

# RSPO PRINCIPLES & CRITERIA

## PUBLIC SUMMARY REPORT

### ANNUAL SURVEILLANCE ASSESSMENT 1

Indonesia  
**PT PARIT SEMBADA**  
Kuala Lumpur-Kepong Berhad  
2017

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<b>Certifying Office</b>		
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## PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT

### 1.1 Company and Contact Details

Company Name:	Kuala Lumpur Kepong Berhad
Business Address:	Wisma Taiko, 1, Jalan S. P. Seenivasagam, 30000 Ipoh, Perak. Malaysia.
Contact Person:	Mr. Sin Chuan Eng
Office Telephone:	+6052417844
E-Mail:	<a href="mailto:ce.sin@klk.com.my">ce.sin@klk.com.my</a>
Web Site:	<a href="http://www.klk.com.my">www.klk.com.my</a>
Other Certifications Held:	ISCC

### 1.2 RSPO Membership & Certification Details

RSPO Membership Number:	1-0014-04-000-00
Registered Client Name:	Kuala Lumpur Kepong Berhad
Certificate Number:	CU-RSPO- 843387
Start Date Of Certificate:	07-10-2016
End Date Of Certificate:	06-10-2021
Date Of Original Certification:	07-10-2016
Scope:	Certification of the Palm Oil Mill and Supply Bases
Type Of Certification:	Single site <input checked="" type="checkbox"/>
Duration Of Certificate:	5 Years from date of certification

### 1.3 Annual Surveillance Assessment Details

Dates Of This Audit:	14-15 August 2017
Audit Number:	ASA 1

### 1.4 Assessment Type

This is a RSPO Principles & Criteria Compliance assessment of the palm oil mill and its respective supply bases as listed in this report below.

### 1.5 Location of the Palm Oil Mill

Name Palm Oil Mill (POM)	Mill Capacity MT/Hour	Location	GPS Reference	
		Address	Longitude	Latitude
Parit Sembada Palm Oil Mill	60	Jalan Raya Tanjungpandan-Manggar, Desa Buding, Kec. Kelapa Kampit, Kab. Belitung Timur, Prov. Kepulauan Bangka Belitung, Indonesia, 33471.	02° 44'25.4" N	108° 00'11.6" E

### 1.6 Palm Oil Mill Output and Approximate Tonnages Certified

Figures below are from:

- Only from certified supply bases (Y/N). **NO**
- Combining certified with uncertified supply bases (Y/N). **YES**
- If the Mill is receiving FFB from uncertified supply bases outside the audit scope, such uncertified sources is highlighted under the following sections as seen applicable:
  - PART 1, Section 1.7 – General Description of Supply Base,
  - PART 2: Partial Certification, Section 2.4 – Uncertified Units or Holdings,
  - PART 5: RSPO Supply Chain Certification of this report

Projected Production from the last 12 Months (MT) August' 16 – July' 17			Actual Production for this Audit Year (MT) August 16 – July 17			Projected 12 Months (MT) Forecast Certified in this Report August' 17 – July' 18		
FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
90,132	19,829	4,507	12,203	2,607	536	115,291	25,612	5,762

Note : refer to part 5.2 for e-trace certified volume

### 1.7 General Description of Supply Base

PT Parit Sembada Palm Oil Mill receives the FFB from its own estate which is PT Parit Sembada Estate and outside supplier. PT Parit Sembada Estate consist two main division as details below:

- i. Kebun Buding
- ii. Kebun Cendil

The details of the supply base is listed in table 1.7.1 below. The mill also receives FFB from external certified. As per period of audit, this mill also received FFB from 51 Estate/Cooperative/Smallholder around this complex. This process has resulted PT. Parit Sembada POM conformance to RSPO mass balance supply chain model where certified and non-certified FFB are mixed. It was noted that actual FFB certified is 12,223 MT, differ from volume estimated (90,132 MT), due to the own estate of Parit Sembada Mill on August 2016, September 2016, and March 2017 has supplied to SWP Mill (IP).

1.7.1 Location of the Supply Base						
OPP	Oil Palm Plantation	Location	GPS reference		Area Summary (Ha)	
	Name	Address	Longitude	Latitude	Total	Mature
OPP 1	PT. Parit Sembada	Ds. Buding. Kecamatan Kelapa Kampit. Belitung Timur	02° 42' 35" – 02° 46' 11" N	107° 57' 41" – 108° 00' 54" E	3,990.4	3,759.0
<b>TOTAL</b>					<b>3,990.4</b>	<b>3,759.0</b>

1.7.2 Statistics of the Supply Base and Estimated Tonnes of FFB produced per year				
OPP	Oil Palm Plantation	Estimated FFB/Year (MT)	Planting Years	Cycle (Years)
OPP 1	PT. Parit Sembada	243.054	2004	25
<b>TOTAL</b>		<b>243,054</b>		

Only use data from 1.7.3 in the eTrace Summary

1.7.3 Conservation and HCV Area (Ha)				
OPP	Oil Palm Plantation	Conservation Area (Ha)	HCV Area (Ha)	* HCV part of Conservation
OPP 1	PT. Parit Sembada		216	No
<b>TOTAL</b>			216	

\* Indicate if HCV area is part of the Conservation Area. If the HCV area is part of the Conservation Area, then "YES" otherwise, "No"

1.7.4 Percentage of Planted Oil Palm by different Age Ranges					
OPP	Planting Years by 5 year Ranges				
	1996-2000	2001 -2005	2006 – 2010	2011 – 2015	Total
OPP1	-	3,759 Ha (100%)	-	-	<b>3,759 Ha (100%)</b>

1.7.5 Calculation of the Number of Production Units (N) to Sample for the Mill			
N = 0.8vY, where "Y" is the number of units, with the result always to be rounded "up" to the next whole integer. Where only a sample of the supply base is assessed, units not previously assessed, or assessed earlier in the certification program, are to be preferred over those more recently assessed			
For the Mill, how many units make up the production base?			
Owned estates (Y)	N = 0.8vY	Smallholders (Z)	N = 0.8vZ
1	1	0	0
Explanation as to the selection of estates sampled			
Only one estate was assessed			

### 1.8 Progress of associated Smallholders or Out-growers, if applicable to this assessment

Progress of associated Smallholders or Out-growers towards Compliance with relevant Standards - should be in accordance to the 3 year implementation plan, if applicable to this assessment

Not Applicable

### 1.9 Location Map for this Certification Unit (See Appendix 1)

## PART 2: PARTIAL CERTIFICATION

The rules for partial certification allow organizations that have a majority holding in and / or management control of more than one autonomous company growing oil palm to certify individual management units and / or subsidiary companies subject to certain rules.

### 2.1 Management Structure

Section	Criteria	Yes/No	If "Yes"	If "No"
2.1.1	Is the certified operation (POM and supply base as detailed above) a stand-alone operation and there are no other plantations or mills owned by the same company?	No	Section 2 is N/A	Go to 2.1.2
2.1.2	Is the certified operation part of a simple structure of operations owned by one company?	Yes	Go to 2.1.5	Go to 2.1.3
2.1.3	Are there statements of the ultimate controlling shareholders and directors in the managing agency company/companies:	-	Go to 2.1.4	Go to 2.2.1
	a. Explaining the legal relationship and the management arrangements with the subsidiary companies and / or with any operating groups?			
2.1.4	b. A statement of commitment to complying with the spirit of the RSPO for all companies and subsidiaries involved with the growing of oil palm and for the production of palm oil?	-	Go to 2.4	Go to 2.2.2
2.1.5	Is there a time bound plan in place for all subsidiaries, estates and palm oil mills?	Yes	Go to 2.3	2.2.3
2.1.6	Is the parent company or one of its majority owned and / or managed subsidiaries a member of RSPO.	Yes		

### 2.2 Non-compliance Identified with 2.1 Above

Section	Non-compliance findings	NC raised	Category
2.2.1	There is no explanation as to the company's structure and therefore it is not possible to conduct an effective audit against the rules for partial certification.	-	Major
2.2.2	There is no statement of commitment to complying with the spirit of the RSPO for all companies within the company structure.	-	Major
2.2.3	There is no time bound plan in place for the certification for all subsidiaries, estates and mills.	-	Major
2.2.4	No applicable membership of the RSPO.	-	Major

### 2.3 Summary of the Time Bound Plan

Section	Requirement	Findings and any action required	Compliance
2.3.1	Does the plan include all subsidiaries, estates and mills?	Yes, the time bound plan does include of the subsidiaries, mills and estates owns by KLK. The Paloh Palm Oil Mill in Johor and Mill 1 in Sabah are not part of the time bound plan as it meant for out growers and smallholder group. This has been	Yes

		communicated with RSPO in 2015. For the Sumatra Utara, Gohor Lama and Padang Bharang mills been merged and named as Stabat mill.	
2.3.2	Is the time bound plan challenging? ➤ Age of plantations. ➤ Location. ➤ Mill development. ➤ Infrastructure. ➤ Compliance with applicable law.	The plan is achievable unless otherwise with unforeseen circumstances. The risk involves varies from: <ul style="list-style-type: none"> <li>To engage certification bodies and their availability.</li> <li>Laws and regulations in Indonesia – a lot uncertainty.</li> <li>In Indonesia ISPO precede other certification standards.</li> <li>In Indonesia it finds mobilizing the internal resources to different geographical locations.</li> </ul>	Yes
2.3.3	Have there been any changes since the last audit? Are they justified?	The latest time bound plan dated on 22/04/2016 was reviewed and changes were discussed during verification. In Kaltim, Jabontara POM had been newly included. Both Jabontara and Berau mill target to be certified by 2017 which a year delay [2016] than planned. This was due to RSPO Compensation Scheme [Compensations Concept Note was submitted to RSPO].	Yes
2.3.4	If there have been changes, what circumstances have occurred?	New inclusion of mill and supply base. No changes on the targeted time line.	Yes
2.3.5	Have there been any stakeholder comments?	On PT Menteng Jaya Sawit Perdana IUP for 7,400 Ha approval no: 525.26/153/II/EKBANG/2007 dated on 13 February 2007 and Izin Lokasi (IL) is renewed and documented no: 188.45/359/HUK-BPN/2013 dated: 1st August 2013 which includes an approval clause 1a that this IL will remain in force until land swap process is finalised and as at now, the land / boundary survey on-going.	Yes
2.3.6	Have there been any newly acquired subsidiaries?	No.	Yes
2.3.7	Have there been any isolated lapses in the implementation of the plan?	No lapses	Yes
2.3.8	Has there been any systematic failure to proceed with the implementation of the plan?	No	Yes
2.3.9	General statement as to progress made since the last audit?	The target to certify all the units within year 2017 remain same.	Yes

#### 2.4 Un-Certified Units or Holdings

<b>NOTE:</b>	Companies may demonstrate compliance by clear evidence of a self-audit (i.e. an internal audit for all subsidiaries, estates and Palm Oil Mills)		
<b>Section</b>	<b>Requirement</b>	<b>Findings and any action required</b>	<b>Compliance</b>
2.4.1	Did the company conduct an internal	Since all the facilities in Malaysia were certified, therefore the facilities in Indonesia monitor by the Pak Steven and once in a 3	Yes

	audit? If so, has a positive assurance statement been produced?	months a review with Sustainability Head will be done in KLK HQ in Ipoh. The internal control points have included all the requirements to validate the compliance against uncertified units or holdings as per partial. Joint venture in Liberia does not required internal audit as it is part of EPO as their stand-alone entity.	
2.4.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	There will either be a moratorium on development or for new areas to be developed the HCS Approach method will be employed until the exercise of convergence is completed.	Yes
2.4.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	There is no NPP applicable. There will either be a moratorium on development or for new areas to be developed the HCS Approach method will be employed until the exercise of convergence is completed.	Yes
2.4.4	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.	PT Adei Plantation land conflicts around 2,544 Ha are still in progress of negotiation and the land area been enclave.	Yes
2.4.5	Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	None noted. No stakeholder comments or complaints received	Yes
2.4.6	Any Legal non-compliance is being resolved in accordance with the legal	None noted. No stakeholder comments or complaints received.	Yes



	requirements, with reference to RSPO criteria 2.1 and 2.2.		
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TIME BOUND PLAN FORECAST FOR RSPO CERTIFICATION OF ALL PALM OIL MILLS & SUPPLY BASES				
Palm Oil Mill	Country	Supply Bases (estates, plantations, associations)	Targeted RSPO Certification Year	Current Certification Status as per this Audit
Batu Lintang	Kulim, Kedah, Malaysia	Pelam Estate	2013	Certified
	Serdang, Kedah, Malaysia	Batu Lintang Estate Buntar Estate		
	Batu Kurau, Perak Malaysia	Subur Estate		
Kekayaan	Paloh, Johor, Malaysia	Landak Estate Kekayaan Estate Paloh Estate	Oct 2011	Certified
	Tenang, Johor, Malaysia	Voules Estate New Pogoh Estate		
	Kulai, Johor, Malaysia	Fraser Estate		
	Bekok, Johor, Malaysia	Sg Bekok Estate		
	Pagoh, Johor, Malaysia	Ban Heng Estate		
	Renggam, Johor, Malaysia	See Sun Estate		
Jeram Padang	Bahau, Negeri Sembilan, Malaysia	Ayer Hitam Estate Jeram Padang Estate	Sept 2012	Certified
	Telemong, Pahang, Malaysia	Renjok Estate Tuan Estate		
	Lanchang, Pahang, Malaysia	Sg Kawang Estate		
	Rompin, Negeri Sembilan, Malaysia	Batang Jelai Estate		
	Simpang Durian, Negeri Sembilan, Malaysia	Gunung Pertanian Estate		
	Pedas, Negeri Sembilan, Malaysia	Ulu Pedas Estate		
	Rantau, Negeri Sembilan, Malaysia	Kombok Estate		
Tanjong Malim	Tanjung Malim, Perak, Malaysia	Changkat Asa Estate	2013	Certified
	Kerling, Selangor, Malaysia	Kerling Estate		
	Serendah, Selangor, Malaysia	Sg Gapi Estate		
Tuan Mee	Sungai Buloh, Selangor, Malaysia	Tuan Mee Estate	2013	Certified
Kuala Pertang	Kuala Krai, Kelantan, Malaysia	Pasir Gajah Estate	By 2014	Certified by SGS in 2014, currently engaging new CAB.
	Tanah Merah, Kelantan, Malaysia	Kerilla Estate Sg Sokor Estate		
Mill 2	Tawau, Sabah, Malaysia	Pang Burong Estate Sri Kunak Estate Tundong Estate	March 2009	Certified

		Ringlet Estate		
Pinang	Tawau, Sabah, Malaysia	Jatika Estate Sigalong Estate Pangeran Estate Pinang Estate	March 2009	Certified
Lungmanis	Lahad Datu, Sabah, Malaysia	Tungku Estate Bukit Tabin Estate Lungmanis Estate	July 2010	Certified
Rimmer	Lahad Datu, Sabah, Malaysia	Rimmer Estate Sg. Sibalukan	July 2010	Certified
Bornion	Kinabatangan, Sabah, Malaysia	Bornion Estate Segar Usaha Estate	July 2010	Certified
Changkat Chermin	Manjung, Perak, Malaysia	Lekir Estate Changkat Chermin Estate Raja Hitam Estate	2013	Certified
	Parit, Perak, Malaysia	Glenealy Estate Serapoh Estate		
	Padang Rengas, Perak, Malaysia	Kuala Kangsar Estate		
	Trong, Perak, Malaysia	Allagar Estate		

**With reference to time bound plan, the following issues were reviewed openly with the Control Union audit team during the assessment and which may be in conflict with the rules for partial certification, if applicable**

Name of Mill or Plantation	*Area of concern (See examples below)
N/A	N/A
Include any known concerns, media reports and major issues both present and from the past covering, for example: <ul style="list-style-type: none"> <li>• Replacement of primary forest or any area containing HCV's since November 2005.</li> <li>• Evidence of non-compliance with the law</li> <li>• Legal issues</li> <li>• Compensation payments</li> <li>• Social relations</li> <li>• Burning</li> <li>• Labor disputes</li> </ul>	

## 2.5 Summary of the findings for Partial Certification

*The audit team assessed compliance with the above requirements during this audit. Failure to address any non-compliance identified may lead to certification suspension.*

This verification was attended by Mr. Sin Chuan Eng and Ms. Lee Kuan Yee from the Sustainability Department. On behalf of CUC, Mr. Simon [Certifier], Ms. Mozhi [Program Manager], Mr. Jamal [Auditor] and Mr. Mahas [Auditor] were involved. The verification was found satisfactory with documented evidences of latest time bound plan, detail discussions on NPP and the challenges in meeting the time bound plan. There were no non-conformities found and as at 01/04/2016, below is the status of land bank owned by KLK [*certified and none*].

Country	Region	Name of POM	Area [Ha]
Malaysia	Peninsular Malaysia	Batu Lintang	61,508
		Tanjung Malim	
		Kekayaan	
		Tuan Mee	
		Paloh	
		Changkat Chermin	
		Jeram Padang	

Indonesia	Sabah	Kuala Pertang	40,353	
		Mill 1		
		Mill 2		
		Rimmer		
		Bornion		
		Lungmanis		
	Kaltim	Kaltim	Berau	32,056
			Jabontara	
		Riau	Mandau	35,259
			Nilo 1	
			Nilo 2	
		Belitung	Tapung Kanan	20,391
			Parit Sembada	
		Sumatera Utara	Steelindo Wahana Perkasa	21,372
			Gohor Lama	
Kalteng	Padang Brahrang	28,097		
	MAP			
<b>Total</b>		<b>239,036</b>		

## 2.6 Partial Certification Audit Agenda

Date	Location	Agenda
22/04/2016	KLK Wisma Taiko, Ipoh	Documentation Review

## PART 3: AUDIT PROCESS

### 3.1 About the Certification Body

Control Union Certifications is a member of the Control Union World Group – an international inspection and certification body. CUC performs Audits and certification in many agricultural based fields such as FSC, RSPO, and Organic production, Sustainable Textile Production, Organic Exchange, GLOBALGAP, HACCP, BRC, GMP and GTP.

CUC is accredited by the Dutch Council of Accreditation (RVA) on the European quality standard EN 45011 for the inspection and certification of CUC Organic program (according to the EU regulation 2092/91) and EUREPGAP program. When requested a copy of the accreditation certificate can be obtained from CUC.

**Control Union (Malaysia) Sdn Bhd is a registered affiliate member of RSPO and is a private limited company owned by the Control Union World Group based in Malaysia. Control Union (Malaysia) Sdn Bhd is authorized to conduct and issue certification on behalf of RSPO and Control Union Certifications.**

### 3.2 Audit Team

<b>Lead auditor:</b>	<b>Ahmad Furqon</b>
Team member 1:	Muhd Jamalul Arif
Team member 2:	Enjang Asri
Team member 3:	Nor Ashikin Shafinaz

#### 3.2.1 Qualifications of the Lead Auditor

Requirement	Qualifications
A minimum of post high school (post-secondary school) training in either agriculture/forestry, environmental science or social sciences;	Post graduate qualification in agriculture with more than 5 years working experience in various plantation company. Completed and certified ISO 9001:2015, ISO 14001.

At least 5 years professional experience in area of work relevant to the assessment (e.g., palm oil management; agriculture/forestry; ecology; social science);	More than 05 years of working experience in plantation with various plantation company. Fully trained in similar agriculture certification programs such as RSPO, ISPO and SCCS.
Training in the practical application of the RSPO criteria, and RSPO certification systems;	Involved in RSPO assessment since 2016. Involved in RSPO audits conducted in Indonesia.
Successfully completion of an ISO 9000:19011 lead auditors course;	Attended and successfully completed ISO 9001:2015 Lead Auditor course in June 2016.
Training in the practical application of RSPO certification systems.	Involved in RSPO assessment since 2016. Involved in RSPO audits conducted in Indonesia.
A supervised period of training in practical auditing against the RSPO criteria or similar sustainability standards, with a minimum of 15 days audit experience and at least 3 audits at different organizations.	Involved in audits conducted in for many different companies in Indonesia.
RSPO endorsed lead auditors course.	Attended and successfully completed RSPO Lead Auditor training in October 2016.
Signed code of conduct.	Yes
<b>General knowledge of:</b>	
• RSPO P&C standards.	Yes
• CUC organizational structure.	Yes
• CUC quality systems.	Yes
• Lead auditor role.	Yes
• Report writing.	Yes
• Stakeholder consultation.	Yes
• Certification decision process.	Yes
• RSPO SCCS program manual.	Yes
• CUC filing systems.	Yes
• Correct use of RSPO trademarks.	Yes
• History and objectives of RSPO.	Yes
• CV available.	Yes
Completion of CUC RSPO lead auditor training.	Yes

3.2.2 Qualifications of the Assessment Team		
RSPO Requirement	Team Member Name	Qualifications
Fluent in main local languages and English.	Muhd Jamalul Arif	Fluent in both English and Bahasa
	Enjang Asri	Fluent in both English and Bahasa
	Nor Ashikin Shafinaz	Fluent in both English and Bahasa
Field working experience in the palm oil sector, or a demonstrable equivalent.	Muhd Jamalul Arif	Graduated in plantation management background. Involved in RSPO auditing since 2010 and experience in similar auditing field in GMP B2 and Global Gap including Good Agricultural Practices (GAP) and Integrated Pest Management (IPM).
	Enjang Asri	Involved in RSPO auditing since 2014. Degree in Forestry with 2 years' experience in NGO and Certification Bodies. A qualified auditor for ISO 9001 (QMS), Indonesia Timber Legality Assurance System, IFCC (Indonesia Forestry Certification Cooperation), and RFS 2.
	Nor Ashikin Shafinaz	Graduated from Universiti Kebangsaan Malaysia in Chemical Engineering. Been Part of RSPO P&C Audit

		team member and SCC audits in Malaysia and Indonesia. Trained on ISO 9001, GAP, Social and Environment. Successfully completed Lead Auditor RSPO P&C Course, Lead Auditor RSPO SCC Course and Lead Auditor ISO 9001:2015 Course.
Good agricultural practices (GAP), integrated pest management (IPM), pesticide and fertilizer use.	Muhd Jamalul Arif	Graduated in plantation management background. Involved in RSPO auditing since 2010 and experience in similar auditing field in GMP B2 and Global Gap including Good Agricultural Practices (GAP) and Integrated Pest Management (IPM).
	Enjang Asri	Involved in RSPO auditing since 2014. Degree in Forestry with 2 years' experience in NGO and Certification Bodies. A qualified auditor for ISO 9001 (QMS), Indonesia Timber Legality Assurance System, IFCC (Indonesia Forestry Certification Cooperation), and RFS 2.
	Nor Ashikin Shafinaz	Graduated from Universiti Kebangsaan Malaysia in Chemical Engineering. Been Part of RSPO P&C Audit team member and SCC audits in Malaysia and Indonesia. Trained on ISO 9001, GAP, Social and Environment. Successfully completed Lead Auditor RSPO P&C Course, Lead Auditor RSPO SCC Course and Lead Auditor ISO 9001:2015 Course.
Health and Safety auditing on the farm and in processing facilities. (For example OHSAS 18001 or occupational. Health and safety assurance system).	Muhd Jamalul Arif	Graduated in plantation management background. Involved in RSPO auditing since 2010 and experience in similar auditing field in GMP B2 and Global Gap including Good Agricultural Practices (GAP) and Integrated Pest Management (IPM).
	Enjang Asri	Involved in RSPO auditing since 2014. Degree in Forestry with 2 years' experience in NGO and Certification Bodies. A qualified auditor for ISO 9001 (QMS), Indonesia Timber Legality Assurance System, IFCC (Indonesia Forestry Certification Cooperation), and RFS 2.
	Nor Ashikin Shafinaz	Graduated from Universiti Kebangsaan Malaysia in Chemical Engineering. Been Part of RSPO P&C Audit team member and SCC audits in Malaysia and Indonesia. Trained on ISO 9001, GAP, Social and Environment. Successfully completed Lead Auditor RSPO P&C Course, Lead Auditor RSPO SCC Course and Lead Auditor ISO 9001:2015 Course.
Workers welfare issues and social auditing experience. (For example with SA8000 or related social or ethical accountability codes).	Muhd Jamalul Arif	Graduated in plantation management background. Involved in RSPO auditing since 2010 and experience in similar auditing field in GMP B2 and Global Gap including Good Agricultural Practices (GAP) and Integrated Pest Management (IPM).
	Enjang Asri	Involved in RSPO auditing since 2014. Degree in Forestry with 2 years' experience in NGO and Certification Bodies. A qualified auditor for ISO 9001 (QMS), Indonesia Timber Legality Assurance System, IFCC (Indonesia Forestry Certification Cooperation),

		and RFS 2.
	Nor Ashikin Shafinaz	Graduated from Universiti Kebangsaan Malaysia in Chemical Engineering. Been Part of RSPO P&C Audit team member and SCC audits in Malaysia and Indonesia. Trained on ISO 9001, GAP, Social and Environment. Successfully completed Lead Auditor RSPO P&C Course, Lead Auditor RSPO SCC Course and Lead Auditor ISO 9001:2015 Course.
Environmental and ecological auditing. (For example experience with organic agriculture, ISO 14001 or environmental management systems).	Muhd Jamalul Arif	Graduated in plantation management background. Involved in RSPO auditing since 2010 and experience in similar auditing field in GMP B2 and Global Gap including Good Agricultural Practices (GAP) and Integrated Pest Management (IPM).
	Enjang Asri	Involved in RSPO auditing since 2014. Degree in Forestry with 2 years' experience in NGO and Certification Bodies. A qualified auditor for ISO 9001 (QMS), Indonesia Timber Legality Assurance System, IFCC (Indonesia Forestry Certification Cooperation), and RFS 2.
	Nor Ashikin Shafinaz	Graduated from Universiti Kebangsaan Malaysia in Chemical Engineering. Been Part of RSPO P&C Audit team member and SCC audits in Malaysia and Indonesia. Trained on ISO 9001, GAP, Social and Environment. Successfully completed Lead Auditor RSPO P&C Course, Lead Auditor RSPO SCC Course and Lead Auditor ISO 9001:2015 Course.
Economic issues.	Muhd Jamalul Arif	Graduated in plantation management background. Involved in RSPO auditing since 2010 and experience in similar auditing field in GMP B2 and Global Gap including Good Agricultural Practices (GAP) and Integrated Pest Management (IPM).
	Enjang Asri	Involved in RSPO auditing since 2014. Degree in Forestry with 2 years' experience in NGO and Certification Bodies. A qualified auditor for ISO 9001 (QMS), Indonesia Timber Legality Assurance System, IFCC (Indonesia Forestry Certification Cooperation), and RFS 2.
	Nor Ashikin Shafinaz	Graduated from Universiti Kebangsaan Malaysia in Chemical Engineering. Been Part of RSPO P&C Audit team member and SCC audits in Malaysia and Indonesia. Trained on ISO 9001, GAP, Social and Environment. Successfully completed Lead Auditor RSPO P&C Course, Lead Auditor RSPO SCC Course and Lead Auditor ISO 9001:2015 Course.

### 3.3 Audit Methodology

#### 3.3.1 General Overview

The Audit was carried out in conformity with the procedures as laid down in the CUC Procedure Manual and the RSPO Program Manual for the auditors and Certifier. During the Audit the qualified CUC auditors used the RSPO standard as endorsed for the country in which the audit took place and recorded their findings.

Workers and local communities were interviewed and evidence sought to confirm ongoing compliance to

include:

- **Chemical stores.** Storage, MSDS leaflets, Herbicide mixing areas, PPE, Ventilation, Security.
- **Field inspections.** Herbicide application programs. Harvesting sites and efficiency. Fertilizing operations. SOP's. Soil maps. Land preparation. Ground cover. IPM. First aiders and boxes. Ground cover. Soil erosion. Field observations of all operations.
- **Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts. Child labor. First aid. Awareness.
- **Re-planting sites.** Zero burn.
- **HCV's.** Identification. Management plans. Environmental Impact Assessments. Implementation.
- **Riparian zones.** Width. Current and future management. Non maintenance regimes.
- **Water management.** Water courses. Water monitoring.
- **Road maintenance.** Run off.
- **Social amenities.** Social Impact Audits.
- **Local communities.** Contributions made. Employment opportunities. Social impacts. Complaints procedures.
- **Workshops.** Oil traps. Safe working environment. PPE. Diesel tanks. Environmental waste management.
- **Line sites.** Interviews with householders. Inspection of water discharge points. Water improvement plans. Waste disposal.
- **Documentation review.**

**The Palm Oil Mill audit verification included the following activities:**

- **Mill and workshop inspections.** Documentation review & worker interviews.
- **Mill.** SOP's. Safe working environment. Gen sets. Walk ways. Signs. EFB. POME treatment. Emissions. Mass balance. Diesel tanks. PPE. Fire extinguishers. First aiders and boxes. Fuel and water usage.
- **OSH.** Training. Management structure. First aiders.
- **Full document review.** Completion of the checklist. Review and documentation of evidence. All aspects of RSPO P&C's applicable.
- **Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts.
- **Compliance against the RSPO SCCS certification scheme.**

**Verification:**

Verification of implementation was done through field observations, workshop and chemical store inspections, worker and community interviews and mill inspections as summarized above.

**3.3.2 Assessment agenda for this Audit**

Date	Location	Main activities
14/08/2017 (Monday)	Parit Sembada Meeting Room	<b>08.00 – 09.00: Opening meeting (All Auditor)</b> <ul style="list-style-type: none"> <li>• Introduction by team leader</li> <li>• Presentation by respective managers</li> </ul>
	Parit Sembada POM	<b>09.00 – 17.00: Document review Mill (All Auditor)</b> <ul style="list-style-type: none"> <li>• Document review [EIA, SIA, CIP, Business Plan]</li> <li>• Complaint mechanism / Request &amp; respond</li> </ul> <b>11.30 – 17.00: Document review (Lead Auditor)</b> Supply Chain Certification Assessment of the POM (RSPO SCCS) <ul style="list-style-type: none"> <li>• Demonstration of legal entity</li> <li>• Roles and responsibility</li> <li>• Procedures/manual/SOP</li> <li>• Record of purchase – RSPO certified product</li> <li>• Record of sales– RSPO certified product</li> <li>• RSPO logo &amp; claims</li> </ul> Time bound plan for other management units and Partial Certification

		<p>Requirements (Lead Auditor)</p> <p><b>Site verification</b></p> <ul style="list-style-type: none"> <li>• Mill inspection</li> <li>• Workshops</li> <li>• Stores</li> <li>• POM application</li> <li>• Safety and Health / PPE / Signage</li> <li>• Waste Management / Environment</li> <li>• Workers interview</li> <li>• Stakeholder consultation if required.</li> </ul>
15/08/2017 (Tuesday)	Parit Sembada Estate (Buding Division, and Cendil Division)	<p><b>08.00 – 17.00: Document review (All Auditor)</b></p> <ul style="list-style-type: none"> <li>• Document review [EIA, SIA, CIP, Business Plan]</li> <li>• Complaint mechanism / Request &amp; respond</li> <li>• Best agricultural practices</li> <li>• Safety and Health</li> </ul> <p><b>Site verification</b></p> <ul style="list-style-type: none"> <li>• Best agricultural practices</li> <li>• Manuring, Spraying, Harvesting,</li> <li>• HCV / Conservation Area</li> <li>• Legal compliance / boundary</li> <li>• Chemical / Pesticide / Fertilizer Stores</li> <li>• Workers interview</li> <li>• Worker’s facilities (housing, pay, etc)</li> <li>• Stakeholder consultation if required.</li> </ul>
	Parit Sembada Meeting Room	<p><b>10.00- 11.00</b> Stakeholder Consultation (Enjang)</p>
	Parit Sembada Meeting Room	<p><b>15.00 – 16.00: Preparation for closing meeting</b> Additional field visits and meetings with managers as necessary</p> <p><b>16.00 : Closing meeting</b></p> <ul style="list-style-type: none"> <li>• Presentation of findings by the audit team</li> <li>• NC closure dateline (if any)</li> <li>• Questions and answers</li> <li>• Final summary by team leader</li> </ul> <p><b>End of assessment</b></p>

## PART 4 ASSESSMENT FINDINGS

### 4.1 Lead Assessor’s Summary and Recommendation for Certification

The mill and supply base visited (as per the above Tables 1.5 and 1.7.1) and were assessed at field, office, facilities, stores and a document review was carried out in accordance to the RSPO principles and criteria. Specific evidence was recorded for mill and estate. Interviews with Estate Managers, Mill Manager, members of workers union and committee took place in both formal and informal environments and worker interviews were conducted at the supply base and the mill. The management is highly committed with the RSPO system by adopting to continuous improvement programs.

There was no complaint or feedback received during the audit or during the field assessment when interviewing with the external stakeholders. The management continually monitoring the established KPI / objectives that significantly rules the achievement of company’s corporate policy on RSPO. The mill is fully verified for RSPO SCCS system verification in compliance with all SCCS requirements except for some additional requirements in



RSPO SCCS 2014.

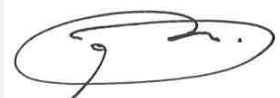
**Summary of Non-Conformance and Current Status**

One major and two minor non conformities has been raised to this complex. This complex also got one observation. The management of PT Parit Sembada Complex already send the evidence to close this major NC. Lead Auditor already checked the evidence and major non-conformity for this complex was closed. 2 Minor non conformities that issued to this complex to be verified during next surveillance audit. See PART 5 below.

It is therefore the recommendation of the lead assessor that:

- A certificate of compliance is maintained.

Signed:



Name: **Ahmad Furqon**

Date: 29<sup>th</sup> August 2017

**4.2 Summary of the findings by Principles and Criteria**

- Over the 5 year period of the life of the certificate, there will be 4 annual surveillance audits
- Identified Non-Conformities and noteworthy Positive and Negative Observations.
- The RSPO require that this report contain findings by each principle and some example criteria. Please see table below.

**Principle 1: Commitment to Transparency**

Criterion by Audit	Summary	The company has all the copies of requests & responses which are more to internal request and local authority bodies. Such records are kept and available for viewing. Requests made by stakeholder were responded to and all these are well documented. Adequate information available for confidential information that being listed as publicly available. The company is in full compliance to Principal 1 for this complex.
ASA 1	1.1	<p><b>Parit Sembada POM &amp; Estate:</b></p> <p>Company has established SOPs, policy and documents as per 1.2 requirements in "Administration Documents" that outlined Confidential Documents (Type 1) and publicly available document (Type 2) :</p> <p>Documents are publicly available such as:</p> <ol style="list-style-type: none"> <li>i. Policy contains, among others, <ul style="list-style-type: none"> <li>• Deforestation</li> <li>• Peat land</li> <li>• Social impact</li> <li>• Human rights</li> <li>• Child labour</li> </ul> </li> <li>ii. Land titles/user rights</li> <li>iii. Occupational health and safety plans</li> <li>iv. HCV documentation</li> <li>v. Pollution prevention and reduction plans</li> <li>vi. Details of complaints and grievances</li> <li>vii. Negotiation procedures - SOP 26 Prosedur Penyelesaian Sengketa Lahan</li> <li>viii. Continual improvement plans</li> <li>ix. Public summary of certification assessment report</li> <li>x. Human Rights Policy</li> </ol> <p>Record of request sighted and recorded in logbook title "Logbook Permintaan Informasi". Response to each request was maintained includes</p>

		<ul style="list-style-type: none"> <li>i. Name of stakeholder</li> <li>ii. Staff who receive the request</li> <li>iii. from which department,</li> <li>iv. date of response</li> <li>v. Information and which document were given</li> <li>vi. Signature of both parties</li> </ul> <p>Last information request from Badan Lingkungan Hidup Daerah (BLHD Beltim) date on 26/01/2015 responded by Sukri (mill assistant) on same day for below information of IUP, AMDAL (UKL/UPL), production data, license and permit.</p>
ASA 1	1.2	<p>Company has established SOPs, policy and documents as per 1.2 requirements in "Administration Documents" that outlined Confidential Documents (Type 1) and publicly available document (Type 2):</p> <p>Documents are publicly available such as:</p> <ul style="list-style-type: none"> <li>i. Policy contains, among others deforestation, peat land, Social impact, Human rights.</li> <li>ii. Child labour</li> <li>iii. Land titles/user rights (LR-60)</li> <li>iv. Occupational health and safety plans</li> <li>v. HCV documentation</li> <li>vi. Pollution prevention and reduction plans</li> <li>vii. Details of complaints and grievances</li> <li>viii. Negotiation procedures - SOP 26 Prosedur Penyelesaian Sengketa Lahan</li> <li>ix. Continual improvement plans</li> <li>x. Public summary of certification assessment report</li> <li>xi. Human Rights Policy</li> </ul>
ASA 1	1.3	<p>Company has established policy entitled "Kebijakan Keberlanjutan KLK" point # 13 "Integritas Bisnis" signed by Tan Sri Dato' Seri Lee Oi Hian, dated 1 Dec 2014.</p> <p>Sighted policy was communicated to All staff and workers by displaying at notice board and socialization internal briefing on 09/09/2015, Arief Selamat for HCV on 17/03/17</p>
<b>Principle 2: Compliance with Applicable Laws and Regulations</b>		
Criterion by Audit	Summary	<p>The mill and estates have demonstrated compliance to all applicable local, national and international laws. Legal ownership of land and its land use is clearly demonstrated through the respective land titles. Boundaries have been clearly demarcated. There have been no land disputes or claims involving the mill and estate. The company is in full compliance to Principal 2 for this complex.</p>
ASA 1	2.1	<p>The company has an updated the relevant list of laws and regulations which is updated every year.</p> <ul style="list-style-type: none"> <li>- Sighted "Kepatuhan Terhadap Hukum dan Peraturan yang relevan" dated 02/05/2017.</li> </ul> <p>The company has the copies of the legal requirements, such as:</p> <ol style="list-style-type: none"> <li>1. Compliance KemenLH no 45 tahun 2005 regarding environment monitoring. Compliance: The company had delivered UKL-UPL report every 3 months to the Ministry of Environment and Forestry Indonesia.</li> <li>- Sighted "Laporan Pengelolaan dan Pemantauan Lingkungan Triwulan I Tahun 2017".</li> <li>2. Peraturan Menteri Tenaga Kerja no PER.04/MEN/1987 in regards to</li> </ol>

		<p>P2K3. Compliance: The company has formed P2K3 both in mill and estate.</p> <ul style="list-style-type: none"> <li>- Sighted “Pengesahan Panitia Pembina Keselamatan dan Kesehatan Kerja di PT Parit Sembada Mill” no 188.4/107/P2K3/DSTKT/VI/2016 dated 8<sup>th</sup> November 2016.</li> <li>- Sighted OHS Committee structure in PS POM dated 23<sup>rd</sup> March 2017. OHS Chief : Mr Tan Joo Aun Vice : Mr Roby Dafriansyah Secretary : Sukri</li> </ul> <p>3. Keputusan Gubernur Kepulauan Bangka Belitung no 188.44/1106/TK.T/2016 dated 25<sup>th</sup> October 2016 with regards to minimum wage in Kepulauan Bangka Belitung. Minimum wage = Rp 2.534,673.75/month Compliance : The company has given their workers the wage above the minimum wage</p> <ul style="list-style-type: none"> <li>- Sighted letter no 009/SWP/HRD/XII/2016 dated 16<sup>th</sup> December 2016 regarding wages + food allowance of PT Parit Sembada.</li> </ul> <p>4. Peraturan Menteri Pertanian no.19/Permentan /OT.140/3/2011 regarding ISPO.</p> <ul style="list-style-type: none"> <li>- Sighted ISPO certificate of PT Parit Sembada no FMS40002 issued by SAI Global and valid until 8<sup>th</sup> May 2020.</li> </ul> <p>SOP for laws and regulations compliance is available (SOP 2. Kepatuhan Terhadap Peraturan dan UU yang berlaku), dated 8<sup>th</sup> August 2016. The updated regulations is from Head Office in Jakarta – the information is down to each region (ex: regional Belitung (H.O PT SWP)) -- down to Estate Manager, POM/Refinery/KCP-Biogas Manager/Sustainability Coordinator, PT PS, PT AMA – down to sustainability coordinator in K.Barat, K. Timur, K. Selatan, K.Utara.</p> <p>The checklist to ensure the compliance of relevant legal is also available.</p> <ul style="list-style-type: none"> <li>- Sighted checklist certificate/permit letter – PT PS POM dated 20<sup>th</sup> March 2017.</li> <li>- Sighted periodic laws/regulations checklist 2017</li> <li>- List of requirements needed for laws compliance</li> </ul> <p>The sustainability team, Mr Bujang, is the responsible person to update the compliance of relevant legal/regulations. Both internal and external audit is also conducted to check and monitor the relevant laws compliance.</p>
ASA 1	2.2	<p>The company has the copies of the legal requirements, such as :</p> <ol style="list-style-type: none"> <li>1. IMB (Ijin Mendirikan Bangunan) or building permit no 06/IMB/I/2007 dated 16<sup>th</sup> January 2007.</li> <li>2. Waste management permit (“Izin Pemanfaatan Air Limbah di PT Parit Sembada”) no 503/003/PAL/BPMPT/2014 dated 17<sup>th</sup> April 2014.</li> <li>3. Temporary storage for hazardous waste permit (“Ijin TPS LB3”) no 188.45-667 Tahun 2015 dated 28<sup>th</sup> August 2015.</li> <li>4. HGU (Hak Guna Usaha) permit, HGU no. 33/HGU/BPN/90 Name of the company : PT Parit Sembada Address : Desa Buding and Desa Cendil, Kecamatan Kelapa Kampit, Kabupaten Belitung Provinsi Sumatra Selatan</li> </ol>

		<p>Total area : Buding = 1,908.4 ha Cendil = 2,082 ha</p> <p>5. Compliance with Permentan No.98/Pementan/OT.140/9/2013 about the agriculture permit. IUP (Izin Usaha Perkebunan) PT Parit Sembada No. HK.350/E4.125/02.90 date 14th February 1990.</p> <p>6. Compliance with Peraturan Menteri Negara Agraria Kepala Badan Pertanahan Nasional no.2 th 1999 about location permit).</p> <p>PT Parit Sembada also has permit to change location permit from pepper and rubber location to be palm oil and rubber location permit (Izin Perubahan Jenis Tanaman, Permenhutbun no.703/Menhutbun-VII/1999 date 1st July 1999).</p> <ul style="list-style-type: none"> <li>The legal land history of PT Parit Sembada is available. It is showed by:             <ol style="list-style-type: none"> <li>Letter of commodity change from Ministry of Forestry and Agriculture no. 703/Menhutbun-VII/1999. Date 1st July 1999. The commodity was changed from pepper and rubber become rubber and palm oil.</li> <li>HGU Permit for PT Paris Sembada no. 33/HGU/BPN/90. Total area : 3990.4 Ha</li> <li>IUP (Agriculture Permit) no. 268/HK.330/E1.1/06/2009 date 24th June 2009.                 <ul style="list-style-type: none"> <li>The hectarage statement of PT Parit Sembada is available.</li> </ul> </li> </ol> </li> </ul> <table border="1" data-bbox="625 1102 1235 1431"> <tr> <td>Total Cultivated area (ha)</td> <td>Buding 1724</td> <td>Cendil 2035</td> <td>Total 3759</td> </tr> <tr> <td>Total unplanted (ha)</td> <td>184</td> <td>47</td> <td>231</td> </tr> <tr> <td>Total area under dispute (ha)</td> <td>0</td> <td>0</td> <td>0</td> </tr> </table> <p>SOP for BPN stone boundary is available. The monitoring is done every semester.</p> <ul style="list-style-type: none"> <li>Sighted SOP “ Pemantauan Patok BPN” no 46 tanggal 1<sup>st</sup> July 2014.</li> <li>Sighted checklist boundary stone in Buding dated 26<sup>th</sup> April 2017.</li> </ul> <p>Sighted checklist boundary stone in Cendil dated 26th April 2017.</p> <p>SOP for land dispute resolution is available.</p> <ul style="list-style-type: none"> <li>Sighted SOP “Prosedur Penyelesaian Lahan” no 26 dated 1<sup>st</sup> July 2014.</li> </ul> <p>There is no land dispute or land conflict ever happened in PT PS.</p>	Total Cultivated area (ha)	Buding 1724	Cendil 2035	Total 3759	Total unplanted (ha)	184	47	231	Total area under dispute (ha)	0	0	0
Total Cultivated area (ha)	Buding 1724	Cendil 2035	Total 3759											
Total unplanted (ha)	184	47	231											
Total area under dispute (ha)	0	0	0											
ASA 1	2.3	<p>HGU maps is available for Buding and Cendil which shows the location of BPN boundary stone.</p> <ul style="list-style-type: none"> <li>Sighted HGU maps PT PS Ladang Cendil</li> <li>Sighted HGU maps PT PS Ladang Buding</li> <li>Sighted maps PT PS with its surrounding areas.</li> </ul>												

		<p>There is no customary/local rights land inside PT Parit Sembada. SOP for land dispute resolution is available.</p> <ul style="list-style-type: none"> <li>- Sighted SOP “Prosedur Penyelesaian Lahan” no 26 dated 1<sup>st</sup> July 2014.</li> </ul> <p>There is no land dispute or land conflict ever happened in PT PS. All maps, SOPs, agreement and information flow chart are available in Bahasa Indonesia which is understood by most workers. There is no prohibition for communities to have their representative or legal counsel.</p>																								
<b>Principle 3: Commitment to Long-Term Economic and Financial Viability</b>																										
Criterion by Audit	Summary	Business plan 3 years projections for the mill and estate that details revenue and costs are available. There is no replanting programme for the estate for the next five years. The company is in full compliance to Principal 3 for this complex.																								
ASA 1	3.1	<p>Business management plan is available for all operating units. Summary of estimated crop production available. Data verified from each operating units for year 2017 until 2020. As evidence in Parit Sembada POM as per below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>2017/2018</th> <th>2018/2019</th> <th>2019/2020</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>85,930</td> <td>87,855</td> <td>89,823</td> </tr> <tr> <td>OER</td> <td>22.00%</td> <td>22.00%</td> <td>22.00%</td> </tr> <tr> <td>CPO</td> <td>23,331</td> <td>23,865</td> <td>24,412</td> </tr> <tr> <td>PK</td> <td>5,426</td> <td>5,550</td> <td>5,678</td> </tr> <tr> <td>KER</td> <td>5.00</td> <td>5.00</td> <td>5.00</td> </tr> </tbody> </table> <p>Mill Manager is person in charge for identified a new information and techniques for improve the mill practices. The information updated by Muster Call or Mill Management Meeting with Staff and workers. Company will send the formal letter (MEMO) to all supply bases if any changes made by management (HQ) with due date to communicate to all of them. The new information will communicated to all exec, staffs, workers and etc through the training and meeting with their stakeholders.</p> <p>There is no replanting for next 5 years for Estate due to the oldest palm is year 2004. The next replanting will start in year 2030.</p>		2017/2018	2018/2019	2019/2020	FFB	85,930	87,855	89,823	OER	22.00%	22.00%	22.00%	CPO	23,331	23,865	24,412	PK	5,426	5,550	5,678	KER	5.00	5.00	5.00
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<b>Principle 4: Use of Appropriate Best Practices by Growers and Millers</b>																										
Criterion by Audit	Summary	The mill and estates have a complete set of SOPs which is being strictly adhered to and continuously monitored. Soil fertility is maintained along with soil erosion prevention that continuously carried out. IPM implemented in all the estate and the use of chemicals are in accordance with the regulations. There is a comprehensive OSH policy implemented throughout the estates and mill. However, one minor NC was addressed.																								
ASA 1	4.1	<p>The list of SOP applicable to mill operation is available and maintained in place as sighted ‘Standard Operating Procedures (SOP) Untuk Operasional Pabrik’ approved by Mr. Ashok Kumar (Factory Manager). There are 18 SOP listed included of:</p> <ul style="list-style-type: none"> <li>- ‘Prosedur Operasi Baku (SOP) Untuk Pabrik Kelapa Sawit SOP 1: Stasiun Jembatan Timbangan’ issued on 01/06/2015</li> <li>- ‘Prosedur Operasi Baku (SOP) Untuk Pabrik Kelapa Sawit’ SOP 11: CPO Storage Tank &amp; CPO Despatch issued on 01/06/2015</li> </ul>																								

		<ul style="list-style-type: none"> <li>- 'Prosedur Operasi Baku (SOP) Untuk Pabrik Kelapa Sawit' SOP 12: Despatch of Kernel issued on 01/06/2015</li> <li>- KLK (Indonesia) Sustainability Standard Operating Procedures (SSOP), SSOP 29: 'Penelusuran TBS Supplier Luar' dated 01/04/2017.</li> </ul> <p>Sustainability standard operating procedures (SOP) listed 52 SOPs Good agricultural practice are documented in Sustainability Standard Operating Procedures (SOP) as follow:</p> <ul style="list-style-type: none"> <li>- Sustainability Standard Operating Procedures (SSOP), 'SSOP 4: Penanaman Ulang' (Replanting) dated 01/07/2014</li> <li>- Sustainability Standard Operating Procedures (SSOP), 'SSOP 5: Keamanan Penggunaan Dan Penyimpanan Dari Bahan Kimia' dated 01/07/2014</li> </ul> <p>Internal audit for SOP applicable in estate is done as sighted 'Ringkasan Hasil Internal Audit RSPO Tinjauan Dokumen Referensi Audit: PSPOM/RSPO/2017/1' done by Mr. Amco, Mr. Adrianto, Ms. Attika and Mr. Gristio. Internal audit was conducted on 05/06/2017 shown audit was done to ensure operation procedures is instilled in mill operational activities. For Estate, Internal audit is done as sighted 'Ringkasan Hasil Internal Audit RSPO- Tinjauan Lapangan, Tinjauan Dokumen PS Kebun' dated 13/06/2017. Action plan to close NC found during internal audit is recap in 'Ringkasan Hasil Internal Audit RSPO- Tinjauan Dokumen'. 17 findings has been raised where 16 has been resolved and 1 still pending. The internal audit done has been reviewed twice on 14/07/2017 and 02/08/2017</p> <p>Mill received FFB from external supplier. Sighted 'Daftar Stakeholders (Pemangku Kepentingan) - PT. Parit Sembada POM' listed 47 suppliers. Verified:</p> <ul style="list-style-type: none"> <li>• 'Surat Pengantar 00000050 CV. Sri Rejeki' dated 14/08/2017</li> <li>• 'Surat Pengantar CV. WD Jaya' dated 14/08/2017 detailed, FFB: 320, planted year: 2005, vehicle no.: BN 44210 LQ</li> <li>• 'Surat Pengantar CV. Cahaya Rawana' dated 14/08/2017 detailed, Divisi: CR, FFB: 112, planted year: 2009, vehicle no.: BN 9120 LG</li> <li>• 'Surat Pengantar CV. Padang Jaya Purnama' dated 14/08/2017 detailed, FFB: 388, planted year: 2008/2010, vehicle no.: BN 8382 LA</li> </ul> <p>PT Parit Sembada Palm Oil Mill Survey of outside FFB Suppliers shown name of suppliers, year planted, planted size (ha), volume allowable to be sent to mill and volume send to mill to date.</p>
ASA 1	4.2	<p>Sustainability Standard Operating Procedures (SSOP), 'SSOP 12: Pengelolaan Atas Kesuburan Tanah Yang Optimal Untuk Produktivitas' dated 01/07/2014 is available in place. The SOP outlined procedure to be complied to maintain soil fertility. With referring to this SOP, estate conducted implementation to maintain soil fertility as follow:</p> <ul style="list-style-type: none"> <li>- Annual oil palm fertilizer Ladang Cendil 2016/2017 recap for fertilizer used in Cendil Div. for NK, GML, KS, ZnSO<sub>4</sub>, AS, BRP and Borate.</li> </ul>

		<ul style="list-style-type: none"> <li>- PT Parit Sembada Ladang Buding Annual Oil Palm Fertilizer Programme Revisi 1 (22/09/2016) 2016/2017.</li> <li>- PT Parit Sembada Ladang Buding Correction Oil Palm Fertilizer 2016/2017 for MOP, OXYZynCOP</li> </ul> <p>Records of fertilizer inputs are sighted as follow:</p> <ul style="list-style-type: none"> <li>- Annual oil palm fertilizer Ladang Cendil 2016/2017 recap for fertilizer used in Cendil Div. for NK, GML, KS, ZnSO4, AS, BRP and Borate</li> <li>- PT Parit Sembada Ladang Buding Annual Oil Palm Fertilizer Programme Revisi 1 (22/09/2016) 2016/2017</li> <li>- PT Parit Sembada Ladang Buding Correction Oil Palm Fertilizer 2016/2017 for MOP, OXYZynCOP</li> </ul> <p>Agronomist has been assigned to conduct analysis for leaf, soil and visual as verified 'PT Parit Sembada Ladang Buding &amp; Ladang Cendil by Mr. Rama Rupama (Agronomist) dated 15-18/03/2016, PT Applied Agricultural Resources Indonesia'. The report summarized:</p> <ul style="list-style-type: none"> <li>• Estate hectarage statement</li> <li>• Rainfall, rain days &amp; moisture surplus/deficit</li> <li>• Oil palm growth assessment</li> <li>• Field condition/drainage</li> <li>• Leaf/rachis/soil nutrient</li> <li>• FFB yield, site yield potential and yield gap analysis</li> <li>• EFB and belt press cake application</li> <li>• Pest and disease</li> <li>• Manuring recommendation</li> <li>• Oil Palm Manuring Recommendation 2016/2017 PT PS</li> <li>• PT Applied Agricultural Resources Indonesia PT PS Ladang Cendil/Ladang Buding Foliar Analysis Result dated sampled 01/04/2016</li> <li>• PT Applied Agricultural Resources Indonesia PT PS Ladang Cendil/Ladang Buding Summary of Leaf Nutrient Levels 2016</li> <li>• PT Applied Agricultural Resources Indonesia PT PS Ladang Cendil/Ladang Buding Soil Analysis Result date sampled 01/04/2016</li> </ul> <p>Sustainability standard operating procedures (SOP) SSOP 18 'Pengelolaan Limbah Pabrik' issued on 01/07/2014 stated the nutrient recycling for POME for land application. EFB will be send to estate for EFB mulching. Sighted 46.830 ton of EFB send to Bidung and Cendil Division recorded in FFB/LF daily contributors summary report.</p>
ASA 1	4.3	<p>Seen the soil maps for estate. There are 5 type of soil in the estate area as evidence in Soil Map PT Parit Sembada. Sighted the Sustainability standard operating procedures (SOP) SSOP 18 'Penanggulangan Erosi issued on 01/07/2014 briefed procedure for terracing planting. Since estate vicinity is consisted of flat and undulating land, no terracing planting is done.</p> <p>Sustainability Standard Operating Procedures (SOP) SSOP 18 'Langkah Perawatan dan Perbaikan Jalan' issued on 01/07/2014 shown procedure for</p>

		<p>road maintenance program.</p> <p>‘Program Perawatan Dan Perbaikan Jalan 2016/2017’ dated 01/04/2017 shown tabulated progress and completed program done for agricultural road maintenance.</p> <p>There is no peat soil and fragile soil exist in estate vicinity. Estate has maintained in place the SOP for peat soil as verified, Sustainability Standard Operating Procedures (SOP) SSOP 18 ‘Penanaman Kelapa Sawit Pada Lahan Gambut’ issued on 01/07/2014.</p>														
ASA 1	4.4	<p>In the mill, seen water management plan sighted in ‘Rencana Pengelolaan Air Operating Center: PT Parit Sembada’ dated 15/03/2017 acknowledged by Mr. Tan Joo Aun (Manager).</p> <p>In the estate, sighted in ‘Rencana Pengelolaan Air Operating Centre: Kebun’ dated 03/01/2017 shown 8 aspects of water management plan to be conducted in 2017. The plan included of water source, water reservoir for mill, pollution monitoring, water usage, water quality and riparian zone.</p> <p>Monitoring for riparian zone is done as sighted in ‘Checklist Daerah Sempadan sungai’ last monitored dated 03/07/2017. Boundary markers and signage are located at riparian zone.</p> <p>The result of analysis stated in, ‘Pemerintah Provinsi Kepulauan Bangka Belitung Dinas Lingkungan Hidup UPTD Laboratorium Lingkungan PT Parit Sembada May 2017’ was available. All parameters tested are within permissible limit. This test will be done twice a year.</p> <p>In the mill, The record of ‘Penggunaan Air Di Pabrik – 2017’ shown water usage per ton FFB in 2017 to date as follow:</p> <table border="1" data-bbox="730 1330 1273 1639"> <thead> <tr> <th>Month</th> <th>Water Usage/Ton FFB (M<sup>3</sup>/Mt)</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>0.96</td> </tr> <tr> <td>Feb</td> <td>1.03</td> </tr> <tr> <td>March</td> <td>1.14</td> </tr> <tr> <td>April</td> <td>1.05</td> </tr> <tr> <td>May</td> <td>1.11</td> </tr> <tr> <td>Jun</td> <td>1.04</td> </tr> </tbody> </table>	Month	Water Usage/Ton FFB (M <sup>3</sup> /Mt)	Jan	0.96	Feb	1.03	March	1.14	April	1.05	May	1.11	Jun	1.04
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ASA 1	4.5	<p>Integrated pest management is monitored through conducted program as in ‘Program Pengendalian Hama Terpadu PT Parit Sembada’ dated 13/06/2017 approved by Mr. Abdul Wahid ST (Manager).</p> <p>Census for rhino beetle and rat is done once every 6 months. Last monitoring done on 05/10/2016 at Blok BD H12 shown 8 % of rhino beetle attack carried out by Mr. Kamsul (Upkeep Staff).</p> <p>The beneficial plant is planted and carried out as program. Estate target to finish this program on September 2017. The completed program done such</p>														



		<p>as:</p> <ul style="list-style-type: none"> <li>• 'Program Penanaman Mucuna 2015/2016' and 'Peta Penanaman Mucuna Lading Buding Program Tahun 2016' last updated shown 300 plants has been planted</li> <li>• 'Program Penanaman Tanaman Hutan Simpur Air (Dilania Suffruticosa) Tahun 2015/2016' and 'Peta Penanaman Tanaman Hutan Simpur Air (Dilania Suffruticosa) Program Tahun 2016'</li> <li>• 'Program Penanaman Pohon Gelam/Kayu Putih (Melaleuca Leucadendra) Tahun 2015/2016' and 'Peta Penanaman Tanaman Pohon Gelam/Kayu Putih (Melaleuca Leucadendra) Program Tahun 2016'</li> </ul> <p>Verified training record, 'Pelatihan Pengendalian Hama Terpadu' dated 14/02/2017 given by Ir. MRT. Sirait (Manager), Mr. Jimy Shantana (Asst. Sustainability) and Pauw Sen. It was noted that training attended by 6 field workers.</p>															
ASA 1	4.6	<p>Seen the justification of all pesticide usage is evident in 'Daftar Dan Justifikasi Penggunaan Pestisida' dated 12/06/2017 signed by Mr. Abdul Wahid (Estate Manager). Pesticide used are from:</p> <table border="1" data-bbox="699 936 1305 1131"> <thead> <tr> <th>Pesticide</th> <th>Class</th> <th>Active Ingredients</th> </tr> </thead> <tbody> <tr> <td>Aladine</td> <td>III</td> <td>2,4 dimetil amina 865 g/L</td> </tr> <tr> <td>Ratgone</td> <td>III</td> <td>Brodifakum 0.005 %</td> </tr> <tr> <td>Kencepat</td> <td>III</td> <td>Asefat 75% SP</td> </tr> <tr> <td>triester</td> <td>III</td> <td>Triklopir 480 g/L</td> </tr> </tbody> </table> <p>Based on 'Justifikasi Menteri Kesehatan RI' dated 30/03/1992 for labelling of pesticide, the packaging of Ratgone is labelled with blue label as indication that the pesticide is class III contained 0.005% BB. . Only pesticide from Class III is used in estate operations.</p> <p>During site visit, pesticide storages are arranged in orderly manner. Sustainability Standard Operating Procedures (SOP) SOP 5 Keamanan Penggunaan dan Penyimpanan dari Bahan Kimia termasuk Hidrokarbon No. Revisi 2 dated 19/07/2017 is constructed as guidance for chemical storage. Mr. Zubairi (karyawan gudang) are the person in charge to handle chemical for lab and water treatment plan. Socialization was done 19/12/2015 given by Mr. Sukri (Asst. Mill).</p> <p>The scheduled waste generated from mill and estate operations are handled based on 'Provinsi Kepulauan Bangka Belitung Keputusan Bupati Belitung Timur Nomor: 188.45-667 Tahun 2015 Tentang Perpanjangan Izin Penyimpanan Sementara Limbah Bahan Berbahaya Dan Beracun PT Parit Sembada Divisi Pabrik Bupati Belitung Timur' issued 28/08/2015 valid until 28/08/2020. This permit allow to keep scheduled waste not more than 180 days. The disposal of scheduled waste is handled by external contractor, PT Primanru Jaya. Contractor will do the scheduled waste collection once every 6 months. Sighted hazardous waste manifest No. : BC 0036686 for 0.314 ton scheduled waste collected on 08/05/2017. Record of collected scheduled waste is documented in 'Lembar Penyimpanan Limbah B3 PT Parit Sembada'</p>	Pesticide	Class	Active Ingredients	Aladine	III	2,4 dimetil amina 865 g/L	Ratgone	III	Brodifakum 0.005 %	Kencepat	III	Asefat 75% SP	triester	III	Triklopir 480 g/L
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		<p>for used chemical container, used oil, used lubricant, used solvent, used glove, used bulb.</p> <p>It was observed that Medical check-up is done to check:</p> <ul style="list-style-type: none"> <li>• physical condition such as full body check-up and thorax</li> <li>• laboratorial: hematology, spirometry, audiometry</li> </ul> <p>Verified medical check-up record done to Agustiawan (Boiler) conducted by Dr. Felix Kaplan Pardede (Utama Laboratorium Klinik) dated 17/04/2017. He is confirmed to be in fit condition to carry out his work. All workers in mill operation are already gone for medical check-up as sighted in 'PT Parit Sembada Palm Oil Mill Laporan Medical Check-up April 2017'. 84 workers are confirmed to be in fit condition to carry out their work.</p> <p>For Estate, verified medical check-up record done to Rohayati (sprayer) conducted by Dr. Adisti Adityapuri (Utama Laboratorium Klinik) dated 22/10/2015. She is confirmed to be in fit condition to carry out his work None spraying work is conducted by pregnant or breast-feeding women.</p>
ASA 1	4.7	<p>Health and safety policy is reflected in 'Kebijakan Keselamatan Dan Kesehatan Kerja (K3)' signed by Mr. Roy Lim Kiam Chye (Group Plantations Director) dated 07/11/2014 and in 'Kebijakan Keberlanjutan KLK signed by Tan Sri Dato' Seri Lee Oi Hian (Chief Executive Director) dated 01/12/2014. Occupational Safety and Health (OSH) plan is done as sighted 'PKS PT PS Rencana Sistem Manajemen Keselamatan dan Kesehatan Kerja (SMK3)- 2017'.</p> <p>The OSH program included of:</p> <ul style="list-style-type: none"> <li>- OSH Risk assessment</li> <li>- Medical check up</li> <li>- OSH training program 2017</li> <li>- PPE awareness</li> <li>- First aid kit</li> <li>- OSH organization and OSH meeting</li> <li>- OSH management</li> </ul> <p>To instill awareness among workers, briefing is done as sighted 'Penilaian penerapan SMK3 (System Manajemen K3) berdasarkan PP No 50 TH 2012 PT Parit Sembada' done by Mr. Sukri dated 23/06/2017. PT Parit Sembada will be conducted PPE Training in every safety briefing as sighted in 'Program Pelatihan – 2017' which will be given by assistant.</p> <p>The aim of the training to reduce work accident at estate operation especially at harvesting. Training has target to reduce serious work accident by 50% compared to last year.</p> <p>The OSH Program was prepared by Mr. Abdul Wahid (Sekretaris) and approved by Ir. MRT Sirait (Ketua P2K3)</p> <p>Risk assessment is recap in 'Identifikasi Bahaya, Analisa Resiko Dan Pengendalian Resiko Di PT Parit Sembada Palm Oil Mill Tahun 2016' for process and work station at mill. Among others, the identified HIRA is done as below:</p> <ul style="list-style-type: none"> <li>• 'Formulir Identifikasi Bahaya, Analisa Risiko Dan Pengendalian Risiko</li> </ul>

		<p>Operating Center: PKS Parit Sembada, Proses/Lokasi: Ruang Mesin' arranged by: Mr. Sukri (Ahli K3) and Panitia P2K3 PS POM dated 04/01/2016</p> <ul style="list-style-type: none"> <li>• 'Formulir Identifikasi Bahaya, Analisa Risiko Dan Pengendalian Risiko Operating Center: PKS Parit Sembada, Proses/Lokasi: Workshop' by: Mr. Sukri (Ahli K3) and Panitia P2K3 PS POM dated 04/01/2016</li> <li>• 'Formulir Identifikasi Bahaya, Analisa Risiko Dan Pengendalian Risiko Operating Center: PKS Parit Sembada, Proses/Lokasi: CPO Dispatch' by: Mr. Sukri (Ahli K3) and Panitia P2K3 PS POM dated 04/01/2016</li> </ul> <p>For estate, 'Formulir Identifikasi Bahaya, Analisa Risiko Dan Pengendalian Risiko PT PS 2017' arranged by Mr. Jimmy Shantana (Assist.) and approved by Mr. Hui Yu Kong (Plantation Manager) for 21 estate operations:</p> <ul style="list-style-type: none"> <li>• 'Formulir Identifikasi Bahaya, Analisa Risiko Dan Pengendalian Risiko Operating Center: PT Parit Sembada, Proses/Lokasi: Pemeliharaan Tanaman Menghasilkan' arranged by: Mr. Jimmy Shantana (Asst.) approved by Mr. Hui Yu Kong (Plantation Manager) dated 01/04/2017</li> <li>• 'Formulir Identifikasi Bahaya, Analisa Risiko Dan Pengendalian Risiko Operating Center: PT Parit Sembada, Proses/Lokasi: Memanen TBS' arranged by: Mr. Jimmy Shantana (Asst.) approved by Mr. Hui Yu Kong (Plantation Manager) 01/04/2017</li> <li>• 'Formulir Identifikasi Bahaya, Analisa Risiko Dan Pengendalian Risiko Operating Center: PT Parit Sembada, Proses/Lokasi: Gudang Pestisida (Kimia)' arranged by: Mr. Jimmy Shantana (Asst.) approved by Mr. Hui Yu Kong (Plantation Manager) 01/04/2017.</li> </ul> <p><b>However one minor non conformity has been raised due to during field visit to harvester. It was observed Management not provide replacement for broken shoes to harvester, and Furthermore The implementation of 'Formulir Identifikasi Bahaya, Analisa Risiko Dan Pengendalian Risiko PT Parit Sembada 2017 Proses/Lokasi: Memanen TBS' at field is not conducted. The demonstration for adequate and appropriate Personal Protective Equipment (PPE) to harvester is not available.</b></p> <p>OSH committee is organized based on 'Keputusan Kepala Dinas Sosial, Tenaga Kerja Dan Transmigrasi Kabupaten Belitung Timur Nomo: 188.4/107/P2K3/DSTKT/VI/2016 Tentang Pengesahan Panitia Pembina Keselamatan Dan Kesehatan Kerja Di Perusahaan Perkebunan Kepala Sawit PT Parit Sembada Kepala Dinas Sosial, Tenaga Kerja Dan Transmigrasi Kabupaten Belitung Timur' dated 08/11/2016.</p> <p>It was noted that Mr. Sukri is qualified as competent person for OSH as sighted 'Kartu Tanda Kewenangan Ahli K3' valid until 28/08/2018 and Certificate No.:SER.12.1345/AK3/U/IV/2012 dated 21/04/2012 qualified as Occupational Safety and Health Expert.</p> <p>OSH committee meeting will be done monthly as sighted 'PT Parit Sembada</p>
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		<p>Notulen Meeting Panitia Pembina Keselamatan dan Kesehatan Kerja' where 15 participants attended on 05/07/2017. Meeting issues:</p> <ul style="list-style-type: none"> <li>• Pending issues</li> <li>• Working area monitoring</li> <li>• Accident record</li> </ul> <p>The minute meeting was signed by Ir. M. Sirait (Ketua P2K3) and Mr. Wahid (Sekretaris)</p> <p>Emergency and work accident procedure are as below:</p> <ul style="list-style-type: none"> <li>- Sustainability Standard Operating Procedure (SOP) 'SOP 43 Tanggap Darurat Bencana Alam-Banjir' dated 01/07/2014</li> <li>- Sustainability Standard Operational Procedure 'SOP No. 51 Tanggap Darurat Kecelakaan Kerja' dated 12/08/2016</li> </ul> <p>First Aid Training: 'Pemerintah Kabupaten Belitung Timur Dinas Kesehatan' has been conducted on 03/08/2016, the certificate awarded to 11 mill staff, mandore and workers. 6 first aid kit box are located at mill with ratio 1 to 25 workers as following to legal requirement, 'Disnaker'. It was observed 'Buku Panduan Pertolongan Pertama Pada Kecelakaan (P3K) PT Parit Sembada Palm Oil Mill' explained the procedure to handle emergency and stated in Indonesian Language.</p> <p>It was observed 102 mill workers are covered with 'BPJS Kesehatan', 'Pensiun', 'Ketenagakerjaan' etc. as sighted records of 'Posisi Gaji Dan Perhitungan Jamsostek Karyawan Pabrik Sawit PT PS Bulan: Juli 2017' summarized for 102 mill workers.</p> <p>Furthermore, 'Rincian Iuran Tenaga Kerja BPJS Ketenagakerjaan NPP GG020992 Parit Sembada Periode 07/2017' summarized insurances provided for 737 estate workers.</p> <p>'PT Parit Sembada POM Lost Time Accident (LTA) - Kasus Kecelakaan 2017' shown only 1 accident had occur in April 2017. This has been reported to 'Disnakertrans'.</p> <p>It was noted that 'Laporan Satpam No. Satpam: 01/Lap/PS.POM/IV/2017' reported accident occurred to Mr. Rado Marciano. He slipped into the sludge pit and caused both leg to burn. Doctor had given paid medical leave for 22 days to let injured leg recovered. As a precaution method, mill had constructed bund around pit and to ensure that condensate pit and sludge pit are not clogged.</p> <p>'Laporan Panitia Keselamatan Dan Kesehatan Kerja (P2K3) Dan Ahli Keselamatan Dan Kesehatan Kerja (AK3) Periode Januari – Maret 2017 PT Parit Sembada Palm Oil Mill' arranged by Mr. Sukri (Ahli K3) dated 05/06/2017 is verified</p> <p>'Laporan bulanan kecelakaan kerja &amp; penyakit akibat kerja' summarized accident happened in 2017 to date as follow:</p>
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		<table border="1"> <thead> <tr> <th>Month</th> <th>Number of cases</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>3</td> </tr> <tr> <td>February</td> <td>4</td> </tr> <tr> <td>March</td> <td>8</td> </tr> <tr> <td>April</td> <td>9</td> </tr> <tr> <td>May</td> <td>1</td> </tr> <tr> <td>June</td> <td>2</td> </tr> </tbody> </table> <p>'PT Parit Sembada Perhitungan LTA Kasus Kecelakaan (Januari 2017- Juli 2017)' is verified.</p>	Month	Number of cases	January	3	February	4	March	8	April	9	May	1	June	2
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ASA 1	4.8	<p>The mill has established a formal training programme as that cover all aspects of RSPO Principles and Criteria as evident in Rencana Program Pelatihan Untuk Executive, Staff dan Karyawan 2017, such as :</p> <ul style="list-style-type: none"> <li>• Gender training to all workers and staff: conducted on January</li> <li>• IPM Training: conducted on February</li> <li>• Harvesting SOP and SaOP: conducted on March</li> <li>• Premix training: conducted on May</li> <li>• KLK Sustainability Policy: August</li> </ul> <p>This training program is covering aspect of OSH, environment, workers, social, RSPO/ISPO and ISCC</p> <p>The record of training is verified as below :</p> <ul style="list-style-type: none"> <li>- 'Sosialisasi HCV Dan Dilarang Membakar Dan SOP' dated 14/07/2017 attended by 19 workers.</li> <li>- 'Sosialisasi Jam Kerja, Sosialisasi HCV Dan Dilarang Membakar' dated 25/07/2017 attended by 11 workers.</li> <li>- 'Sosialisasi HCV Dan Dilarang Membakar Dan SOP' dated 13/07/2017 attended by 18 workers.</li> </ul>														
<b>Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity</b>																
Criterion by Audit	Summary	Environmental Impact Assessment has been carried out by the mill and estates. A comprehensive identification of all waste has been recorded and disposal of scheduled waste has been carried out by an approved and registered collector. The company is in full compliance to Principal 5 for this complex.														
ASA 1	5.1	<p>The company has conducted EIA titled "ANDAL" (Analisis Dampak Lingkungan) for PT. Parit Sembada on July 2004 covering proposed land area of 3.990.4 Ha which includes 3,500 Ha of plantation area, infrastructure 92.75 Ha, emplacement 56.00 Ha, nursery 24.80 Ha, palm oil mill and mill effluent management 16.00 Ha, river riparian 125.50 Ha and forest buffer zone 175.35 Ha. The EIA which was conducted by private environmental consulting body PT. Manajemen Agroindustama Konsutindo has covered building of roads, palm oil mill, infrastructure, management of mill effluent, land application, land clearing, planting, etc.</p> <p>Second EIA specifically on mill operations has been conducted and documented in October 2015 due to increase in mill capacity from 30 Mt/hr to 90 Mt/hr. The EIA for increase of mill capacity was conducted by private environmental firm PT. AMAS Interconsult. The EIA report has identified</p>														

	<p>Environmental Management Plan titled “Rencana Pengelolaan lingkungan (RKL)” and Environmental Monitoring Plan titled “Rencana Pemantauan Lingkungan (RPL)” for the mill based on the increased capacity.</p> <p>The company has established Environmental Management Plan titled “Rencana Pengelolaan lingkungan (RKL)” and Environmental Monitoring Plan titled “ Rencana Pemantauan Lingkungan(RPL)” as per of AMDAL requirement to monitor and mitigate significant environmental impacts. In accordance with Indonesian environmental law (Menteri Lingkungan Hidup No. 45, tahun 2005) under the orders of the environmental minister, environmental monitoring is done twice a year and report of monitoring results to be submitted to district, province and to environmental minister. However, the company has been monitoring and submitting reports of environmental parameters on quarterly basis.</p> <p>During this ASA1, it was sighted latest “Laporan RKL-RPL (Semester 1) year 2017” for Parit Sembada Palm Oil Mill dated on 5<sup>th</sup> May 2017. The assessment includes elements such:</p> <ol style="list-style-type: none"> <li>i. Air quality</li> <li>ii. Noise monitoring</li> <li>iii. Water quality</li> <li>iv. Jobs opportunities</li> <li>v. Workers safety and health</li> <li>vi. Community perception</li> <li>vii. FFB Transportation</li> </ol> <p>The evaluation on above elements has been considered based on 3 steps:</p> <ol style="list-style-type: none"> <li>i. Trend Evaluation</li> <li>ii. Critical Level Evaluation</li> <li>iii. Compliance Evaluation</li> </ol> <p>The environmental management plan explicit explained in the section II of the ANDAL. Environmental management plan has identified the type of impact from the activities, source of impact, mitigation measures, monitoring parameter, location and timeline. As sample, negative impact on air quality from the mill processing is identified from boiler and been controlled by using fibre and shell with lower moisture to ensure perfect burning. Another approach taken is to clear the boiler ash on periodically to be applied in plantation. As sample, new operation changes on POME treatment with implementation of “Belt Press” started in Oct 2016 has been evaluated in above document. Positive impact sighted as BOD result will be reduced. However, mitigation measures taken for negative impact is to keep conducting monthly analysis for pH, BOD, COD and soil quality.</p> <p>The Environmental Management Plan (RKL) which has been elaborated in Table 4.1 of the EIA has identified environmental impacts, source of impact, environmental parameters to be monitored, mitigation plan and person responsible for implementation. There is no changes identified since 2010. Elaboration of person responsible for mitigation measures is also sated in the company document titled” Dafter Penanggungjawab untuk Berbagai Aspek RSPO” date 06/08/2017.</p> <p>The environmental management plan has been implemented as evident from the disposal of hazardous waste, control of pesticides, usage effluent for land application, etc.</p>
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<p>ASA 1</p>	<p>5.2</p>	<p>The company has conducted HCV assessment for the estate in September 2013 by private environmental consulting firm Aksenta. The assessment has covered protected area and conservation areas. It was observed that the company has established SOP 15 titled “Identifikasi Dan Pengelolaan HCV, Flora &amp; Fauna dated 01 July 2014. The HCV report has identified total HCV area of 222.3 hactor (48.2 Ha for Ladang Cendil &amp; 174.1 Ha for Kebun Buding) of the total estate land area.</p> <p>HCV identified for Div. Cendil are HCV 4.1, HCV 4.2 &amp; HCV 6. Most HCV identified for Div. Cendil are related rivers run across the estate and water courses. HCV identified for Div. Buding are HCV 1.2, HCV 1.4, HCV 3, HCV 4.1, HCV 4.2, and HCV 5 &amp; HCV 6. HCV identified for Buding are related riparian jungle along the Sungai Buding River, and cemetery areas such as Makam Raja Buding (Block 4), Makam Keramat Padang Ladi(Block 24) and Komplek Pamakaman Karang Tanjung.</p> <p>The HCV assessment was done with consultation with relevant stakeholders as evident from the report. Assessment has included assessment of biological habitats in paragraph 5.1.2 “Spesies Penting” of the HCV assessment report and based on various globally recognized HCV tools. HCV map has been developed identifying location of HCV exist within the estate.</p> <p>HCV assessment has identified list of protected species for Mammalia (12 species), Reptiles and fish (9 species) and Birds (15 species). Those species identified are from the reserve forest bordering the estate. HCV 5 identified in Sg Buding such as ikan Tapah (Wallago Leerii), ikan Gabus (Channa Strata) and ikan Baung (Mystus Meurus) are protected species. However, these species are hunted by local community known as “Masyarakat” as it is their source of their lively hood.</p> <p>The company has established management plan in SOP 15 titled “Identifikasi Dan Pengelolaan HCV, Flora &amp; Fauna” dated 01 July 2014. SOP includes training and management plan for identified HCV. Furthermore, the estate has established HCV Management Plan titled “Rencana Pengelolaan Area HCV di PT Parit Sembada” for year 2016/2017 dated 01/10/2015 prepared by the Humas &amp; Estate Manager. It was observed that the plan has management plan, activities, HCV Area, time Frame and target.</p> <p>Sighted warning sign boards prohibiting manuring, spraying, fishing and hunting erected at riparian zone during site visit. Implementation of the HCV management plan is evident form monthly monitoring records of species sighted within the estate; Sighted HCV Briefing (Sosialasi HCV) and attendance records for providing HCV awareness to 15 employees on 06/08/2015 by Mr Abd Wahid (Manager) and Mr Jimy. S (Assistant).</p> <p>Disciplinary action will be taken to employee who was found not following the instruction such as;</p> <ul style="list-style-type: none"> <li>• Consultation by management</li> </ul>

		<ul style="list-style-type: none"> <li>• Law action following PP.No. 7/99: Dilindungi oleh Peraturan Pemerintah No.7 Tahun 1999 tentang Pengawetan Jenis Tumbuhan dan Satwa.</li> </ul> <p>The estate has monitoring checklist to periodically to check effectiveness of the management plan. HCV monitoring done once every month using the checklist. Last monitoring was done on 09/10/2015 by Estate staff Mr Zulkifli. It was observed presents of important species monitored periodically using checklist titled "Checklist Spieces Penting". Sighted latest record of monitoring dated 10/06/2017 by Mr Wardiantorso.</p>
ASA 1	5.3	<p>The company has established "Identifikasi Sumber-Sumber Limbah dan Pencemaran &amp; Rencana Untuk Mengurangi Polusi", dated 6/12/2016 reported by Shukri (Asst. Sustainability/Mill) and agreed by Mill Manager. The identification is keep updating yearly. The identification was tabulated and itemised by,</p> <ul style="list-style-type: none"> <li>• Waste</li> <li>• Source of waste</li> <li>• Action plan</li> <li>• Frequency of action plan</li> <li>• Responsibility</li> <li>• Reference documents</li> </ul> <p>In the mill, all chemicals and empty container are disposed following to the local Indonesia law. The estate will then be disposed through approved third party, PT. Primanru Jaya. Sighted bin card (surat pengantar barang) on 16/03/17;</p> <ul style="list-style-type: none"> <li>• Cotton rag, gloves, filter oil = 20 kg</li> <li>• Waste chemical = 3 pcs</li> <li>• Paint container = 6 pcs</li> </ul> <p>Mitigation of waste been identified and described in the same documents of Identifikasi Sumber-Sumber Limbah dan Pencemaran &amp; Rencana Untuk Mengurangi Polusi", dated 6/12/2016 reported by Ronny.P (Asst. Mill).</p> <p>Sighted in the document;</p> <ul style="list-style-type: none"> <li>• POME treated waste water used for land application.</li> <li>• Empty fruit bunch pressed and transferred for estate used</li> <li>• Fiber and kernel used at boiler</li> <li>• Ash from boiler used at estate</li> </ul> <p>In the estate, the mitigation of waste been identified and described in the same documents of 'Identifikasi Sumber-Sumber Limbah dan Pencemaran &amp; Rencana Untuk Mengurangi Polusi", dated Dec 2016 reported by Hamdani Nadhir (Staff Sustainability). Sighted in the document among others;</p> <ul style="list-style-type: none"> <li>• Used oil filter , used oil, used batteries, cotton rag stored at schedule waste store and sent to approved contractor for disposal</li> <li>• Organic waste from housing area disposed to land fill</li> <li>• Medical wastes sent to approved contractor for disposal</li> <li>• Empty plastic pesticide containers were triple rinse prior disposal by approved contractor</li> </ul>
ASA 1	5.4	<p>All fossil fuels been monitored and recorded appropriately. Diesel usage been monitor and recorded monthly in the document title "Monitoring Energi Fosil "updated on 07/06/2017 by Mill assistant . The usages were then calculated</p>



		<p>and tabulated monthly. The usage of diesel was controlled based on the monthly budget of estate.</p> <p>Sighted data for year 2017;</p> <table border="1" data-bbox="711 383 1294 689"> <thead> <tr> <th>Month, 2017</th> <th>FFB, Process</th> <th>Diesel (liter) / FFB (MTon) Todate</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>9,753.890</td> <td>1.086</td> </tr> <tr> <td>Feb</td> <td>6,592.950</td> <td>1.169</td> </tr> <tr> <td>Mar</td> <td>6,578.460</td> <td>1.207</td> </tr> <tr> <td>April</td> <td>5,634.150</td> <td>1.238</td> </tr> <tr> <td>May</td> <td>6,582.690</td> <td>1.337</td> </tr> <tr> <td>June</td> <td>6,880.990</td> <td>1.176</td> </tr> <tr> <td>July</td> <td>5,485.830</td> <td>1.696</td> </tr> </tbody> </table> <p>Diesel used during start-up and domestic purpose only. Thereafter, fibres and shells are used as fuels. Thus, when the quantity of FFB high the used of diesel are low.</p> <p>Sighted data as below;</p> <table border="1" data-bbox="772 884 1233 1122"> <thead> <tr> <th>Month , Year 2017</th> <th>Diesel (liter) / FFB (MTon) Todate</th> </tr> </thead> <tbody> <tr> <td>Mar</td> <td>4.50</td> </tr> <tr> <td>April</td> <td>3.99</td> </tr> <tr> <td>May</td> <td>4.00</td> </tr> <tr> <td>June</td> <td>3.96</td> </tr> <tr> <td>July</td> <td>4.02</td> </tr> </tbody> </table> <p>The target is 5 liter diesel/ Mton FFB. This figure is based on average historical collected from Mar - July 2017. As to date all values were well below the target.</p>	Month, 2017	FFB, Process	Diesel (liter) / FFB (MTon) Todate	Jan	9,753.890	1.086	Feb	6,592.950	1.169	Mar	6,578.460	1.207	April	5,634.150	1.238	May	6,582.690	1.337	June	6,880.990	1.176	July	5,485.830	1.696	Month , Year 2017	Diesel (liter) / FFB (MTon) Todate	Mar	4.50	April	3.99	May	4.00	June	3.96	July	4.02
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ASA 1	5.5	<p>In mill and estate, seen no land burning evidence. Policy of Zero burning well implemented. Zero burning policy implemented as sighted in item 1 of policy document, signed by Tan Sri Dato' Seri Lee Oi Hian, Chief Executive Officer, dated 1 Dec 2014. Appropriate signages were made available at line site. Emergency response procedure to handle land burning and a mock training conducted The estate has not done replanting till to date. The oldest planting was done year 2004. The first replanting has been planned in year 2029.</p>																																				
ASA 1	5.6	<p>Assessing pollution and emission sources were described in details in "Identifikasi Sumber-Sumber Limbah dan Pencemaran &amp; Rencana Untuk Mengurangi Polusi", dated 6/12/2016.</p> <p>It was also support and described in various internal SOPs such as;</p> <ul style="list-style-type: none"> <li>• SOP 16, Pengelolaan Limbah B3</li> <li>• SOP 18, Pengelolaan Limbah Pabrik</li> <li>• SOP 41, Pengelolaan Limbah Rumah Tangga</li> <li>• SOP 42, Pengelolaan Limbah Kantor</li> </ul> <p>Company has internal procedure for GHG emissions title SOP 40, "Inventarisasi dan Mitigasi Gas Rumah Kaca" ,dated 1 July 2014. The GHG pollutants and it significant were described in details in "Identifikasi Sumber-Sumber Limbah dan Pencemaran &amp; Rencana Untuk Mengurangi Polusi", dated 6/12/2016. It also described in SOP 16, 17,41 and 42 above, such as using belt pressing, fiber and shells used as fuels at boiler.</p>																																				

		<p>GHG for the plantation is been calculated by Mr Muriyanto, latest value of 0.51 kg tCO<sub>2</sub>e/tFFB was sighted. The calculation was done based on RSPO Palm GHG calculator which was downloaded from RSPO website. Input factors used in the calculation are; Crop production, Planting data, Fertilizer and the diesel consumption</p> <p>Management Plan 2017 is available - Bidang Lingkungan, Sosial dan Ekonomi. Among the plan is focus on management of domestical wastes. The plan is to segregate the organic and inorganic while there is zero burning within the housing compound executed starting from March 2017. Besides that, the application of Mill Effluent to the field area through discharge of effluent into the flatbed. Its objective is to provide the nutrient and returning it to oil palm field in order to boost up the fertility of the soil and increasing the yield of crop.</p> <p>Waste from mills are treated following the below POME processes that designed for 60Mt/hr :</p> <p>Cooling Pond &gt; Acidification Pond&gt; Anaerob Pond 1&gt; Anaerob Pond 2&gt; Facultative Pond &gt; Aerob Pond 1&gt; Aerob Pond 2&gt; Pump House &gt; Land application.</p> <p>Quality of waste water are checking at various point of process and recorded. Total retention time = 76.8 days.</p> <p>Refer Appendix 2 for Summary of GHG Emissions.</p>
<p><b>Principle 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers</b></p>		
<p>Criterion by Audit</p>	<p>Summary</p>	<p>The mill and estate have conducted the social impact assessment. The relevant policies are in place and are fully implemented across the board. Communication and consultation as well complaints and grievances procedure are well communicated and adhered to. There are evidences of workers not been discriminated against in any way and all are being paid their fair wages.</p> <p>However, one minor NC, one major NC and one observation were addressed.</p>
<p>ASA 1</p>	<p>6.1</p>	<p>In mill and estate the SIA has been conducted on September 2013 by AKSENTA. SIA 2013 report covers the following access and use rights, economic, subsistence activities, cultural and religious, Muslim &amp; Tionghua Hokkien &amp; Hakka, Health (clinic, doctor, water) and education, energy, migrant workers, communication.</p> <p>The SIA process was documented in the report such as FGD attendance list dated 22<sup>nd</sup> June – 25<sup>th</sup> June 2013. It was sighted SIA report dated September 2013.</p> <p>The negative impacts found during SIA were:</p> <ol style="list-style-type: none"> <li>1. Complaints from local community regarding FFB waste in Buding river.</li> <li>2. Complaints from community regarding flies.</li> <li>3. FFB transport complaint which is passing the village road.</li> <li>4. Lack of effective CSR program in supporting village development.</li> <li>5. Working tools, health and safety, and workers' facility.</li> <li>6. Air pollution</li> <li>7. Etc.</li> </ol>

		<p>In the process of SIA, they involved related stakeholders and classified it into key stakeholders with strength variety position.</p> <p>Very strong:</p> <ol style="list-style-type: none"> <li>1. PT SWP Management as the operational coordinator for PT PS.</li> <li>2. Regional Government of Kabupaten Belitung Timur</li> <li>3. Kepala Desa Cendil and Buding</li> </ol> <p>Strong:</p> <ol style="list-style-type: none"> <li>1. Camat Kelapa Kampit</li> <li>2. Kepala Dusun Cendil, Pesarah-an, Bukit Jaya, Limau Manis dan Buding</li> <li>3. Ketua adat/dukun kampung</li> <li>4. DPRD</li> </ol> <p>Adequate strong:</p> <ol style="list-style-type: none"> <li>1. Tokoh masyarakat (elders)</li> <li>2. Pemilik lahan (land owner)</li> <li>3. Karyawan PT PS (workers)</li> </ol> <p>The participatory of stakeholders was done by in-depth interview and forum group discussion (FGD). The stakeholder participated in FGD were from Desa Cendil, estate workers, mill workers, staffs and management.</p> <ul style="list-style-type: none"> <li>- sighted SIA of PT Parit Sembada dated September 2013.</li> <li>- sighted attendance list of FGD dated 22<sup>nd</sup> June – 25<sup>th</sup> June 2013</li> </ul> <p>Social management plan to minimize the impacts of social issues in SIA report is available.</p> <ul style="list-style-type: none"> <li>- Sighted “Rencana Pengelolaan Sosial dan Pemantauan PT Parit Sembada : 2016/2017”</li> </ul> <p>The example of social program which can minimize the negative impacts:</p> <ol style="list-style-type: none"> <li>1. Water quality, soil, air and environment test conducted by third party every 6 months in order to minimize the waste problem (solid, liquid, and air pollution).</li> <li>2. Policy for transporting FFB or dry FFB by adding protective tools to minimize FFB or dry FFB fall from the truck, cleaning the fallen FFB periodically, providing complaint logbook, and conducting regular stakeholder meeting in order to minimize the impact of FFB transport activities.</li> </ol> <p>The plan is created and reviewed annually by sustainability team. All complaints, grievance or input from stakeholders will be recorded in the logbook or recorded in the minutes of annual stakeholder meeting.</p> <p><b>However one minor non-conformity has been raised, the company has not socialized its social plan to the relevant parties. Social management plan is not involved affected parties.</b></p>
ASA 1	6.2	Both in the mill and estate the SOP no 3 for "communication & consultation"

		<p>(dated 01<sup>st</sup> July 2014) is available. The communication using the language that can be understood by all parties. All consultation, communication, complaint and information request shall be documented in the logbook. The complaint and grievance shall be resolved in 15 days' period.</p> <p>The management official in handling consultation and communication with stakeholder is handled by Humas Department in PT SWP, Mr Ginto. The updated list of stakeholders is available. The list of stakeholder consists of government bodies, workers' union, supplier/contractor, local community, and village officer. It was sighted "Daftar (Pemangku Kepentingan) – PT Parit Sembada) dated 9/3/2017.</p> <p>All communications with stakeholder (including workers) are documented in stakeholder logbook.</p> <ul style="list-style-type: none"> <li>- Sighted request information from Mardini (Kepala Desa Buding) to support cleaning after flood collaboration dated 19<sup>th</sup> July 2017 and responded by PS at 5<sup>th</sup> August 2017.</li> <li>- Sighted request information from Sopian Hadi from "Maras" celebration dated 4<sup>th</sup> April 2017. Responded by PS at 5<sup>th</sup> April 2017.</li> </ul> <p>There was no complaint from stakeholder and workers recorded in the logbook.</p>
ASA 1	6.3	<p>In the mill and estate SOP for grievance and complaint is available. Complainant can deliver their C&amp;G by: complaint logbook, Mandor, suggestion box, gender committee, hotline &amp; email, RSPO website. It was sighted SOP for complaint and grievance rev 2 dated 12/8/2016.</p> <p>For whistleblower or anonym cases, the complaint/grievance can deliver via suggestion box or via secret logbook which is handle by General Manager. It was observed all complaints shall be resolved in 14 days' period. However the mechanism is less effective because workers needs to come to the office to deliver their complaint. The system should be able to handle formal and informal complaint.</p> <p>Both in the mill and estate, complaint logbook for workers is available, since July 2016 until now, there are 3 complaints from workers and the complaint had been resolved not more than 14 days.</p> <ul style="list-style-type: none"> <li>- Sighted "Logbook Keluhan" PT Parit Sembada POM.</li> <li>- Sighted minutes of FFB supplier meeting dated 5<sup>th</sup> January 2017.</li> <li>- Sighted request information from Mardini (Kepala Desa Buding) to support cleaning after flood collaboration dated 19<sup>th</sup> July 2017 and responded by PS at 5<sup>th</sup> August 2017.</li> <li>- Sighted request information from Sopian Hadi from "Maras" celebration dated 4<sup>th</sup> April 2017. Responded by PS at 5<sup>th</sup> April 2017.</li> </ul> <p>No complaint from stakeholder and workers recorded in the logbook. <b>However one observation has been raised, there is a concern regarding PPE providence complaint that had been delivered to assistant and manager but there is no record in the logbook and management confirms that they never have complaint from SPSI regarding PPE.</b></p>

ASA 1	6.4	<p>In the estate, SOP for land dispute resolution is available. It was sighted SOP “Prosedur Penyelesaian Lahan” no 26 dated 1st July 2014. This procedure has been socialized to stakeholder during annual stakeholder consultation. There is no land dispute or land conflict that needs to be compensated ever happened in PT Parit Sembada.</p>
ASA 1	6.5	<p>It was noted the minimum wage in Kepulauan Bangka Belitung province for 2017 = Rp 2.534,673.75/month, based on “Keputusan Gubernur Kepulauan Bangka Belitung no 188.44/1106/TK.T/2016” dated 25<sup>th</sup> October 2016 with regards to minimum wage in Kepulauan Bangka Belitung. The company has given their workers the wage above the minimum wage. It was sighted letter no 009/SWP/HRD/XII/2016 dated 16th December 2016 regarding wages + food allowance of PT Parit Sembada.</p> <p>Sample of payment slip :</p> <ul style="list-style-type: none"> <li>- Payment June-July 2017 for Mr Saftiansyah (engine room), the total payment per month is: Rp. 84,489* 30 = Rp 2,534,670 is less than UMK Bangka Belitung.</li> <li>- Payment June-July 2017 for Mr Eko Suprianto (security), the total payment per month is: Rp. 84,489* 30 = Rp 2,534,670 is less than UMK Bangka Belitung.</li> <li>- Payment slip for June – July for Mr Dedy Nursani. His basic salary is Rp 101,387 * 25 = Rp. 2,534,675.</li> </ul> <p>However the company committed to pay the amount of Rp. 5,- accumulation for payment slip of August 2017. It was sighted statement letter signed by Mr Tan Joo Aun (Project Manager) dated 14<sup>th</sup> August 2017.</p> <p>For over time, the company follow government regulation, however sometimes due to peak season time or there are so many FFB coming in the mill, most of processing workers will exceed the limited hours required by laws. It has been permitted and confirmed by Dinas Tenaga Kerja Pemerintah Bangka Belitung no 700/094/DISNAKER/2017 dated 19<sup>th</sup> January 2017.</p> <p>During audit, it was observed payment slip of worker is available, such as payment slip for Mr Yudiansyah (harvester) and Hartina (upkeep) dated May – July 2017. However, there were payments made for harvester in May and June 2017 that is less than the province minimum wage 2017.</p> <p>In the mill and estate, contracts of worker are available. It was sighted worker’s contract of Mr Yudiansyah no 847/PS/PK/IX/2009 dated 4<sup>th</sup> September 2009 and for Mrs Hartina no 36/PS-ADM/PKK/III/1997 dated 1<sup>st</sup> March 1997.</p> <p><b>However one major non-conformity has been raised, There is issue for harvester workers in bringing their wives for helping their works. The wives working there without having contract, which is not permitted by company policy as well as Indonesian laws. The company announcement for not allowing to bring husband/wife/other person for help their works. This announcement has socialized it to all workers but until now husband still bring their wives to help their works. Furthermore Some workers both in POM and estate receives their wage from January-June 2017 below the</b></p>

		<p><b>minimum wage of Kepulauan Bangka Belitung Province, which is Rp 2.534,673.75/month.</b></p> <p>In the mill and estate. Labour union is available in PT Parit Sembada. Collective labour agreement which explains workers' rights and obligations. It was sighted registration of PKB PT Parit Sembada no 188.45-078 tahun 2015.</p> <p>Medical check-up is given annually by company. Doctors' company will conduct the physical check-up to all workers. Doctor will give recommendation to the relevant workers who need further test.</p> <ul style="list-style-type: none"> <li>- Sighted Medical check-up report of Mr Dedi Nursani (laboratory) including hematology and chemical clinic test.</li> <li>- Sighted Medical check-up report of Mr Oktorino Maulana (processing) including Hematology and audiometry test.</li> <li>- Sighted medical check-up of Mr Eko Suprianto (security) including hematology test.</li> <li>- For harvester and general worker, only physical medical check-up dated 3<sup>rd</sup> April 2017.</li> <li>- For spraying, laboratory test needs to be conducted including hematology, chemical clinic, and spirometry.</li> <li>- Sighted laboratory check Mrs Rohayati dated 16<sup>th</sup> March 2017</li> </ul> <p>All of worker have been registered to both BPJS Kesehatan and BPJS Ketenagakerjaan. The company provides food allowance for all workers. The food allowance will be added to their monthly salary. L (not married) will get Rp 56,010/month K0 (married but no children) will get Rp 84,000/month K1 (married with 1 children) will get Rp 112,020/month K2 (married with 2 children) will get Rp 140,010/month</p> <p>Market and food stores are not far from workers' housing. The nearest market is 11 KM from workers housing. It was sighted letter of food allowance announcement no 009/SWP/HRD/XII/2016 dated 16<sup>th</sup> December 2016</p>
ASA 1	6.6	<p>The company has established the sustainability Policy, it was clearly stated in Bahasa Indonesia that KLK Group has to respect and recognise the workers' right to join or to form a workers' association.</p> <p>There is labour union in PT Parit Sembada, Serikat Pekerja Pertanian dan Perkebunan SPSI PT Parit Sembada Klapa Kampit 2013 – 2018. Data as per below :</p> <ul style="list-style-type: none"> <li>i. Chairman : Mr Yudianto</li> <li>ii. Secretary : Agus Tirawan</li> <li>iii. Treasurer : Paulina</li> </ul> <p>The workers' union has been registered in Manpower Agency Bangka Belitung Province no Kep.16/PDF.SPPP-SPSI/A-1/IX/2013 date 20th September 2013. The company together with its workers' union has been proceeded to register LKS Bipartit to Manpower Agency of Belitung Timur District dated 5th October 2015. The labour law (PKB) is available in Bahasa Indonesia and in line with Indonesia laws, UU no. 13 year 2003. The company also hold the socialization to socialize PKB/labour laws to workers and SPSI date 3<sup>rd</sup> October 2015.</p>

		<p>Union agreement (PKB) is explained by Union representatives and Management to employees. This agreement is clear with salary, overtime, insurance etc and in local language. Bipartite meeting is conducted conditionally between company and workers' union. It was noted the minutes of bipartite meeting dated 1<sup>st</sup> April 2017 was available.</p>
ASA 1	6.7	<p>The company has a policy to not employ workers under 18 years old, in their procedure (SOP NO 47 dated 1<sup>st</sup> March 2015) of workers recruitment procedure. It was stated both in the mill and estate that minimum age for workers shall not be under 18<sup>th</sup> years old.</p>
ASA 1	6.8	<p>The company has policy to support the equal opportunities and non-discrimination activity based on origin, group, religion, gender, country, skill, politic and age date 1<sup>st</sup> March 2015. The policy also included in KLK Sustainability policies.</p> <p>There is no discrimination ever happened in PT Parit Sembada, this statement was confirmed by workers and stakeholder that there is no discrimination ever happened in PT Parit Sembada.</p> <p>During audit, it was noted SOP for workers' recruitment (SOP no 47 dated 1st March 2015) is available. It was stated in that the company will ensure no discrimination in terms of race, religion, sexual, orientation, political affiliation in hiring of workers. It also mentioned about direct recruitment through recommendation from existing workers, village heads, local community, and those who walk in; the direct recruitment is done based on national and regional regulation; age above 18 years old; the interview question must not be discriminatory in nature; no discrimination in hiring workers; give priority for local community, medical check-up before starting to work, register workers in BPJS, introduction training, so on. It was observed the company has to pass the interview and medical check-up test before starting to work in PT Parit Sembada.</p> <p>Sighted Labour Documents of Mr Thomas Pardede such as his application form, legal identity card, his education certificate, his CV and medical check-up record.</p>
ASA 1	6.9	<p>In the KLK Sustainability Policies, it was stated that the company/supplier/contractors are not tolerated any forms of harassment and violence. The company also has complaints and grievance procedure (SOP no 20 dated 1st March 2015) and has 4 ways in delivering complaints/grievance.</p> <ul style="list-style-type: none"> <li>- Suggestion box</li> <li>- Log book</li> <li>- Livelihood chairman</li> <li>- Gender committee</li> </ul> <p>PT Parit Sembada has a committee gender which includes POM and estate employees. Data as below :</p> <p>Chairman : Ibu Paulina (bunch counter Buding) Secretary : Ibu Subardini (bunch counter Cendil)</p> <p>This committee has sub-commission such as harassment monitoring team, education sub commission, environment and skill sub-commission.</p> <p>According to Ibu Paulina, the committee has routine meeting every semester.</p>

		<p>The meeting will be attended by the representative workers from Buding and Cendil. The workers also aware of the present of gender committee in their work place. It was sighted the minutes of meeting gender committee of PT Parit Sembada dated 12<sup>th</sup> April 2017.</p> <p>The company has a policy to protect the reproductive rights signed by Production Manager dated 12th January 2015. The protections are:</p> <ol style="list-style-type: none"> <li>1. Menstruation leave</li> <li>2. Pregnant women will be given work which is not related with chemical.</li> <li>3. Get the maternity leave 1,5 months before and after maternity.</li> <li>4. For breastfeeding mother will not be given the related chemical works.</li> </ol> <p>The company held the KLK Sustainability socialization since they start working in KLK and done annually. SOP for grievance and complaint is available. Complainant can deliver their C&amp;G by: complaint logbook, Mandor, suggestion box, gender committee, hotline &amp; email, RSPO website.</p> <p>For whistleblower or anonym cases, the complaint/grievance can deliver via suggestion box or via secret logbook which is handle by General Manager. All complaints shall be resolved in 14 days' period.</p>
ASA 1	6.10	<p>Based on document review and field observation, it was observed total FFB external suppliers in PT Parit Sembada are 41 suppliers. The company has established SOP to calculate FFB price from external supplier. The price is determined by Ipoh Office in Malaysia. It was stated in SOP no 18 "Mekanisme Penentuan Tandan Buah Segar" dated 1<sup>st</sup> July 2014. However in Parit Sembada, the price is based on the decree of Agriculture Kepulauan Bangka Belitung which is issued every month.</p> <p>The MoU between PT Parit Sembada and its external suppliers are available. The MoU consists of the rights and obligation of first party and 2<sup>nd</sup> party including requirement from PS regarding applicable law/regulations such as the FFB shall not from the area which is in Production or Protection Forest area, can't hire workers under 18 years old, etc. It was sighted in "Surat Perjanjian Jual Beli TBS" with I Komang Ika Wanda no 019/PS-SPJB/I/2017, valid from 4<sup>th</sup> January 2017 – 31<sup>st</sup> December 2018 and "Surat Perjanjian Jual Beli TBS" with Nadiarsyah no 002/OS-SPJB/I/2017, valid from 4<sup>th</sup> January 2017 – 31<sup>st</sup> December 2018.</p> <p>It was noted that agreed time for payment is has been mentioned in the MoU. The payment is made every month, date 15.</p> <ul style="list-style-type: none"> <li>- Sighted payment for PT Sumber Cahaya Hasil Gemilang dated 17<sup>th</sup> July 2017.</li> <li>- Sighted payment for Kelompok Tani Bwana Loka dated 15<sup>th</sup> June 2017.</li> </ul>
ASA 1	6.11	<p>The company has established Programme of CSR. Both the mill and estate are committed and have contributed to local development. Main CSR Programs are education, employee welfare, community development and environment such as scholarship for children, road maintenance, tree planting, blood donor, etc. It was observed CSR budget plan for October 2016 – September 2017 was available and Sighted realization report for "khitan masal" dated 24<sup>th</sup> December 2017.</p> <p>There was no smallholder in PT Parit Sembada.</p>



ASA 1	6.12	<p>The company has a policy for not using forced labour or trafficked labour in KLK Sustainability Policies. The company defines the forced labour by not restricting the labour to go out from the mill/factory except in working hours and also won't deduct the payments except based on the regulations and already explained in the contract. In the workers' recruitment procedure, the recruitment process will be proceeding directly and not using agent to prevent any cost for applicants.</p> <p>In the company's policy (KLK Sustainability Policy), the company stated that not restricting the labour to go out from the mill/factory outside working hours. There was no penalty if the workers want to terminate their contracts, their legal (such as identity card, education certificate, and so on) documents also not kept by the company. According to Mr. Sukri and Mr. Tampubolon, the contract has 2 copies; one is kept by PT Parit Sembada mill and one for employee. According to Mr. Sukri, the company never substitute the contract. The statement was confirmed by interviewing harvester and sprayer of PT Parit Sembada. There was no migrant or temporary workers in PT Parit Sembada</p>
ASA 1	6.13	<p>The company has established the policy that respect and support the universal declaration of human rights in the inside of KLK Sustainability Policy. PT Parit Sembada has conducted socialization about the KLK Sustainability to stakeholders. It was sighted the minutes of stakeholder consultation dated 23<sup>rd</sup> December 2016 in PT SWP.</p>
<b>Principle 7: Responsible Development of New Plantings</b>		
<b>Criterion by Audit</b>	<b>Summary</b>	<b>There were no new plantings carried out.</b>
ASA 1	7.1	There is no new planting or operations, or expanding existing ones, therefore a formal SEIA not applicable.
ASA 1	7.2	There is no new land surveyed for the growing of oil palm. However there are sufficient SOPs available for the soil and land type that being implemented at all operating units.
ASA 1	7.3	There was no forest areas converted since November 2005.
ASA 1	7.4	The estate is fully with sandy soil.
ASA 1	7.5	Procedure of negotiating includes land valuation, company set values, and negotiation protocol between two parties will be manage by the Humas (Industrial Relation) Department.
ASA 1	7.6	No customary and legal rights identified. The company has a procedure to identify the people who may be entitled to receive compensation and also maintains records and details of any negotiations with details of any compensation or settlements made.
ASA 1	7.7	The company has a zero burning policy dated 4 <sup>th</sup> December 2013 by Mr Eyu Teong Po, company's regional director" for preparing land for planting and has a procedure in place to respond to land burning on neighboring properties.
ASA 1	7.8	No new planting applicable.

Principle 8: Commitment to Continuous Improvement in Key Areas of Activity		
Criterion by Audit	Summary	
ASA 1	8.1	<p>Sighted a regular monitoring and review of activities and development and implemented action plans that allow demonstrable continual improvement in key operations such as in minimizing use of certain pesticides, environmental impacts, maximizing recycling and minimizing waste or by-products generation, pollution prevention plans, CSR program.</p> <p>There is continual improvement plan titled “Rencana dan Realisasi Perbaikan Terus Menerus – (2016/2017)” prepared by Mr. Hui Yu Kong (Plantation Manager) updated 10/01/2017 is verified. The plan is constructed for:</p> <ul style="list-style-type: none"> <li>- Environment: ban of paraquat using, signboard maintenance, monitoring of recyclable waste etc.</li> <li>- Social: addition of water wells, CSR program, maintenance for mess drainage system</li> <li>- OSH: PPE usage, work accident, fire drill</li> <li>- Others: yield improvement program.</li> </ul>

**4.3 Non-conformity Raised During this Audit and Any from the Previous Year, if applicable**


This section gives an over view of new or revised non-conformities raised during this audit and of action taken to close out non-conformities raised during the previous audits, if applicable


- If a minor-non-conformity raised at the last audit, is not closed out, then this will be raised to Major status and the company given 60 days to close this out.
- The NC number is comprised of 2 parts to include the year in which the NC was raised as well as a sequential number.

**4.3.1 Non-Conformities Identified during this Audit**


The following NC’s were raised for this audit.


NC number:	01		
Client name:	PT Parit Sembada Complex		
Date raised:	15/08/2017		
Major or Minor:	Minor	Site:	PT Parit Sembada Estate
Raised by:	Ahmad Furqon	Deadline:	Next Annual Surveillance
<p><b>Aspect of standard: 4.7.3</b> 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.</p> <p><b>Specific Guidance:</b> Adequate and appropriate Personal Protective Equipment (PPE) shall be available to all workers at the workplace based on the result of Identification of Sources of Hazard and Risk Control including all potentially hazardous operations, such as the use of pesticides, operating machinery, land preparation, harvesting and if it is used, burning.</p> <p><b>Evidence of non-conformity:</b> During site visit and interview with field workers, 2 findings are find out:</p> <ul style="list-style-type: none"> <li>• Management not provide replacement for broken shoes to harvester.</li> <li>• The implementation of ‘Formulir Identifikasi Bahaya, Analisa Resiko Dan Pengendalian Resiko PT Parit Sembada 2017 Proses/Lokasi: Memanen TBS’ at field is not conducted.</li> </ul> <p>The demonstration for adequate and appropriate Personal Protective Equipment (PPE) to harvester is not available.</p>			

<b>Lead Assessor signature:</b> <b>Date: 15 August 2017</b> 	
<b>Ahmad Furqon</b> <b>Lead Auditor</b>	
<b>Root Cause Analysis and extent: (To be filled by Auditee)</b>	
<b>Corrective/Preventive Actions: (To be filled by Auditee)</b>	
<b>Evidence of Conformity:</b>	
<b>Review of evidences submitted to CUC:</b>	
<b>Conclusion by CUC:</b>	
<b>NC Status: Yes <input type="checkbox"/> (CLOSED) No <input checked="" type="checkbox"/> (OPEN)</b> <b>ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></b>	
<b>Lead Assessor signature:</b>	<b>Date:</b>

NC number:	02		
Client name:	PT Parit Sembada		
Date raised:	15 <sup>th</sup> August 2017		
Major or Minor:	<b>Minor</b>	Site:	Parit Sembada POM & Estate
Raised by:	Ahmad Furqon	Deadline:	Next surveillance audit
<b>Aspect of standard:</b> <b>6.1.4.</b> 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.			
<b>Evidence of non-conformity:</b> Social management plan review was not involved participation of affected parties, even though the result of social impact studies done by third party gives impact to stakeholders near PT Parit Sembada such as flies disturbance, oil palm waste, and so on.			
<b>Lead Assessor signature:</b> <b>Date: 15<sup>th</sup> August 2017</b> 			
<b>Ahmad Furqon</b> <b>Lead Auditor</b>			
<b>Root Cause Analysis and extent: (To be filled by Auditee)</b>			
<b>Corrective/Preventive Actions: (To be filled by Auditee)</b>			
<b>Evidence of Conformity:</b>			

<b>Review of evidences submitted to CUC:</b>	
<b>Conclusion by CUC:</b>	
NC Status: Yes <input type="checkbox"/> (CLOSED) No <input checked="" type="checkbox"/> (OPEN)	
ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<b>Lead Assessor signature:</b>	<b>Date:</b>

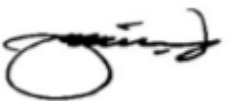
NC number:	03		
Client name:	PT Parit Sembada		
Date raised:	15 <sup>th</sup> August 2017		
Major or Minor:	Major	Site:	Parit Sembada POM & Estate
Raised by:	Ahmad Furqon	Deadline:	4 October 2017
<b>Aspect of standard:</b>			
6.5.1. Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.			
<b>Evidence of non-conformity:</b>			
Some workers both in POM and estate receives their wage from January-June 2017 below the minimum wage of Kepulauan Bangka Belitung Province, which is Rp 2.534,673.75/month.			
Evidence:			
<ol style="list-style-type: none"> <li>1. In POM, for workers who works in 3 shift in January – July 2017 receives Rp 2,534,670 which is RP.5,- below Province minimum wage.</li> <li>2. In estate, for harvester, the calculation of full days' income in January – June 2017 still below the Province minimum wage.</li> </ol>			
Example:			
<ul style="list-style-type: none"> <li>- Sighted payment slip of Mr Febriansyah dated May 2017 = 27 days * Rp 93,876 = Rp. 2,534,662.</li> <li>- Sighted payment slip of Mr Kahairudin on June 2017 = 26 days * Rp 97487 = Rp 2,534,652.</li> </ul>			
There is issue for harvester workers in bringing their wives for helping their works. The wives working there without having contract, which is not permitted by company policy as well as Indonesian laws.			
The company announcement for not allowing to bring husband/wife/other person for help their works. This announcement has socialized it to all workers but until now husband still bring their wives to help their works.			
<ul style="list-style-type: none"> <li>- Sighted announcement letter no 61/PS/ADM/IV/2017 dated 19th April 2017.</li> </ul>			
<b>Lead Assessor signature:</b>			
<b>Date: 15<sup>th</sup> August 2017</b>			
			
<b>Ahmad Furqon</b>			
<b>Lead Auditor</b>			
<b>Root Cause Analysis and extent: (To be filled by Auditee)</b>			
<ol style="list-style-type: none"> <li>1. Lack of awareness the clerk and officer about minimum wage</li> <li>2. Non-compliance of workers to company policy</li> </ol>			

<p><b>Corrective/Preventive Actions: (To be filled by Auditee)</b></p> <ol style="list-style-type: none"> <li>1. Refreshment training and conduct dissemination regarding the calculation of salary in accordance with the minimum wage (UMP)</li> <li>2. The company has issued a memo which state the prohibition of workers bringing others who do not have the contract during work.</li> <li>3. Employee have to make a statement that stated they will not bring others who do not have a working relationship (contract) during work.</li> <li>4. Special discussions in management reviews related to workers who still carried their wives at harvest time, as well as evaluation of the dissemination that has been done.</li> <li>5. Management conducts the daily monitoring performed by assistant and mandore of harvest to ensure no more carrying wife during harvest work.</li> </ol>	
<p><b>Evidence of Conformity:</b></p> <ul style="list-style-type: none"> <li>- Internal Memo PT Parit Sembada no. 61/PS/ADM/IV/2017, dated 19 April 2017, approved by Mr Hui Yu Kong, regarding The Prohibition of bringing a wife/other person during work.</li> <li>- List attendance and meeting minute Dissemination of The Prohibition of bringing a wife/other person during work, dated 31 August 2017</li> <li>- Letter of reprimand to employee who has committed an offense against the prohibitions of bringing wife, has approved by Rony Sonyardi (estate manager) dated 29 August 2017</li> </ul>	
<p><b>Review of evidences submitted to CUC:</b></p> <p>The company already identified the employee who earn salary below the minimum wage (UMP), and it has been paid to the employees concerned on payment of salary on August 2017. The company has conduct dissemination regarding the calculation of salary in accordance with the minimum wage (UMP). Estate has given sanctions in the form of written warning to workers who do not comply with company policies that prohibit taking a wife while working. Management review, refreshment dissemination, and daily monitoring regarding the prohibitions of bringing wife has been conducted by estate. The corrective action has been done effectively.</p>	
<p><b>Conclusion by CUC:</b></p> <p>The verification NC closure assessment carry out is evident and therefore this <b>major non-compliance is closed</b></p>	
<p><b>NC Status:</b> Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN)</p> <p><b>ON SITE VERIFICATION REQUIRED</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p><b>Lead Assessor signature:</b></p>  <p><b>Ahmad Furqon</b> Lead Auditor</p>	<p><b>Date:</b> 5<sup>th</sup> October 2017</p>

**4.3.2 Non-Conformity Identified during the last ASA, not applicable for MA**


The following NC's were raised during the last audit and the status was reviewed as indicated below.

NC number:	01/2015
Client name:	PT Parit Sembada Complex (Parit Sembada POM)
Date raised:	24 <sup>th</sup> December 2015
Major or Minor:	Major
Raised by:	Muhammad Syafiq
<p><b>Aspect of standard:</b> : 4.8.1 (Major)</p> <p>A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.</p>	
<p><b>Evidence of non-conformity:</b></p> <p>Training programme sighted at mill not effectively covered all training as per "Training Identification" document prepared. Awareness about RSPO found lack among workers and staff. Awareness of RSPO needs to reach all levels of staff and workers. Constant and consistent training with regards to the RSPO standard needs to be</p>	

given to the workers.	
<b>Root Cause Analysis and extent: (To be filled by Auditee)</b>	
<ol style="list-style-type: none"> <li>1 Lack of awareness about RSPO.</li> <li>2 Evaluation of workers's understanding on RSPO needs to be conducted in a time manner</li> </ol>	
<b>Corrective/Preventive Actions: (To be filled by Auditee)</b>	
<ol style="list-style-type: none"> <li>1 Mill has been conducted the RSPO Training to their workers.</li> <li>2 Sighted 9 training done by mill management since January 2016-May 2016.</li> <li>3 Adequate information was made available for all workers involved in mill operation. Also regarding RSPO method.</li> <li>4 Mill will update the RSPO information to all the workers through the training programme that established by mill management.</li> <li>5 Evaluation of workers's understanding on RSPO will maintained.</li> </ol>	
<b>Review of evidences submitted to CUC:</b>	
Mill already submitted the training programme with the evidence. Sighted one of evidence that done on year 2016. Training for "Pelatihan Prinsip dan Kriteria RSPO" on 10th May 2016, conducted by Mill Manager and attended by 66 persons.	
<b>Conclusion by CUC:</b>	
The verification NC closure assessment carry out is evident and therefore this major non-compliance is closed.	
<b>Lead Assessors Signature:</b> Muhammad Syafiq 	<b>Date:</b> 27 <sup>th</sup> June 2016


NC number:	02/2015
Client name:	PT Parit Sembada Complex (Parit Sembada POM)
Date raised:	24 <sup>th</sup> December 2015
Major or Minor:	Minor
Raised by:	Muhammad Syafiq
<b>Aspect of standard:</b> : 4.7.5 (Minor)	
Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.	
<b>Evidence of non-conformity:</b>	
During field visit to harvester team at Buding Division, found 2 items in first aid box carried by mandore has expired e.g Iodine (Betadine – Ex.2012 & Povidon – Ex. Oct 2015). Further, no record of items usage was maintained.	
<b>Root Cause Analysis and extent: (To be filled by Auditee)</b>	
<ol style="list-style-type: none"> <li>1. Lack of mandore awareness regarding standard of first aid box item</li> <li>2. Competency of First aid box PIC eas inadequate</li> </ol>	
<b>Corrective/Preventive Actions: (To be filled by Auditee)</b>	
<ol style="list-style-type: none"> <li>1. Conduct training to increase competency of mandore regarding First aid box.</li> <li>2. Conduct regular monitoring and review .</li> <li>3. Estate will update the RSPO information to all mandore regarding the item of first aid box.</li> </ol>	
<b>Review of evidences submitted to CUC:</b>	
Estate already submitted the training programme with the evidence. Sighted one of evidence that done on year 2017. Training for "First box aid" on 10th January 2017, conducted by sustainability team and estate manager.	
<b>Conclusion by CUC:</b>	
The verification NC closure assessment carry out is evident and therefore this minor non-compliance is closed.	

<b>Lead Assessors Signature:</b> <b>Ahmad Furqon</b> 	<b>Date:</b> 14 August 2017
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NC number:	03/2015
Client name:	PT Parit Sembada Complex (Parit Sembada POM)
Date raised:	24 <sup>th</sup> December 2015
Major or Minor:	Minor
Raised by:	Muhammad Syafiq
<b>Aspect of standard:</b> : 6.1.3 (Minor) Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.	
<b>Evidence of non-conformity:</b> The plan for 2014 & 2015 has the same objective and same actions even though the 2014 monitoring states 'completed'. No new objective or action added to 2015 after review of 2014 mitigation plan. The auditee also couldn't show the 2014 social plan during audit time even though they could show during previous audit. As evidence in Social Plan 2015.	
<b>Root Cause Analysis and extent: (To be filled by Auditee)</b> Lack of PIC social awareness regarding objective and action in social plan.	
<b>Corrective/Preventive Actions: (To be filled by Auditee)</b> <ul style="list-style-type: none"> <li>• Conduct training to increase competency of SIA and Social plan PIC.</li> <li>• Perform benchmarking and made standards for assessment and reporting social plan.</li> <li>• Conduct regular monitoring and review</li> </ul>	
<b>Review of evidences submitted to CUC:</b> The company already identified the objective and actions regarding social impact assessment. The company has training for "social impact and monitoring" on 21th January 2017, conducted by sustainability team and estate manager. The corrective action has been done effectively.	
<b>Conclusion by CUC:</b> The verification NC closure assessment carry out is evident and therefore this minor non-compliance is closed.	
<b>Lead Assessors Signature:</b> <b>Ahmad Furqon</b> 	<b>Date:</b> 14 August 2017

#### 4.3.3 Observations Raised During this Audit

Client name:	PT Parit Sembada
Date raised:	15th August 2017
Raised by:	Ahmad Furqon
Aspect of standard	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.
The mechanism is less effective because workers needs to come to the office to deliver their complaint. The system should be able to handle formal and informal complaint.	

<p><b>Evidence:</b> Grievance from SPSI has been addressed to the management in regards to annual PPE distribution that makes workers need to purchase PPE by themselves if the PPE broken before October 2017. However, there is no record regarding the complaint and there is no respond given by management regarding this grievance according to the SPSI representatives.</p>	
<p><b>Lead Assessors Signature:</b> <b>Ahmad Furqon</b></p> 	<p><b>Date:</b> 14 August 2017</p>

#### 4.4 Issues that were raised during the Stakeholder Consultation, if any

Stakeholders that are likely to have information relevant for the evaluation was identified during the evaluation planning process.

- For Main and Re-Assessments, a 30 day Stakeholder consultation announcement is published on the RSPO website prior to the audit. The same announcement is circulated by the client and independently by the Control Union prior to the audit.
- For subsequent Annual Assessments, it is based on stakeholders reading the approved public summary reports available on the RSPO website, the client's procedures in receiving on-going feedback or if feedback was sent directly to Control Union prior to an audit or thorough RSPO complaints procedures.

Prior to and during all assessments (Main and annual), the audit team will seek to gather evidence about all relevant principles and criteria directly from stakeholders including statutory bodies, indigenous peoples, local communities (including displaced communities, if any), workers and workers' organizations [including migrant workers], smallholders, and local and national NGOs.

During each assessment the audit team will review the company's implemented procedures in receiving feedback and will execute field visits and interviews. Not limited to the following questions, any feedback received is reviewed and summarized in this summary report for either Part 2 – Partial Certification or Part 4 – Assessment Findings above or noted below, if applicable:

1. Do you have any remarks on the RSPO standard?
2. What is your relation with the applicant?
3. Are there any plantation or mill management practices that affect you?
4. Do you consider any management is in conflict with the RSPO principles and criteria?
5. Do you have any suggestions for management?
6. Are you aware of any HCV in the plantations or in adjacent land?
7. Are you aware of any endangered or rare species?
8. Are there any adverse (or positive) effects on local communities?
9. Additional comments?
11. Do you have any comments about the assessment team and would you like to meet with them?
12. Do you have any comments for the client's management of any other plantations?



RSPO Principle	Stakeholder comment	CUC response
<p>1 Commitment to transparency</p> <p>2 Compliance with applicable laws and regulations</p> <p>3 Commitment to long-term economic and financial viability</p> <p>4 Use of appropriate best practices by growers and millers</p> <p>5 Environmental responsibility and conservation of natural resources and biodiversity</p> <p>6 Responsible consideration of employees, and of individuals and communities affected by growers and mills</p> <p>7 Responsible development of new plantings</p> <p>8 Commitment to continuous improvement in key areas of activities</p>	<p>This stakeholder comments are including all 8 main principles complied with RSPO Principles &amp; Criteria. Below are the cited responses gained during consultation:</p> <ul style="list-style-type: none"> <li>• No delaying in reporting</li> <li>• Company conducted best practices in managing the issues of environment pollution</li> <li>• Company is fully complied with law and regulations</li> <li>• Accidents were reported to Dinas Tenaga Kerja and fully addresses by company</li> <li>• There is no tripartite meeting conducted yet until now among PT Parit Sembada, workers' union and Dinas Tenaga Kerja Belitung Timur</li> <li>• The company advertises jobs to villages surrounding PT PS.</li> <li>• Most of local workers are local people who live near to the company.</li> <li>• There is no fire accident happened in the past few years and company socializes regarding fire usage for agriculture propose to the surrounding local communities.</li> <li>• The company actively participate in mitigating forest and land fire</li> <li>• Plenty of CSR has been contributed to local communities</li> <li>• Positive contribution for workers' priorities</li> <li>• There is no land conflict and land compensation in PT PS area.</li> <li>• The company implements work contract well with contractor or third party.</li> <li>• All FFB suppliers are satisfied with the business partnership.</li> </ul> <p>From consultation, request / feedback / comments are recorded from stakeholders and company has already given feedback. Following are the inputs:</p> <ul style="list-style-type: none"> <li>• Stakeholder requested for company to</li> </ul>	<p>All are positive comments</p>

	<p>replace their PPE less than a year, since currently, company only replace the PPE once a year so that if workers' PPE broken, they need to buy it by themselves or even they will not use a proper PPE.</p> <p>Company feedback : The annual PPE distribution has become company's policy; the company will analyze it more regarding this policy.</p> <ul style="list-style-type: none"> <li>Stakeholder request for village road maintenance that are passed by company's transportation.</li> </ul> <p>Company feedback : The road maintenance has become routine CSR program.</p> <ul style="list-style-type: none"> <li>One of stakeholder complaints regarding waste of empty FFB or dry FFB that is fallen off on villages area or road so that it can make the road unsafety,</li> </ul> <p>Company feedback : The company has been socialized to the driver and will evaluate it again regarding the net that is used to cover the empty/dry FFB whether it is effective or not.</p>	
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#### PART 5: RSPO SUPPLY CHAIN CERTIFICATION

The palm mill mentioned in the scope of the audit was audited against the requirements of the following:  
RSPO Supply Chain Certification Systems. November 2014  
RSPO Supply Chain Certification Standard. November 2014

#### 5.1 POM Included In The Scope Of The Audit

Name Palm Oil Mill (POM)	Mill Capacity MT/Hour	Location Address	Supply Chain Model (IP or MB)
Parit Sembada Palm Oil Mill	60	Jalan Raya Tanjungpandan-Manggar, Desa Buding, Kec. Kelapa Kampit, Kab. Belitung Timur, Prov. Kepulauan Bangka Belitung, Indonesia, 33471	MB

#### 5.2 Confirmation Of The Company's Summary Of Annual Certified Volume Of RSPO Certified Palm Oil And Palm Kernel Over A Specified Period

Product CU Code	CPO (MT)	PK (MT)	Specified 12 month period
POM 1	2,607.170	536.730	Actual volumes between August'16 – July'17. See also 1.6 above.

### 5.3 Summary Report Including A Brief Description Of The Scope Of Certification

PT Parit Sembada POM is running under approved capacity of 60 MT/Hour to process FFB received from own estates and external supplier. RSPO certified FFB received will converted into RSPO certified CPO and PK under CPO-Mills: Mass Balance (MB) model. As in Nov 2015, the mill has recorded 22.00 % Oil Extraction Rate (OER) from the production.

Actual quantities of FFB delivered to the mill is entered into a central computer system and the actual quantities of CPO and PK produced are also entered and the OER is known. The quantities of CPO and PK are shown in real time and summarized each day on a spreadsheet. FFB price is displayed at the weighbridge and OER and KER calculation is well maintained.

A full RSPO SCCS certification audit was used during this Annual Surveillance Assessment and the findings support the certification based on supply chain model listed above.

### 5.4 Monthly Records of Certified and Uncertified FFB Received Since the Last Audit In case of Main Assessment, it shall be the last 12 month figure.

Figure are actual FFB production on monthly basis

No	MONTH-YEAR	Certified Supply Bases (MT)	Uncertified Supply Bases (MT), if any	Total (MT)
1	August 2016	-	11,463.660	11,463.660
2	September 2016	-	19,472.820	19,472.820
3	October 2016	2,930.200	24,606.660	27,536.860
4	November 2016	4,140.480	22,581.690	26,722.170
5	December 2016	1,222.760	25,404.800	26,627.560
6	January 2017	1,110.200	24,665.370	25,775.570
7	February 2017	587.850	22,982.850	23,570.700
8	March 2017	-	28,124.030	28,124.030
9	April 2017	122.610	29,425.960	29,548.570
10	May 2017	398.280	29,840.130	30,238.410
11	June 2017	1,068.480	23,581.540	24,650.020
12	July 2017	643.090	20,719.100	21,362.190
<b>TOTAL</b>		<b>12,223.950</b>	<b>283,456.550</b>	<b>295,680.500</b>

### 5.5 Monthly Records of Certified CPO and PK Since the Last Audit In case of Main Assessment, it shall be the last 12 month figure.

Figure are actual CPO and PK production on monthly basis

No	MONTH-YEAR	Certified CPO (MT)	Certified PK (MT)
1	August 2016	-	-
2	September 2016	-	-
3	October 2016	608.711	116.729
4	November 2016	876.650	179.769
5	December 2016	248.528	59.265
6	January 2017	242.722	55.861
7	February 2017	127.628	27.629
8	March 2017	-	-
9	April 2017	26.917	5.747
10	May 2017	88.514	18.754
11	June 2017	252.912	52.220
12	July 2017	134.589	20.753
<b>TOTAL</b>		<b>2,607.170</b>	<b>536.730</b>

**5.6 Records of Certified CPO & PK Sold under GreenPlam to Buyers since the Last Audit, if Any**

In case of Main Assessment, it shall be the last 12 month figure.

Figure are actual Certified CPO & PK Sold under GreenPlam to Buyers on monthly basis

No	Buyers Name	GreenPalm Trading No	Certified CPO (MT) Sold	Certified PK (MT) Sold
1	Nil			
2				
3				
4				
5				
6				
7				
8				
9				

**5.7 Records of Certified CPO & PK Sold under UTZ eTrace to Buyers since the Last Audit, if Any**

In case of Main Assessment, it shall be the last 12 month figure.

If this is an Annual Surveillance Assessment, the figures used are since the last audit.

The transactions were sighted form the clients registered UTZ eTrace Account.

No	Buyers Name	UTZ eTrace Trading No	Certified CPO (MT) Sold	Certified PK (MT) Sold
1	PT.SWP		-	406.720
2				
3				
4				
5				
6				
7				
8				
9				

**5.8 Non-Conformities Identified during this Audit**

**Timeline for compliance:**

1. All non-conformances observed during an audit shall be classified as 'major' since all requirements for Supply Chain certification have to be met before granting certification.
2. For Main Assessments, all non-conformances shall be addressed satisfactorily by the operation before certification may be granted by the certification body. If non-conformances are not addressed within three (3) months of the audit, a full re-audit shall be required. The certification body shall assess the effectiveness of the corrective and/or preventive actions taken before closing out the non-conformances.
3. For Annual Surveillance Assessments, non-conformances raised after the certification are serious (i.e. must be considered as a major) and the integrity of the RSPO Supply Chain Certification is at risk. A maximum of one month is to be given to the certified client to satisfactorily address the non-conformance. The certification body shall assess the effectiveness of the corrective and/or or preventive actions taken. Should the nonconformance not be addressed within the one-month maximum timeframe, a suspension or withdrawal of the certificate and a full re-audit may be necessary.
4. If no non-conformances are observed at an audit or when the corrective action plan has satisfactorily addressed raised non-conformance(s), the client shall be recommended for (re-) certification.

Non-were raised during this audit.

NC Number:	Nil
Date:	
Reference to standard:	
Standard requirement:	
Evidence of non-compliance:	

### 5.9 Description of the Organizational Management Systems

Including organizations, management and operational systems to ensure compliance with the RSPO Supply Chain Certification Systems and Standards as detailed above

This palm oil mill and its supply bases were audited against RSPO SCCS. The mill processing capacity is 60 ton FFB per hour. The mill is capable of handling MB supply chain model.

### 5.10 Final Certification decision by Control Union for the RSPO SCCS Audit of the POM

Recommendations made:	Yes
Summary of non-compliances:	
Certification status of client:	<p>The POM included in the scope of this audit demonstrated full compliance with the RSPO SCCS.</p> <p>With effect from the certification date given in the RSPOPC certificate, this POM mentioned in the scope of this report is considered to be certified in accordance with the RSPO SCCS.</p>

**PART 6: CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

**6.1 Date of next ASA**

The provisional date for the next ASA is: July 2018 (ASA 2)

**6.2 Date for Closure of Non-Conformities**

See sections above for details of NC's, if any

- All major NCs to be closed by: 04/10/2017
- All minor NCs to be closed by: Before next surveillance audit

**6.3 Signing by the Client**

I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in this document .

I also confirm:

- Acceptance of liability in execution of the instructions given.
- That this company was made aware that the findings of the audit team are tentative; pending review and decision making by the duly designated representatives of Control Union Certifications.
- That during the closing meeting all agenda items was covered by the Lead Auditor.

**Acknowledged by:**

Name: Rajoo Sinnappan  
Position: Agricultural Director  
Date: 07/10/2017



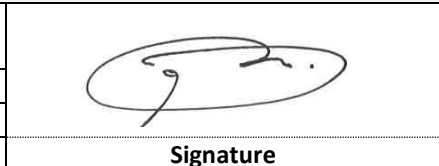
PT PARASEMBADA  
Signature

**6.4 Signing by the Lead Auditor**

I the undersigned, being the Lead Auditor, confirm that this report is an accurate record of the findings and of the closing meeting. I further confirm that the summary of the findings as presented in this report are a true representation of the actual findings of the audit team.

**Acknowledged by:**

Name: Ahmad Furqon  
Position: Lead Auditor  
Date: 28/08/2017



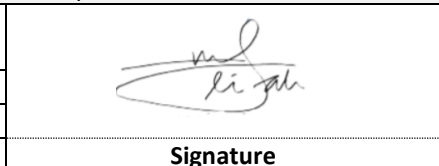
Signature

**6.5 Signing by the Certifier**

I the undersigned, being the Certifier, confirm that the information and conclusions included in this report have been prepared in good faith and that the certification decision has been based upon this information.

**Acknowledged by:**

Name: Nor Atiqah  
Position: Certifier  
Date: 11/10/2017



Signature

**PART 7: APPENDICIES**

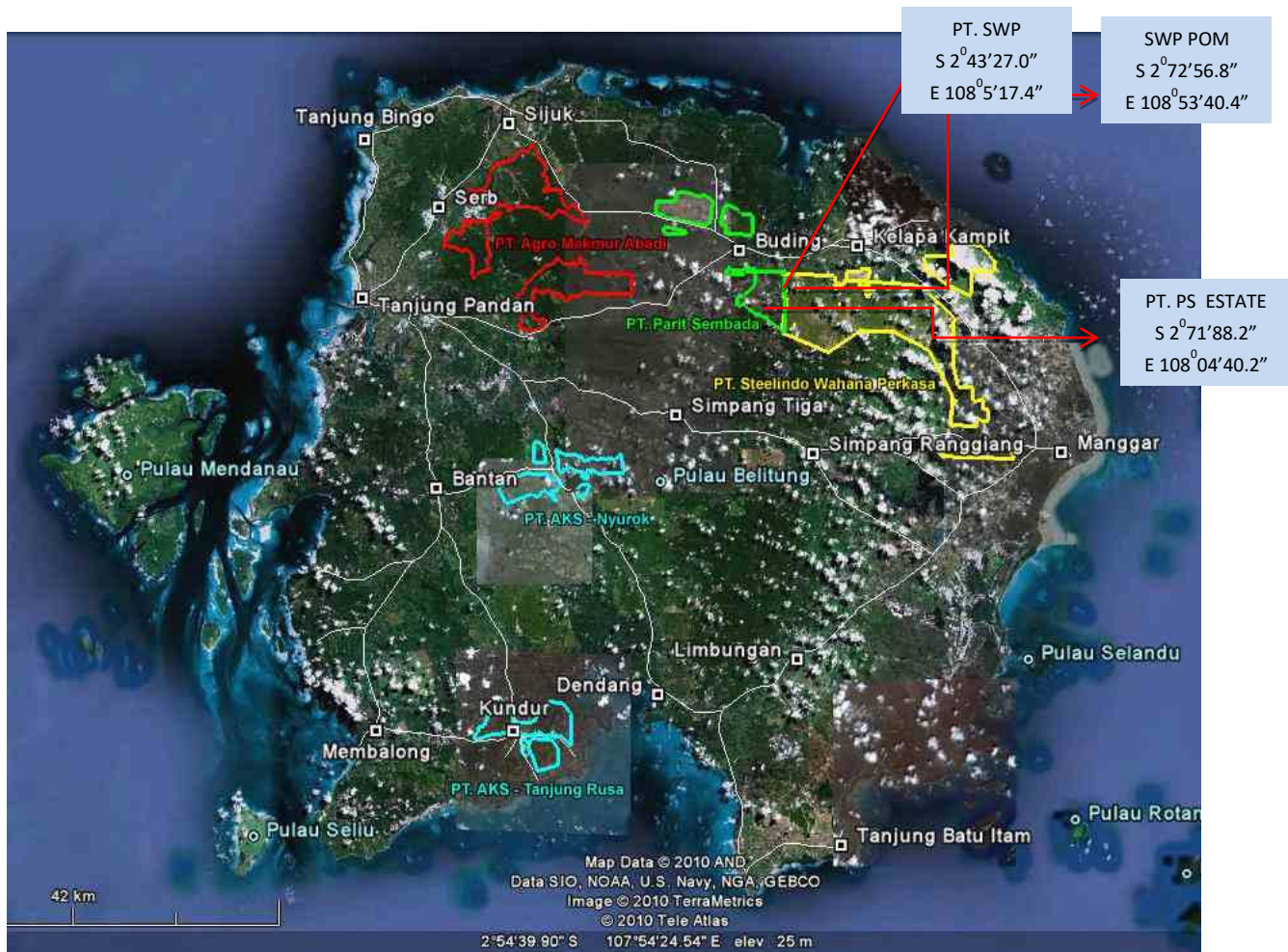
**Appendix 1: Location Map for this Certification Unit**

From 1.9, the location map(s)









## Appendix 2: Summary of GHG Emissions

All data inputs and the use of RSPO PalmGHG Calculator (include the version number) have been verified with the final summary of the net GHG emissions (tCO<sub>2</sub>e/tCPO) figure in relation to C5.6

Calculation option applied for the reporting: Full Version / Apply November 2005 cut off for LUC / Exclude LUC Emission [Select as applicable]

### Summary of Net GHG Emissions

Emissions per Product	tCO <sub>2</sub> e/tProduct
CPO	0.51
PK	0.51

Extraction	%
OER	21.47
KER	4.51

Production	t/yr
FFB processed	182,279.86
CPO Produced	39,144.163

Land use	ha
OP planted area	8249
OP planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	324.08
<b>Total</b>	<b>8573.08</b>

### Summary of Field Emissions and Sinks

Emissions	Own Crop			Group		3 <sup>rd</sup> Party	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ Ha	tCO <sub>2</sub> e/ tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ tFFB
Land Conversion	47325.89	9.36	0.48	-	-	-	-
*CO <sub>2</sub> Emissions from Fertiliser	6510.66	1.31	0.07	-	-	-	-
**N <sub>2</sub> O Emissions	6999.47	1.33	0.07	-	-	-	-
Fuel Consumption	637.08	0.13	0.13	-	-	-	-
Peat Oxidation	0	0	0	-	-	-	-
<b>Sinks</b>							
Crop Sequestration	-47325.89	-9.36	-0.48	-	-	-	-
Conservation Sequestration	-42.09	-0.01	0	-	-	-	-
<b>Total</b>	<b>14105.12</b>	<b>2.75</b>	<b>2.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Summary of Mill Emissions and Credits

	Own Crop	
	tCO <sub>2</sub> e	tCo <sub>2</sub> e/tFFB
<b>Emissions</b>		
POME	18,169.41	0
Fuel Consumption	524.63	0
Grid Electricity Utilisation	0	0
<b>Credits</b>		
Export of Grid Electricity	-3302.84	-0.02
Sales of PKS	-5243.85	-0.03
Sales of EFB	0	0
<b>Total</b>	<b>10,147.35</b>	<b>0.06</b>

### Palm Oil Mill Effluent (POME) Treatment

Divert to compost	0 %
Divert to anaerobic digestion	100 %

### POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	100 %
Divert to methane capture (flaring)	0 %
Divert to methane capture (electricity generation)	0 %

### Appendix 3: GHG assessment for new plantings

GHG assessment report for new plantings developed as per 'Chapter 6 – Reporting of GHG assessment for new plantings' within RSPO GHG Assessment Procedure for New Plantings Version 3 was verified by the auditors as part of this evaluation in relation to C7.8

Note: Extract the GHG assessment for new plantings developed by the client under 'Chapter 6 – Reporting of GHG assessment for new plantings' in RSPO GHG Assessment Procedure for New Plantings Version 3 and list below.

### Appendix 4: List of Abbreviations

AMDAL	Analisis Mengenai Dampak Lingkungan
BOD	Biological Oxygen Demand
BRC	British Retail Consortium
CHRA	Chemical Health Risk Assessment
CoC	Chain of Custody
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
CU	Control Union
CUC	Control Union Certifications
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
ERT	Endangered Rare or Threatened species
EU	European Union
FFB	Fresh Fruit Bunch

FSC	Forest Stewardship Council
FSC COC	Forest Stewardship Council Chain of Custody
FSC FM	Forest Stewardship Council Forest Management
GGL	Green Gold Label
GMP	Good Manufacturing Practice
GOTS	Global Organic Textile Standard
GTP	Good Trading Practice
GPS	Global Positioning System
HACCP	Hazard Analysis and Critical Control Point
HCV	High Conservation Value
HCVF	High Conservation Value Forest
HGU	Hak Guna Usaha
IPM	Integrated Pest Management
JAS	Japanese Agricultural Standard
MSDS	Material Safety Data Sheet
NC	Non Conformity
OE	Organic Exchange
OER	Oil Extraction Rate. (CPO as a % of the mass of FFB).
OSH	Occupational Safety and Health
OSHAS	Occupational Safety and Health Assessment Scheme
P&C	Principle and Criteria
PEFC	<i>Programme for the Endorsement of Forest Certification</i>
PET	Polyethylene Terephthalate
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RKL	Rencana Pengelolaan Lingkungan Hidup
RPL	Rencana Pemantauan Lingkungan Hidup
RSPO	Roundtable on Sustainable Palm Oil
RSPO NI	Roundtable on Sustainable Palm Oil National Interpretation
RTE	Rare, Threatened, and Endangered
SA8000	Social Accountability 8000
SEIA	Social Environmental Impact Assessment.
SIA	Social Impact Assessment
SOCSSO	Social Security Organisation
SOP	Standard Operating Procedure
UKL/UPL	Upaya Pengelolaan lingkungan (UKL) / Upaya Pemantauan Lingkungan (UPL)
USDA/NOP	United States Department of Agriculture – National Organic Program
MT	Metric Tonnes
WHO	World Health Organization