the reports of pesticides use with the active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications included. The data is available at HSL chemicals data used 2016/2017, e.g: at Paku Juang Estate</p> <table border="1"> <thead> <tr> <th>PESTICIDE APPLICATION IN LITRES</th> <th>Total Litre</th> <th>Chemical Utilization (li / ha)</th> <th>LD 50 (gm / kg)</th> </tr> </thead> <tbody> <tr> <td>Glyphosate in Litre</td> <td>2 841.6</td> <td>0.93</td> <td>5.00</td> </tr> <tr> <td>Metsulfuron in gr</td> <td>2</td> <td>0.8</td> <td>0.28</td> </tr> </tbody> </table>					PESTICIDE APPLICATION IN LITRES	Total Litre	Chemical Utilization (li / ha)	LD 50 (gm / kg)	Glyphosate in Litre	2 841.6	0.93	5.00	Metsulfuron in gr	2	0.8	0.28	
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Metsulfuron in gr	2	0.8	0.28															
4.6.3	Any use of pesticides shall be minimized 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 Indonesia Best Practice guidelines.					<i>Major</i>												
Findings	In compliance:	Yes:	X	No:														
Objective evidence:	<p>The company has a policy to reduce the use of pesticides in accordance with Integrated Pest Management (IPM) plans, that available at "reduce of pesticides use policy", where the policy also included the method that use in order to reduce pesticides use. Method that use to reduce the use of pesticides, i.e. :</p> <ul style="list-style-type: none"> Planting beneficial plant (<i>Turnera sp</i>, <i>Cassia sp</i>, <i>Antigonon leptopus</i>) at main and collection road, to prevent a net caterpillar's attack. Gupon using as a nest for <i>Tyto alba</i> in order to control the rats populations. <i>Bacillus thuringiensis</i> application to control the leaf caterpillars. Hand picking method to control the <i>oryctes</i> in areas that EFB applied. 																	
4.6.4	The evidence shall be available to demonstrate that use of Pesticides, categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, and paraquat are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances.					<i>Minor</i>												
Findings	In compliance:	Yes:	X	No:														
Objective evidence:	<p>The company has maintained the records of pesticides type that used. Records of the pesticides used available at OMP programs and the summary available at HSL chemicals used data 2016/2017 and also available at the stock cards. Based on the records there were no pesticides that categorized as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions. The pesticides used by the company, e.g.:</p> <ul style="list-style-type: none"> Primax, Class III (glyfosat, metil metsulfuron), registration number RI. 01030120072791 Garlon, Class II registration number RI.0101011981462 																	
4.6.5	Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).					<i>Major</i>												
Findings	In compliance:	Yes:	X	No:														
Objective evidence:	<p>Pesticides have been applied by the selective persons who have competencies. During the interview with the workers, shows the applicant of pesticides have a competencies regarding pesticides used. Besides that, the records of training in using pesticides are available, e.g.:</p>																	

	<ul style="list-style-type: none"> • Spray Caterpillar on 26-Agu-17. • How to Spraying on 17- Okt-17. • Calibration Sprayer on 27-Nov-17 	
4.6.6	Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>During the inspection to the company facilities, the pesticides were stored at the permanent store with equipped with emergency response facilities, such as: fire extinguishers, first aid kit, safety showers, secondary containment, and emergency phone numbers.</p> <p>But the basic data of the used chemical use for period for April –June, and July – September 2017 are not in place, although the computerized data were available in the Paku Juang e mill office.</p>	
4.6.7	Application of pesticides shall be by proven methods that minimise rHSL and negative impacts.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Based on the interview the workers understood well enough regarding the spraying method for every type of pesticides, type of spraying targets and the disposal handling of pesticides material and the waste.</p> <p>During spraying activities, workers use personal protective equipment in accordance with the provisions of: apron, mask, shoes, and gloves.</p> <p>The workers also understand that pregnant workers should not engage in spraying activities, and they are stated that there has been regular medical checkup and cholinesterase test every year.</p>	
4.6.8	Pesticides may only be applied aerially where there is a documented justification. Surrounding communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Based on document review at OMP programs, show that no used of any aerial pesticides applications. During visit to chemical activity on Paku Juang Estate show that no used of any aerial pesticides applications. Implementation of the pesticide only be done using manual sprayer, there are no using air plane and boom sprayer.	
4.6.9	Evidence of training on handling pesticide for workers and scheme smallholder (if any) shall be available.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	However based on the interview the workers understood well enough regarding the spraying method for every type of pesticides, type of spraying targets and the disposal handling of pesticides material and the waste.	
4.6.10	Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The hazardous waste have been transferred to licensed waste processor company as follows:</p> <ul style="list-style-type: none"> • PT Karya Nusa Bumi Persada (license from KLH # SK.218/MenLHK/Setjen/PSLB.3/3/2016 valid 15 March 2021) for processing used oil and contaminated rags. • PT Tenang Jaya Sejahtera (license from KLH # 50 year 2013 valid 31 Jan 2018) for operating incinerator (medical waste and contaminated rags). • PT PPLI, processing for used jerry cans and used filter. • PT Muhtomas (license from KLH # 119/2013 valid 11 April 2018) for processing used battery. <p>The company has appointed PT Bank Sampah Indonesia as hazardous waste transporter (license from KLH # S2885/PSLB-VPLB3/2015 and Dirjen Hubdar # SK.7735/AJ.309/DJPD/2015/3301309214BB valid 07 Dec 2020).</p> <p>The expired chemical (including expired pesticide) have been transferred to licensed waste</p>	

	processor company as per manifest No. ARB 0002766 dated on 15 April 2017, Expired Chemical 662 kg, vehicle number: AD1834AV (truck licence valid 13 Feb 2018). This waste sent to PPLI for disposal.. Minor CAR Closed.				
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Based on document review, the latest specific annual medical checkup conducted in 2015. Records of medical checkup were available at <i>Rekapitulasi Hasil Pemeriksaan Kesehatan Tenaga Kerja</i> PT. Harapan Sawit Lestari – Paku Juang Mill conducted on December 2015 for 367 sprayer and manuring workers including PT. HSL, PT. ASL and PT. ISK, where 343 workers with cholinesterase normally and 1 worker with cholinesterase normally and 23 workers with cholinesterase low.</p> <p>In 2017, there has been 27 worker had been tested with cholinestrage and showed the result as following:</p> <p>There are 27 workers in Paku Juang Estate had been tested with Lovibond Test Kit AF 267, showed the result as following: , 2 person identified as low impacted, 25 workers are normal. This test done by Hiperkes Service Unit from West Kalimantan on January 2, 2017.</p>				
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>During the interview with the workers and paramedic, no pregnant and breast feeding workers at the chemicals areas. In order to monitor the pregnant and breast feeding workers. Records of pregnant and breast feeding workers available on monitoring of pregnancy for spraying and manuring workers.</p> <p>The health clinic monitor the pregnant worker by doing regular testing monthly. The manure workers and spraying ones go to clinic to test their reproductive cycles. If identified menstruated, the worker should have two days off, meanwhile if the identified positive has pregnancy, then the clinic officer send letter to Manager Assistant to redirect her to other works that not contacted to chemical material.</p> <p>PT ASL does medical check up for the spraying, manure and loading worker once every 3 months in the period as following:</p> <p>January – March , in March 6, 2017.</p> <p>April – June, in June 5, 2017</p> <p>July – September, in September 27, 2017, and</p> <p>October December ,in December 4, 201</p>				
Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented.					
4.7.1	A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Documented Occupational Safety and Health (OSH) is available in <i>Kebijakan Lingkungan, Kesehatan Kerja, Mutu & Keselamatan Pangan</i> (LK3MKP) signed by Mr John J. Hartmann, Chief Executive Officer of Cargill Tropical Palm and Mr. Nharong Somchit (President Director) dated 26th February 2015. The policy has been displayed at the estate office and communicated to all workers through information board and morning briefing. The policy which is available in both Indonesian and English language specifies that the company is committed to comply with all applicable occupational health and safety, process safety, and procedure safety requirements, continually improve performance on criteria relevant to its businesses and operations, and insist that all work, however urgent, be done safely.</p> <p>Site inspection in the production unit is evident that all workers are in compliance with the OSH policy and using appropriate Personal Protective Equipment (PPE) as per listed in HIRARC.</p> <p>Monitoring of health and safety implementation has been conducted into EHS Balanced Scorecard: near miss, LOTO audit, safety inspection, etc. There is checklist of general condition inspection (monthly) at Paku Juang Estate in 12 September 2016. MSDS, PPE and emergency facilities have included in checklist.</p>				

	<p>The policy has been communicated to all employees and contractor dated</p> <ul style="list-style-type: none"> • 5 July 2016: policy of LK3MP • 7 July 2016: policy of Labour Unions, Equal opportunities and Reproduction. <p>There is policy OSH in point 3 on Occupational Health and Safety dated on July 7, 2017, signed by Richard Low CEO and Nharong Somchit President Director.</p>				
4.7.2	A documented risk assessment shall be available and its implementation shall be recorded.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The production unit has regularly reviewed and update the risk assessment for Occupational Health and Safety (OHS). Risk Assessment is conducted on a yearly basis as reflected in Identification and Evaluation of Occupational Safety and Health (REP-SOP-REP.09-R.09) procedure dated 11th August 2015.</p> <p>The documented assessment is available for various working fields i.e. Clinic, Field Operations (spraying, manuring and harvesting), Workshop, Office and other estates environment (road areas). Revision of the risk assessment is conducted according to Accident, Incident, Corrective Action and Prevention (REP-SOP-REP.06-R.05) procedure.</p> <p>An updated HIRARC is available in <i>Identifikasi dan Analisis Bahaya Resiko K3</i> dated on 11th August 2015 (Paku Juang Mill) and estates (i.e. Paku Juang Estate PJE ; Keluwin Estate).</p> <p>An updated HIRARC is available in <i>Identifikasi dan Analisis Bahaya Resiko K3</i> dated on 11th August 2015 (Paku Juang Mill) and estates (i.e. Paku Juang Estate PJE ; Keluwin Estate) that had been reviewed April 1, 2017 as showed in the REP-SOP-REP.09-F-05 for Paku Juang Mill. This document covered the risk assessment divided into 2 part:</p> <p>Estates</p> <ol style="list-style-type: none"> 1. Harvesting FFB 2. Lost Fruit Handling 3. Loading to trailer FS 4. Loading TBS bin > 8 tons 5. Work with pestice 6. Work with fertilizer 7. Cleansing in sprayshed 8. Selective weeding manual 9. Pruning 10. Application Mill Residue 11. Transportation with truck 12. Transportation with Tractor Mediium (FM). 13. Operation small tractor (FS). 14. Operational Compactor 15. Operational Grader 16. Operational Excavator 17. Operation Wheel Loader 18. Operational mini grabber 19. Travelling with light vehicle 20. Traveling with motorcycle. 21. Mobility in office 22. LED (Screen Display Computer) 23. Installation/Service of AC 24. Used electronic and computer 				

	<p>25. Replacing the died lamps</p> <p>26. Maintenance of Office Garden</p> <p>27. Transporting Garbage with Trucks</p> <p>28. Working with Chemical /Water Treatment</p> <p>Mill</p> <p>1) Office and weighting bridge</p> <p>2) Workshop</p> <p>See:</p> <p>1) identifikasi potensi resiko bahaya di Mill Paku Juang</p> <p>2) the register of Identifikasi dan evaluasi dampak lingkungan</p>	
4.7.3	Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.	<i>Major</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>OHS Training Plan is evident in EHS Training Calendar FY2016/2017 (20 types of training) which includes training on:</p> <ul style="list-style-type: none"> a. Harvesting Safety b. Confined Space Training c. First aid Kit d. Respiratory Protection e. Fire fighting f. Electrical safety g. Lockout tag out <p>Record of OHS training is evident in <i>Daftar Hadir</i> (attendance sheet), for examples:</p> <ul style="list-style-type: none"> • Emergency preparedness & response training (dated on 24 Nov 2017, 25 participants) • Training for first aider (dated on 17 April and 25 Oct 2017, 37 participants) • Lockout tag out training (dated on 12 May 2017, 11 participants) • Elevated work training (dated on 28 July 2017, 15 participants) • Training for first aider (dated on 21 Nov 2017, 55 participants) • Training for first aid & blood borne pathogen (dated on 12 Oct 2017, 20 participants) • Training for behaviour safety (dated on 14 June 2017, 29 participants) • Emergency preparedness & response training (dated on 7 Nov 2017, 26 participants). • Training for hazard communication (dated on 21 Aug 2017, 13 participants) • Training for fire extinguisher use (dated on 17 July 2017, 21 participants) • Training for fire extinguisher use (dated on 23 Nov 2017, 16 participants) • Emergency preparedness & response training (dated on 25 Oct 2017, 25 participants) • Electrical safety training (dated on 28 July 2017, 11 participants) • Training for lifting & rigging (dated on 29 Sep 2017, 9 participants) • Training for first aider (dated on 28 Nov 2017, 64 participants) • Training for hazardous waste management (dated on 22 Aug 2017, 12 participants) 	
4.7.4	The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues.	<i>Major</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>The responsible person/persons have been identified as environmental and safety committee (Panitia Pembina Keselamatan dan Kesehatan dan Lingkungan-P2K3L). P2K3L team for Head Office has been approved by Dinas Sosial Tenaga Kerja dan Transmigrasi Kabupaten Ketapang #178/Naker/Tahun2016 dated on 11 November 2016; safety Officer is Victor Hutabarat (AK3U # Kep.P.2007/M/DJPPK/VIII/2015); Zulkarnaen (AK3U #Kep.10142/M/DJPPK/XI/2014); Wibowo</p>	

Kasman (AK3U #Kep.P.2009/M/DJPPK/X/2015).

P2K3 at Paku Juang Estate has been approved Dinsosnakertrans # 54/Naker/Tahun 2015 dated on 11 May 2015, safety Officer is Wibowo Kasman.

For PT Harapan Sawit Lestari level, the company has appointed Mr. Wibowo Kasman as Program Assurance Coordinator. A letter of appointment is evident in *Keputusan Menteri Tenaga Kerja dan Transmigrasi R.I. Nomor: KEP.P.2009/M/DJPPK/X/2015* dated 30th October 2015.

Currently, there is one Safety and Health Officer dealing matters pertaining to health and safety in both mill and plantation. The OSH officer has been assigned by top management with having an overall responsibility for control and monitor of health and safety program in PT HSL. Based on records, the OSH officer has been legally registered by Manpower Agency with a registration number 8905/PK3/AJ/61/2011 and trained by the agency on 13-25 June 2011. Record of training in the form of training certificate is made available to the auditing team during the Surveillance Assessment.

Approval of OSH Committee

No.	Workplace	Authority Number	Date	Authority Holder	Remark (Person Number)
1	Central	42/NAKER/TAHUN 2015	May 11, 2015	Head of Disnakertrans Agency on behalf of District Head	1 Chief 1 Secretary 30 Members
2	Paku Juang Mill	56/NAKER/TAHUN 2015	May 11, 2015	Head of Disnakertrans Agency on behalf of District Head	1 Chief 1 Secretary 32 Members
2	Paku Juang Estate	57/NAKER/TAHUN 2015	May 11, 2015	Head of Disnakertrans Agency on behalf of District Head	1 Chief 1 Secretary 22 Members
3	Sungai Dabu Estate	58/NAKER/TAHUN 2015	May 11, 2015	Head of Disnakertrans Agency on behalf of District Head	1 Chief 1 Secretary 22 Members
4	Kebanteng Estate	51/NAKER/TAHUN 2015	May 11, 2015	Head of Disnakertrans Agency on behalf of District Head	1 Chief 1 Secretary 26 Members

4.7.5

A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.

Minor

Findings

In compliance: Yes: No:

Objective evidence:

The production unit has established a procedure to address accident and emergency preparedness requirement as evident in Accident and Emergency Preparedness Procedure (REP-SOP-REP.04-R.07) dated 25 March 2015.

The procedure specifies mechanism in handling emergency covering as follows:

- a. Fire occurrence in estate;
- b. Fire occurrence in buildings;
- c. Explosion;
- d. Normal emergency i.e. injury;
- e. Emergency relating to injury causes by chemicals;
- f. Road accidents;
- g. Injury caused by poisonous animals;
- h. Leakage of chemicals and fuels;
- i. Leakage of water tank;
- j. Leakage of CPO in the mill and from the tank;

	<p>k. Occurrence in riots and bomb threats; and</p> <p>l. Outbreak of plague disease</p> <p>m. Penghitungan Jumlah Personil setelah Keadaan Darurat.</p> <p>n. Pengamanan Sistem IT</p> <p>o. Kembali ke Situasi Normal.</p> <p>p. Prosedur Komunikasi dalam keadaan darurat.</p> <p>Accident Records period 2016/2017 was available and verified i.e: medical aid (5 accidents). The accident records have been reviewed in regular meeting of environmental and safety committee at Paku Juang Mill on 31 October 2016.</p> <p>The production unit has established a procedure to address accident and emergency preparedness requirement as evident in Accident and Emergency Preparedness Procedure (REP-SOP-REP.04-R.10) dated 1 March 2009, last revised October 31, 2017.</p>	
4.7.6	All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).	<i>Minor</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/> X	
Objective evidence:	<p>All workers were covered within the insurance scheme i.e. Workers Compensation Scheme <i>BPJS Kesehatan</i> and <i>BPJS Ketenagakerjaan</i>. For Nov 2017, the company has paid <i>BPJS Kesehatan</i> total IDR 506,270,136 and <i>BPJS Ketenagakerjaan</i> total IDR 1,089,619,448.</p> <p>Contractors also have registered their workers to followed <i>BPJS Ketenagakerjaan</i>, for example: CV Amin Salam (Building Contractor): IDR 572,500 dated on 15 Aug 2016 and IDR 515,500 dated on 16 Aug 2016 (10 participants) for period 20 Aug until 18 Dec 2016.</p> <p>According to the audiometry test result, there were such workers (4 workers at Paku Juang estate and 6 workers at Kebanteng estate) in deaf condition. Further investigation and medical care has yet in place to follow up the result of the test. Minor CAR was raised</p>	
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.	<i>Minor</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	The company has recorded Lost Time Accident metrics for 2016/2017 (lost day= 2 days).	
Criterion 4.8: All staffs, workers, smallholders and contract workers are appropriately trained.		
4.8.1	Records of training program related to the aspects of RSPO Principles and Criteria shall be available.	<i>Major</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>The production unit has established a training programme for all staffs and employees in accordance with workers positions and competences. Training Program FY2016/2017 is evident during the audit.</p> <p>The training plan includes all areas of work, level and personnel such as:</p> <ul style="list-style-type: none"> a. Personal Protective Equipment Training b. Basic First Aid (LK3) c. Lock Out – Tag Out Training d. Boiler Operator Training e. Emergency Response Plan Training f. Fire Fighting Training g. Hazardous Chemical and Waste Management Training 	
4.8.2	Records of training for each employee shall be maintained.	<i>Minor</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	Records of training conducted for each employee was kept in Training Record File and Personal Folder. Training participants and training material are made available for auditors during the audit.	

Record of OHS training is evident in *Daftar Hadir*, for examples:

Date	Training Topic	Participant
FY 2016/2017		
20-Feb-17	BBC training	13
09-Mei-17	BBC training	14
22-Mar-17	How to spraying	8
31-Mar-17	Demonstration of fertilization	13
04-Apr-17	How to spraying	11
Sum		59
FY 2017/2018		
14-Jun-17	Socialization of fertilizer recommendations	8
03-Jun-17	Pest detection	15
21-Agu-17	BBC training	10
26-Agu-17	Spraying caterpillar	5
04-Nov-17	Calibration sprayer	10
04-Nov-17	IPM Control	15
21-Nov-17	BBC	17
05-Des-17	IPM Control	12
11-Sep-17	Double cut betel cutting demonstration	18
17- Okt-17	Spraying	10
11- Okt-17	Harvesting	11
07-Nov-17	Demonstration of fertilization	11
02-Nov-17	Land application	9
23- 12-17	Spraying	13
12/11/2017	Demonstration of fertilization	12
Sum		176

Record of Paku Juang Mill training

Date	Training Topic	participant
10-Jun-17	Training OER (All Operational How to Achieve OER) Shift B	27
13-Oct-17	Training OER (All Operational How to Achieve OER) Shift A	24 person

KKPA employees have been trained standard of INA-NI RSPO P&C 2013 (endorsed by RSPO Board of Governors on 30th September 2016) dated on 12 January 2017 attended by 50 participants.

Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity					
Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.					
5.1.1	Environmental impact assessment document(s) shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	

Objective evidence:	<p>A documented impact assessment, i.e. <i>Analisis Mengenai Dampak Lingkungan</i> (AMDAL) dated January 2003 is available and approved by <i>Badan Pengendalian Dampak Lingkungan Daerah</i> of Kalimantan Barat Province # 660.1/171/Bapedalda-A dated on 6 March 2003 regarding approval for ANDAL, RKL and RPL of plantation and palm oil mill of PT Ayu Sawit Lestari (13,700 ha), which consists of the following documents:</p> <ol style="list-style-type: none"> 1. The actual environmental impact assessment report, i.e. <i>Analisis Dampak Lingkungan</i> (ANDAL) 2. Rencana Pemantauan Lingkungan – Perkebunan dan Pabrik Pengolahan Kelapa Sawit – PT Ayu Sawit Lestari 3. Rencana Pengelolaan Lingkungan – Perkebunan dan Pabrik Pengolahan Kelapa – PT Ayu Sawit Lestari <p>The AMDAL document has been approved by government and the process to get approval has been followed through stakeholders consultation in order to identify impacts and develop any mitigation measures.</p> <p>The AMDAL also cover to both estates and mills. The environmental impacts identified are land erosion, water pollution, wild life disturbance, fire, social economic and culture and health.</p> <p>The organisation is also implement environmental management system according to ISO 14001:2004. According to the EMS system, the organisation is always update their environmental aspects in every changing of the company operation and activities such as building new road, expansion of planting, changing of operation system (e.g. land application).</p>				
5.1.2	Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document.	<i>Minor</i>			
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>				
Objective evidence:	<p>The management plan as determined on RKL/RPL documents has been implemented and monitored. The company is also implements Environmental Management System (EMS) to ensure effective measures to mitigate environmental impacts of all identified significant environmental aspects.</p> <p>The regular reports of implementation environmental management plan (RPL) and monitoring report of environmental monitoring plan (RKL) is remains consistently implemented and reported to government authorities for every 3 month. Verified during surveillance audit the RKL/RPL period report as following:</p> <ul style="list-style-type: none"> - July – September 2017 - April – June 2017 - January – March 2017 - October December 2016 <p>Summary of monitoring is provided for review by the audit team.</p> <p>The responsible management team to the environmental management plan has been established i.e. Program Assurance (33 person involved covering HSL, ASL, and ISK)</p> <p>PT HSL has updated register of identification and evaluation of environmental aspect-impact dated on 28 Mach 2016.</p>				
5.1.3	Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.	<i>Minor</i>			
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>				
Objective evidence:	<p>The environmental management plan (RKL) and monitoring (RPL) are adaptive to operational changes. According to the monitoring reports during period 2016 and 2017 noted that the company is not only implement the environmental management plan as required by RKL/RPL documents as approved by government authority on the past 2003. The additional management plan and monitoring protocol due to the operational changes for instance:</p> <ul style="list-style-type: none"> - Implementation and monitoring of land application of POME. - Implementation and monitoring of hazardous waste management. 				

	<ul style="list-style-type: none"> - Determination of buffer zone area as high conservation areas. - Reducing chemical usage. <p>During surveillance audit 2017 noted that according to the result of monitoring in February 2017 that COD parameter has been out of limit according to regulation PP 82 year 2001. It was due to periodic monitoring of the river water quality are not carried out at the upstream and downstream points in order to monitor impacts of the company operations to the river water quality. See Observation.</p>				
Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.					
5.2.1	Record(s) on the results of High Conservation Value (HCV assessment) that includes both the planted area and the relevant wider landscape-level considerations (such as wildlife corridors) shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>High Conservation Value assessment has been done on 2013 in corporation with the university (Bogor Agricultural University – IPB). According to the assessment has been conclude following HCV areas :</p> <ul style="list-style-type: none"> - HCV 1.2. RTEs species - HCV 1.3 RTEs habitat <p>Those RTEs habitat located at riparian of Kebanteng river, Tarahan Batu-Utara river, Pakit river, Ringis river, Perupuk atas river, rasak river, swamp forest Pakit and Selaba.</p> <p>The RTEs species identified mainly flora species such as Ketanggang (<i>Dipterocarpus tempehes</i>), Emang (<i>Hopea mengerawan</i>), Meruyan (<i>Parashorea lucida</i>) and Belangeran (<i>Shorea belangeran</i>), Kelukup (<i>Shorea lamellata</i>), anggrek (<i>Bulbophyllum</i> sp.) and Kebangkit (<i>Combretocarpus rotundatus</i>)</p> <p>According to the assessment to HCV 2, the assessment is also considered to relevant wider landscape-level. The planted area is only 0.081% of the total forest area in Kalimantan.</p>				
5.2.2	Where rare, threatened or endangered (RTE) species and or other HCVs are present or affected by the plantation and mill operations, an appropriate measures that are expected to maintain or enhance them shall be implemented through a management plan.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>There is a management plan to maintain and/or enhance the identified HCV (RTE species and its habitat). The management plan classified into 11 main topics as following:</p> <ul style="list-style-type: none"> - Inventory - Boundary - Maintenance of boundary - Protecting - Rehabilitation and enrichment planting - Best Agriculture Practice - Prevention of invasive species - Socialization to communities - Training for staff - SOP - Organizing - Coordination with relevance instance <p>Monitoring of riparian through monthly, annually vegetation survey. Checked during audit vegetation survey 2017 where 10 sampling plots (transect) in place to get information related biodiversity index according to Shanon-Weiner Index (H'). According to monitoring report of HCV, H' for vegetation and animal more than 3. This means no decreasing of biodiversity at the</p>				

	<p>sampling plot areas.</p> <p>Monthly inspection to HCV using 18 parameters such as HCV boundary checking, presenting encroachment to the HSCV areas, presenting fish trapping etc. As per the reports noted no disturbance over all of HCV areas.</p>	
5.2.3	Program(s) to socialize the status of protected, rare, threatened or endangered (RTE) to all workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>There are dedicated and trained officers to monitor any plans and activities pertaining to identified conservation areas. The officers in PT. HSL - PJM receive training and constant support from assistant of conservation- Acressendo Taman.</p> <p>Based on records year 2016, trainings have been conducted to the dedicated personnel as follows:</p> <ul style="list-style-type: none"> • Awareness of HCV areas dated 12 Oct 2017 at SD HMDC Nursery (100 participants), 	
5.2.4	Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Measures and monitoring to maintain and enhance the values has been developed and implemented through the following evidences:</p> <p>Monitoring of riparian through monthly, annually vegetation survey. Checked during audit vegetation survey Oct 2016 where 10 sampling plots (transect) in place to get information related biodiversity index according to Shanon-Weiner Index (H'). According to monitoring report of HCV in 2017, H' for vegetation and animal more than 3. Some species of animal and vegetation found during monitoring for examples:</p> <ul style="list-style-type: none"> • Aves: <i>burung tekukur, merbah cerucuk, cinenen kelabu</i> • Mammals: <i>tupai and tikus</i> • Reptile: <i>kadal and bunglon.</i> • Vegetation: <i>pulai, pengkeladinan, macaranga, laban, garung.</i> <p>Monthly inspection to HCV using 18 parameters such as HCV boundary checking, presenting encroachment to the HSCV areas, presenting fish traping etc. As per the reports noted no disturbance over all of HCV areas.</p> <p>Checked during audit monthly inspection report period 2017 at Paku Juang Estate and Kebanteng Estate and Sungai Dabu Estate noted any disturbance over all of HCV areas, see 5.2.5 below.</p>	
5.2.5	Where HCV areas overlapped with an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>There are actual conversion of HCV areas (riparian) to palm oil plantation by local communities as reported on the Sustainability monthly report 11.11.2017 as following :</p> <ol style="list-style-type: none"> 1. Sungai Dabo Estate – riparian of sungai dabu (1.5 ha) 2. Kebanteng estate – riparian of sungai kelik and kebanteng (17.25 ha) 3. Paku Juang and Keluwin estate – riparian water reservoir Paku Juang Mill (10 ha). <p>All of those HCV areas actually belong of the land title(s) (Hak Guna Usaha – HGU) of the company, however, no evidence of legitimate acquisition and compensation or compensation settlement process (“pembebasan lahan”) on these riparian zones.</p> <p>These areas now cover to 217.ha. Minor CAR was raised.</p>	
Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially		

responsible manner.					
5.3.1	A documented identified source of all waste and pollution shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Standard Operating Procedures for Management of Waste including of Hazardous and Toxic Waste (<i>Pengelolaan Limbah termasuk Bahan Berbahaya dan Beracun</i>) (HSL-SOP-EHS.32.R-2 dated on 09 April 2013) is available. In summary the documented procedure specifies the following procedures:</p> <ul style="list-style-type: none"> • General Requirements for Waste Management Procedure; • Identification and Segregation of Waste; • Temporary Collection and Storage Area; • Special Requirement for the Management of Non-scheduled Waste; • Special Requirement for the Management of Scheduled Waste; • Landfill; • Emergency Procedure; • Waste Management Inspection and Audit; • Management of Waste Documentation. <p>The procedures also specifies the identified wastes as follows:</p> <ul style="list-style-type: none"> • Liquid Waste: <ul style="list-style-type: none"> ○ Palm Oil Mill Effluent; ○ Domestic liquid waste; • Organic Waste; <ul style="list-style-type: none"> ○ Waste derived from mill such as EFB, decanter cake etc. • Non-organic Waste; <ul style="list-style-type: none"> ○ Recyclable material such as plastic, bottle, glass and paper; ○ Scrapped iron • Liquid Scheduled Waste such as oil lubricant, transmission oil etc. • Solid Scheduled Waste; <ul style="list-style-type: none"> ○ Empty pesticides container; ○ Oil filter and diesel container; ○ Used PPEs contaminated with oil; ○ Battery, thinner container etc; • Officer waste such as toner, cartridge etc; • Clinical waste. 				
5.3.2	There shall be evidence that all chemicals and their empty containers are disposed of responsibly.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Standard Operating Procedures for Management of Waste including of Hazardous and Toxic Waste (<i>Pengelolaan Limbah termasuk Bahan Berbahaya dan Beracun</i>) (HSL-SOP-EHS.32.R-02) dated on 14 January 2013 is available and documenting all the wastes in estate and the procedures such as storage, reuse and send to the contractor for disposal. As reflected in the document, the above mentioned identified waste is managed and disposed in according to the local laws.</p> <p>License of temporary hazardous waste storage has been approved by Bupati Ketapang # 614/KLH-B/2013 valid 27 Nov 2018 for temporary schedule waste store is available for each estate and the mill. During onsite visit, schedule waste store were well managed with the records, containment and the spill kit.</p> <p>The hazardous waste have been transferred to licensed waste processor company as follows:</p> <ul style="list-style-type: none"> • PT Karya Nusa Bumi Persada (license from KLH # SK.218/MenLHK/Setjen/PSLB.3/3/2016 valid 15 March 2021) for processing used oil and contaminated rags. • PT Tenang Jaya Sejahtera (license from KLH # 50 year 2013 valid 31 Jan 2018) for operating incinerator (medical waste and contaminated rags). • PT PPLI, processing for used jerry cans and used filter. • PT Muhtomas (license from KLH # 119/2013 valid 11 April 2018) for processing used battery. 				

	<p>The company has appointed CV Bank Sampah Indonesia as hazardous waste transporter (license from KLH # S2885/PSLB-VPLB3/2015 and Dirjen Hubdar # SK.7735/AJ.309/DJPD/2015/3301309214BB valid 08 Dec 2016). Some manifest documents were verified, for examples:</p> <ul style="list-style-type: none"> No. ARB 0002705 dated on 5 April 2017, medical waste 247.4 kg, vehicle number: AD1834AV (truck licence valid 13 Feb 2018). Medical waste sent to PT Tenang Jaya Sejahtera for disposal. No. ARB 0002755 dated on 8 April 2017, used plastic packaging 110 kg, vehicle number: AD1834AV (truck licence valid 13 Feb 2018). This waste sent to PPLI for disposal. No. ARB 0002766 dated on 15 April 2017, Expired Chemical 662 kg, vehicle number: AD1834AV (truck licence valid 13 Feb 2018). This waste sent to PPLI for disposal. <p>Copy # 7 of those manifest are available.</p> <p>During site examination to Paku Juang mill, it was noted that even the official 3 monthly mass balance of hazardous waste is available, however, the primary data during period April to September 2017 is not available on site. See Observation.</p>																									
5.3.3	A documented waste management plan to avoid or reduce pollution and its implementation shall be available.				<i>Minor</i>																					
Findings	In compliance:	Yes:	X	No:																						
Objective evidence:	<p>Procedures for the management of wastes derived from the estates and mill is reflected integrated within the Standard Operating Procedures for Management of Waste including of Hazardous and Toxic Waste (<i>Pengelolaan Limbah termasuk Bahan Berbahaya dan Beracun</i>) (HSL-SOP- EHS.32.R-02) dated on 14 January 2013. The SOP specifies the identification and handling of the waste, management of identified waste and the establishment of the landfills for the disposal of the wastes. In general, the SOP stated that the landfills shall be constructed at the minimal of 300m and 500m distance from the housings and water sources respectively.</p> <p>Site examination to Sungai Dabu estate observed the line site evidenced that waste separation for organic and inorganic is allocated within the line site area and thus promoting and encouraging recycling among workers at the estate. During the onsite visit, confirmed that the waste separation implemented at the landfill (compartment E8D003). The landfill is far from the residential and river area (at least 300 m from residence or 500 m from river side according to the SOP).</p>																									
Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimized.																										
5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored.				<i>Minor</i>																					
Findings	In compliance:	Yes:	X	No:																						
Objective evidence:	<p>In term company's environmental management system as ISO 14001:2004, the company has been established and documented an environmental objective, target and program. There are an environmental objective, target and program regarding efficiency 5% of the use of fossil fuel by 2017 (from the base line 2012) and optimizing 12.5% of the use renewable energy by 2017 (from the base line 2012). The achievement of those objective, target and program are monitored in monthly and annually as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Program</th> <th colspan="3">Year</th> <th rowspan="2"></th> <th rowspan="2"></th> </tr> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> </tr> </thead> <tbody> <tr> <td>Reducing 5% fossil fuel</td> <td>2.00</td> <td>1.07</td> <td>0.91</td> <td></td> <td></td> </tr> <tr> <td>Optimizing 12.5% renewable energy</td> <td>-5%</td> <td>-9.52%</td> <td>8.71%</td> <td></td> <td></td> </tr> </tbody> </table> <p>The percentage data of optimizing renewable energy as above sourced from total annual energy of turbine generator (renewable energy) and total energy of genset (fossil fuel). The percentage data of reducing fossil fuel as above sourced from total annual diesel fuel usage of generator.</p>					Program	Year					15/16	16/17	17/18	Reducing 5% fossil fuel	2.00	1.07	0.91			Optimizing 12.5% renewable energy	-5%	-9.52%	8.71%		
Program	Year																									
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Reducing 5% fossil fuel	2.00	1.07	0.91																							
Optimizing 12.5% renewable energy	-5%	-9.52%	8.71%																							
Criterion 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	Records of land clearing with zero burning shall be available, referring to the ASEAN Policy on Zero Burning (2003) or other recognised techniques based on the existing regulations.				<i>Major</i>																					
Findings	In compliance:	Yes:	X	No:																						
Objective	The company has a commitment in place to prohibit any burning through its No Burning Policy																									

evidence:	signed by the President Director dated 30 October 2010.				
5.5.2	Where fire has been used for eradication of pest during replanting, the records of the analysis of the use of fire and permit from the authorised agency shall be available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	There is no replanting activity during the surveillance audit. Nevertheless, the company has a commitment in place to prohibit any burning through its No Burning Policy signed by the President Director dated 30 October 2010.				
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases are developed, implemented and monitored.					
5.6.1	Document(s) assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent, shall be available (see Criterion 4.4)				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>An assessment of all pollutions and emissions has been conducted periodically through the implementation of the Environmental Management Plan (RKL/RPL), GHG calculation according to ISCC and GHG calculation according to RSPO palm GHG calculator.</p> <p>In term of RKL/RPL specifies the following polluting activities:</p> <ol style="list-style-type: none"> Land erosion Water pollution Fire Wild life disturbance Air emission from boiler stack, genset and vehicles <p>The company has calculated GHG emission using RSPO Palm GHG calculator and it has been submitted to RSPO dated on 15 May 2017 as follows:</p> <p>Total plantation/field emission (assessment year 2016):</p> <ul style="list-style-type: none"> Own: 2.25 tCO₂e/ha, 0.11 tCO₂e/t FFB Group: 2.12 tCO₂e/ha, 0.14 tCO₂e/t FFB <p>Total Mill emission (assessment year 2016):</p> <ul style="list-style-type: none"> CPO: 0.74 tCO₂e/t product PK: 0.74 tCO₂e/t product 				
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Significant pollutants and GHG emission has been identified within GHG emission calculator. Significant pollutants identified are:</p> <ul style="list-style-type: none"> Palm Oil Mill Effluent (Palm Oil Mill Effluent) Fossil diesel consumption <p>Plan to reduce and minimize emission has been developed and set in documented environmental management objective, target and program.</p> <p>The target is to reduce GHG saving 35% (85 g/MJ based on RED and BioNarchv) through developing biogas plant (methane capture) at each palm oil mill. According to the time table, biogas plan at PT HSL-PJM would be revised and reviewed. Actual saving: 69.93%.</p>				
5.6.3	A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods shall be available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	A monitoring system in term of RKL/RPL conducted in daily, monthly, 3 monthly. The monitoring report provided per semester. During surveillance audit checked monitoring report for 2016 – 2017 period.				

	Monitoring for GHG emission carries out annually, GHG emission calculation during period 2016 checked during audit 2017.
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Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.					
Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.					
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Dedicated social impact document which clearly identifies positive and negative social affects that maybe caused by plantation and mills are available as follows:</p> <ol style="list-style-type: none"> 1. Social Impact Assessment (SIA) Document prepared by LINKS (dated November 2010); 2. Environmental Impact Assessment (AMDAL), approved by head of environmental agency West Kalimantan Province # 660.1/171/Bapedalda-A dated 10 March 2003 for PT. Harapan Sawit Lestari. <p>Based on the social impact assessment conducted, the auditing team observed that the SIA is conducted in a participatory manner with relevant stakeholders. In addition, there is also evidence that a socialization programme with local communities is conducted as part of the social impact assessment. There is evidence of regular socialization with local communities.</p> <p>PT ASL did Social Impact Assessment at 2016 in 5 villages as following:</p> <ol style="list-style-type: none"> 1) Air Upas Village, Air Upas Sub District 2) Gahang Village, Air Upas Sub District 3) Pantai Ketikal, Singkup Sub District 4) Tanah Hitam Village, Singkup Sub District 5) Air Tarap Village, Kendawang Sub District. <p>The SIA document and the meeting with community and stakeholder are well documented.</p>				
6.1.2	There shall be evidence that the assessment has been conducted with the participation of affected parties.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Based on the social impact assessment conducted, the auditing team observed that the SIA is conducted in a participatory manner with relevant stakeholders. In addition, there is also evidence that a socialization programme with local communities is conducted as part of the social impact assessment. There is evidence of regular socialization with local communities.</p> <p>There are 5 villages (Air Upas, Gahang, Pantai Ketikal, Tanah Hitam, Air Tarap) consulted and involved in this process of SIA in 2016.</p>				
6.1.3	Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>PT. Ayu Seawit Harapan Sawit Lestari – Paku Juang Mill has established its documented Environmental Impact Assessment (Environmental Impact Assessment (AMDAL document). EIA document analysed environmental impact during activities processes such as biodiversity, water quality, ambient air quality, protected area, erosion and social-economic-culture of local communities. Besides that, the company has conducted regular monitoring and management of social impact, with the participation of local communities in term of Corporate Social Responsibility (CSR).</p> <p>Records of stakeholder consultation with local communities evidenced that there is no complaints received from the local communities regarding the operations of the company.</p>				

6.1.4	The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.	<i>Minor</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>There is evidence of a regular reviewed and scheduled environmental management and monitoring report as per reflected in the following documents:</p> <ol style="list-style-type: none"> 1. The bi-annual environmental management and monitoring plan is formulated and sent to the <i>Dinas Lingkungan Hidup Kabupaten Ketapang</i> (Environmental Agency). The latest report was sent in August 2016. Last reports that already received by the Environmental Agency was environmental monitoring for January – June 2016. 2. A time-bound monitoring plan based on the RPL and RKL is available in both plantations and the mill. E.g. document titled of Matrix of monitoring and measurement (REP-SOP-REP.05- F.01) updated 01 April 2013. This matrix consist of monthly monitoring (waste water, general condition), 3 monthly monitoring (ambient air, noise, water quality), 6 monthly monitoring (flora fauna, emission, drink water) and yearly monitoring (soil quality). 3. PT ASL has documented social plan, to follow up the social impact assessment and did monitoring to the impacted community from mill and estates operation. 	
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).	<i>Minor</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	Environmental management and monitoring for smallholder is included in the PT. Harapan Sawit Lestari's EIA and SIA documents, because all KKPA smallholder schemes is fully managed by PT. Ayu Sawit Lestari.	
Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
6.2.1	Communication and consultation procedures shall be documented.	<i>Major</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>PT. Harapan Sawit Lestari has established procedure for communication, participation and consultation (REP-SOP-REP.03-R.02). Process flow for complaint and grievances was described clearly in the procedures.</p> <p>PT. Ay Sawit Lestari conducted monthly meeting with local communities to discuss about price information, social issues and Corporate Social Responsibility (CSR).</p> <p>Records of communication and consultation with the local communities are available and verified as done in 5 villages.</p>	
6.2.2	The company shall have official(s) who is responsible for consultation and communications with parties.	<i>Minor</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	Public Affair and Government Liaison Manager has been assigned for consulting and communicating with local communities.	
6.2.3	The company shall have a list of stakeholders, records of communications, 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.	<i>Minor</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>Stakeholder list on 2017 is available. The list listed all relevant stakeholders identified within Indonesia especially Kalimantan Barat Region covering the relevant government agencies, relevant NGO's (both social and environmental, neighbouring estates, local communities and contractors, women group, that have direct and indirect impact with the plantation operations of the PT. Ayu Sawit Lestari. Totally those are 225 stakeholders that listed.</p> <p>During stakeholder meeting with KUD Sepakat Mekar noted that there is unofficial proposal for self reliance plasma development (pengembangan plasma Mandiri) since 2015. However, records of response to this issues is not available. See Observation.</p>	
Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and		

grievances, which is implemented and accepted by all affected parties.																					
6.3.1	The mechanism, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested, as long as that information is supported with adequate initial evidence.				<i>Major</i>																
Findings	In compliance:	Yes:	X	No:																	
Objective evidence:	<p>PT. Harapan Sawit Lestari has established open system to receive complaints and to resolve dispute in an effective, timely and appropriate manner, which is accepted by affected parties:</p> <ol style="list-style-type: none"> SOP for social problem solving/ land claim resolution (ISK-SOP-PSS/LA.02-R.01) SOP for communication, participation and consultation (REP-SOP-REP.03-R.02). SOP for land release (ISK-SOP-PSS/LA.01-R.01). <p>PT. Harapan Sawit Lestari has also provided suggestion boxes and all workers can access to Cargill Ethics and Compliance (www.cargillopenlineethicspoint.com) to tell complaints.</p> <table border="1"> <thead> <tr> <th>Dated</th> <th>Complainant</th> <th>Issues</th> <th>Fixing date</th> </tr> </thead> <tbody> <tr> <td>29.01.2017</td> <td>Arianto</td> <td>broken house gate</td> <td>02.02.2017</td> </tr> <tr> <td>17.07.2017</td> <td>Maiko W</td> <td>broken roof house</td> <td>24.07.2017</td> </tr> <tr> <td>06.11.2017</td> <td>Susanto</td> <td>broken bathroom</td> <td>13.11.2017</td> </tr> </tbody> </table>					Dated	Complainant	Issues	Fixing date	29.01.2017	Arianto	broken house gate	02.02.2017	17.07.2017	Maiko W	broken roof house	24.07.2017	06.11.2017	Susanto	broken bathroom	13.11.2017
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6.3.2	There shall be records of process and outcome of dispute resolution.				<i>Major</i>																
Findings	In compliance:	Yes:	X	No:																	
Objective evidence:	<p>There is a proper system in place for handling of complaints from the staff/workers and also local communities through the following documents:</p> <ul style="list-style-type: none"> Flowchart of the conflict resolution Land acquisition document <p>At Paku Juang Estate (PJE), complaints documented in an excel sheet (REP-SOP-REP.03-F.02 Log Komunikasi Eksternal) according to the procedure of communication, consultation, and compensation.</p>																				
Criterion 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 and other stakeholders to express their views through their own representative institutions.																					
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be available, referring to decision of the Constitution Court.				<i>Major</i>																
Findings	In compliance:	Yes:	X	No:																	
Objective evidence:	<p>PT. Harapan Sawit Lestari – Paku Juang Mill has established SOP for social problem solving (HSL-SOP-PSS.04-R.00) and SOP for land claim resolution (HSL-SOP-PSS.02-R.00) for the identification and calculation of fair compensation for the loss of legal or customary right of the land, with the involvement of local community representatives and relevant agencies and made publicly available.</p>																				
6.4.2	A procedure for calculating and distributing fair compensation shall be established, implemented, monitored and evaluated in a participatory way. Corrective actions are taken as a result of this evaluation.				<i>Minor</i>																
Findings	In compliance:	Yes:	X	No:																	
Objective evidence:	<p>PT. Ayu Sawit Lestari has established SOP for social problem solving (HSL-SOP-PSS.04-R.00) and SOP for land claim resolution (HSL-SOP-PSS.02-R.00) for the identification and calculation of fair compensation for the loss of legal or customary right of the land, with the involvement of local community representatives and relevant agencies and made publicly available. Record of land acquisition document is available and verified.</p> <p>During period 2015-2017 there has been no land acquisition taken by the company.</p>																				
6.4.3	Compensation claims, process and outcome of any negotiated agreements shall be documented, with evidence of the participation of affected parties.				<i>Major</i>																

Findings	In compliance:	Yes:	X	No:																																				
Objective evidence:	<p>Record of land acquisition document is available, for example: agreement letter with Muslim regarding land acquisition dated on 29 October 2011. This document consist negotiations processes and/or the details of compensation settlements and official report of compensation payment accompanied with receipt.</p> <p>During period 2015-2017 there has been no land acquisition taken by the company.</p>																																							
Criterion 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 for employees based on the existing manpower regulations shall be available.					<i>Major</i>																																		
Findings	In compliance:	Yes:	X	No:																																				
Objective evidence:	<p>Types of employment arrangements are temporary worker, apprenticeships and direct hires.</p> <p>The minimum wage is based on <i>Keputusan Gubernur Kalimantan Barat # 861/Disnakertrans/2015</i> dated 19 November 2015 on the <i>Penetapan Upah Minimum Kabupaten dan Upah Minimum Sektoral Kabupaten Ketapang Tahun 2016</i> where the minimum wage for oil palm workers is IDR 2,110,000, - while the reviewed wage in the organization is at IDR 2,110,000.-.</p> <p>For daily worker (according <i>Keputusan #216/HSL-ISK-HRGA/XII/2015</i>):</p> <ul style="list-style-type: none"> • 0<1 (year) = IDR 84,500 • 1<3 (year) = IDR 85,500 • 3<6 (year) = IDR 86,500 • 6<9 (year) = IDR 87,500 • 9<12 (year) = IDR 88,500 • >12 (year) = IDR 89,500 <p>Checked during audit to Paku Juang Estate the pay slip 2017 of following workers: 2017:</p> <p><i>Keputusan Gubernur Kalimantan Barat # 789/Disnakertrans/2016</i> dated 18 November 2016 on the <i>Penetapan Upah Minimum Kabupaten dan Upah Minimum Sektoral Kabupaten Ketapang Tahun 2017</i> on minimum wage for oil palm workers is IDR 2,480,000, - while the reviewed wage in the organization is at IDR 2,483,000.-.</p> <p>Mrs. Rusmiyanti, As Loose Fruit Picker, Daily Free Lance Worker</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Netto</td> <td style="text-align: right;">2,384,000</td> </tr> <tr> <td>Main Salary</td> <td style="text-align: right;">1,960,000</td> </tr> <tr> <td>Premi</td> <td style="text-align: right;">473,500</td> </tr> <tr> <td>Allowances</td> <td></td> </tr> <tr> <td> Pansion Insurances</td> <td style="text-align: right;">53,144</td> </tr> <tr> <td> Elderage Insurance</td> <td style="text-align: right;">98,316</td> </tr> <tr> <td> Work Accident Insurance</td> <td style="text-align: right;">14,349</td> </tr> <tr> <td> Death Insurance</td> <td style="text-align: right;">7,972</td> </tr> <tr> <td> Rounding</td> <td style="text-align: right;">216</td> </tr> <tr> <td> Sub Total</td> <td style="text-align: right;">173,997</td> </tr> <tr> <td>Deduction</td> <td></td> </tr> <tr> <td> Pansion Insurance</td> <td style="text-align: right;">53,144</td> </tr> <tr> <td> Elderage Insurance</td> <td style="text-align: right;">26,572</td> </tr> <tr> <td> Work Accident Insurance</td> <td style="text-align: right;">14,349</td> </tr> <tr> <td> Death Insurance</td> <td style="text-align: right;">7,972</td> </tr> <tr> <td> Worker Elderage Insurance</td> <td style="text-align: right;">53,144</td> </tr> <tr> <td> Company Elderage</td> <td style="text-align: right;">98,316</td> </tr> </table>						Netto	2,384,000	Main Salary	1,960,000	Premi	473,500	Allowances		Pansion Insurances	53,144	Elderage Insurance	98,316	Work Accident Insurance	14,349	Death Insurance	7,972	Rounding	216	Sub Total	173,997	Deduction		Pansion Insurance	53,144	Elderage Insurance	26,572	Work Accident Insurance	14,349	Death Insurance	7,972	Worker Elderage Insurance	53,144	Company Elderage	98,316
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	Insurance End e Total 2,534,970	
6.5.2	Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.	<i>Major</i>
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	The collaborative labor agreement (CLA) period 2017-2019 is available and signed by management and worker representative on 10 May 2017. The CLA has been registered at Manpower Agency Ketapang # 41/2017 dated on 01 Juni 2017. The CLA is available in Bahasa and detailing as following: <ul style="list-style-type: none"> - Article 14 (working hours) - Article 18 (overtime) - Article 27 (income tax) - Article 51 (annual leave) - Article 53 (sickness) - Article 52 (maternity leave) - Article 55 (holiday entitlement) - Article 63 (dismissal) - Article 58-62 (period of notice). Labor union and the management have socialized CLA (PKB) period 2017-2019 to employees through morning briefing.	
6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible.	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	The company has provided adequate housing and other basic necessities such as that listed below to national standards or above, for examples: <ul style="list-style-type: none"> • adequate housing: for single max 2 personnel/house, for family provided 1 house consisting of bedroom, kitchen, bathroom. • adequate electricity: 450 watt 220 Volt • clean water supplies (availability of clear water all year round) • medical services: Clinic available per each estate and central clinic at General Office. • children education for play group, elementary school and junior high school. • welfare amenities according to list of infrastructure and acilities: guest house, community hall, canteen, mosque, clinic, school bus, sport hall, lactase room and crèche facilities, etc. • Transportation trailer from the office to the working area vice versa for the field workers. During site examination to Paku Juang emplacement noted that water supply consumption were not recorded properly, for instance the record of water supply input-output were not recorded for period May-November 2017. See Observation.	
6.5.4	There shall be demonstrable efforts to improve workers' access to adequate, sufficient and affordable food.	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	The company has established cooperation for providing basic need and has built store for employees who they want to sell basic need. Besides that, the workers family can go to the market at local village closed from the company. Affordable food (milk) is always given to sprayer, fertilizer, heavy equipment operator, pregnant women. Workers at night shift is gave extra pudding. Every overtime > 3 hours is gave meals (equal 1400 calories).	

Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.						
6.6.1	A record of the company's policy in understandable language recognising freedom of association shall be available.					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>PT. Harapan Sawit Lestari has documented company policy recognizing freedom of association according to "Cargill Guiding Principles Handbook" signed by Chairman and Chief Executive Officers (Mr. Greg R. Page) and President and COO (Mr. David W. MacLennan). Besides that, President Director of PT. Harapan Sawit Lestari (Mr. Nharong Somchit) has also signed the policy dated on 1 April 2015.</p> <p>There 2 labours union are <i>Serikat Pekerja</i> (Labour Union) PTASL and <i>Serikat Pekerja</i> (Labour Union) FOKUS.</p> <p>The company and workers representative has made Bipartite Body (LKS Bipartit) and approved by Dinsosakertrans # 43/2015 dated in 4 March 2015 and will be valid until March 2018.</p>					
6.6.2	Records of meetings with labor unions or workers representatives shall be available.					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>LKS Bipartit conducted regular meeting, last meeting dated 27 October 2016 attended by 17 participants with agenda: BPJS, facility, incentive, promotion and medical service. Workers representative from PT. Ayu Sawit Lestari - Paku Juang Mill were attended on 6 personnels.</p>					
Criterion 6.7: Children are not employed or exploited.						
6.7.1	There shall be documented evidence that minimum age requirements are met.					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>Worker age requirement was available on CLA stated that the employee must be more than 18 years old. Review of the list of workers at the estates and mills confirmed no employee less than 18 years old have been hired by the organization.</p> <p>Based on employees list (December 2017), minimum age for each estate and mill, for examples: Kurnia Julian Sugandi , loading worker , were 18 years old. And there is no children labor around the mill and estates verified..</p>					
Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.						
6.8.1	A company's policy on equal opportunity and treatment for work shall be available and documented.					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>PT. Ayu Sawit Lestari - Paku Juang Mill has documented equal opportunities policy. The policy is listed on point 5 of "Cargill Guiding Principles Handbook" signed by Chairman and Chief Executive Officers Greg R. Page (CEO). It stated that the company avoids any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation union membership, political affiliation or age.</p>					
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated.					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>Based on list of employees (December 2017) and interview result with employees and management note that the company is currently implementing the equal opportunities for workers through the following:</p> <ul style="list-style-type: none"> All workers come from local communities and outside the communities. They are many ethnic groups (Malayans, Javanese, Dayak Flore, Sunda, ethnic, etc); The workers are women and men (office and field); Employment opportunities are provided fairly based on qualification and advertised in local 					

	<p>mass media or local government office;</p> <ul style="list-style-type: none"> • Training is given to the workers on a yearly basis covering training relating to their working station, personnel training such as communication skills and safety and health training.; • All employees are covered with working insurance; and • Termination is conducted based on local laws and is stated in the workers employment agreement and the collective labour agreement (CLA). <p>Mill Cadet (management trainee program, program assurance, Mill, finance) vacancy has been distributed to Air Upas, Ratu Elok, Manis Mata, Asam Besar during 2017. According list of employee update per December 2017 as following: 1552 person (Female 32.67%) and 3137 person (Male 67.33%).</p>	
6.8.3	Records of evidence that equal opportunity and treatment for work shall be available.	<i>Minor</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>Procedure for cadet recruitment stated recruitment process: introduction, written test, lateral thinking test, FGD, panel interview and medical check-up. Medical check was conducted at Central Clinic. New employee was checked such as Mr. Bahrudin (Mechanic-Paku Juang Estate).</p> <p>The company has established Procedure for promotion and mutation (HSL-SOP-HRD-05-R.05 dated 01 September 2015). During 2016, PT Harapan Sawit Lestari – Paku Juang Mill has promoted 6 personnel.</p>	
Criterion 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 documented, implemented and communicated to all levels of the workforce.	<i>Major</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>PT Harapan Sawit Lestari – Paku Juang Mill has a documented company policy on sexual harassment and violence. The policy is listed in on point 5 of “Cargill Guiding Principles Handbook” signed by Chairman and Chief Executive Officers Greg R. Page (CEO). It stated that the company prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights.</p> <p>There is women group in the company i.e: Jungle Queen established on 8 July 2010. Function of Jungle Queen is to provide consultation to women workers and housewife in the company regarding the rights and obligations of women workers, health, education, prevention of sexual harassment, etc.</p> <p>According interviewed many women workers in estate office and mill, there was not sexual harassment and violence during 2017. Meanwhile interview with women workers in the field, office, and also in the housing and general affair, and also inspection to the handling of the reproductive right among the workers had been treated well by regular and annual medical check up and also the change of task for women who in pregnancy or breast feeding to the area not impacted by chemical material. during this audit, there is no case of harassment or abuse in the work place, and reproductive rights in 2017.</p>	
6.9.2	A policy to protect the reproductive rights, shall be documented, implemented and communicated to all levels of the workforce.	<i>Major</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>PT Harapan Sawit Lestari – Paku Juang Mill has a documented company policy on the protection of reproductive rights. The policy is listed in on point 5 of “Cargill Guiding Principles Handbook” signed by Chairman and Chief Executive Officers Greg R. Page (CEO). It stated that the company prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights.</p> <p>According interviewed with worker (Erna – staff at Sungai Dabu Estate), she was given leave for Maternity according Leave Application Form.</p>	
6.9.3	A specific grievance mechanism which respects anonymity of complainants where requested, and as long as they are supported with adequate information, shall be documented, implemented, and communicated to all workforce.	<i>Minor</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	

Objective evidence:	<p>PT Harapan Sawit Lestari – Paku Juang Mill was established Procedure for <i>komunikasi, partisipasi dan konsultasi</i> REP-SOP-REP.03-R.03 dated 25 Mar 2015 for handle specific grievance mechanism and provided suggestion boxes for each estate and office and all workers can access to Cargill Ethics and Compliance (www.cargillopenlineethicspoint.com) to tell complaints.</p> <p>PT Harapan Sawit Lestari – Paku Juang Mill and labour union hold regular meetings (monthly). Minute of meetings are available and verified. The company has responded the grievance according to <i>Rekap Berita Acara Penyelesaian Pekerjaan 2016</i> related worker's accommodation.</p>				
Criterion 6.10: Growers and millers deal fairly and transparently with smallholders and other local businesses.					
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The governments regularly hold meetings with all plantation companies and local community's cooperative at Ketapang Regency to set the price of FFB. The result of meeting is publicly available. PT HSL paid FFB according to the result of meeting.				
6.10.2	Pricing mechanisms for Fresh Fruit Bunches (FFB) and inputs/services shall be explained and documented (where these are under the control of the mill or plantation).				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Pricing mechanisms for FFB and inputs/services are documented. Staff and supplier check and sort together FFB in field and weighing of FFB input conducted the mill to know quantity of FFB inputs. Contracts, FFB production report and payments are available and verified.				
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.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	There is documented evidence that contracts are fair, legal and transparent. Agreed payments made in a timely manner. Interviews with contractors and suppliers conducted to determine if these third parties understand the contractual agreements they enter into and found in order.				
6.10.4	Agreed payments shall be made in a timely manner.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Payments of FFB input are made based on sorting and weighing results. Contracts, FFB production report and payments are available and verified.				
Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.					
6.11.1	Records of contributions to local development based on the results of consultation with local communities shall be available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>There is adequate evidence of the company's contribution to the local development through the company's corporate social responsibility covering education, employee opportunity, employment contract (building construction, road construction, and transportation), health facility, etc. Besides that, PT Ayu Sawit Lestari – Paku Juang Mill always pay tax and royalties to the government for contributing local development such as land tax, vehicles tax, income tax, etc.</p> <p>The record of all company's social contribution for all estates and mill stored in Kantor Besar Kebun at Manis Mata</p>				
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve scheme smallholder productivity.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The company has allocated resources (Plasma Manager and staffs) to improve smallholder productivity. They have responsibility to support smallholders through training, benchmarking and other management program to improve their capacity building.</p> <p>Smallholder's oil palm plantations (under scheme smallholder) were fully managed by the company, and give occasion for the KKPA to involve in the monitoring and supervise the land</p>				

	management and also palm oil harvesting and transporting fresh fruit bunch from their estates into the Paku Juang mill.				
Criterion 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 labor are used.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company policy according to respecting the human right is available on “Cargill Guiding Principles Handbook” signed by Chairman and Chief Executive Officers Greg R. Page (CEO). Based on interview with worker that no forms of forced or trafficked labour.				
6.12.2	It shall be demonstrated that no contract substitution has occurred.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company policy according to respecting the human right is available on “Cargill Guiding Principles Handbook” signed by Chairman and Chief Executive Officers Greg R. Page (CEO). Based on interview with workers that no contract substitution.				
6.12.3	Where migrant/foreign/honorary workers are employed, a special worker policy and procedures and the evidence of implementation shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	At this moment, there were 3 migrant workers i.e. <ul style="list-style-type: none"> - Nharong Somchit – President Director: (Foreign worker permit #Kep.19286/MEN/P/IMTA/2017, valid until 31 March 2018 and Limited Stay Permit Card/<i>Kartu Izin Tinggal Terbatas</i> # 2C21KC0032-R-Q valid until 31 March 2018) - Shahrizal Hisham – Project Engineer: (Foreign worker permit # Kep.59916/MEN/P/IMTA/2017, valid until 31 August 2018 and Limited Stay Permit Card/<i>Kartu Izin Tinggal Terbatas</i> # 2C11KC0192-Q valid until 31 August 2018) - Alicia Thomas – Quality Control Manager: (Foreign worker permit # Kep.19551/MEN/P/IMTA/2017, valid until 31 March 2018 and Limited Stay Permit Card/<i>Kartu Izin Tinggal Terbatas</i> # 2C21KC0033-R valid until 31 March 2018) All from Malaysia. A procedure for migrant workers is documented on “Work Permit Process For Expatriates Policy”. Furthermore, the CLA is also regulating rights and obligation for migrant workers.				
Criterion 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.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company policies according to respecting the human right are available on “Cargill Guiding Principles Handbook” signed by Chairman and Chief Executive Officers Greg R. Page (CEO). The policy has communicated to all levels of the workforce and operations including contracted third parties using pocket book.				

Principle 7: Responsible Development of New Plantings		
Criterion 7.1: A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.		
7.1.1	An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.	<i>Major</i>

Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>PT. HSL commissioned the preparation of Environmental Impact Assessment (AMDAL) in 19 November 2002 and received government approval in 10 March 2003. AMDAL was prepared by an accredited AMDAL consultant and included consideration of both negative as well as positive social and environmental impacts. The scope of AMDAL included assessment of impacts associated with land development, infrastructure, road access, mill operations and transportation. AMDAL also included assessment of the suitability of soils, topography and drainage and analysis of the land cover vegetation. AMDAL assessed the impacts on natural ecosystems and water resources.</p> <p>Social Impact Assessment (SIA) that carried out by PT. LINKS in 2010 was oriented to reach reliable social impact which potentially arises due to development of PT. HSL project. Regionally, majority of local people living in the vicinity of business areas belong to Dayak Tribe, Malay, Javanese, Madurese as well as some of them are Chinese. Dayak community commonly inhabits along Sungai Jelai, while other areas are dominantly inhabited by Malay, Javanese transmigrants, and Chinese descendants.</p> <p>The smallholder model in this project, in which there is no land purchase, but partnership through MoU between smallholder and PT. HSL which gives to the project the characteristic of low land conflict. The MoU also requires of land ownerships.</p>				
7.1.2	Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Appropriate management plan and operational procedures (<i>RKL/RPL</i>) is available for all Estates and is done every 6 months.				
7.1.3	Where the development includes an outgrower scheme (skema kemitraan), the impacts of the scheme and the implications of the way it is managed shall be given particular attention.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Cargill also works closely with about 4,300 smallholders in the management of more than 9,700 ha of plasma oil palm plantation in West Kalimantan. Cargill has supported these smallholder farmers by ensuring that estates in West Kalimantan are managed under the KKPA (<i>Kredit Koperasi Primer untuk Anggota</i>) scheme. This also guarantees that all operational and administrative activities are the same as the Inti/Estate.</p> <p>There is a development program KKPA for West area, as follows:</p> <ul style="list-style-type: none"> • 513 plasma in the area of 1026 ha at Kemuning Estate. • 99 plasma in the area of 198 ha at Kebanteng Estate. • 698 plasma in the area of 1395 ha at Paku Juang Estate. • 155 plasma in the area of 310 ha at Keluwin Estate. • 581 plasma in the area of 1161 ha at Sungai Dabu Estate. <p>This is confirmed with the Estate Manager and interview with the smallholders</p>				
Criterion 7.2: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.					
7.2.1	Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The company has a soil maps with scale 1:50,000. Based on the soil map, no fragile soil at the company areas. Soil type at the company areas are Deep Tropept, Pale Udult, Laterite, SW Entisol, DP Entisol, and Ultisol.</p> <p>Based on the company soil map, no peat soil at PT. HSL. However there were sandy soils at the company areas. Management strategy to maintain the sandy soil the company already has an SOP <i>Pengelolaan tanah berpasir # EST-SOP-ASD.42R.00</i></p>				

7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available.	<i>Minor</i>																								
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>																									
Objective evidence:	<p>The company already has a topographic map with scale 1:50,000. Based on the topographic map majority flat area.</p> <p>Specific technique that applied at hilly areas are :</p> <ul style="list-style-type: none"> • Front stacking technique, those cross to the slope. • Individual terrace and continues terrace. • Spraying technique conducted by selective weeding, not blanket spraying.. 																									
Criterion 7.3: New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.																										
7.3.1	There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).	<i>Major</i>																								
Findings	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> X No: <input type="checkbox"/>																									
Objective evidence:	<p>At present, there is no plan for a new planting being conducted by the company. As such, the findings for Principle 7 refer to the findings from previous audit with minor updates.</p> <p>Area Statement of PT HSL showed that there are areas planted after November 2005. Summary of plantings done in 2005-2006 are as follows:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>< Nov 2005</th> <th>2006</th> <th>2007</th> </tr> </thead> <tbody> <tr> <td>Keluwin Estate</td> <td>21.76 ha</td> <td>-</td> <td>-</td> </tr> <tr> <td>Paku Juang Estate</td> <td>-</td> <td>16.50 ha</td> <td>-</td> </tr> <tr> <td>Sungai Dabu Estate</td> <td>29.60 ha</td> <td>70.76 ha</td> <td>-</td> </tr> <tr> <td>Kebanteng Estate</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total</td> <td>51.36 ha</td> <td>87.26 ha</td> <td></td> </tr> </tbody> </table> <p>At that time the company has not identified HCV. Guidance for Criterion 7.3 stated that where land has been cleared since November 2005, and without a prior and adequate HCV Assessment, it will be excluded from the RSPO certification programme until an adequate HCV compensation plan has been developed and accepted by the RSPO.</p> <p>PT. HSL has communication by email on 8 Nov 2016 and 25 Nov 2016 with Daemeter Indonesia and Mr. Dillon (RSPO representative) for develop HCV compensation plan based on Land Use Change Analysis. Some data as follow:</p> <ul style="list-style-type: none"> - Citra land sat Map 2005, 2006 and 2007, overlay HSL & ASL, scale 1:180,000, format A3. - Land Stratification Map 2005, 2006 and 2007, overlay HSL & ASL, scale 1:180,000, format A3. - Coefficient Map 2005, 2006 and 2007, overlay HSL & ASL, scale 1:180,000, format A3. - Concession Map 2005, 2006 and 2007, overlay HSL & ASL, scale 1:180,000, format A3. - Planted Map 2005, 2006 and 2007, overlay HSL & ASL, scale 1:180,000, format A3. <p>All maps in format soft copy jpeg and softcopy art info and TIF.</p> <p>Based on GIS data, planted on 2005: 173.05 ha, planted on 2006: 285.93 ha, and planted on 2007 117.14 ha.</p> <p>Company has submitted LUCA to RSPO, last updated on 19 January 2017. RSPO has reviewed FCL and Calculation of the land cover is slightly different between the company's and the reviewer's. Now, LUCA is correcting by the consultant.</p>		Estate	< Nov 2005	2006	2007	Keluwin Estate	21.76 ha	-	-	Paku Juang Estate	-	16.50 ha	-	Sungai Dabu Estate	29.60 ha	70.76 ha	-	Kebanteng Estate	-	-	-	Total	51.36 ha	87.26 ha	
Estate	< Nov 2005	2006	2007																							
Keluwin Estate	21.76 ha	-	-																							
Paku Juang Estate	-	16.50 ha	-																							
Sungai Dabu Estate	29.60 ha	70.76 ha	-																							
Kebanteng Estate	-	-	-																							
Total	51.36 ha	87.26 ha																								
7.3.2	Reports of comprehensive HCV assessment, which involves stakeholder consultation and includes record of land-use change since November 2005, shall be available. This HCV assessment shall be conducted prior to any conversion or new planting.	<i>Major</i>																								
Findings	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> X No: <input type="checkbox"/>																									
Objective	High Conservation Value assessment has been done on 2013 in corporation with the university																									

evidence:	<p>(Bogor Agricultural University – IPB). According to the assessment has been conclude following HCV areas :</p> <ul style="list-style-type: none"> - HCV 1.2. RTEs species - HCV 1.3 RTEs habitat <p>Those RTEs habitat located at riparian of Kebanteng river, Tarahan Batu-Utara river, Pakit river, Ringis river, Perupuk atas river, rasak river, swamp forest Pakit and Selaba.</p> <p>The RTEs species identified mainly flora species such as Ketanggang (<i>Dipterocarpus tempehes</i>), Emang (<i>Hopea mengerawan</i>), Meruyan (<i>Parashorea lucida</i>) and Belangeran (<i>Shorea belangeran</i>), Kelukup (<i>Shorea lamellata</i>), anggrek (<i>Bulbophyllum sp.</i>) and Kebangkit (<i>Combretocarpus rotundatus</i>)</p> <p>According to the assessment to HCV 2, the assessment is also considered to relevant wider landscape-level. The planted area is only 0.081% of the total forest area in Kalimantan.</p>				
7.3.3	Records of land preparation and clearing dates shall be available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	PT HSL has implemented the land clearing in accordance the plan. PT HSL has maintained record of land preparation and clearing dates such as planted on 2006: 87.26 ha at Sungai Dabu Estate and Paku Juang Estate.				
7.3.4	An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower’s relevant operational procedures (see Criterion 5.2).				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>There is a management plan to maintain and/or enhance the identified HCV (RTE species and its habitat). The management plan classified into 11 main topics as following:</p> <ul style="list-style-type: none"> - Inventory - Boundary - Maintenance of boundary - Protecting - Rehabilitation and enrichment planting - Best Agriculture Practice - Prevention of invasive species - Socialization to communities - Training for staff - SOP - Organizing - Coordination with relevance instance <p>Monitoring of riparian through monthly, annually vegetation survey. Checked during audit vegetation survey Oct 2016 where 10 sampling plots (transect) in place to get information related biodiversity index according to Shanon-Weiner Index (H'). According to monitoring report of HCV, H' for vegetation= 4.1398 (83 species) and H' for animal= 3.501 (80 species).</p> <p>Monthly inspection to HCV using 18 parameters such as HCV boundary checking, presenting encroachment to the HSCV areas, presenting fish trapping etc. As per the reports noted no disturbance over all of HCV areas.</p> <p>Checked during audit monthly inspection report period 2017 at Sungai Dabu Estate, Paku Juang Estate and Kebanteng Estate noted that no disturbance over all of HCV areas.</p>				
7.3.5	Evidence of consultation with the affected community shall be available in order to identify the area required by such community to fulfill its basic needs, by considering the positive and negative changes to the livelihood as a result of plantation operations. Such matters shall be included in the HCV analysis and management plan (see Criteria 5.2).				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	

Objective evidence:	<p>High Conservation Value assessment has been done on 2013 in corporation with the university (Bogor Agricultural University – IPB). The HCV has identified based on consultation with the affected community in District of Kendawangan of Ketapang Regency.</p> <p>According to the assessment has been concluded the following HCV areas :</p> <ul style="list-style-type: none"> - HCV 1.2. RTEs species - HCV 1.3 RTEs habitat <p>There is a management plan to maintain and/or enhance the identified HCV (RTE species and its habitat). The management plan classified into 11 main topics as following:</p> <ul style="list-style-type: none"> - Inventory - Boundary - Maintenance of boundary - Protecting - Rehabilitation and enrichment planting - Best Agriculture Practice - Prevention of invasive species - Socialization to communities - Training for staff - SOP - Organizing - Coordination with relevance instance <p>Visit to several HCV 6 sites and interview with the community showed how the company had set aside areas for the HCV 6.</p>				
Criterion 7.4: Extensive planting on steep terrain, and/or on marginal and fragile soils, including peat, is avoided.					
7.4.1	Indicative maps showing marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company has a soil maps with scale 1:50,000. Based on the soil map, no fragile soil at the company areas. Soil type at the company areas are Deep Trocept, Pale Udult, Laterite, SW Entisol, DP Entisol, and Ultisol.				
7.4.2	Where limited planting on fragile and marginal soils, including peat, is proposed, a documented plan shall be developed and implemented to protect them without incurring adverse impacts.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>No peat land area in Paku Juang Estate and Sungai Dabu Estate.</p> <p>Topography maps are available with scale 1:50,000. Specific technique that applied at hilly areas are :</p> <ul style="list-style-type: none"> • Front stacking technique, those cross to the slope. • Individual terrace and continues terrace. • Spraying technique conducted by selective weeding, not blanket spraying. 				
Criterion 7.5: No new plantings are established on local people’s land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.					
7.5.1	Evidence shall be available that affected local peoples understand they have the right to say ‘yes’ or ‘no’ to operations planned on their lands before and during initial discussions, during the stage of information gathering and				<i>Major</i>

	associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples (see Criteria 2.2, 2.3, 6.2, 6.4 and 7.6)					
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>Based on document review, field visit, interview with the company and stakeholder, no dispute at the company areas at the current times.</p> <p>No evidence of violence in maintaining peace and order in their current and planned operations</p> <p>Maps of the legal areas and location of the company are shown and available with appropriate scale 1:50.000.</p> <p>All information regarding to agreement, land compensation and records of negotiations available in bahasa and well known by related parties in West Kalimantan, records available and verified (see 2.3.2).</p> <p>All records for land negotiations, land compensation and the agreements, shows that the communities' rights regarding to legal counsel and representatives of their own choosing are facilitated by the company. Records verified as 2.3.2.</p> <p>PT HSL has established procedure for communication, participation and consultation (REP-SOP- REP.03-R.02). Process flow for complaint and grievances was described clearly in the procedures.</p> <p>PT HSL conducted monthly meeting with local communities to discuss about price information, social issues and CSR.</p> <p>Records of communication and consultation with the local communities are available and verified</p> <p>Public Affair and Government Liaison Manager has been assigned for consulting and communicating with local communities.</p> <p>Stakeholder list 2016 is available. The list listed all relevant stakeholders identified within Indonesia especially Kalimantan Barat Region covering the relevant government agencies, relevant NGOs (both social and environmental, neighbouring estates, local communities and contractors, women group, that have direct and indirect impact with the plantation operations of the PT. HSL. Totally those are 266 stakeholders that listed.</p> <p>PT HSL has established SOP for social problem solving (HSL-SOP-PSS.04-R.00) and SOP for land claim resolution (HSL-SOP-PSS.02-R.00) for the identification and calculation of fair compensation for the loss of legal or customary right of the land, with the involvement of local community representatives and relevant agencies and made publicly available. Record of land acquisition document is available and verified. During 2016, no land acquisition by the company.</p>					
Criterion 7.6: Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.						
7.6.1	Records of identification and assessment of legal, customary and user rights shall be available.					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>Dedicated social impact document which clearly identifies positive and negative social affects that maybe caused by plantation and mills are found to be incorporated within the following documents:</p> <ul style="list-style-type: none"> Environmental Impact Assessment (AMDAL) received by government approval in 10 March 2003. AMDAL was prepared by an accredited AMDAL consultant and included consideration of both negative as well as positive social and environmental impacts. The scope of AMDAL included assessment of impacts associated with land development, infrastructure, road access, mill operations and transportation. AMDAL also included assessment of the suitability of soils, topography and drainage and analysis of the land cover vegetation. AMDAL assessed the impacts on natural ecosystems and water resources. Social Impact Assessment (SIA) that carried out by PT. LINKS in 2010 was oriented to reach reliable social impact which potentially arises due to development of PT. HSL project. Regionally, majority of local people living in the vicinity of business areas belong to Dayak Tribe, Malay, Javanese, Madurese as well as some of them are Chinese. Dayak community commonly inhabits along Sungai Jelai, while other areas are dominantly inhabited by Malay, Javanese transmigrants, and Chinese descendants. <p>Based on the social impact assessment conducted, the auditing team observed that the SIA is conducted in a participatory manner with relevant stakeholders.</p>					

	<p>The company also has conducted regular monitoring and management of social impact, with the participation of local communities in term of Corporate Social Responsibility (CSR). Records of stakeholder consultation with local communities evidenced that there is no complaints received from the local communities regarding the operations of the company except on one issue pertaining to land acquisition (as mentioned earlier in this report) that is solve through civil court.</p> <p>This document is found to be accompanied with maps showing the extent of the land and photographs of the local community receiving the compensation amount. A copy of the land payment cheque is also attached in the document as an additional proof of payment made to the traditional land owners.</p>					
7.6.2	A procedure for identifying people entitled to compensation shall be available.					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>PT HSL has established <i>Prosedur Pembebasan Lahan</i> (Land Acquisition Procedure) (ISO 9001-14001) dated 16 July 2007 and revised on 16 July 2010 and <i>Prosedur Penyelesaian Perselisihan Tanah</i> (Land Dispute Resolution Procedure) (SL-SOP-ADM-07) dated 19 December 2007 and revised on 01 January 2013 for the identification and calculation of fair compensation for the loss of legal or customary right of the land, with the involvement of relevant stakeholders covering both directly and indirectly affected stakeholders such as local community representatives, workers, relevant government authorities and agencies. In addition such procedures are found to be made publicly available upon request.</p> <p>There is a proper system in place for handling of complaints from the staff/workers and also local communities through the following documents:</p> <ul style="list-style-type: none"> • Flowchart of the conflict resolution • Land acquisition document <p>At Paku Juang Estate (PJEE), complaints documented in an excel sheet (REP-SOP-REP.03-F.02 Log Komunikasi Eksternal).</p>					
7.6.3	Records of calculation system and distribution of fair compensation shall be available.					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>Record of land acquisition document is available and verified, for example: agreement letter with Muslim regarding land acquisition dated on 29 October 2011. This document consist negotiations processes and/or the details of compensation settlements and official report of compensation payment accompanied with receipt.</p>					
7.6.4	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development.					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>Communities that have lost access and rights to land for plantation expansion are given job opportunities as they are employed as workers in the plantation.</p> <p>They are provided equal opportunities as well as housing by PT HSL.</p>					
7.6.5	The process and outcome of any compensation claims shall be documented and made available to the affected communities and their representatives.					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>In practice, the plasma scheme is implemented as a means to provide opportunities for the local communities to benefit from plantation development. The scheme is managed by the Koperasi Unit Desa (KUD) (Local Cooperation) headed by the appointed leader among the local communities. Furthermore, others are given opportunities to work as upkeep or other work maintenance, security guard, and other non-technically required job.</p>					
7.6.6	Evidence shall be available that the affected communities and rights holders have access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		

Objective evidence:	All of the above processes and outcomes has been recorded and made publicly available to all stakeholders upon request. The villagers also have a copy of this process relevant with them.										
Criterion 7.7: No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.											
7.7.1	Records of zero burning implementation on land clearing, referring to the ASEAN Policy on zero burning (2003) and recognised techniques based on the existing regulations shall be available.				<i>Major</i>						
Findings	In compliance:	Yes:	X	No:							
Objective evidence:	<p>There is a policy zero burning policy signed by President Director dated on 14 April 2014. Burning is strongly prohibited for land preparation, organic waste handling, industrial waste handling, and medical waste handling. The policy then deployed to SOP Zero Burning (EST-SOP-ASD.10-R.01) dated on 10 February 2011.</p> <p>During site examination to Paku Juang Estate and KKPA noted that no burning at all relevant activities.</p> <p>Interview with the workers, smallholders as well as field workers in the smallholders confirmed that they are aware of the zero burning policy. Signage for no burning sighted during onsite audit.</p>										
7.7.2	In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN on Zero Burning' 2003, or comparable guidelines in other regions.				<i>Minor</i>						
Findings	In compliance:	Yes:	X	No:							
Objective evidence:	Interview with the workers, smallholders as well as field workers in the smallholders confirmed that they are aware of the zero burning policy. Signage for no burning sighted during onsite audit										
Criterion 7.8: New plantation developments are designed to minimize net greenhouse gas emissions.											
7.8.1	The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.				<i>Major</i>						
Findings	In compliance:	Yes:	X	No:							
Objective evidence:	<p>In April 2015, PT HSL-PJM conducted high carbon stock (HCS) assessment for new development of 1200 ha of company own (Kemuning Estate) and 2,684 ha new development smallholder's as follows:</p> <ul style="list-style-type: none"> • Kemuning estate: 114.94 ton C/Ha • Smallholders: 172.5 ton C/Ha. 										
7.8.2	Records of a plan to minimize net GHG emissions shall be available				<i>Minor</i>						
Findings	In compliance:	Yes:	X	No:							
Objective evidence:	<p>The GHG assessment according to RSPO palm GHG calculator has been started since 2014 (using basic data 2012, 2013, 2014 and 2015). The total GHG emission according to ISCC for Paku Juang mill and estate(s) are as following:</p> <table border="1"> <thead> <tr> <th><u>Year</u></th> <th><u>GHG value</u></th> </tr> </thead> <tbody> <tr> <td>Sep 2014/Agt 2015</td> <td>1105.05 kg CO2 eq/Ton CPO</td> </tr> <tr> <td>Mar 2015/ Feb 2016</td> <td>964.53 kg CO2 eq/Ton CPO.</td> </tr> </tbody> </table> <p>PT HSL-PJM has established a plan to minimize net GHG emissions, for examples:</p> <ul style="list-style-type: none"> • Land clearing without burning (zero burning) • Build control tower to monitor fire hazard and necessary equipment • Provide adequate fire extinguishers and access to isolate the spread of flames • Build the water reservoir at capacity, which in case of emergency, the water reservoir can be used for fire fighting process 					<u>Year</u>	<u>GHG value</u>	Sep 2014/Agt 2015	1105.05 kg CO2 eq/Ton CPO	Mar 2015/ Feb 2016	964.53 kg CO2 eq/Ton CPO.
<u>Year</u>	<u>GHG value</u>										
Sep 2014/Agt 2015	1105.05 kg CO2 eq/Ton CPO										
Mar 2015/ Feb 2016	964.53 kg CO2 eq/Ton CPO.										

- | | |
|--|--|
| | <ul style="list-style-type: none"> • Conduct socialization to communities • Provide warning signboards of illegal logging and illegal hunting, and socialize to the public |
|--|--|

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

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

8.1.1	<p>The action plan for monitoring shall be available, based on a consideration of the social and environmental impacts and routine evaluation of the plantation and mill operations. As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of certain chemicals (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Optimising the yield of FFB production (Criterion 4.2) 	<i>Major</i>
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Findings	In compliance:	Yes:	X	No:	
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Objective evidence:	<p>The management regularly monitor and review their social and environmental programs annually to allow demonstrable continuous improvement.</p> <p>PT HSL captures the performance and expenditure in social and environmental aspects through their budget which is reviewed and adjusted annually to cope with changes in requirement.</p> <p>Below are examples of improvement that is done in one of the estates. Similar programs are also done in the other estates.</p> <p>In the Manis Mata Mill continuous improvement plan the following are identified:</p> <ul style="list-style-type: none"> • Fire Prevention Plan- Built fire monitoring tower • 100% of the POME used for land application • Priority given to the local communities for employment • 558,26 Kg CO₂eq/Ton CPO saving 69,91 g/MJ target 35% available Methane capture. • Biogas Treatment Plan (BTP), H₂S scrubber, bio gas engine. Capacity 2 x 600 Kwh (Output 75%). • Modification under tow for mobile Lori sterilizer for efficiency at Mill • Modification water sprinkle for emergency fire safety at Mill • Modification panel sterilization for efficiency at Mill • Used drum <i>trol</i>i for safety and efficiency at Mill • To reduce losses of oil in effluent - water efficiency by the installation of an automatic water supply • To reduce kernel losses by the monitoring of the hydro cyclone vortex • To improve the feed water boiler quality <p>Besides that, the company has also established Business Plan as follows:</p> <ul style="list-style-type: none"> - OER= Target 23%, actual 20,09 % - KER= Target 5%, actual 4.83 %. - Diesel consumption for vehicle= Target 2000 ltr/month, actual 2,479 ltr/month - Diesel consumption for power= Target 17,756 ltr/month, actual 11,449 ltr/month. <p>For the plantation, the following are monitored as their continuous improvement plan:</p> <p>a) Update safety assessment program.</p> <ul style="list-style-type: none"> • Hazard identification and risk analysis in Manis Mata Mill, last update in 2017. • Emergency situation procedure (REP-SOP-REP.04, last update 7 April 2016) • Safety collaboration system for all activity in mill and plantation areas. <p>b) Modification field employee transportations, it has implemented 20 units' trailer</p>
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modification transportations by total target 56 units.
New system loading FFB, increase production 5%.

3.1.2 Supply Chain

For supply chain, the PT HSL-Paku Juang Palm Oil Mill has decided to use Module D in this assessment. The findings and objective evidence find during the assessment are outlined in the table below. The results for each indicator from each of the operational areas were evaluated to provide an assessment of conformity. A statement is provided for each of the RSPO indicators in order to support the findings of the assessment team.

Module D – CPO Mills: Identify Preserved

Module D- CPO Mills: Identify Preserved					
D.1: Definition					
D.1.1	A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.				
D.2: Explanation					
D.2.1	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.				MAJOR
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The actual and projected certified volume already recorded in the report as described on the table 3 of this public summary report.				
D.2.2	The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).				MAJOR
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Mr. Yanuar (Commercial staff- Jakarta Office) has responsible for keeping record of transaction in eTrace.</p> <p>During 2016/2017 (June 2016 – September 2017), the mill has reported 36 transactions on RSPO IT platform (CPO= 33 transactions, PK= 3 transactions).</p> <p>For examples:</p> <ul style="list-style-type: none"> Transaction number: TR-88c60fa1-f231 dated on 16.11.2016, buyer= PT Wilmar Nabati Indonesia, contract # 905/CPO/HSL-WNI/X/2016, product= CPO/SG, volume= 299.84 MT, RSPO Certificate: 00018-00161116. Weighbridge ticket # PJM-224092 to PJM-224131 dated on 14 Nov 2016, CPO/SG, Qty= 302.140 MT. Total Weighbridge ticket: 19 tickets. B/L= 151/LSM-SKM/IX/2016, shipping date= 16.11.2016. Transaction number: TR-d3d8905e-32e9 dated on 01.01.2017, internal transfer to own KCP – Paku Juang, product= PK/SG, volume= 4 500 MT. Transfer period 15.08.2016 – 31.12.2016 				

D.3: Documented Procedures						
D.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>					MAJOR
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>The company has established procedures for the Mill from reception of FFB to dispatch of Crude Palm Oil and Palm Kernel as follows:</p> <ul style="list-style-type: none"> SOP for implementation of RSPO supply chain – Identity Preserved (REP-SOP-REP.13-R.04 dated 28 Oct 2016). SOP for identification, maintenance, and traceability of product (REP-SOP-REP.11-R.10 dated on 20 Oct 2016) SOP for Weight Bridge (ENG-SOP-PKM.01-R.03 dated on 18 June 2014). SOP for Storage Tank (ENG-SOP-PKM.11-R.4 dated on 20 Aug 2014) Working Instruction for Token Timbangan (INK01_ENG-SOP-PKM.01-R.04 dated 18 Jun 2014. Working Instruction for Despatch, Recycle/Drain and Blending (ENG-INK-PKM.11-R.02 dated 18 June 2014. SOP for document and record control (REP.SOP.REP.01-R.04 dated on 8 Oct 2015) <p>The mill manager and having overall responsibility for and authority over the implementation of these requirements and he demonstrated awareness for all the procedures.</p> <p>Mr. Sau Guan Tan as a marketing sales manager based in Head Office (Singapore) will in charge for the sales and etrace registration.</p>					
D.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBS.					MAJOR
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>SOP for Weigh Bridge Station (ENG-SOP-PKM.01-R.03) and has determined about supply chain procedure for receiving and processing certified and non-certified FFBS as well as SOP for implementing of RSPO Supply Chain – Identity Preserved (REP-SOP-REP.13-R.04)</p> <p>Document and record were verified, for examples: <i>Surat Pengantar Buah</i> (SPB), Token, WB ticket and Daily Mill Production Report. All input FFBS sourced from their own estates (certified FFBS).</p>					
D.4: Purchasing and goods in						
D.4.1	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBS received.					MAJOR
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>The WB operator has responsible to verify and document the tonnage and sources of certified FFBS received. The operator will issue WB ticket with information as follows: estate source, product name, FFB source, token number, date of FFB receipt, vehicle number, DO/SPB number, estate block, and total bunches. For examples:</p> <ul style="list-style-type: none"> <i>Surat Pengantar Buah</i> (SPB) dated 20/12/2016, sources: Sungai Dabu Estate (Block E8 EM01) and quantity 613 FFBS. Weighbridge Ticket # PJM-230259 dated 20 Dec 2016, sources: Sungai Dabu Estate (Block E8 EM01), quantity: 9 700 kg (613 FFBS), source type: Inti. <p>All input FFBS sourced from their own estates (certified FFBS) and other RSPO certification scope</p>					

	within adjacent estate i.e. Bagan Kusik Estate of Manis Mata Mill.					
D.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.					MAJOR
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	During 2016/2017 (September 2016 – Aug 2017), the company has reported 36 transactions on RSPO IT platform (CPO= 33 transactions, PK= 3 transactions) with volume remains less than 32,237 MT of CPO and 13,500 MT of PK (projected 2016/2017: CPO = 68,776.81 MT and PK= 15,560.37).					
D.5: Record keeping						
D.5.1	The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.					MAJOR
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>The records are:</p> <ol style="list-style-type: none"> a. SPB b. WB ticket (in and out) c. Daily Production Report d. Bill of lading e. DO f. Sales contract g. Invoice h. eTrace transaction report i. Summary Report (3 monthly): opening stock of FFB, FFB input, delivery to production, opening stock of CPO, CPO production, CPO dispatch, and ending stock. <p>The company has recorded and balanced all receipts of sustainable FFB and deliveries of sustainable ISCC and RSPO product in 3 monthly periods. Verified during audit the balance for period Sept – Nov 2017 ; June – Aug 2017 ; March – May 2017 ; Dec 2016 – Feb 2017 and Sept – Nov 2016.</p>					
D.6: Processing						
D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.					MAJOR
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>The mill only receives the crop from its own supply based and others RSPO certified adjacent area (Bagan Kusik estate of Manis mata mill). All the transactions were recorded in the sheet “quantity of CPO sold as RSPO”.</p> <p>The tanks condition of trucks have been inspection before loading CPO to ensure the tanks condition is clean, for example:</p> <ul style="list-style-type: none"> • Delivery note: PJM-224125, Vehicle No. TL-44, Inspection for CPO truck dated on 14/11/2016 (03.49 pm). 					
D.6.2	The objective is for 100 % segregated material to be reached.					MAJOR
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	The mill only receives the crop from its own supply based. So that the objective is for 100% certified material to be reached.					

3.2 Corrective Action Request

There are total of 2 (two) Minor CARs were raised. Please refer to the **Appendix A** for the details findings and relevant correction actions have been taken.

3.3 Noteworthy Positive & Negative Observation

- a. High commitment has been shown by the company in implementing the sustainable manner and the consistency of implementation of RSPO standard.
- b. Consistent implementation of good agricultural practices observed in all estates.
- c. High awareness of safety has been shown by the company during the audit.

3.4 Status of Non-Conformities Previously Identified

Please refer to **Appendix B** for the previous audit.

3.5 Issues Raised by Stakeholders and Findings

A list of stakeholders contacted is included as **Appendix D**. Stakeholders did not provide any comments in writing regarding the PT HSL - PJM environmental and social performance. All interviewed stakeholders had positive comments about PT HSL - PJM.

4. ACKNOWLEDGEMENT OF ORGANIZATION INTERNAL RESPONSIBILITY

4.1 Conclusion

The audit team concludes that the organization has has not established and maintained its management system in line with the RSPO P&C and Supply Chain requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements.

4.2 Date of Next Surveillance Visit

The next surveillance audit is planned 5 October 2017 and 4 January 2018. It is recommended to schedule the next surveillance audit prior 15 December 2017 due to this is the time line to close Minor non-conformity raised during this assessment.

4.3 Date of Closing Non-Conformities

Reference Number	Category (Major/Minor)	Issued date	Close out date
01	Major (2.1.1)	13.11.2015	09.05.2016 <i>(by previous CB)</i>
02	Major (4.6.11)	13.11.2015	09.05.2016 <i>(by previous CB)</i>
03	Major (6.3.1 & 6.3.2)	13.11.2015	09.05.2016 <i>(by previous CB)</i>
04	Minor (4.4.1)	02.12.2016	15.12.2017
05	Minor (4.6.10)	02.12.2016	15.12.2017
06	Minor (4.8.2)	02.12.2016	15.12.2017
07	Major (7.3.1)	02.12.2016	24.02.2017 <i>(with concession approval due to over due date)</i>
08	Minor (2.2.3 ; 5.2.5)	15.12.2017	"Open"
09	Minor (4.7.6)	15.12.2017	"Open"

4.4 Acknowledgement of Internal Responsibility and Formal Sign-off Assessment Findings

PT SGS Indonesia and Client acknowledge and confirms acceptance of the Report contents and including the assessment findings. PT SGS Indonesia and Client accept the responsibility for addressing the opportunities of improvement detailed in this report.

Signed on behalf of PT Harapan Sawit Lestari – Paku Juang Mill	Signed on behalf of PT SGS Indonesia
 Yunita Widiastuti	 Fourry Meilano

APPENDIX A: CORRECTIVE ACTION REQUEST & OBSERVATION

CAR #	Indicator	CAR Detail						
		Date Recorded>		Due Date>		Date Closed>		
08	2.2.3 (minor) 5.2.5 (minor)	15.12.2017		14.12.2018		dd mm yy		
		Normative reference and requirements:						
		2.2.3. In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.						
		5.2.5 Where HCV areas overlapped with an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights.						
		Statement of Non-Conformance:						
		There is an existing dispute on the HCV areas where no adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.						
		Lack of evidence of a negotiated agreement with local communities that optimally safeguard their HCVs and the local community's rights.						
		Objective Evidence:						
		There are actual conversion of HCV areas (riparian) to palm oil plantation by local communities as reported on the Sustainability monthly report 11.11.2017 as following :						
		4. Sungai Dabo Estate – riparian of sungai dabu (1.5 ha)						
		5. Kebanteng estate – riparian of sungai kelik and kebanteng (17.25 ha)						
		6. Paku Juang and Keluwin estate – riparian water reservoir Paku Juang Mill (10 ha).						
		All of those HCV areas actually belong of the land title(s) (Hak Guna Usaha – HGU) of the company, however, no evidence of legitimate acquisition and compensation or compensation settlement process (“pembebasan lahan”) on these riparian zones.						
		These areas now cover to 217.ha.						
Root cause analysis to be completed by Organization:								
Lack of communication to meet agreement/resolution with local communities to protect riparians within HGU								
Corrective Action to be completed by Organization:								
<ul style="list-style-type: none"> • Conduct refresher socialization to local community on HCV protection • Identify conflicted HCVs within HGU 								
Preventative Action to be completed by Organization:								
Develop measurable plan to compensate conflicted HCVs within HGU								
Close-out evidence/Planned Actions to be completed by Lead assessor:								
The proposed action plan is accepted. This will be further checked on the next surveillance visits.								
09	4.7.6 (minor)	Date Recorded>	15.12.2017	Due Date>	14.12.2018	Date Closed>	dd mm yy	
		Normative reference and requirements:						

CAR #	Indicator	CAR Detail
		<p>All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).</p> <p>Statement of Non-Conformance:</p> <p>Lack of evidence medical care has been provided for all workers</p> <p>Objective Evidence:</p> <p>According to the audiometry test result, there were such workers (4 workers at Paku Juang estate and 6 workers at Kebanteng estate) in deaf condition. Further investigation and medical care has yet in place to follow up the result of the test.</p> <p>Root cause analysis to be completed by Organization:</p> <p>Based on investigation, it's been assumed that audiometric test was improperly done by local vendor which may impact to the test result</p> <p>Corrective Action to be completed by Organization:</p> <p>Send the workers for audiometric test to verify the result from previous test</p> <p>Preventative Action to be completed by Organization:</p> <ul style="list-style-type: none"> • Source alternative licensed vendor to conduct audiometric test • Source audiometry test booth to ensure the test is conducted properly <p>Close-out evidence/Planned Actions to be completed by Lead assessor:</p> <p>The proposed action plan is accepted. This will be further checked on the next surveillance visits.</p>

OBSERVATIONS

OBS #	Indicator	Observation/Opportunity for Improvement					
		Date Recorded>		Due Date>		Date Closed>	dd mm yy
01	4.5.1	Date Recorded>	15.12.2017	Due Date>	14.12.2018	Date Closed>	dd mm yy
		Details:					
		According to the data pest and diseases sensus at Paku Juang Estate compartment H23 and H24 in July and September 2017 noted Oryctes attacked were detected with intensity more than 2 %. Action should be taken in order to monitor integrated pest management plan to these areas.					
02.	5.1.3	Date Recorded>	15.12.2017	Due Date>	14.12.2018	Date Closed>	dd mm yy
		Details:					
		Periodic monitoring of the river water quality should be defined at the upstream and downstream points in order to monitor impacts of the company operations to the river water quality. It was noted that according to the result of monitoring in February 2017 that COD parameter has been out of limit according to regulation PP 82 year 2001.					
03	2.1.1	Date Recorded>	15.12.2017	Due Date>	14.12.2018	Date Closed>	dd mm yy
		Details:					
		It was reminder that renewal of water intake permit of Paku Juang Mill should be followed up as soon as possible. Even though the permit was expired since 2014, however, retribution has been paid accordingly.					
04	6.2.3	Date Recorded>	15.12.2017	Due Date>	14.12.2018	Date Closed>	dd mm yy
		Details:					
		During stakeholder meeting with KUD Sepakat Mekar noted that there is unofficial proposal for self reliance plasma development (pengembangan plasma Mandiri) since 2015. Records should be provided to response this issues.					
		Observation/Opportunity for Improvement					
05	4.1.1	Date Recorded>	15.12.2017	Due Date>	14.12.2018	Date Closed>	dd mm yy
		Details:					
		The updated Standard Operating Procedures (SOPs) for Paku Juang mill should be available in the field areas.					
		It was observed that SOPs for Press Station (ENG-SOP-PJM-05.-R.03) and Warehouse (ENG-SOP-PJM-010.-R.03) at Paku Juang Mill are remains available, this should be 4 th revision at this moment.					
		Following SOPs are also not written the correct revision number i.e.					
<ol style="list-style-type: none"> 1) HSL-SOP-SAF 05 on General Condition Inspection 2) HSL-SOP-SAF 06 on Pre Job Hazard Analysis 3) HSL-SOP-SAF 07 on LOTO 							
Follow-up evidence:							
06	5.3.2	Date Recorded>	15.12.2017	Due Date>	14.12.2018	Date Closed>	dd mm yy
		Details:					

OBS #	Indicator	Observation/Opportunity for Improvement					
		<p>Care should be taken to consistently records hazardous waste input-output at temporary hazardous waste storage of Paku Juang mill. During site examination, noted that even the official 3 monthly mass balance of hazardous waste is available, however, the primary data during period April to September 2017 is not available on site.</p>					
		Follow-up evidence:					
07	6.5.3	Date Recorded>	15.12.2017	Due Date>	14.12.2018	Date Closed>	dd mm yy
		Details:					
		<p>The water supply for Paku Juang emplacement should be recorded accordingly. During site examination noted that the record of water supply input-output were not recorded for period May-November 2017.</p>					
		Follow-up evidence:					

APPENDIX B: NON-CONFORMITIES PREVIOUSLY IDENTIFIED

CAR #	Indicator	CAR Detail					
		Date Recorded>		Due Date>		Date Closed>	
04	4.4.1. Minor	Date Recorded>	02.12.2016	Due Date>	01.12.2017	Date Closed>	15.12.2017
		Normative reference and requirements:					
		4.4.1. An implemented water management plan shall be in place.					
		Statement of Non-Conformance:					
		Water management plan is not fully implemented.					
		Objective Evidence:					
		During visit to pond at Kebanteng Estate, there was not found signs of prohibition for the chemical applications around the pond as per the SOP for buffer zone (EST-SOP-ASD.13-R.03).					
		Root cause analysis to be completed by Organization:					
		Inadequate inspection conducted by Kebanteng Estate to identify the lack of signs of prohibition for the chemical applications in the pond area.					
		Corrective Action to be completed by Organization:					
		Provide the signs of prohibition for the chemicals application in the pond area by marking the palm trees with the red color paint					
		Preventative Action to be completed by Organization:					
		Improve periodical inspection for HCV and buffer zone.					
		Close-out evidence/Planned Actions to be completed by Lead assessor:					
During site examination to riparian of Sungai Terusan at Paku Juang Estate noted signs of prohibition for the chemical applications around the pond as per the SOP for buffer zone. Minor CAR closed.							
05	4.6.10 Minor	Date Recorded>	02.12.2016	Due Date>	01.12.2017	Date Closed>	15.12.2017
		Normative reference and requirements:					
		4.6.10. Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated					
		Statement of Non-Conformance:					
		Lack of evidence that pesticide waste has been handled as per legal regulations.					
		Objective Evidence:					
		During visit to the chemical storage at Kebanteng Estate, there was found pesticides of Cymbush 50E (total 172.8 lt) have been stored since 2013. The pesticides were produced March 2011 according to information on the label; it means that the pesticides have expired in March 2016 (5 years). The company has not yet delivered the pesticides waste to a licensed waste processor.					
		Root cause analysis to be completed by Organization:					
		Lack of knowledge by the location to identify expiry date of pesticides.					
		Corrective Action to be completed by Organization:					
		Remove the expired pesticides and store it into hazardous waste storage.					
		Preventative Action to be completed by Organization:					
		Improve monthly inspection checklist to include inspection on expired pesticide.					

CAR #	Indicator	CAR Detail																													
		Close-out evidence/Planned Actions to be completed by Lead assessor:																													
		The expired chemical (including expired pesticide) have been transferred to licensed waste processor company as per manifest No. ARB 0002766 dated on 15 April 2017, Expired Chemical 662 kg, vehicle number: AD1834AV (truck licence valid 13 Feb 2018). This waste sent to PPLI for disposal.																													
06	4.8.2 Minor	Date Recorded>	02.12.2016	Due Date>	01.12.2017	Date Closed>	15.12.2017																								
		Normative reference and requirements:																													
		4.8.2. Records of training for each employee shall be maintained.																													
		Statement of Non-Conformance:																													
		Lack of evidence that employees have been trained standard of INA-NI RSPO P&C 2013.																													
		Objective Evidence:																													
		The company has not trained KKPA employees (KUD Sepakat Mekar) for standard of INA-NI RSPO P&C 2013 endorsed by RSPO Board of Governors (BoG) on 30 th September 2016.																													
		Root cause analysis to be completed by Organization:																													
		Inti and KKPA is a one roof management under company. Company has not identified the need of training of standard of INA-NI RSPO P&C 2013 endorsed by RSPO Board of Governors (BoG) on 30 th September 2016 for KKPA members in the plan.																													
		Corrective Action to be completed by Organization:																													
		Provide training to KKPA members on standard of INA-NI RSPO P&C 2013 endorsed by RSPO Board of Governors (BoG) on 30 th September 2016.																													
		Preventative Action to be completed by Organization:																													
		Develop training plan for KKPA members on standard of INA-NI RSPO P&C 2013																													
		Close-out evidence/Planned Actions to be completed by Lead assessor:																													
		KKPA employees have been trained standard of INA-NI RSPO P&C 2013 (endorsed by RSPO Board of Governors on 30 th September 2016) dated on 12 January 2017 attended by 50 participants.																													
07	7.3.1 Major	Date Recorded>	13.11.15	Due Date>	12.01.16	Date Closed>	24.02.17																								
		Normative reference and requirements:																													
		Criterion 7.3.1: There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (C 5.2)																													
		Statement of Non-Conformance:																													
		Area Statement of PT HSL showed that there are areas planted after November 2005. Summary of plantings done in 2005-2006 are as follows:																													
		<table border="1"> <thead> <tr> <th>Estate</th> <th>< Nov 2005</th> <th>2006</th> <th>2007</th> </tr> </thead> <tbody> <tr> <td>Keluwin Estate</td> <td>21.76 ha</td> <td>-</td> <td>-</td> </tr> <tr> <td>Paku Juang Estate</td> <td>-</td> <td>16.50 ha</td> <td>-</td> </tr> <tr> <td>Sungai Dabu Estate</td> <td>29.60 ha</td> <td>70.76 ha</td> <td>-</td> </tr> <tr> <td>Kebanteng Estate</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total</td> <td>51.36 ha</td> <td>87.26 ha</td> <td></td> </tr> </tbody> </table>						Estate	< Nov 2005	2006	2007	Keluwin Estate	21.76 ha	-	-	Paku Juang Estate	-	16.50 ha	-	Sungai Dabu Estate	29.60 ha	70.76 ha	-	Kebanteng Estate	-	-	-	Total	51.36 ha	87.26 ha	
Estate	< Nov 2005	2006	2007																												
Keluwin Estate	21.76 ha	-	-																												
Paku Juang Estate	-	16.50 ha	-																												
Sungai Dabu Estate	29.60 ha	70.76 ha	-																												
Kebanteng Estate	-	-	-																												
Total	51.36 ha	87.26 ha																													

CAR #	Indicator	CAR Detail
		<p>At that time the company has not identified HCV. Guidance for Criterion 7.3 stated that where land has been cleared since November 2005, and without a prior and adequate HCV Assessment, it will be excluded from the RSPO certification programme until an adequate HCV compensation plan has been developed and accepted by the RSPO.</p> <p>Objective Evidence:</p> <p>The company has submitted Land Use Change Analysis to RSPO dated on 28 November 2016 for developing HCV compensation plan and it is waiting for RSPO clarification.</p> <p>Root cause analysis to be completed by Organization:</p> <p>Land Use Change Analysis report has been submitted to RSPO in November 28, 2016. Currently, the report is under process of review by RSPO.</p> <p>Corrective Action to be completed by Organization:</p> <p>Company continues to communicating with RSPO until the report meet the expectation.</p> <p>Preventative Action to be completed by Organization:</p> <p>Not necessary at this stage.</p> <p>Close-out evidence/Planned Actions to be completed by Lead assessor:</p> <p>Clearance of finding was conducted on 24 February 2017, the following was noted:</p> <p>PT Harapan Sawit Lestari has submitted LUCA to RSPO, last updated on 19 January 2017. RSPO has reviewed FCL and Calculation of the land cover is slightly different between the company's and the reviewer's. However the RSPO through email dated 6 February 2017 has decided, on case-by-case basis, that PT ISK can continue to be certified with the condition that Cargill is actively in communication with the RSPO to resolve the RaCP. RSPO hoping company can close this case before the next surveillance audit. Auditor consider the email from RSPO is <u>sufficient, however, during this surveillance assessment the non-conformity is closed, but will be further checked during ext surveillance assessment. If company fail to complete this process on the next surveillance visits, then Major non-conformity will be re-open and auditor will recommend for suspension of certificate. SGS technical team had issued a concession on the delay of CAR Closure according to RSPO email, and allow for company to close the Major non-conformity over than 2 months</u></p> <p>Major CAR was closed.</p>

APPENDIX C: TIMEBOUND PLAN

Management Units	Number of Mills and Estates	Location	Target Date & Progress
<u>Cargill's existing subsidiary Companies:</u>			
PT. Hindoli – Sungai Lilin and Tanjung Dalam Mills	2 Palm Oil Mills, 3 Estates, 5 Cooperative of scheme smallholders	South Sumatera, Indonesia	Certified 2009
PT. Hindoli – Mukut Mill	1 Palm Oil Mill and 4 Estates including KKPA Smallholder schemes	South Sumatera, Indonesia	Certified 2016
PT. Harapan Sawit lestari – Paku Juang Mill	1 Palm Oil Mill and 4 Estate including KKPA Smallholder scheme	West Kalimantan, Indonesia	Certified 2014
PT. Harapan Sawit lestari – Manis Mata Mill	1 Palm Oil Mill and 4 Estate including KKPA Smallholder scheme	West Kalimantan, Indonesia	Certified 2014
PT. Indo Sawit Kekal – River View Mill	1 Palm Oil Mill and 2 Estates including KKPA smallholder scheme	West Kalimantan, Indonesia	Certified 2014
<u>New Acquisition subsidiary companies under Alpha Capital Limited:</u>			
PT. Poliplant Sejahtera	1 Palm Oil Mill and 1 Estate	West Kalimantan, Indonesia	Certified 2016
	Siriham PIR-TRANS Scheme Smallholders	West Kalimantan, Indonesia	Time bond plan 3 years after Estate has been certified, to be included in the Siriham Estate's audit scope during Surveillance Audit 2018
PT. Maya Agro Investama	1 Mill and 3 Estates	West Kalimantan, Indonesia	Stage 1 RSPO Audit done in Oct 2016. LUCA approved on Feb 12, 2018. The estates are pending for RaCP and HGU to be settled/approved. Tentative plan of Stage 2 Audit scheduled in Dec 2018
PT. Andes Agro Investama	1 Mill and 3 Estates	West Kalimantan, Indonesia	Stage 1 RSPO Audit done in Oct 2016. LUCA approved on Feb 12, 2018.

			<p>The estates are pending for RaCP and HGU to be settled/approved. Stage 2 audit scheduled in May 2018</p>
PT. Andes Sawit Lestari	3 Estates	West Kalimantan, Indonesia	<p>Stage 1 RSPO Audit done in Oct 2016. LUCA approved on Feb 12, 2018.</p> <p>The estates are pending for RaCP and HGU to be settled/approved. Stage 2 audit scheduled in May 2018</p>
PT. Andes Sawit Mas	3 Estates	West Kalimantan, Indonesia	<p>Stage 1 RSPO Audit done in Oct 2016. LUCA approved on Feb 12, 2018.</p> <p>The estates are pending for RaCP and HGU to be settled/approved. Tentative plan of Stage 2 Audit scheduled in Dec 2018</p>

APPENDIX D: LIST OF STAKEHOLDERS CONTACTED

Issue raised by Stakeholder	Company Response	Auditor Findings
Women Spraying Worker (Junggle Queen): focused on sexual harassment, equal opportunity, discrimination, etc. No issue raised by women group.	Company agreed with comment.	Comments has been considered into the auditor findings in the checklist
Harvesters, sprayers, manure operator , Foreman, staff, etc: Consultation was focused on employee welfare, worker contract, accommodation, wage, PPE use, etc. No issue raised by harvester, sprayers, manure operator, foreman, staff, etc.	There was no further comment by Company.	Comments has been considered into the auditor findings in the checklist
Labour Union: Consultation was focused on collective labour agreement, employee complaint handling. No issue raised by Labour Union.	There was comment given by Company. In which the collaboration had been improved	Comments has been considered into the auditor findings in the checklist
KKPA: Consultation was focused on transparency and conflict resolution, No issue raised by KKPA.	There was a comment given by Company who said that there are some prerequisite for the adding the acquisition is very tight so the company pended the MoU with KKPA Sepakat Mekar.	Comments has been considered into the auditor findings in the checklist
Local Government: Consultation was focused on compliance with regulations (land title, periodic report, community development, etc). Based interview from Local Government, there was no significant issue.	There was no further comment by Company.	Comments has been considered into the auditor findings in the checklist
Stakeholder contacted i.e: Local community at Desa Manis Mata and Desa Air Sungai Durian Jaya Kecamatan Manis Mata Kabupaten Ketapang.	There was no further comment by Company. Issue: CSR program was conducted by Company/PT ASL-PJM in collaboration with PT ISK i.e.: road maintenance, recruitment of worker, and also praying facilities.	Comments has been considered into the auditor findings in the checklist
Head of School who handle the education for staff and worker's children who live in the mill and estates areas.	The company prepare the education facilities for the worker's children by free of charges	Comments has been considered into the auditor findings in the checklist