

RSPO PRINCIPLES & CRITERIA
PUBLIC SUMMARY REPORT
MAIN ASSESSMENT

<p>Indonesia</p> <p>PT SARANA PRIMA MULTI NIAGA POM</p> <p>TSH Resources Berhad</p> <p>2015</p>

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Certifying Office		
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Control Union Certifications	
<p>Control Union Certifications is a member of the Control Union World Group - an international inspection and certification body. CUC performs assessments 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.</p> <p>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 GLOBALGAP program. When requested a copy of the accreditation certificate can be obtained from CUC.</p> <p>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.</p>	
RSPO Membership Number	8-0025-06-000-00
RSPO Approval Date	12/01/2006
Affiliate Membership	http://www.rspo.org/en/member/339

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PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT

1.1 Company and Contact Details

Company Name:	TSH Resources Berhad
Business Address:	Menara TSH, No 8, Jalan Semantan, Damansara heights, Kuala Lumpur, Malaysia
Contact Person:	Mr. Selwendran S.Wendran
Office Telephone:	+603-20840888
E-Mail:	selwendran@tsh.com.my
Web Site:	www.tsh.com.my
Other Certifications Held:	Nil

1.2 RSPO Membership & Certification Details

RSPO Membership Number:	1-0173-14-000-00
Registered Client Name:	TSH Resources Berhad
Certificate Number:	CU-RSPO-839451
Start Date Of Certificate:	13 May 2016
End Date Of Certificate:	12 May 2021
Date Of Original Certification:	13 May 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 Main / Annual Surveillance Assessment Details

Dates Of This Audit:	27 th – 29 th July 2015
Audit Number:	Main Assessment

1.4 Assessment Type

This is a main assessment and Principles and Criteria [2013] for the Production of Sustainable Palm Oil - Endorsed by the RSPO Executive Board and accepted at the Extraordinary General Assembly by RSPO Members on April 25th 2013. (Including Major Indicators endorsed by RSPO Board of Governors on 15 November 2013).

1.5 Location of the Palm Oil Mill

Name Palm Oil Mill (POM)	Mill Capacity MT/Hour	Location Address	GPS Reference	
			Longitude	Latitude
PT Sarana Prima Multi Niaga	45	Subdistrict Cempaga Hulu and Parenggean, Kabupaten Kotawaringin Timur, Kalimantan Tengah, Indonesia.	112°55.74' E	01°59.97'S

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:
 - a. PART 1, Section 1.7 – General Description of Supply Base,
 - b. PART 2: Partial Certification, Section 2.4 – Uncertified Units or Holdings,
 - c. PART 5: RSPO Supply Chain Certification of this report

Projected Production from the last 12 Months (MT)			Actual Production for this Audit Year July 2014- June2015(MT)			Projected 12 Months (MT) Forecast Certified in this Report		
FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
-	-	-	172,527	38,153	5,965	204,636	45,019	6,139

1.7 General Description of Supply Base

PT Sarana Prima MultiNiaga Palm Oil Mill (SPMN POM) located in Subdistrict Cempaga Hulu and Parenggean, Kabupaten Kotawaringin Timur, Kalimantan Tengah, Indonesia. The mill's main supply base is PT Sarana Prima Multi Niaga Estate (SPMN Estate) which consists 7114.14 hectares of land. SPMN Estate is divided onto two divisions, SPMN Estate I and SPMN Estate II. Out of total 6,970 hectares of oil palm planted area, 6,870 hectares are matured land which has produced 172,166.69 MT of FFB for the period of 12 months accounting from July 2014 to June 2015. The mill also receives small amount of FFB from PT Mitra Jaya Cemerlang Estate (MJC), one of TSH Resources Bhd's estate which is located at Desa Tumbang Tanjung, Kabupaten Katingan, and Kalimantan Tengah. For the last 12 months MJC has supplied 360.62 MT of FFB to SPMN Mill. According to TSH Resources Bhd's Sustainability Department Head, Assistant General Manager Mr Selwendran, crop received from PT Mitra Jaya Cemerlang Estate is on temporary basis as the estate is located at about 3 hours of drive from the mill and it is not conducive to transport FFB from such long far distance. PT Mitra Jaya Cemerlang which has been listed in TSH Resources Bhd's Time Bound Plan, is planned to go for RSPO P&C Certification in year 2017.

As for the forecast figure for next 12 months stated in 1.6 is includes FFB from SPMN own supply base is amounting 200,000MT and 4,636 MT from PT Mitra Jaya Cemerlang.

1.7.1 Location of the Supply Base

OPP	Oil Palm Plantation	Location	GPS reference		Area Summary (Ha)	
	Name	Address	Longitude	Latitude	Total (HGU)	Mature
OPP 1	PT Sarana Prima Multi Niaga Estate	Subdistrict Cempaga Hulu and Parenggean, Kabupaten Kotawaringin Timur, Kalimantan Tengah, Indonesia	E 112°55'41.08"	N 1°57'11.50"S	7,114.14	6,860.00
TOTAL					7,114.14	6,860.00

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 Sarana Prima Multi Niaga	200,000	2004-2014	25
TOTAL		200,000		

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 Sarana Prima Multi Niaga	57.8	26.0	Yes
TOTAL		57.8	26.0	
* 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
OPP 1	0	978	5690	292	6,960

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	-	-
Explanation as to the selection of estates sampled			
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			

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
There is no associated smallholder or out grower for PT Sarana Prima Multi Niaga. Supply bases are their own estates which already listed in the time-bound plan for RSPO Certification.

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: a. Explaining the legal relationship and the management arrangements with the subsidiary companies and / or with any operating groups?	-	Go to 2.1.4	Go to 2.2.1
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?	The updated time bound plan has included all its mills and estates which under TSH Resources Bhd. On exclusion of six of TSH Resources Bhd's subsidiaries which were not included in the initial time bound plan that noticed during the audit namely PT. Mitra Jaya Cemerlang, PT. Bulungan Citra Agro Persada, PT. Munte Waniq Jaya Perkasa, PT. Perkebunan Sentawar Membangun, PT. Prima Usaha Sukses and PT. Andalas Wahana Sukses were later included in the revised time bound plan established on 19 August 2016.	Yes

2.3.2	Is the time bound plan challenging? ➤ Age of plantations. ➤ Location. ➤ Mill development. ➤ Infrastructure. ➤ Compliance with applicable law.	Yes. The updated time bound plan has included all estates and mills with the plan to certify all operating units by 2019.	Yes
2.3.3	Have there been any changes since the last audit? Are they justified?	This is the first main assessment for the company.	Yes
2.3.4	If there have been changes, what circumstances have occurred?	NA	Yes
2.3.5	Have there been any stakeholder comments?	No complaints received from stakeholder public announcement in RSPO website.	Yes
2.3.6	Have there been any newly acquired subsidiaries?	The latest unit acquired by the company is PT. Prima Usaha Sukses in year 2014 which is already in the time-bound plan to be certified in year 2019.	Yes
2.3.7	Have there been any isolated lapses in the implementation of the plan?	PT Sarana Prima Multi Niaga POM and Estate are the first mill and estate that planned in the time bound plan to be certified. PT. Andalas Agro Industri POM and its supply base PT. Laras Internusa have implemented ISPO and in the processes of implementing RSPO. HCV and SIA have been completed. Public consultation has been scheduled in August / September 2015. The progress of other mills and estates that planned to be certified by 2016 shall be assessed during next surveillance audit.	
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?	This is the first main assessment for the company.	Yes

2.4 Un-Certified Units or Holdings			
Section	Requirement	Findings and any action required	Compliance
NOTE: Companies may demonstrate compliance by clear evidence of a self-audit (i.e. an internal audit for all subsidiaries, estates and Palm Oil Mills)			
2.4.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Due Diligence assessment was conducted by SGS for all the uncertified units prior to RSPO membership and the assessment report dated 29 September 2014 has positive statement. In its conclusion.	Yes
2.4.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	The company has carried out first stage of LUCCA for group level for all its' plantation and the Gross Liability was submitted to RSPO on 15 May 2015. The LUCCA was carried out by the company appointed consultant, Malaysian Environmental Consultants Sdn Bhd. Sighted email correspondence by TSH Resources Bhd's Sustainability Manager Mr Arvind to RSPO secretariat and acknowledgement by Ms Oi Soo Chin of RSPO secretariat that she has received "submission of THS Resources Berhad's liability disclosure" in email correspondence dated 18 May 2015. As for SPMN, the company has submitted LUCCA to RSPO for review and approval. In April 2016, RSPO has notified CUC that TSH PT SPMN LUCCA has passed the review process and the compensation plan has been endorsed by the Compensation Panel.	Yes
2.4.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	There are new planting done after 1 st December 2010 almost all the estate under the ongoing NPP.	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.	The company has established conflict resolution procedure. Land disputes are being resolved through the mechanism.	Yes
2.4.5	Any Labor disputes are being resolved through a mutually agreed process, in accordance with	There is no evidence labour disputes recorded. The company has mechanism identified Complaint and Dispute procedure.	Yes

	RSPO criterion 6.3.		
2.4.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	There is no legal non-compliance recorded. The company has mechanism for legal compliance.	Yes

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
PT. Sarana Prima Multi Niaga	Kalimantan Tengah, Indonesia	PT. Sarana Prima Multi Niaga Estate	2015	Completed Audit in July 2015
	Kalimantan Tengah, Indonesia	PT. Mitra Jaya Cemerlang	2017	2017
TSH Plantation Management Sdn. Bhd.	Sabah, Malaysia	TSH Plantation Management Sdn. Bhd. & TSH Plantation Sdn. Bhd.	2015	2015
PT. Andalas Agro Industri	Sumatera Barat, Indonesia	PT. Laras Internusa	2016	2016
TSH Plantation Management Sdn. Bhd.	Sabah, Malaysia	TSH Holding Sdn. Bhd., LKSK Sdn. Bhd., & Landquest Sdn. Bhd.	2017	2017
PT. Farinda Bersaudara	Kalimantan Timur, Indonesia	PT. Farinda Bersaudara & PT. Teguh Swakarsa Sejahtera	2017	2017
PT. Andalas Wahana Berjaya	Sumatera Barat, Indonesia	PT. Andalas Wahana Berjaya	2018	2018
NIL	Kalimantan Timur, Indonesia	PT. Munte Waniq Jaya Perkasa	2018	2018
NIL	Kalimantan Timur, Indonesia	PT. Perkebunan Sentawar Membangun	2018	2018
TSH Plantation Sdn. Bhd.	Sabah, Malaysia	TSH Resources Berhad & TSH Palm Products Sdn. Bhd.	2019	2019
NIL	Kalimantan Utara	PT. Bulungan Citra Agro Persada	2019	2019
NIL	Kalimantan Timur, Indonesia	PT. Andalas Wahana Sukses	2019	2019
NIL	Kalimantan Tengah, Indonesia	PT. Prima Usaha Sukses	2019	2019

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)
PT Sarana Prima Multi Niaga	<ol style="list-style-type: none"> On exclusion of six of TSH Resources Bhs's subsidiaries which were not included in the initial time bound plan that noticed during the audit such as PT. Mitra Jaya Cemerlang, PT. Bulungan Citra Agro Persada, PT. Munte Waniq Jaya Perkasa, PT. Perkebunan Sentawar Membangun, PT. Prima Usaha Sukses and PT. Andalas Wahana Sukses were later included in the revised time bound plan established on 19 August 2016. TSH Resources Bhd has carried out first stage of LUCCA for group level for all its' management units including SPMN for land clearing done without conducting HCV assessment since November 2005. Status of establishment of compensation plan and acceptance of the plan plan by RSPO were not known during the period of audit. As of writing this report in 29 April 2016, it was informed that the SPMN LUCCA has passed the RSPO review process and will be sending it for the Compensation Panel endorsement.
<p>Include any known concerns, media reports and major issues both present and from the past covering, for example:</p> <ul style="list-style-type: none"> Replacement of primary forest or any area containing HCV's since November 2005. Evidence of non-compliance with the law Legal issues Compensation payments Social relations Burning Labor disputes 	

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.

Under partial certification the main company and all its subsidiaries has been included in the time bound plan.

2.6 Partial Certification Audit Agenda

Date	Location	Agenda
27/07/ 2015	SPMN Office	- Review of Time bound Plan

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

Lead auditor:	Baskaran Sankaran
Team member 1:	Abdul Haye Semail
Team member 2:	Muhammad Shazaley Abdullah
Team member 3:	Rico Pratama Putra

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;	Certificate in RSPO P&C Lead Auditor, ISO 9001 Lead Auditor and EMS 14001 Lead Auditor.
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 20 years of working experience in various industries. Trained in agriculture certification programs such as RSPO.
Training in the practical application of the RSPO criteria, and RSPO certification systems;	Involved in RSPO assessment since 2014. Member of CUC RSPO audit team. Involved in audits conducted in Malaysia and Indonesia.
Successfully completion of an ISO 9000:19011 lead auditors course;	Completed ISO 9001:2008 and ISO 14001:2004 lead auditor course in 2006 & 2010.
Training in the practical application of RSPO certification systems.	Involved in RSPO audits since 2014. Member of CUC RSPO audit team, participated audits in Malaysia and 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 Malaysia and Indonesia.
RSPO endorsed lead auditors course.	Completed RSPO Lead Auditor training in December 2014
Signed code of conduct.	Yes
General knowledge of:	Yes
• 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.	Abdul Haye Semail	Fluent in both English and Indonesian Malay
	Muhammad Shazaley Abdullah	Fluent in both English and Indonesian Malay
	Rico Pratama Putra	Fluent in both English and Indonesian Malay
Field working experience in the palm oil sector, or a demonstrable equivalent.	Abdul Haye Semail	Graduated in Forestry (Management) background with more than 11 years working experience in timber processing and forest management. 9 years auditing experience in various sustainability scheme. Attended and successfully completed RSPO Lead Auditor training in 2008. Also passed Lead Auditor Training Course ISO 9000:2000 and Passed Advanced EMS Lead Auditor Course ISO 14001. Understands and fluent local language.
	Muhammad Shazaley Abdullah	Graduates in Forestry Management background. Been working in oil palm plantation industries. More than 3 years working experience in auditing oil palm plantation (RSPO, ISCC). Fully trained in similar agriculture certification programs such as RSPO, SCCS and ISCC. Involved in RSPO assessment since 2012. Member of CUC RSPO audit team. Been conducted audits in Malaysia and Indonesia. Successfully completed ISO 9001:2008 lead auditor course in 2013. Attended and successfully completed RSPO Lead Auditor training in Sep 2013. Fluent in local language.
	Rico Pratama Putra	Degree in Agriculture oil palm plantations with more than 3 years working in palm oil industry. A qualified auditor for ISPO, QMS, EMS, and RFS2 including HCV assessment. Auditing RSPO since 2011 as external auditor. Understands and fluent local language.
Good agricultural practices (GAP), integrated pest management (IPM), pesticide and fertilizer	Abdul Haye Semail	Graduated in Forestry (Management) background with more than 11 years working experience in timber processing and forest management. 9 years auditing experience in various sustainability scheme. Attended and

use.		successfully completed RSPO Lead Auditor training in 2008. Also passed Lead Auditor Training Course ISO 9000:2000 and Passed Advanced EMS Lead Auditor Course ISO 14001. Understands and fluent local language.
	Muhammad Shazaley Abdullah	Graduates in Forestry Management background. Been working in oil palm plantation industries. More than 3 years working experience in auditing oil palm plantation (RSPO, ISCC). Fully trained in similar agriculture certification programs such as RSPO, SCCS and ISCC. Involved in RSPO assessment since 2012. Member of CUC RSPO audit team. Been conducted audits in Malaysia and Indonesia. Successfully completed ISO 9001:2008 lead auditor course in 2013. Attended and successfully completed RSPO Lead Auditor training in Sep 2013. Fluent in local language.
	Rico Pratama Putra	Degree in Agriculture oil palm plantations with more than 3 years working in palm oil industry. A qualified auditor for ISPO, QMS, EMS, and RFS2 including HCV assessment. Auditing RSPO since 2011 as external auditor. Understands and fluent local language.
Health and Safety auditing on the farm and in processing facilities. (For example OHSAS 18001 or occupational. Health and safety assurance system).	Abdul Haye Semail	Graduated in Forestry (Management) background with more than 11 years working experience in timber processing and forest management. 9 years auditing experience in various sustainability scheme. Attended and successfully completed RSPO Lead Auditor training in 2008. Also passed Lead Auditor Training Course ISO 9000:2000 and Passed Advanced EMS Lead Auditor Course ISO 14001. Understands and fluent local language.
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		fluent local language.
Workers welfare issues and social auditing experience. (For example with SA8000 or related social or ethical accountability codes).	Abdul Haye Semail	Graduated in Forestry (Management) background with more than 11 years working experience in timber processing and forest management. 9 years auditing experience in various sustainability scheme. Attended and successfully completed RSPO Lead Auditor training in 2008. Also passed Lead Auditor Training Course ISO 9000:2000 and Passed Advanced EMS Lead Auditor Course ISO 14001. Understands and fluent local language.
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	Rico Pratama Putra	Degree in Agriculture oil palm plantations with more than 3 years working in palm oil industry. A qualified auditor for ISPO, QMS, EMS, and RFS2 including HCV assessment. Auditing RSPO since 2011 as external auditor. Understands and fluent local language.
Environmental and ecological auditing. (For example experience with organic agriculture, ISO 14001 or environmental management systems).	Abdul Haye Semail	Graduated in Forestry (Management) background with more than 11 years working experience in timber processing and forest management. 9 years auditing experience in various sustainability scheme. Attended and successfully completed RSPO Lead Auditor training in 2008. Also passed Lead Auditor Training Course ISO 9000:2000 and Passed Advanced EMS Lead Auditor Course ISO 14001. Understands and fluent local language.
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		Attended and successfully completed RSPO Lead Auditor training in Sep 2013. Fluent in local language.
	Rico Pratama Putra	Degree in Agriculture oil palm plantations with more than 3 years working in palm oil industry. A qualified auditor for ISPO, QMS, EMS, and RFS2 including HCV assessment. Auditing RSPO since 2011 as external auditor. Understands and fluent local language.
Economic issues.	Abdul Haye Semail	Graduated in Forestry (Management) background with more than 11 years working experience in timber processing and forest management. 9 years auditing experience in various sustainability scheme. Attended and successfully completed RSPO Lead Auditor training in 2008. Also passed Lead Auditor Training Course ISO 9000:2000 and Passed Advanced EMS Lead Auditor Course ISO 14001. Understands and fluent local language.
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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
27/07/2015	14.30 – 15.30 (All Auditors with Client) SPMN Estate Meeting Room	Opening meeting Chaired by the audit team leader <ul style="list-style-type: none"> Introduction by team leader <ul style="list-style-type: none"> - Abdul Haya Semail (P6 & P7) - Muhammad Shazaley Abdullah (P5 & P8) - Rico Pratama Putra (P2 & P4) - Baskaran Sankaran (P1, P3 & POM SCCS) Presentation by respective managers Presentation of Palm Oil Mill source of FFB by respective managers
	15.30 – 18.30 (Baskaran) SPMN Estate Meeting Room	Partial Certification Review with client representatives <ul style="list-style-type: none"> Field operations Audit against the rules for Partial Certification and Time bound plan.
28/07/2015	09.00 -17.00 (All Auditors) PT Sarana Prima Multi Niaga POM	Document Review & Mill Site Verification <ul style="list-style-type: none"> Mill operation Worker interviews Chemical stores / Workshops Housing / Medical / Schools Local communities Environmental / Waste management Safety and Health / Training
	09.00 -13.00 (Baskaran) PT Sarana Prima Multi Niaga POM	Supply Chain Certification Assessment of the POM (RSPO SCCS) Mill inspection <ul style="list-style-type: none"> Demonstration of legal entity [operational unit] Roles and responsibility Document & records [procedures/manual/SOP] POM application Document review
29/07/2015	09.00 -16.00 (All Auditors) PT Sarana Prima Multi Niaga Estate	Document Review & Site Verification <ul style="list-style-type: none"> Best agricultural practices Manuring, Spraying, Harvesting, HCV / Conservation Area Housing / Medical / Schools Local communities Local communities Environmental / Waste management Safety and Health / Training
	16.00 -19.00 (All Auditors) PT Sarana Prima Multi Niaga Estate	Preparation for closing meeting Additional field visits and meetings with managers as necessary Closing meeting Chaired by the audit team leader <ul style="list-style-type: none"> Presentation of findings by the audit team Questions and answers Final summary by team leader End of assessment

PART 4 ASSESSMENT FINDINGS**4.1 Lead Assessor's Summary and Recommendation for Certification**

The company has demonstrated its ability to plan, implement and maintain mill and estate operations in compliance with RSPO Principle & Criteria. Even though this is the first main assessment for the company since successful enrolment into RSPO membership by the parent body TSH Resources Bhd, the audit team satisfied with the level commitment shown by company's management and its workers, that there are no major lapses found in the implementation of requirements of RSPO Principle & Criteria during the audit.

The time frame laid out for certification of all of its management units considered to be both challenging and realistic. The company has revised its time bound plan to include estates without own mill (see 2.3.1) which were initially omitted. The revised time bound plan has included all its management units.

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. The subscribed RSPO management system's documentations seen with minor changes that due to internal and external influenced factors that in relation to scope of certification. Specific evidence was recorded for estates and mill.

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 in maintaining the RSPO system by adopting to continuous improvement programs.

The company has conducted environmental impact assessment of its operations and reviews are carried out to reflect changes. Noted that the mill and are in full compliance with Indonesian laws and have been applying good agriculture practices and SOPs. There is a comprehensive OSH policy implemented throughout the estate and mill. Trainings are being planned and carried out by the mill and estate management to educate and create awareness among their workforce on best procedures and practices. The company has established continuous improvement plan and effectively documented, which include action plans that allow demonstrable continual improvement in key operations such as in minimizing environmental impacts, pollution prevention plans and working conditions.

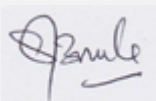
As for the new planting done after year 2010, the company has conducted LUCCA and compensation plan has been endorsed by RSPO Compensation Panel.

The mill is fully verified for RSPO SCCS system verification and it is found to be in full compliance. See PART 5 below.

It is therefore the recommendation of the lead assessor that:

- A certificate of compliance to be issued.

Signed:



Name: Baskaran Sankaran

Date: 29/04/2016

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 established SOP to provide information requested by its stakeholders on issues relevant to them. Requests made by stakeholder were responded to and all these are well documented. Policy for transparency has been established and Information available to public has been adequately identified in the SOP. (1 Minor NC issued)
MA	1.1	<p>The company has established Request for information SOP titled "Permintaan Informasi" document no. : ST-SOP07-02 Rev.02 dated April 2015' which governs both estate and the mill. The above said SOP has identified mechanism for Request and Respond. The company has developed Stakeholder Registration Form" which is divided into 3 sections. In section 1 of the contain stakeholder information, section 2 stakeholder categorization and section 3 queries/information required. Under paragraph 6.1.4 all interested parties including public are entitled to request for information from the company. To ensure information requested are provided to requestors on timely manner, under paragraph 6.2.8 of procedure, the company has specified time frame of 3-5 days for initial reply and 20 working days for completed reply. Paragraph 6.7.2 has specified records retention period that records of request for information are required to be kept for 7 years.</p> <p>The mill and estate has maintained logbook for incoming and outgoing correspondence in regards to stakeholders request for information. There are 4 entries recorded since first implementation of the procedure in June 2013. From the 4 request for information recorded, 3 are from local province government agencies and from outside stakeholder. Sampled following records:</p> <ul style="list-style-type: none"> • Received request for information on estate and mill by "Pemerintah Provinsi Kalimantan Tengah" through latter reference # 525/213/KSP/Disbun dated 26 January 2015. The management has responded by filling up data in the forms provided by the requestor replied on 08 February 2015. • Received request for information on mill by "Pemerintah Kabupaten Kota Waringin Timer" through latter reference # 560.556/217/WAS.KK/01/2015 dated 08 January 2015. The request was responded by the management by providing requested data in the forms provided by the authorities. <p>All responses for request for information are done within the time frame of 20 days as determined by the company.</p>
MA	1.2	<p>The company has established policy for transparency titled "Transparansi" document no.: ST-POL01-01 dated June 2013 signed by the company's managing director Mr Tan Aik SIM. The policy has spelled company's commitment towards transparency in paragraph 6.2. The transparency policy has been displayed in the office and mill. Under the Request for information procedure, the company has developed Stakeholder Registration Form" which is divided into 3 sections. In section 1 of the contain stakeholder</p>

		<p>information, section 2 stakeholder categorization and section 3 queries/information required.</p> <p>Under paragraph under 6.2.7 of the “Permintaan Informasi” procedure, the company has specified documents that publicly available as specified in RSPO Criterion 1.2.1, example : Sertifikate /hak penggunaan tanah (Certificate for Land Use), Rencana dan penilaian dampak social dan lingkungan (SEIA Assessment), document NKT (HCV document), rencana pengurangan dan pencegahan polusi (Pollution prevention and control plan), etc.</p>
MA	1.3	<p>Minor NC</p> <p>The company has not established written policy committing to a code of ethical conduct and integrity in all its operations and transactions.</p>
<p>Principle 2: Compliance with Applicable Laws and Regulations</p>		
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.</p>
MA	2.1	<p>The company has established documents identifying laws that are applicable for the mill and estate operations. Sighted the document of “List of Regulation about RSPO P&C”, updated per changes of Regulation or new regulation. Last update for July 2015 (date of 20-07-2015). The Company has a Policy of Legislation (ULI-POD/01.01/3.3.0) date on 07/07/2007 to monitor the permit and license. It has maintained summary of permits and licenses which are checked and updated periodically. All the relevant legal documents are available.</p> <p>The estate has the file which contains all applicable laws covering land, forestry. Environmental, water, pollution, waste, etc. AMDAL Monitoring Report to Authority send twice yearly; Head office Humas Department conduct the changes Permit and Legal according to laws and inform to all related department.</p>
MA	2.2	<p>Sighted the permit for Palm Oil Industries (IUP) No. 525.26/233/IX/EKBANG/2004 dated on 18-09-2004 for the mill activities within the land areas of ±8.490 Ha. Mill productivity is 45 ton FFB/hour. Also sighted the correspondence land title No. 6/HGU/BPN RI/2006 dated on 15-05-2006 for the land areas about 7.114,14 Ha acknowledged as PT. Sarana Prima Multi Niaga (SPMN) and its supply base.</p> <p>All changes to land area are done in accordance with legal requirements. The changes of the areas is follow: Junaidi areal is 62,95 Ha; riparian zone is 168 Ha; people areas is 940,51 Ha; the other areal (PT Tunas Agro Subur Kencana) is 77,9 Ha. There is evidence document about takeover the titled is “Akta Perubahan Kepemilikan” based on the Government of Menteri Hukum and Hak Asasi Manusia RI Number is: AHU-85768.AH.01.02. Tahun 2008 titled is “Persetujuan Akta Perubahan Anggaran Dasar Perseroan”. IUP: Desa Pelantaran, Kecamatan Cempaga Hulu dan Desa Padas Kecamatan Parenggean, Kotim. Based on “Risalah Panitia Pemeriksaan Tanah “B” BPN Prop. Kalimantan Tengah tanggal 19 Januari 2005 No. 52/PPTB/I-2005 status Kawasan Pengeembangan Produksi (KPP) dan Kawasan Pemukiman dan Penggunaan Lain (KPPL). Izin Lokasi Keputusan Bupati Kotawaringin Timur Nomor: 79. 460.42 dated of 26-01-2004 is 12.000 Ha.</p>

		<p>The company monitors its boundaries stone on monthly basis. Sighted report of “Monitoring of HGU Boundary” consists of total 72 units of boundary stone entire estate.</p> <p>SOP of Land Compensation (PMA-SOP04-00) date April 2011 and (PMA-SOP16-00) dated of September 2013 indicates company procedure to handling land conflict and compensation made according to FPIC. There is no pending land compensation as for this audit period.</p>
MA	2.3	<p>Maps available in HGU letter. Participatory mapping with stakeholders and involving parties had been conducted (official letter/report available). Sighted evidence of participatory mapping of HGU as follow: Risalah Panitia Pemeriksaan Tanah B, Nomor 52/PPTB/I-2005 (Kalimantan Tengah, 19 January 2005). The letter witnessed and signed by Mauridson Hutagalung (Kepala Kantor Wilayah BPN Prov. Kalimantan Tengah), Lamping Ah Umar, SH (Bupati Kotawaringin Timur), Abraham Aronggear, S,Hut, MM (Kadin kehutanan Prop Kalimantan Tengah), Ir.Farinthis Sulaeman (Kadin Perkebunan Prop Kalimantan Tengah), Ahmad Setiawan (Kabid Hak Atas Tanah, BPN Kalimantan Tengah), Ir. Prambodo (Kepala Kantor Pertanahan Kabupaten KOTIM), Drs. Dadau Edrianto (Kabid Pengaturan dan Penataan Pertanahan kantor Wilayah BPN Prop Kalimantan Tengah) and I Wayan Suata, SH.MM (Kasi Penetapan Hak Tanah Badan Hukum Kantor Wilayah BPN Prop Kalimantan Tengah)</p> <p>SOP of Land Compensation indicates company procedure to handling land conflict and compensation made according to FPIC. External Complains and Grievances Book available to record if any complain and / or grievance present. All SOP, SEIA and other documents are in Bahasa Indonesia that can be well understood by public.</p>

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

Criterion by Audit	Summary	A documented business plan for 3 years is available both at mill and estate. The annual budget includes of FFB, OER, CPO, PK and cost of production. Seen the top management able to demonstrate attention to economic and financial viability through long-term management planning.																																
MA	3.1	<p>The mill has established 3 year business plan titled “Long term Development and maintenance plan” The plan is reviewed and updated on annual basis to reflect changes to business environment. Following are the details of the plan sighted for the mill.</p> <table border="1"> <thead> <tr> <th>YEAR</th> <th>FFB (MT)</th> <th>CPO (T)</th> <th>KERNEL (T)</th> <th>OER(%)</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>198,818</td> <td>43,739.96</td> <td>5,964.54</td> <td>22</td> </tr> <tr> <td>2016</td> <td>200,000</td> <td>44,000</td> <td>6,000</td> <td>22</td> </tr> <tr> <td>2017</td> <td>206,805</td> <td>45,497</td> <td>6,204</td> <td>22</td> </tr> </tbody> </table> <p>Mill management also has price forecast for CPO and PK for 3 years as part of its financial planning as shown below. Mills Financial planning is done on annual basis. For the year 2015 estimated expenditure is IDR 8,648,460,000. Mill’s Total expenditure including salary for year 2015 is INR 16,149,024,757.</p> <table border="1"> <thead> <tr> <th>YEAR</th> <th>CPO</th> <th>PK</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>IDR 8,280,000</td> <td>IDR 5,643,000</td> </tr> <tr> <td>2016</td> <td>IDR 8,280,000</td> <td>IDR 5,643,000</td> </tr> <tr> <td>2017</td> <td>IDR 8,280,000</td> <td>IDR 5,643,000</td> </tr> </tbody> </table>	YEAR	FFB (MT)	CPO (T)	KERNEL (T)	OER(%)	2015	198,818	43,739.96	5,964.54	22	2016	200,000	44,000	6,000	22	2017	206,805	45,497	6,204	22	YEAR	CPO	PK	2015	IDR 8,280,000	IDR 5,643,000	2016	IDR 8,280,000	IDR 5,643,000	2017	IDR 8,280,000	IDR 5,643,000
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		Estates financial planning is done on annual basis. For the year 2015 estimated expenditure is INR 7,031,120,000. Estate's total expected expenditure including salary for year 2015 is INR 35,029,098,778.
Principle 4: Use of Appropriate Best Practices by Growers and Millers		
Criterion by Audit	Summary	Mill and estates have applied SOPs and best agricultural practices to ensure its operations are conducted in safe, effective and environmentally friendly manner. IPM implemented in the estate and the uses of chemicals are in accordance with the regulations. There is a comprehensive OSH policy implemented throughout the estate and mill. Trainings are being planned and carried out by the mill and estate management to educate and create awareness among their workforce on best procedures and practices.
MA	4.1	<p>The company has established adequate procedures for the effective and safe operation of the mill. Mill's procedures are divided into two categories. There are 8 SOP safe operation of the mill and 31 Work Instruction for the mill's effectively operation. Sighted following SOPs for the mill's safe operations:</p> <ul style="list-style-type: none"> - SOP –ST-01 Store - SOP –ST-02 Hazardous Waste - SOP –EN-01 Preventive Maintenance - SOP –EN-01 Safety Maintenance and Cleaning - SOP –EN-03 Confined Space - SOP –PK3-01 Application of Safety Equipment (APPAR) - SOP –PK3-02 Hydant - SOP-AD-01 Workers Medical <p>Procedures for the mill's effective and efficient operations are described in its Work Instruction. Sighted Work Instructions (WI) for the mill which have identified processes needed for the mill operations. The work instruction contains Objective, Scope, Responsibilities, Reference Documents, Definition and instruction on process. Example of SOP sighted:</p> <ul style="list-style-type: none"> - WI-PD-01 Process Loading Ram - WI-PD-02 Process Engine Room - WI-PD-03 Process Boiler Station - WI-PD-06 Process Press Station - WI-PD-08 Process Kernel Plant - WI-PD-11 FFB Press - WI-GD-01 Grading - WI-WB-01 Weigh Bridge - WI-B-01 Process Gas Rumah Kaca - WI-QA-01 CPO Despatch <p>The SOP trainings are being provided to relevant workers. This is evident from training record sighted on 'Preventive Maintenance SOP Training' to 12 workers on 04/06/2015 conducted by workshop supervisor Mr Irwanand & Mr Beni. All SOPs and Work Instructions are written in Indonesian language that can be easily understood by workers</p> <p>Estate has established its operating procedures for effective and efficient management of plantation activities. The SOP documents which were written in both English and Bahasa Indonesia have adequately covered all estate activities. List of SOPs sighted at estate office includes SOPs for plantation operation, Sustainability and Safety stated below.</p> <ul style="list-style-type: none"> - 18 SOPs for Plantation Operation

		<ul style="list-style-type: none"> - 2 SOPs for Ramet Operation - 21 SOPs for Plantation Management - 14 SOPs for Pests & Disease - 5 SOPs for Agronomy Operation - 30 SOPs for Sustainability - 1 OSH Manual K3 - Occupational Safety & Health Procedures <p>Estate management has conducted trainings to communicate SOPs requirements to workers as evident from the Harvesting Training that conducted by Mr Asep at Plantation Training Centre which was attended by 22 workers estate workers. Record of training conducted on SOPs and copy of SOPs are readily available at estate office. It is mandatory for new recruits to attend training related to job employed prior started to work and record of induction trainings and other subsequent training provided to workers are updated periodically.</p> <p>At mill, Implementation of SOP also monitored through daily and weekly checklists and biannual monitoring of polluting activities known as RPL (Rencana Pemantaun Lingkungan). Sighted Daily PPE Checklist for the month of June 2015 checked and signed by signed by mill Process Supervisor for Shift 'B', Mr Matius Dora and Monthly House Keeping Checklist "Checklist Kebersihan Tempat Penyimpanan Sementra limbah Bahan Berbahaya dan Beracun" for the month of April 2016 by Mill store keeper Ms.Darmawathy. Also sighted latest RPL report Laporan RKL & RPL Semester II Periode Juli-Desember Tahun 2014 submitted to local authorities. The mill receives FFB from its own estate SMPN Estate 1 & SMPN Estate 2 and also from PT Mitra Chemerlang which is a subsidiary of TSH Plantation group.</p> <p>In estate internal audits are used for the monitoring effective implementation of its procedures. The recent internal audit was conducted by the team as per below:</p> <ol style="list-style-type: none"> I. Internal audit- sustainability (HQ) II. Internal audit- Finance (HQ) III. Internal audit- agronomist IV. Internal audit- Quality Management (HQ) V. Internal audit- Plantation Advisor (HQ) <p>In estate training are conducted by PIC who expert or qualified in their job scope and as well based on the SOPs requirements that establish by the company. Any non-compliance detected during internal audit that are related to SOP implementation, the estate management has to take corrective action as recommended by internal audit team. The implementation of estate SOPs are also monitored through daily inspection. The daily monitoring is carry out by estate team to ensure all workers perform their work in accordance with established policies and SOPs.</p>
MA	4.2	<p>Estate Agronomy Operation SPOs has outlined procedures for improving soil fertility with application strategy for long term nutrient. The estate has maintained records of activities for managing soil fertility as per SOPs for Tissue & Soil sampling. Sighted AGR-SOP02-01; Rev 01 Leaf Sampling and records of leaf sampling dated 04/03/2015 and AGR-SOP03-01; Rev 01 Soil Sampling and records of soil sampling dated 04/03/2015.</p>

		<p>The fertilizer input for the estate is based on “2015 Final Fertilizer Recommendations for Estate” dated 02/12/2014 established by R&D Department. The report from R&D has a baseline on making a fertilizer recommendation for year 2015.</p> <p>The fertilizer recommendation made by R&D Department was monitored by the Estate Management in the “Programme Manuring 2015”. As per this audit all fertilizer application has been in compliance with the recommendation. Sighted fertilizer usage per tonne off FFB is available in “Data Penggunaan Fertilizer Per MT PT SPMN 2015”.</p> <p>R&D Department has sampled leaf and soil for oil palm leaf nutrients and yield. Sighted foliar analysis report dated 01/06/2015 and soil analysis report dated 13/06/2015 for test and analysis carried out by PT Nusa Pusaka Kencana Analytical & QC Laboratory.</p> <p>The company has a program for application of POM by products such as EFB and Dry Decanter Solid (DDS). This is to replace potassium, moisture retention and as supplement from inorganic fertilizer. Sighted in “Programme Manuring 2015” as per monitoring of fertilizer recommendation by R&D. Treated effluent from mill is also sent to estate for land application as part of nutrient replacement strategy.</p>
MA	4.3	<p>Estate has maintained soil map with scale of 1:50,000 in accordance with the company policy. The soil map has identified six different types of soils that consist of the estate land. The soil series details sighted as below:</p> <ul style="list-style-type: none"> • Medium texture 3,848.50 Ha (52%) • Ultisols Gray 1,101 HA (15%) • Ultisols Yellow 445.50 HA (6%) • Sandy 641 HA (9%) • Hard Pan 363.40 HA (5%) • Peat 962.50 Ha (13%) <p>The management strategy for planting on slope areas are stated in SOP Plantation Operation- OPE-SOP01-12 dated 05/06/2014 and there is no oil palm planting is allowed on slope that is not above 15 Degrees as per the Indonesian Law. The procedure also has elaborated on classification of slope and how to handle the slopes areas. There is no slope areas sighted during site visit and according to estate manager Mr Ganesan there no slope areas exist within the estate as the estate land is relatively flat.</p> <p>The Road Maintenance Programme for PT SPMN is available. Progress of the programme is monitored on monthly basis and It’s connected to estate’s annual budget. There is no budget allocated by the company road maintenance programme for year 2014 & 2015. However, sighted records of estate have spent Rp 793,872,787 in year 2014 for road maintenance programme and Rp 606,504,954 for year 2015 as of the audit period.</p> <p>Estates have established system for management and maintenance of peat soil which has been described in SOP ST-SOP15-00, ‘Pengukuran Penurunan Gambut’; Rev 00, dated on May 2015. The SOP is in line with RSPO BMPs on peats. The subsidence for Estate was monitored in June 2015 as per the new SOP which established in May 2015 and data was collected monthly basis. There are points of subsidence poles. As per this audit, the reading has been</p>

		<p>taken in June 2015 due to estate was fixing the pole in early May 2015. Sighted Subsidence Records File for PT SPMN is available.</p> <p>The estate plan to minimize the subsidence by control the water level and maintained 50-70 cm. Sighted the water & ground cover management programme is available The estates maintain the water level and records were taken every week. The findings were recorded in 'Form Monitoring Water Management'.</p> <p>There is no replanting programme for peat area as per this audit period, therefore no assessment was conducted. Sighted within the estate there is no unsuitable land which causes high risk of flood.</p> <p>There is management strategy to handle the fragile and problems soils for estate. The company has established Policy and SOP as stated below to handle this issue. Sighted the agronomist report and the recommendation made by the agronomist.</p> <ul style="list-style-type: none"> I. Plantation Operation: OPE-SOP10-10 - Peat II. Plantation Operation: OPE-SOP11-04 - Sandy 																																																								
MA	4.4	<p>Both the mill and estate have established water management plan. Mill monitors its water usage for the mill operations. Sighted mill water usage record prepared by Lab Supervisor Mr Syahril for year 2015 as follow:</p> <table border="1" data-bbox="624 1003 1264 1249"> <thead> <tr> <th>Month</th> <th>FFB (Mt)</th> <th>Water (L)</th> <th>FFB (Mt)/ Water (L)</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>14,766</td> <td>22,657</td> <td>1.53</td> </tr> <tr> <td>Feb</td> <td>12,288</td> <td>20,285</td> <td>1.65</td> </tr> <tr> <td>Mar</td> <td>13,406</td> <td>24,039</td> <td>1.79</td> </tr> <tr> <td>Apr</td> <td>13,580</td> <td>24,512</td> <td>1.80</td> </tr> <tr> <td>May</td> <td>13,407</td> <td>24,782</td> <td>1.85</td> </tr> </tbody> </table> <p>Effluent discharged from mills operations are treated as per work instruction WI-LB-07 Effluent Treatment and final effluent discharges are monitored on monthly basis. There is no waste water discharged to monsoon drain as treated effluents are sent to estate for land application as a nutrient recycling strategy. The mill monitors effluent discharge parameters such as pH, BOD, COD, Fat, Cadmium, etc. Under Indonesian Environmental law, BOD allowable limit land application is less than 5,000. Sighted summary of monitoring results for year 2015. Following are the findings sighted.</p> <table border="1" data-bbox="624 1574 1118 1848"> <thead> <tr> <th>Month</th> <th>pH</th> <th>BOD</th> <th>COD</th> </tr> </thead> <tbody> <tr> <td><i>Requirement</i></td> <td>6-9</td> <td>5,000</td> <td>-</td> </tr> <tr> <td>Jan</td> <td>7.85</td> <td>1,080</td> <td>3,068</td> </tr> <tr> <td>Feb</td> <td>8.10</td> <td>2,700</td> <td>11,265</td> </tr> <tr> <td>Mar</td> <td>8.17</td> <td>2,064</td> <td>6,594</td> </tr> <tr> <td>Apr</td> <td>8.15</td> <td>2,600</td> <td>12,806</td> </tr> <tr> <td>May</td> <td>7.88</td> <td>624</td> <td>1,211</td> </tr> <tr> <td>Jun</td> <td>8.13</td> <td>545</td> <td>4,900</td> </tr> </tbody> </table> <p>Mill's quality of effluent discharged to land application was sighted from the monthly effluent test report produced by "Balai Besar Teknik Kesehatan</p>	Month	FFB (Mt)	Water (L)	FFB (Mt)/ Water (L)	Jan	14,766	22,657	1.53	Feb	12,288	20,285	1.65	Mar	13,406	24,039	1.79	Apr	13,580	24,512	1.80	May	13,407	24,782	1.85	Month	pH	BOD	COD	<i>Requirement</i>	6-9	5,000	-	Jan	7.85	1,080	3,068	Feb	8.10	2,700	11,265	Mar	8.17	2,064	6,594	Apr	8.15	2,600	12,806	May	7.88	624	1,211	Jun	8.13	545	4,900
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		<p>Lingkungan dan Pengendalian Penyakit Menular Banjarbaru". Sighted effluent Test Report No. 071/LHU/BBTKL_BB/IV/2015 dated 26 May 2015 and all results are within allowable legal limits.</p> <p>The estate has implemented water management plan in accordance with SOP document titled "Pengolahan Air" No. OPE-SOP14-03; Rev 03, dated on 06/01/2015. Details are below :</p> <ul style="list-style-type: none"> - Standard - Measuring & Water Level Monitoring - Silt Pit - Implementation - Flood Mitigation Strategy - Attachment <p>The estate has implemented action plans that has been identified in its water management plan. There are 2 type of water analysis programme conducted for the estate which were sighted during the audit. One is for the clean water and the other is for river water quality. As for the clean water, sighted the latest water usage analysis (AIR BERSIH-Sumur Bor) dated 14/01/2015. The samples taken and the result sighted in Report of Sampling and Analysis done by Dinas Kesehatan Kabupaten Kotawaringin Timur, UPT Laboratorium Kesehatan Daerah. All parameters measured are within the threshold limit. The latest river water analysis was done on 18/06/2015. The samples taken and the result still in progress. This sampling test done by "Kementerian Kesehatan RI".</p> <p>There are seven running across the estate namely Sungai Selucing, Sungai Rahan, Sungai Jirak, Sungai Keruh, Sungai Sanampangan, Sungai Lintang Batang, Sungai Talib & Sungai Nabi. Sighted the field inspections are managed in accordance with the enforced law on river riparian zoning of 100 meters. The SOP for Riparian and HCV Boundaries under ST-SOP11-0 in July 2014 is available and implemented by estate management. River riparian areas were well maintained with no manuring and spraying conducted according to the estate manager. Field visits by auditor shows there is no evidence chemical spraying along the riparian zones.</p>
MA	4.5	<p>Estate Integrated Pest Management (IPM) plan is documented Pests & Disease SOPs. The estate has established 14 SOPs to handle the IPM plan namely P&D-SOP03-02- Leaf Pest , P&D-SOP04-01-Oryctes, P&D-SOP05-01-Termite, P&D-SOP06-00-Occasional Insects Pest, P&D-SOP07-02-Rat, P&D-SOP08-05-Vertebrata Pest, P&D-SOP09-02- Ganoderma and P&D-SOP14-01-Tirathaba. Identification of potential pests and thresholds includes for Leaf Pest, Oryctes, Termite, Occasional Insects Pest, Rat, Vertebrata Pest, Ganoderma and Tirathaba.</p> <p>The procedure explains techniques used for the management of every pest and justifies method of treatment such as Biological Control and Chemical Control. The native species used as part of the biological control method is Owl (to control rat) and planting beneficial plants. In Estate Barn Owl Census accounts 4 boxes and 262 Meter beneficial plants (Tunura, Cassia and Antigonon) were planted. These biological controls help to reduce usage of chemicals. Sighted the latest pest record census (Rat Census, Leaf Pest Census, Tirathaba Census, Termite Census and Oryctes Census) in June 2015. All censuses under threshold level.</p>

		<p>The estate management provides training to its employees who are involved in IPM implementation. Sighted records of training for executives, staffs and workers that involved in IPM. The IPM Training was conducted by Pak Kahar on 01/04/2015 which was attended by 57 persons where else Chemical Handling Training was conducted by Pak Aurudy on 05/03/2015 which was attended by 36 persons.</p>
MA	4.6	<p>The Estate's safe use of chemicals policy has been addressed in "Prosedur Kerja Selamat Pekerjaan Spraying". Selective chemicals are used for selective targets. Selective approaches are written in 'Daftar Rekomendasi Penggunaan Bahan Kimia Pestisida semester th.2015 untuk PT SPMN (560.566/73/WAS-KKII/2015)'. The full list of approved chemicals and WHO classifications is available which is prepared by the sustainability department. Justification for control as stated in their policy. Estate sent their Recommendation of Chemical to Dinas Sosial Tenaga Kerja dan Transmigrasi on yearly basis and latest submission was done on 04/02/2015 (560.566/73/WAS-KKII/2015). During field visit sighted spraying teams and interview with the sprayers indicated that the SOP are implemented and the workers have understood the policy and SOP.</p> <p>The estate has established pesticide programme for year 2015. The programme available in "Circle Spraying, Selective Spraying and Lalang Spraying". Estate maintains record of chemical usage in 'Daftar Penggunaan Bahan Kimia (Sesuai Dengan Klasifikasi WHO)' and data are compiled on monthly basis. Sighted record of "Data Penggunaan Pestisida PT SPMN 2015" is available and chemical usage is monitored based on per ha per ai. The Herbicide application sighted for circle spraying and selective spraying. Sighted records from January to June 2015 which all blocks with details of man-day, labour cost, hectare treated, labour cost per ha, a.i. (lit), material cost and total cost, with status (Costing Book).</p> <p>IPM plan is available as evident in 'Rat with Barn Owl and Leaf Pest with beneficial plant and implementation sighted in Summary census barn owl and records of beneficial plant. The list of pesticide is available, documented in 'List Pesticides Used PT SPMN'. In complying with Indonesian law, the Estate sends request and get approval from "Dinas Ketenagakerjaan dan Transmigrasi" on yearly basis for the usage of pesticides. The estate management has plan to reduce usage of 'Paraquat' as sighted memo of "Mengurangi Penggunaan Paraquat" issued by the Sr. Manager Estate Mr Entawan Ak Indi. The estate monitors its chemical usage and data are compiled in "Data Penggunaan Pestisida PT SPMN 2015". Sighted explanation on usage of paraquat in the estate. The paraquat usage is monitored and audited by physical verification in "Bin Card".</p> <p>Estates' chemical applications are guided by SOP titled Chemical Handling and Management, SOP No. ST-SOP08-00 dated Nov 2012. The estate has maintained training records for those handling pesticides. Sighted training records for 22 workers attended pesticide spraying training on 26/06/2015 conducted by Pak Asep and 36 workers attended training on "Chemical Handling" on 05/03/2015 and which was conducted by Pak Aurudi. Training for workers are conducted in Bahasa Indonesia and as per the interviews done during field visits with workers whereby they have understood the training which they have attended. The operators were also trained before</p>

	<p>placing them for spraying job and sighted the training records for spraying workers. Also Sighted SOP for handling chemical and pesticides on Weeding; OPE-SOP05-09; Rev 9 and training records are available.</p> <p>In estates pesticides are used according to the product label instructions and workers are assisted by Mandore. MSDS is kept by the Mandore and available during field visit. Sprayers are provided with proper PPE by the company which to be used as recommended in risk control. As enforcement on safety wear, Mandore monitors the application of PPE by sprayers during spraying activities and damaged PPE are replaced without any conditions.</p> <p>The SOP for pesticide storage titled in “Manual K3-Pengelolaan Pestisida and Pelolaan dan Penanganan Bahan Kimia” which been used as guidance to the chemicals storage. The estate had stored all the pesticides properly and the empty pesticide and all ex-pesticide containers are picked by licensed external party namely PT. Rama Manunggal Perkasa. An agreement in term of collecting, disposing and payment has been declared through ‘Surat Perjanjian No.B11090/Dept.IV-2/LH/11/2011’ which was made available during the audit. The estate has SOP for proper disposal of waste material sighted in SOP ST-SOP12-00 dated in April 2015. The training was conducted by Pak Ady Putra on 09/07/2015 and attended by 2 persons.</p> <p>Sighted the list sprayer for the estate which contains 100 workers. The list was last updated on Jan 2015. The estate conducts annual medical surveillance for the sprayers. The latest medical check-ups were conducted in January 2015. by Dinas Kesehatan Kabupaten Kotwaringin Timur, UPTD Laboratorium Kesehatan Daerah - Dr Liza Damayanti agent who was invited to the estate to conduct the medical check-up for the sprayers. Sighted medical report titled ‘Hasil Medical Check-up’ for Pak Yusi Rizal (sprayer) and Ibu Magdalena Motu (sprayer) and the result concluded that both workers are fit to work. Medical Check-up for SPMN estate is inclusive of cholinesterase test. Medical check-up carried out every 6 months. No case of low blood cholinesterase/ abnormal reported for 2014 and 2015.</p> <p>Estate prevent pregnant & breast-feeding woman from handling pesticide, as in line with “Manual K3-Pengelolaan Pestisida and Pelolaan dan Penanganan Bahan Kimia”. Sighted list of female workers handling pesticide is available. The Estates identify pregnant & breast-feeding woman thru ‘Surat Rekomendasi’ from Clinic which indicate whether one is pregnant (or related conditions).</p> <p>The mill does not use pesticides but does use chemicals for its operations. The mill has established Chemicals safe use policy. The mill has maintained chemical register for chemicals that used for its operation. Application of any chemical products in the mill is under controlled and only can be carried out by qualified workers who have attended chemical handling training. Sighted record of training conducted by Mr Gustap Rahyudi, chemical expert from NALCO under title “Training chemical Handling NALCO” on 03/03/2015 which was attended by 13 mill workers and staff.</p> <p>Mill conducts annual medical surveillance for those who are exposed to safety risk. Sighted medical examination record conducted for year 2015 for mill Operators Mr Ahmad Aulia on 10/02/2015, Mr Wawan M. Said on</p>
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		10/02/2015 and Ms Kartika Sari on 02/10/2015. The results sighted show there is no health issues.
MA	4.7	<p>The company has established Health & Safety Policy dated 13/06/2013 signed by company's Managing Director Dato Tan Aik Sim which is applicable for both mill and estate. The policy written in Indonesian language and can be easily understood by all level of employees. The mill has established health and safety plan titled "Manual Keselamatan dan Kesehatan" document No. PT-SPMN-MANU 01-00 dated 01/03/2013 which provides framework for job safety analysis.</p> <p>The mill has conducted Hazard Identification Risk Assessment and Risk Control (HIRARC) in year January 2015 for all activities of the mill and has identified risk level for each of the identified activities. Those having significant risk are addressed through risk control measures. For example of risk assessment sighted for boiler operation: Job Step (Opening mainstream valve) → Potential Incident (burn) → Risk Level (5/3) → Risk Control (To follow Work Instruction, To wear PPE such as coverall, safety shoes, safety helmet, face mask, goggles and leather glove)</p> <p>At mill, Hearing Loss Prevention Audit is carried out for employee working in high risk areas. If there are reports of employee suffering hearing loss he/she will be transferred to low risk areas. This is determined by in-house Doctor. Apart from that employees are trained and provided with required PPE (signboards are also available). Wearing of PPE is also constantly monitored.</p> <p>Mill manager Mr Siew Chee Siong is person responsible for the implementation of health and safety plan for the mill. He also chairs the Mill's safety team known as "P2K3". Safety team meetings are held once every 3 months and report are sent to DINAS Sosial Tenaga Kerja dan Transmigrasi. Seen the latest report on Laporan P2K3.</p> <p>Mill's accident and emergency procedures are defined in company's health and safety plan "Manual Keselamatan dan Kesehatan" document # PT-SPMN-MANU 01-00 dated 01/03/2013, under the paragraph 8 sub-title "Laporan dan Investigasi Accident/Incident". First Aid kits are located in strategic locations both in the mill and office with First Aiders contact details. Mill workers are covered by Government-managed Insurance (BPJS Kesehatan & Ketenagakerjaan) as sighted in 'Laporan Pembayaran BPJS' & 'Copy of BPJS Card'</p> <p>The estate's Health and Safety plan is described in "Manual Keselamatan dan Kesehatan Kerja; K3 (PT-SPMN-MANU01-01); Rev 01 dated 01/03/2015. Effectiveness of the health and safety plan is monitored and reviewed during periodical OSH meeting and the plan will be revised if found to not effective. The health and safety plan is also made available to all its stakeholders by displaying it in the estate notice boards.</p> <p>In estate, health and safety risk assessment is conducted on yearly basis covering all activities of the estate. Mitigation measures are identified for those having significant risk to health. Occupational accidents are monitored and recorded under 'Statistic Kecelakaan Kerja' on monthly basis. Health and safety reports are sent to DINAS Sosial Tenaga Kerja dan Transmigrasi once</p>

	<p>every 3 months. Sighted the latest report titled 'Laporan P2K3' which was sent to DINAS on 07/04/2015.</p> <p>In the effort to create safety awareness and to enhance understanding safety measures among the workers, the estate management has displayed HIRARC table in all prominent places and office notice boards. The implementation of the safety plan is evident from the maintenance of safety equipment inventory, annual medical check-up workers, etc. Person in charge for safety measures has been assigned for all activities and the implementation is monitored by the Estate Executive.</p> <p>The estate workers have been trained on safe work practices. Sighted safety and RSPO training titled "Program K3 Training and RSPO Training" conducted for estate workers. The training was conducted by Pak Ady Putra who is a safety officer as well as member of Safety Team 'K3'. OSH trainings are conducted by those who are competent in the field. People protective equipment (PPE) are provided to workers and their distributions are regularly monitored as sighted in 'Serah terima Alat Perlindungan Diri (APD) SPMN Estate" dated June 2015. Record of PPE distribution is updated on monthly basis. Sighted list of PPE supplied and records of workers use of the safety ware appropriately. The estate management has provided bathing facility and place to keep workers PPE after use which located adjacent o chemical mixing area near to Sarana 1 store.</p> <p>Person responsible for the implementation and management of health and safety plans for the estate is Senior Estate Manager Mr Entawan Ak Indi and assisted by Safety Officer Mr Ady Putra. The estate manager heads the safety committee known as 'Komite K3'. Safety meetings are conducted on monthly basis. The minutes of meeting, attendance list and all related records are maintained by safety committee 'Rapat Komite K3'. Safety briefings are conducted on daily basis and safety and health training in every January of the year. The latest update was done on June 2015 and attended by 17 persons.</p> <p>Estate's accidents and emergency procedures are elaborated in "Manual K3-Laporan dan Investigasi Kecelakaan & Emergency Response". The procedure covers all major potential emergencies such as fire, mass chaos and some natural disasters. Chemical accident is elaborated in 'Pengendalian Limbah B3'. There were no accidents and emergencies reported as per this audit. The estate workers are trained to ensure that they have understood the emergency procedures.</p> <p>Estate workers assigned as First Aiders were trained in delivering First Aid and record of training provided is available in 'Laporan Training P3K'. Sighted record of safety training dated 11/06/2015, conducted by Dr Hyperkes Disnaker and attended by 60 persons. The First Aid kit is available in office and site (carried by mandore) with content checklist 'Kartu Pemeriksa Kotak P3K'. Inventory checks for First Aid Kits were done monthly.</p> <p>Estate workers are covered by Government-managed Insurance (BPJS Kesehatan & Ketenagakerjaan) as evident recorded in 'Laporan Pembayaran BPJS' & 'Copy of BPJS Card'. There is no contract workers employed. An appropriate medical treatment which covers accident or illness are recorded</p>
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		in "Laporan Pembayaran BPJS' shows on total bill of all employees. The Occupational injuries are recorded in 'Statistic Kecelakaan Kerja' which contain calculation about 'lost time'.																				
MA	4.8	<p>The mill and estate has conducted RSPO Awareness Training for their employees for year 2015. The estate has maintained the list of staff, workers, smallholders, stakeholders and who required training and has established training programme for year 2015. Sighted "K3 Training and RSPO Training" for year 2015. Formal training is conducted in yearly. The training covers principle of RSPO, housekeeping, sustainability, etc. Sighted attendance list is attached in the training report. Below are sample of training has been conducted :</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Training Title</th> <th>Trainer</th> <th>Participant</th> </tr> </thead> <tbody> <tr> <td>31/03/15</td> <td>RSPO Training</td> <td>Pak Kisho</td> <td>14</td> </tr> <tr> <td>01/04/15</td> <td>Environment Training</td> <td>Pak Kisho</td> <td>14</td> </tr> <tr> <td>09/03/15</td> <td>Schedule Waste Training</td> <td>Pak Ady Putra</td> <td>12</td> </tr> <tr> <td>04/04/15</td> <td>Safety Training</td> <td>Pak Irwan</td> <td>12</td> </tr> </tbody> </table> <p>Sighted training records, attendance sheet and signature for every training that has been conducted by the management. Training data for each worker is updated and maintained in respective individual files. Sighted following training records for year 2015.</p> <ol style="list-style-type: none"> I. Pak Mundi Hartono (Harvester) has conducted 3 trainings II. Ibu Susilawati (Sprayer) has conducted 4 trainings. III. Ibu Samsiah (General Worker) has conducted 2 trainings. 	Date	Training Title	Trainer	Participant	31/03/15	RSPO Training	Pak Kisho	14	01/04/15	Environment Training	Pak Kisho	14	09/03/15	Schedule Waste Training	Pak Ady Putra	12	04/04/15	Safety Training	Pak Irwan	12
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Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity																						
Criterion by Audit	Summary	The company has conducted environmental impact assessment of its operations and reviews are carried out to reflect changes. A comprehensive identification of all waste has been recorded and disposal of scheduled waste has been carried out by government approved and registered waste collector. (Issued One Minor NC and 3 Observations)																				
MA	5.1	<p>The company has established a documented report of Environmental Impact Assessment (EIA) as evident in Analisis Dampak Lingkungan Hidup (ANDAL)" "Pembangunan Perkebunan dan Pabrik Pengolahan Kelapa Sawit". The assessment has been conducted in 2005 by appointed consultant, CV. Environment Technology. The assessment report has been approved by "Bapedalda Kabupaten Kotawaringin Timur", "Komisi Penilai Analisis Mengenai Dampak Lingkungan Kab". KOTIM as evident in the letter of Persetujuan Dokumen ANDAL, RKP, RPL dan Ringkasan Eksekutif PT. Sarana Prima Multi Niaga (44/Komisi-Kotim/XII/2005) dated 22/12/2005.</p> <p>The EIA has covered all elements of environmental impacts from the establishment of the plantation and palm oil mill operations. Contents of the report have included Introduction, Scope of Study, Methodology, Business Plan or Activity and Environmental Baseline Study. The EIA has been identified on soil and water resources as evident in Sub-chapter 5.1.5: Tanah and 5.1.6: Hidrologi dan Sumberdaya Air. Besides, the assessment report has also included:</p> <ol style="list-style-type: none"> I. 5.1.1: Climate (Iklim) II. 5.1.2: Ambient Air Quality (Kualitas Udara Ambien) III. 5.1.3: Noise (Kebisingan) 																				

		<p>IV. 5.1.4: Physiographic and Topography Territory (Fisiografi dan Topografi Wilayah)</p> <p>V. 5.2.1: Vegetation (Vegetasi)</p> <p>VI. 5.2.2: Wild animal (Satwa Liar)</p> <p>VII. 5.3.2: The Economy and Public Enterprises (Perekonomian dan Usaha Masyarakat)</p> <p>Sighted EIA has been conducted in participation of relevant stakeholders and recorded evident in the ANDAL report. The EIA progress report submitted to Badan Lingkungan Hidup Pemerintah Kabupaten Kota Waringin Timur, Kalimantan Tengah 6 months once. The latest reports were submitted on 21/01/2015 for the period of July to December 2014 and evident in Laporan RKL & RPL Semester II Periode Juli-Desember Tahun 2014. The reports contains information and result analysis under 2 chapters, such as:</p> <p>Chapter 1: Introduction</p> <ul style="list-style-type: none"> a) Company identity (Identitas Perusahaan) b) Locations (Lokasi) c) Event description (Descripsi Kegiatan) <ul style="list-style-type: none"> - Processing of Fresh Fruit Bunches (Pengolahan Tandan Buah Segar) - Production Process CPO / PK (Proses Produkksi CPO/PK) - Procurement and Utilization of Water (Pengadaan dan Pemanfaatan Air) - Waste Management (Liquid/Solid/B3) (Pengelolaan Limbah (Cair/Padat/B3)) d) The development of the Neighborhood (Perkembangan Lingkungan Sekitar) <p>Chapter 2: Implementation and Evaluation (Pelaksanaan dan Evaluasi)</p> <ul style="list-style-type: none"> a) Implementation (Pelaksanaan) <ul style="list-style-type: none"> - Environmental Management Plan (Rencana Pengelolaan Lingkungan) - Implementation of the an Environmental Monitoring Plan (Pelaksanaan Rencana Pemantauan Lingkungan) b) Evaluation (Evaluasi) <ul style="list-style-type: none"> - Wastewater Quality (Kualitas Air Limbah) - Air Quality and Noise (Kualitas Udara dan Kebisingan) <p>There is no evidence of the assessment reports resulted into impacts that requires changes in current practices. The company has also established Environment Management Planning (Rencana Pengelolaan Lingkungan Hidup) (RKL) Pembangunan Perkebunan dan Pabrik Pengolahan Kelapa Sawit as an action plan to minimize and mitigate negative impacts that occurred from the plantation and mill operations. The Environment Management Planning (Rencana Pengelolaan Lingkungan Hidup) which has been established by the company has incorporate the monitoring protocols and the operational controls for the identified impacts. The documents are evident in Matrik Rencana Pengelolaan Lingkungan (RKL): Lampiran 5.1.</p> <p>The plantation unit has also established separate plans to monitor and maintain the identified environmental impacts, for example:</p> <ul style="list-style-type: none"> a) Water Management Plan (PT-SPMN-WMP01-00) b) Waste Management Plan (PT-SPMN-WSTPLAN01-00)
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MA	5.2	<p>The company has appointed an external consultant to conduct High Conservation Value (HCV) Assessment in June 2015. The appointed consultant from Malaysian Environmental Consultants Sdn Bhd. The report contains information of (for example):</p> <ol style="list-style-type: none"> 1. Introduction 2. Description of Assessment Area 3. Assessment Team 4. Timeline and Method 5. Findings <ul style="list-style-type: none"> 5.1 Land use 5.2 Landscape level ecosystem management 5.3 Forest type 5.4 Flora 5.5 Fauna 5.6 HCVs Identified 6. HCV Management and Monitoring Plan 7. Conclusion <p>The HCV assessment has identified the appearance of HCV 3 (Peat Swamp Forest and Riverine) and HCV 4 (areas that provide basic services or nature in critical situation). There are no protected areas available in the estate. However, as the commitment from the company, the production unit has allocated Field A46 (26Ha) and Riparian zone as protected areas</p> <p>The assessment has also identified population status of rare, threatened or endangered (RTE) species and faunas as listed in Appendix 3. The list has potential appearance of ERT species such as Orang Utan (outside the plantation area) and Sunbear (footprint found). The listed 3 species are currently not found within the production unit but likely appear at the scrub forest areas on the adjacent properties. Thus, the company has set aside Field A46 as a conservation area There are 132 faunas found during the assessment. However, only 3 species are identified as Endangered and Vulnerable as summarized in Table 5.5 Threatened species in PT. SPMN.</p> <p>The estate has established a management plan for the HCV maintenance as evident in Table 6.1: Management Issues and Proposed Actions for Effective Management of HCV. For example, the company management has justifies (for example):</p> <ol style="list-style-type: none"> a. Ensure relevant staff able to recognize RTE species b. Identify, map and mark HCV 1 species habitat areas c. Patrolling and boundary security checks <p>The company has established policy on environment as evident in “Kebijakan Lingkungan” No. ST-POL08-01 dated June 2013. The policy specified that no hunting or rearing protected species is allowed in the production unit. The</p>

		<p>signage to prohibit such activities has been installed at relevant location such as main gate, housing areas, office areas and within the field.</p> <p>During the site inspection to Field A46 sighted that sufficient label/signage have been installed at the entrance and training for the staffs and workers has been conducted to educate the needs to maintain the HCV.</p> <p>There are programme to regularly educate the workforce about the RTE species and appropriate disciplinary measures through training session, signage installation and daily muster ground.</p> <p>Latest training to educate the workforce about the RTE species are:</p> <ol style="list-style-type: none"> 1. Sosialisasi Kebijakan-Kebijakan Perusahaan: 2 July 2015 2. Sosialisasi Lingkungan (Satwa Liar Dilindungi): 2 July 2015 3. Sosialisasi Flora&Fauna Dilindungi (for Sprayers): 22 Jun 2015 <p>The company has established HCV Map as evident in Map 5.5: Potential Dedicated HCV 1-3 Areas in the HCV Assessment Report.</p>
MA	5.3	<p>The company has identified and documented all waste and sources of the pollution in PT. Sarana Prima Multi Niaga. The document is made available in Waste Management Plan documented in PT-SPMN-WSTPLAN01-00.</p> <p>The waste management plan includes Management Issues (Identified Waste), Target (Objective/Management Plan), Activities (Handling Procedure), Verifier (Reference Documents/Records), Person in Charge and Frequency (Monitoring Frequency). The document has included the management plan to promote the efficiency of the waste such as:</p> <ol style="list-style-type: none"> I. Boiler Ash: Land application (Fertilizer replacement) II. Decanter Solid: Land application (Fertilizer replacement) III. Empty Fruit Bunch: Land application IV. Used Tire: Recycle as flower pots/Sell to approved collector V. Used Rags: Disposal to approved scheduled waste collector VI. Used Battery: Disposal to approved scheduled waste collector VII. Domestic Waste: Application to landfill/Promote Recycling VIII. Empty Chemical Container: Disposal to approved scheduled waste collector <p>Sighted disposal of identified hazardous chemicals and containers were included in the management plan with method to dispose and handling such waste. Example of the identified hazardous waste are:</p> <ol style="list-style-type: none"> I. Medicinal Waste: Disposal to approved scheduled waste collector II. Empty Chemical Container: Disposal to approved scheduled waste collector III. Electrical Waste: Empty Chemical Container: Disposal to approved scheduled waste collector <p>The disposal of hazardous waste has been carried out by appointed collector, PT. Rama Manunggal Perkasa. The collector is recognized and approved by the government as evident in "Izin Pengumpulan Limbah Bahan Berbahaya dan Beraacun" PT. Rama Manunggal Perkasa (Reference No.: 253 Year 2011). The letter has been issued by "Menteri Negara Lingkungan Hidup" on 28/11/2011. The appointment of the collector is evident in Surat Perjanjian Kerjasama (No.: 001/SPK-PLB3/SPMN/IV/2015) between PT. Sarana Prima Multi Niaga and PT. Rama Manunggal Perkasa dated 22/04/2015.</p>

		<p>Temporary storage of waste generated from the mill is approved by “Bupati Kotawaringin Timur” as sighted in document No.: 188.45/482/HUK-BLH/2013, “Izin Penyimpanan Sementara Limbah Bahan Berbahaya dan Beracun” PT. Sarana Prima Multi Niaga dated 31/10/2013. Example of the disposed scheduled waste to the collector is evidence in “Berita Acara Pengangkutan Limbah B3” dated 25/07/2015.</p> <p>The surplus chemical containers are reused for carrying pre-mixed chemicals for spraying purposes. The disposal of the empty chemical containers has been made in an environmentally and socially responsible way (e.g. returned to the vendor after cleaned using triple rinsing method- as stated in Manual K3).</p> <p>During the site inspection to pre-mixing facilities evident that all surplus of chemical will be collected in a sump and reused for the next day operation. There are no evident of chemicals and their containers have been disposed of irresponsibly. Sighted records of all empty chemicals containers under stored under “Neraca Limbah Bahan Berbahaya dan Beracun”. For example, in June 2015, there are 0.2598MT empty chemical containers kept under storage. The disposed scheduled waste to the collector is evident in “Berita Acara Pengangkutan Limbah B3” dated 25/07/2015. The disposed waste are Used Rags, Empty Chemical Containers, Used Oil Filter, Used Oils and Medical Waste</p> <p>There is no risk of contamination of water sources or risk to human health as all the chemicals are pre-mixed at designated pre-mixing area. The facilities are located within the office compound and located away from any watercourses.</p> <p>Sighted no open fire for waste disposal and ‘No Open Burning’ signage has been made available in the estate and mill areas. Domestic waste has been segregated (an-organic and organic) and disposed at the landfill. There are 2 landfills Field C9 & C10 - Sarana 1 and Field E42 & E43-Sarana 2.</p> <p>The Waste management and disposal plan reduce pollution are available and documented in Waste Management Plan (PT-SPMN-WSTPLAN01-00) and Pollution Management Plan (PT-SPMN-POLPLAN01-00). Those plans are evaluated as implemented. However, Site inspection conducted at Field E42 during the audit evidence that waste segregation and recycling program has not been properly done to reduce waste and utilization of landfill.</p> <p>Minor NC Although the waste management plan was implemented, site inspection conducted at Field E42 during the audit evidence that waste segregation and recycling program has not been properly done to reduce waste and utilization of landfill.</p>
MA	5.4	<p>The company has planned for improving efficiency of the use of fossil fuels (Diesel) is available in GHG Structure (PT-SPMN-GHGPLAN01-00). Example of the plan to reduce usage of diesel are:</p> <ol style="list-style-type: none"> a. Identification of all vehicle for operational and transportation b. Carpooling for all activities in the operation c. Controlling the genset usage for the electricity generation

		<p>However, the identified and proposed plan to reduce usage of diesel is insufficiently address the operational activities in the estate and mill.</p> <p>Renewable energy (fibers and shell) has been used for the boiler operation to replace gensets for boilers operation. After the boilers fully charged, the gensets are shut down and boilers will run on the turbine. The mill has 2 turbines to generate electricity for the boiler operation.</p> <p>The mill has recorded all renewable energy used and fossil fuel per MT CPO. Recorded Diesel usage per MT CPO produced is: 3.093litres/MT CPO. Recorded Renewable Energy usage per MT CPO produced is: 96.9271kWh/MT CPO.</p> <p>Observation A plan for improving efficiency of the use of fossil fuels (Diesel) is available in GHG Structure (PT-SPMN-GHGPLAN01-00). Example of the plan to reduce usage of diesel are:</p> <ol style="list-style-type: none"> a. Identification of all vehicle for operational and transportation b. Carpooling for all activities in the operation c. Controlling the genset usage for the electricity generation <p>However, the plan to reduce usage of diesel has not identified all operational activities in the plantation and mill.</p>
MA	5.5	<p>The company has established zero burning policy titled “Kebijakan Zero Burning” (ST-POL08-01) dated June 2013 and signed by Dato' Tan Aik SIM, Managing Director. The SOP for “Pembukaan dan Penyiapan Lahan” (OPE-SOP01-12) has clearly specified that no burning shall be used during the land preparation/replanting work. All felled palms will be chipped and stacked at the inter-row.</p> <p>To manage any fire incidents, the company has a fire mitigation officer (Spesialis Kebakaran) Mr Ady Putra Ginting (ser.087/AK3-KEB/IX/2013). The company also has established “Team Pemadam Kebakaran PT SPMN” consists of 15 members.</p>
MA	5.6	<p>The company has conducted an assessment of polluting activities (including gaseous emissions and effluent produced). The document has identified sources of the pollution such as Soil Pollution, Air Pollution, Water Pollution and Sound Pollution. As an example the monitored done for Air Pollution (Stack Emission and Gaseous Emission) is available in “Laporan Hasil Pengujian Udara Ambien”, “Kebauan, Emisi Sumber Tidak Bergerak dan Lingkungan Kerja PT. Sarana Prima Multi Niaga” dated 09/06/2015. The assessment has been conducted by Balai HIPERKES dan Keselamatan Kerja. The result of the assessment are recorded and parameters are still below the limit sets by the local authorities.</p> <p>Sighted GHG emissions have been identified in GHG Structure (PT-SPMN-GHGPLAN01-00). The plan has included significant pollutions that contributes to GHG emissions such as Nitrogen Fertilizer, Diesel Usage, Peat Area and Waste Water. The plan to reduce the and minimize the GHG is available which includes:</p> <ol style="list-style-type: none"> a. Application of EFB to minimize N Fertilizer b. Application of Decanter Cake to minimize N Fertilizer c. Usage of electricity from the mill to reduce diesel consumption for generator

		<p>However, the plan has not identified all significant pollutants to GHG emissions (chemical usage, electricity) in the GHG Management Plan.</p> <p>The monitored done to all significant pollutants and emissions for estate and mill operation using Palm GHG Summary Report. The calculator has been submitted to RSPO GHG Working Committee on 28/07/2015.</p> <p>Example of data captured in the calculators are:</p> <ol style="list-style-type: none"> Fertilizer N2O Fertilizer POME Fuel Consumption Electricity Utilization <p>As per the calculator, the GHG emission captured is 1.44tCO₂eq/MT CPO and PK.</p> <p>Observation Plan to reduce the and minimize the GHG is available which among other includes:</p> <ol style="list-style-type: none"> Application of EFB to minimize N Fertilizer Application of Decanter Cake to minimize N Fertilizer Usage of electricity from the mill to reduce diesel consumption for generator <p>However, the plan has not identified all significant pollutants contributes to GHG emissions (chemical usage, water, electricity) in the GHG Management Plan.</p>
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Principle 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers

Criterion by Audit	Summary	The company has conducted social impact assessment for its operating units. Required policies and procedures are in place and been implemented accordingly. Communication and consultation as well complaints and grievances procedures are well established. There are evidences of workers not been discriminated against in any way and all are being paid their fair wages. (Issued 3 Minor NCs)
MA	6.1	<p>The company has documented social impact assessment (SIA) including records of meetings is available and covered both for estate and mill. The document dated March 2015 specifies the scope of the assessment, the objective and methodology in conducting the assessment, assessment process covering the stakeholder engagement, the assessment analysis and the social management plan. The assessment also specifies the record of meeting that has been conducted during the assessment process. SIA meeting was mediated by Malaysia Environmental Consultants Sdn Bhd (MEC) as appointed consultant.</p> <p>The meeting with communities was conducted at Camat office at Cempaga Hulu dated 10/6/2015 and was participated by 64 external stakeholders. The external stakeholders who attended are Head of villages (all relevant villages), individuals, Government (Dinas pertanian), Contractors, Suppliers, Community leader such as head of religion and neighbouring estates.</p> <p>The SIA also included internal stakeholders to handle issues related to infrastructure such as housing, water, sanitary, education, healthcare and general facilities. Internal stakeholder meeting was conducted on 10/06/2015</p>

		<p>and 44 workers participated from multiple type of job scope. The SIA report is based on comprehensive participation from affected stakeholders.</p> <p>Table 6.1 of SIA report has described respond from internal stakeholders related to Housing issues; respond from management and mitigation plan. The management plan for 2015/2016 has described mitigation measures with timetable.</p> <p>Sighted a timetable with responsibilities for mitigation and monitoring is established. There is evidence of Action Plan for Social Impact Assessment (SIA) that is reviewed annually. Such as not enough house, toilet not in working condition, poor condition and inhabitable, inadequate water supply, skin diseases, not enough teacher, salary for teacher, dusty road due to FFB transportation/cars/motorcycles, organizing more social activities, waste management, joint consultative committee meeting and etc.</p> <p>Stated in Table 7.2 Potential Conflict and perception Community in SIA report describe current situation, issues, suggestion and mitigation. Example of the current issues found during stakeholder consultation are Land dispute, Inadequate CSR, River pollution, River buffer and conservation, Job opportunity, Early married and etc.</p> <p>Sighted master list of document for estate and mills stated in Document no. ST-DML01-029 dated 24/07/2015, has described all document that updated. For SIA management plan has been updated annually. As the SIA just finalized March 2015 and implementation of management plan need to check during next surveillance visit.</p>
MA	6.2	<p>The company has established consultation and communication procedure # ST-SOP20-00 dated June 2015 which has outlined communication mechanism for external and internal stakeholders. The procedure enhances communication between mill / estate and stakeholders within and surrounding the landholdings</p> <p>The company has established complaint and dispute procedure document # HR-SOP10-00 to handle dispute and grievances derived from internal and external stakeholders. Inquiry of information by stakeholder is described in Standard Operation Procedure (SOP) titled "Permintaan Informasi" in ST-SOP07-02 Rev-02 dated April 2015. The complaints which received from the stakeholders are resolved through a direct negotiation, using arbitration or through legal proceedings and sighted a flowchart on describing the steps to be taken to resolve the complaints are available.</p> <p>The company has identified Community Development Manager Pak Agus as the official person for handling the social issues within the estate and mill. The evident of nomination of Pak Agus is made available to the audit team that specifies the following responsibility is to handle land dispute, awareness with communities related to land dispute and etc.</p> <p>The Job description for Manager Social Sustainability (Ibu Diana) includes job scope such as:</p> <ul style="list-style-type: none"> • Investigate any report or claim with regard to social issues and to recommend applicable disciplinary act, where necessary; • Keeping all record of reports and action taken for each of reports

		<p>received;</p> <ul style="list-style-type: none"> • Provide advice and counseling to workers that need such service; and • Assist the estate management in organizing any social related <p>The list of stakeholders (Stake list 01-03), records of communication and records of actions taken in response to input from stakeholders is maintained and available. The list was last updated on 01/07/2015 which includes contractors, vendors, local community heads, local authority services, government agencies and also includes the list for NGOs, neighboring mills and estates etc. The Latest meeting with stakeholder conducted on 10/06/2015 for all stakeholders during preparation of SIA report.</p>
MA	6.3	<p>Sighted the documentation of the process by which a dispute was resolved and the outcome is available for mill and estate. The procedures posted in in the company’s web site. www.tsh.com.my. The grievances that received from stakeholders were addressed according until the issue has resolved i.e. through the legal proceeding. Meetings with external stakeholders and the grievance resolution book at individual estates have been initiated</p> <p>The system resolves disputes in an effective, timely and appropriate manner. The established grievance procedure specifies the estimated time shall be taken for each of the process to be addressed before proceed to the subsequent process.</p>
MA	6.4	<p>The procedure for calculating and distributing fair compensation (monetary or otherwise) described under “Penyerahan Lahan” Procedure # PMA-SOP04-00 dated April 2011 is established. This takes into account the power to claim rights, ownership and access to land; and long-established communities; differences in ethnic groups’ proof of legal versus communal ownership of land.</p>
MA	6.5	<p>The payment scheme for workers is applied based on the “Surat Keputusan Bupati Kota Waringin Timur”. The agreement stipulates the rates as well as the terms and conditions of payment for the various categories of essential work activities in the oil palm plantations. The latest agreement dated 06/11/2014 is available.</p> <p>The contracts and procedure (Kebijakan dan Prosedur Perusahaan) on employment are follows:</p> <ul style="list-style-type: none"> • Working hours; • Salary rates (Upah Minumun Kabupaten (UMK) Rp. 2,008.254); • Deduction; • Payment for overtime; • Leave entitlement covering annual leaves, sick leaves, maternity leave and public holiday; • Entitlement for basic amenities in term of housing, electricity, water supply; • Procedure for dismissal and period of notice; and • Safety and health of the workers. <p>During the audit the employee were interviewed and verified on following procedure. The employee were interviewed are :</p> <ul style="list-style-type: none"> • Tini – Sprayer • Maria Imelda –Sprayer

		<ul style="list-style-type: none"> • Al Farida – Manuring • Usriatun – Manuring • Yasinta Soi – Children Caretaker • Utep Sutarna – Mill FFB grader • Fabianus – Mill General worker at Pome pond • Shamsul – Mill FFB grader <p>Sighted samples of pay slip and evident that the workers earned more than the minimum wage. A Group of spraying and manuring workers and their mandores were interviewed on whether they understood the various pay or deduction items contained in their pay slips</p> <p>Sighted the workers’ pay slips details were clear on the salary paid and deductions made. Such as overtime, sick leave pay, annual leave pay, public holiday pay, off day pay, worker’s daily attendance incentive, jam Sostek, advance collected in the middle of the month, gross earnings and net earnings.</p> <p>The contract agreements are written in Indonesian language which can be easily understood by the workers. Furthermore the workers confirmed that the contract was briefed before they signed. The workers agreement and company’s employment pay and condition is based on Undang-Undang no 13 tahun 2003.</p> <p>The company has housing up keep Programme where the housing condition such as roofing, door, sewage and basic need such as water supply will be completed on end August 2015. Due to ongoing project which is not completed yet during the assessment therefore the audit team feel very important to ensure everything done in timely manner.</p> <p>Sighted other facilities such as electricity (24 hours except Sarana one still only 12 hours supply), medical, educational and welfare amenities provided to workers. Waste disposal facilities in accordance with Workers’ Minimum Standard of Housing and Amenities Act. Disposal of domestic solid wastes at the line site is conducted at least twice weekly.</p> <p>The company has established workers cooperation sundry shop to sell basic necessity food such as rice, sugar, cooking oil, tea, flour, drinking and etc. All the food and water are sell below the market price</p> <p>Minor NC Poor housing condition for estate such as lacks of maintenance, roof leaking and unusable toilet. Inadequate basic amenities such as water supply.</p>
MA	6.6	<p>The company has a policy whereby the workers to join trade union known as “Kebebasan Berserikat” signed by Managing Director dated 13/06/2013. The worker union known as “Serikat Buruh Sejahtera Indonesia (SBSI)” and “Serikat Pekerja Sawit Indonesia (SEPACI)” has been established by workers.</p> <p>Workers are reported to be members of the above union. The auditing team met with a number of union leaders (SEPACI) and confirmed that few issues were discussed. It is found that no records were kept by the company on regular meetings with the union.</p>

		<p>Minor NC There is no record was kept by the company for the meetings that was held with the worker unions.</p>
MA	6.7	<p>Policy prohibiting employment of workers under 18 years old is specified in company's policy document "Tenaga Kerja Anak" dated 13/06/2013. Sighted the list of employees in company dated 01/06/2015 and the youngest worker employed is 18 years 6 months old.</p>
MA	6.8	<p>Equal opportunity policy has been defined by the company in its policy documented "Kesempatan yang Sama & Diskriminasi" dated 13/06/2013. The company's policy for equal opportunities in terms of "recruitment, progression, terms and conditions of work and representation, irrespective of race, caste, national origin, gender, colour, disability, sexual orientation, union membership, political opinion, religion and/or age."</p> <p>Sighted there is no evident to suggest the existence of any discrimination against local communities and gender and no foreign workers are involved.</p> <p>The company's recruitments are from neighbouring villages near their estates. The hiring and promotion are based on skills, capabilities, qualities, and medical fitness that guided by "Formulir Penilaian Karyawan" (Worker Performance form).</p>
MA	6.9	<p>The company's policy against violence and sexual harassment is elaborated in policy document titled "Perlecehaan Seksual" dated 13/06/2013. The Gender Committee for mill and estates is established to protect the reproductive rights of all, especially of women base on these policy. Sighted activities program such as religion base programme, handicraft, sport activities, awareness on sexual harassment and women right was organize by gender committee.</p> <p>The company has established specific grievance mechanism to handle grievances. Grievance mechanism is in place that is built in within the procedures for handling complaints and grievances documented in HR-SOP-10 for internal stakeholder. However for external stakeholder specific procedure is established to handle grievance mechanism documented in ST-SOP20-00. The document details the procedures and mechanism applied to resolve all disputes and grievances raised by the relevant stakeholders.</p> <p>The Internal stakeholders' complaints were handled by Welfare committee (separate for mill and estate) which is consist of gender committee and worker's representative. There are number of complaints received due to procedure was not well communicated to all levels of the workforce</p> <p>Minor NC Based on number of complaint received which is very few, and from the interviews with workers found that they are not aware about this procedure. This is means that this procedure was not well communicated to all levels of the workforce. The decision made by Welfare committee was not informed to the complainer due to no name stated in the complaint form. The complaint form is not include decision that will be made by the welfare committee.</p>
MA	6.10	<p>There is no smallholder involve as the mill receives FFB only from its own estates.</p>
MA	6.11	<p>The estates and mill have an obligation of corporate social responsibility</p>

		(CSR), which involves stakeholders. The local communities approached for donations on various occasions such as sport event, religious celebrations, provide agriculture and poultry material, for the upkeep and maintenance of roads and free medical for villager etc.
MA	6.12	<p>The company hired only Indonesian citizen as workers and the payment scheme is applied based on the "Surat Keputusan Bupati Kota Waringin Timur" The salary rates under "Upah Minumun Kabupaten (UMK)" Rp. 2,008.254).</p> <p>The employment contracts and "Kebijakan dan Procedure Perusahaan" stipulates the rates as well as the terms and conditions of works and payment for the various categories of essential work activities in the oil palm plantations. Sighted there is no evident of forced and trafficked labour elements. There are no migrant workers involved. The contracts and company procedure on employment (Kebijakan dan Procedure Perusahaan) are available. As follows :</p> <ul style="list-style-type: none"> • Working hours; • Salary rates (Upah Minumun Kabupaten (UMK) Rp. 2,008.254); • Detail of Deduction; • Payment for overtime; • Leave entitlement covering annual leaves, sick leaves, maternity leave and public holiday; • Entitlement for basic amenities in term of housing, electricity, water supply; • Procedure for dismissal and period of notice; and • Safety and health of the workers. <p>Sighted employment records on workers are hired under "Kadar Harian Lepas (KHL)" and need to be under probation period for 3 to 6 months depend on the Workers performance.</p>
MA	6.13	The company has established Policy on Human Rights under "Hak Asasi Manusia" dated 13/06/2015 to ensure human rights are respected.
Principle 7: Responsible Development of New Plantings		
Criterion by Audit	Summary	In response to new planting done after year 2010 without conducting a formal SEIA, the company has conducted LUCCA for PT SPMN and has submitted compensation plan for RSPO approval. There is no liability identified for SPMN and in April 2016, RSPO Compensation Panels has been endorsed the company's compensation plan.
MA	7.1	New planting were done in year 2010 for 32 hector land at Block D45-D47 and 257 hector land in year 2013 Block A45, A47-A52, B44-B47 without conducting SEIA. These new plantings were done prior to obtain membership with RSPO in year November 2014. As a result, the company is subjected to compensation plan based on the LUCCA outcome.
MA	7.2	Estate has maintained soil map with scale of 1:50,000 in accordance with the company policy. The soil map has identified six different types of soils that consist of the estate land.
MA	7.3	New planting were done in year 2010 for 32 hector land at Block D45-D47 and 257 hector land in year 2013 Block A45, A47-A52, B44-B47. According to Due Diligence Assessment Report which was prepared by SGS (Malaysia) Sdn Bhd (soft copy of report made available by auditee during the audit) indicates that HCV Assessment (Rapid Assessment) was conducted for PT SPMN in October 2009. According to the report the HCV assessment which

		<p>was undertaken by Malaysian Environmental Consultants Sdn Bhd has concluded that there is 70.9 ha of riverine & Peat Swamp Forest in Sarana II which classified as HCV3 and grave (HCV6) in the HGU which is located in Block A30.</p> <p>During this audit, sighted new HCV Assessment conducted for PT SPMN by Malaysian Environmental Consultants Sdn Bhd dated June 2015. The HCV assessment has identified the appearance of HCV 3 (Peat Swamp Forest and Riverine). There is no RTE species identified within the estate.</p> <p>SPMN has undergone LUCCA and no liability was identified. Compensation plan has been established for the TSH group and it has been endorsed by RSPO Compensation Panel in April 2016.</p>
MA	7.4	<p>The estate's soil map has identified six different types of soils that consist of the estate land. The soil series details sighted as below:</p> <ul style="list-style-type: none"> • Medium texture 3,848.50 Ha (52%) • Ultisols Gray 1,101 HA (15%) • Ultisols Yellow 445.50 HA (6%) • Sandy 641 HA (9%) • Hard Pan 363.40 HA (5%) • Peat 962.50 Ha (13%)
MA	7.5	<p>As the company is subjected compensation plan for the violation of RSPO requirement on NPP, currently there are procedures such as SOP of Land Compensation (PMA-SOP04-00) date April 2011 and (PMA-SOP16-00) dated of September 2013 indicates company procedure to handling land conflict and compensation made according to FPIC.</p>
MA	7.6	<p>There is no customary and legal rights identified as of this audit period. 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. The claims are not related to customary nor legal rights. They were grievances regarding land claims which are being investigated via normal grievance procedure.</p>
MA	7.7	<p>The company has established zero burning policy titled "Kebijakan Zero Burning" (ST-POL08-01) dated June 2013 and signed by Dato' Tan Aik SIM, Managing Director.</p>
MA	7.8	<p>Not applicable as the new planting has already been completed and SPMN is been subjected LUCCA and compensation plan.</p>
Principle 8: Commitment to Continuous Improvement in Key Areas of Activity		
Criterion by Audit	Summary	<p>Sighted continuous monitoring, review of activities and development are implemented along with action plans that allow demonstrable continual improvement in key operations such as in minimizing environmental impacts, pollution prevention plans and working conditions.</p> <p>(Issued One Observation)</p>
MA	8.1	<p>The company has established action plan for continual improvement based on social and environmental impacts and opportunities of the plantation and mills is available. The Continuous Management Plan Structure under PT-SPMN-CONPLAN01-00. The plan are includes Management Issues, Target, Activities, Verifier, Person in Charge, Time Scale and .Frequency</p> <p>The plan for continuous improvement in the reduction of pesticides usage is available in IPM Structure under EST-SPMN-IPMPLAN01-00. The plan have</p>

		<p>listed:</p> <ol style="list-style-type: none"> a. Planting of beneficial plant b. Monitoring of pesticides usage c. Monitoring of chemical mixing <p>The pesticides usage reduction has been monitored and recorded in Data Penggunaan Pestisida. For example:</p> <table border="1" data-bbox="577 481 1407 616"> <thead> <tr> <th>Active Ingredients</th> <th>Usage in 2013</th> <th>Usage in 2014</th> </tr> </thead> <tbody> <tr> <td>Ammonium Glufosinate</td> <td>113,550g</td> <td>0</td> </tr> <tr> <td>Isopropilamina Glifosat</td> <td>8,049,600g</td> <td>6,630,240g</td> </tr> <tr> <td>Paraquat</td> <td>3,440,570g</td> <td>2,909,480g</td> </tr> </tbody> </table> <p>The Environmental impacts assessment is available under “Analisis Dampak Lingkungan Hidup (ANDAL)”, “Pembangunan Perkebunan dan Pabrik Pengolahan Kelapa Sawit.” The progress report for the EIA is available in “Laporan RKL & RPL Semester II” Periode Juli - Desember Tahun 2014. The report has been submitted every 6 months to “Badan Lingkungan Hidup Pemerintah Kabupaten” Kota Waringin Timur, Kalimantan Tengah</p> <p>Sighted plan to reduce waste is available under GHG Structure document no PT-SPMN-GHGPLAN01-00. However, there is insufficient evidence to suggest that the production unit has established comprehensive plan to minimize waste generation.</p> <p>The pollution and greenhouse gas emission is available under GHG Structure document no PT-SPMN-GHGPLAN01-00. However, the plan has not identified all sources of pollution contributing to GHG emissions (chemicals, electricity, water, etc.). Hence, the plan has not been effectively implemented.</p> <p>The company established continuous improvement plan for the identified social impacts is available in Social Management Plan Structure titled SOC-SPMN-SMPPLAN01-00. The company also has identified some activities as Corporate Social Responsibility (CSR) as part of the social impacts improvement. The CSR planned is evidence in CSR Plan PT. Sarana Prima Multi Niaga titled SOC-SPMN-CSRPLAN01-00. The plan listed under :</p> <ol style="list-style-type: none"> a. Education (Pendidikan) b. Health (Kesehatan) c. Micro Business (Usaha Mikro) d. Agriculture (Pertanian) e. Religious (Keagamaan) f. Sports (Olahraga) <p>The plan to optimize the yield of the supply base, the company has been visited by appointed agronomists to evaluate current field conditions, projection of yield and recommendation for the improvement. The agronomist visits once a year and latest visit by Mr. Chong Choon Fong (Agronomist) on 30/06/2014 to 05/07/2014. Sighted in the Agronomic Report 2014. The report consist of:</p> <ol style="list-style-type: none"> a. Palm Growth and Field Condition b. Yields Performance c. Palm Nutritional Status d. Fertilizer Recommendations e. Agronomic Practices 	Active Ingredients	Usage in 2013	Usage in 2014	Ammonium Glufosinate	113,550g	0	Isopropilamina Glifosat	8,049,600g	6,630,240g	Paraquat	3,440,570g	2,909,480g
Active Ingredients	Usage in 2013	Usage in 2014												
Ammonium Glufosinate	113,550g	0												
Isopropilamina Glifosat	8,049,600g	6,630,240g												
Paraquat	3,440,570g	2,909,480g												

		<p>Observation</p> <ul style="list-style-type: none"> Plan to reduce waste is available in GHG Structure (PT-SPMN-GHGPLAN01-00). However, there is insufficient evidence to suggest that the production unit has established comprehensive plan to minimize waste generation. Pollution and greenhouse gas emission is available in GHG Structure (PT-SPMN-GHGPLAN01-00). However, the plan has not identified all sources of pollution contributing to GHG emissions (chemicals, electricity, water, etc.). Hence, the plan has not been effectively implemented.
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4.3 Non-conformity Raised During this Audit and Any from the Previous Year, if applicable

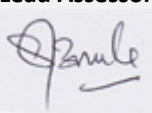
This section gives an over view of new or revised non-conformities raised during this audit and of action taken to close out non-conformities raised during the previous audits, if applicable

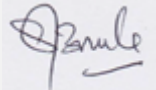
- If a minor-non-conformity raised at the last audit, is not closed out, then this will be raised to Major status and the company given 60 days to close this out.
- The NC number is comprised of 2 parts to include the year in which the NC was raised as well as a sequential number.

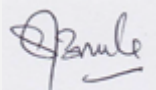
4.3.1 Non-Conformities Identified during this Audit

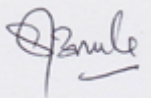
The following Five NC's were raised for this audit.

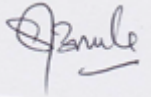
NON CONFORMITY REPORT

NC number:	2015-01
Client name:	TSH Group : PT. Sarana Prima Multi Niaga
Date raised:	29th July 2015
Major or Minor:	Minor
Raised by:	Baskaran
Aspect of standard:	
1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.	
Evidence of non-conformity:	
There is evidence that the company has not established written policy committing to a code of ethical conduct and integrity in all its operations and transactions.	
Lead Assessor Signature	
	
Date : 29/07/2015	
Proposed corrective action / improvement action by company:	
Timeline for conformance: next surveillance audit	
Closed out evidence:	

NON CONFORMITY REPORT	
NC number:	2015-02
Client name:	TSH Group : PT. Sarana Prima Multi Niaga
Date raised:	29th July 2015
Major or Minor:	Minor
Raised by:	Muhammad Shazaley bin Abdullah
Aspect of standard: 5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.	
Evidence of non-conformity: Although the waste management plan was implemented, site inspection conducted at Field E42 during the audit evidence that waste segregation and recycling program has not been properly done to reduce waste and utilization of landfill.	
Lead Assessor Signature  Date : 29/07/2015	
Proposed corrective action / improvement action by company:	
Timeline for conformance: next surveillance audit	
Closed out evidence:	

NON CONFORMITY REPORT	
NC number:	2015-03
Client name:	TSH Group : PT. Sarana Prima Multi Niaga
Date raised:	29 July 2015
Major or Minor:	Minor
Raised by:	Abdul Haye Semail
Aspect of standard: 6.5.3: Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.	
Evidence of non-conformity: Poor housing condition for estate such as lacks of maintenance, roof leaking and unusable toilet. Inadequate basic amenities such as water supply.	
Lead Assessor Signature  Date : 29/07/2015	
Proposed corrective action / improvement action by company:	
Timeline for conformance: next surveillance audit	
Closed out evidence:	

NON CONFORMITY REPORT	
NC number:	2015-04
Client name:	TSH Group : PT. Sarana Prima Multi Niaga
Date raised:	29 July 2015
Major or Minor:	Minor
Raised by:	Abdul Haye Semail
Aspect of standard: 6.6.2: Minutes of meetings with main trade unions or workers representatives shall be documented.	
Evidence of non-conformity: There is no record was kept by the company for the meetings that was held with the worker unions.	
Lead Assessor Signature 	
Date : 29/07/2015	
Proposed corrective action / improvement action by company:	
Timeline for conformance: next surveillance audit	
Closed out evidence:	

NON CONFORMITY REPORT	
NC number:	2015-05
Client name:	TSH Group : PT. Sarana Prima Multi Niaga
Date raised:	29 July 2015
Major or Minor:	Minor
Raised by:	Abdul Haye Semail
Aspect of standard: 6.9.3: A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.	
Evidence of non-conformity: Based on number of complaint received which is very few, and from the interviews with workers found that they are not aware about this procedure. This is means that this procedure was not well communicated to all levels of the workforce. The decision made by Welfare committee was not informed to the complainer due to no name stated in the complaint form. The complaint form is not include decision that will be made by the welfare committee.	
Lead Assessor Signature 	
Date : 29/07/2015	

<p>Proposed corrective action / improvement action by company:</p>
<p>Timeline for conformance: next surveillance audit</p>
<p>Closed out evidence:</p>

4.3.2 Non-Conformity Identified during the last ASA, not applicable for MA
Non-were raised during the last audit as this is the Main Assessment.

4.3.3 Observations Raised During this Audit
Following 3 observations were raised.

OBSERVATION	
Number:	2015 - 01
Client name:	TSH Group : PT. Sarana Prima Multi Niaga
Raised by:	M. Shazaley Abdullah
<p>Aspect of standard: 5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored.</p>	
<p>Findings: A plan for improving efficiency of the use of fossil fuels (Diesel) is available in GHG Structure (PT-SPMN-GHGPLAN01-00). Example of the plan to reduce usage of diesel are:</p> <ol style="list-style-type: none"> Identification of all vehicle for operational and transportation Car pooling for all activities in the operation Controlling the genset usage for the electricity generation <p>However, the plan to reduce usage of diesel has not identified all operational activities in the plantation and mill.</p> <p>Date: 29th Jul 2015</p>	

OBSERVATION	
Number:	2015 - 02
Client name:	TSH Group : PT. Sarana Prima Multi Niaga
Raised by:	M. Shazaley Abdullah
Aspect of standard: 5.6.2 [M] Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimize them implemented.	
Findings: Plan to reduce the and minimize the GHG is available which among other includes: <ol style="list-style-type: none"> a. Application of EFB to minimize N Fertilizer b. Application of Decanter Cake to minimize N Fertilizer c. Usage of electricity from the mill to reduce diesel consumption for generator However, the plan has not identified all significant pollutants contributes to GHG emissions (chemical usage, water, electricity) in the GHG Management Plan. Date: 29 th Jul 2015	

OBSERVATION	
Number:	2015 - 03
Client name:	TSH Group : PT. Sarana Prima Multi Niaga
Raised by:	M. Shazaley Abdullah
Aspect of standard: 8.1.1 [M] The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria. As a minimum, these shall include, but are not necessarily be limited to: <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6) • Environmental impacts (Criteria 4.3, 5.1 and 5.2) • Waste reduction (Criterion 5.3) • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8) • Social impacts (Criterion 6.1) • Optimising the yield of the supply base 	
Findings: <ul style="list-style-type: none"> • Plan to reduce waste is available in GHG Structure (PT-SPMN-GHGPLAN01-00). However, there is insufficient evidence to suggest that the production unit has established comprehensive plan to minimize waste generation. • Pollution and greenhouse gas emission is available in GHG Structure (PT-SPMN-GHGPLAN01-00). However, the plan has not identified all sources of pollution contributing to GHG emissions (chemicals, electricity, water, etc.). Hence, the plan has not been effectively implemented. Date: 29 th Jul 2015	

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

Stakeholders were either informed by the client or by Control Union via the RSPO website.

- For Main 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 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.

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?


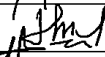

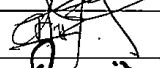





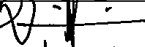




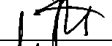




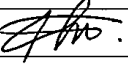
Subject raised	Company response and proposed action to be taken	Audit team findings
External Stakeholder consultation - 28 July 2015. 3.00 pm	-	-
- Budi (Kepala Desa Bukit Batu Kec. Cempaga Hulu): Positive impact to his people in terms of employment since TSH takes over the plantation. Suggest to improve communication between the company and community.	We take note of these positive comments. SPMN has prepared communication mechanism.	Communication procedure is available.
- Johanshah (Kepala Desa Jatiwaringin): Suggest more program on economic sustainability to their people. Women in the community need social activity. Encourage the company to organize activities to involve women in community.	This is only recommendation, the proposal must come from the villager. SPMN will study the suitability, expert and financial. Gender Committee will extent the activities to include local community.	This suggestion is just at an early stage. No evidence that the villager has applied for this kind of support.
- Joni Heri (Kepala Urusan Pemerintah Pundu) Hopes	These issues were captured in the SIA study. The management	The SIA is only two months old. These issues need to be checked

<p>that the company can contribute on CSR especially "POSYANDU".</p> <ul style="list-style-type: none"> - Not enough teacher issues. 	<p>plan to promote the positive impact will be implemented according to plan.</p> <p>Interview with the estate doctor reveals that, SPMN will start POSYANDU (Pos Pelayanan Bersepeda – Medical service) program in September.</p>	<p>during surveillance visit.</p>
<ul style="list-style-type: none"> - Acep Mulyana (Seretaris Desa Karang Sari): - Address appreciation to SPMN for the process of upgrading the workers quarters. 	<p>We take note of these positive comments.</p>	<p>Positive comment</p>
<p>Stakeholder with workers Union 28 July 2015. 4.30 pm</p>	<p>-</p>	<p>-</p>
<p>Stakeholder consultation with Serikat Pekerja Satu Indonesia (SPSI).</p> <ul style="list-style-type: none"> - Pak Subit: Voice up about Union claim letter dated 2012. No follow up from SPMN about this issue. 	<p>Meeting was conducted by SPMN about the claim and "Risalah Perundingan" dated 13 September 2013 Bapak Otto B. Tampubolon. However the letter was rejected by the previous union leader. Now SPSI has appointed new leader and SPMN also has new HR officer.</p>	<p>No regular meeting was conducted by SPMN to discuss about current with worker's union. NC was raised due to no formal meeting was conducted between union and company since 2012. The HR claims he always had informal meetings with Union but no evidence was kept.</p>

Stakeholder Consultation was notified on RSPO Website on 01/06/2015. Attached below is list of stakeholders attended consultation session conducted in SMPN Meeting Room on 28/07/2016.

STAKEHOLDER CONSULTATION LIST

External Stakeholder.

No	Name	Position/Posisi	Signature/Tandatangan
1.	PETRUS OLA	KET. BPD DS. JATIWARINGIN	
2	MENTAYAWATI	BU. KADES JATIWARINGIN	
3	H. JOTHANSYAH	KDS. JATIWARINGIN	
4	Adeq Mulyana	sektor es Korang	
5	H. Husmi Tambirin	Tokoh Masyarakat	
6	YUS IRAMA	STAF. DESA, PUNDU.	
7	LAMAK	TOKOH MASYARAKAT	
8.	Baharudin	Tokoh Masyarakat	
9.	JONI HERI	KAUH PEM. DS-PUNDU	
10.	KITUNG.	WKL. BPD B-BATU	
11.	BADI HEMBERLIN. SALAM	Kepala desa Bukit Batu	
Internal stake holder.			
1.	Darmawati	women's Rish	
2.	Sadikus	Anggota welfare.	
3.	Martalia Silaen	Anggota	
4	JumLudik	MA-MIDON	
5	Aisatusheni	"	
6.	oisa mahd	Selektors welfare comk	
Union.			
1	SUBIT	Mandor ^{SPAS/} leader insular kehun	
2.	H. Eryono	mandor leader	
3	Erwin . p	perawatan sekretaris	

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 SG or MB)
PT Sarana Prima Multi Niaga POM	45	Subdistrict Cempaga Hulu and Parenggean, Kabupaten Kotawaringin Timur, Kalimantan Tengah, Indonesia	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	38,153	5,965	Actual volumes forecasted

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

The Mill Manager is the person responsible to implement, manage and verify all the mass balance traceability activities that happens in the mill. It is the responsibility of the department heads to ensure that they and their subordinates comply with the requirements and procedures stated in SOP manual. The company has established SOP titled "Supply Chain – Mass Balance" document No. ST-SOP19-00 dated June 2015 for the Mass Balance management of the Palm Oil Mill supply chain system. As per the SOP incoming FFB from certified estates into its certified mill supply base are classified and managed as certified FFB while FFB from uncertified plantations are classified as noncertified FFB. The weighbridge operator records FFB received separately as certified FFB and non-certified FFB. The mill clerks will use this data accordingly to produce the Daily FFB Report and Mass Balance Report. The production of certified CPO and PK is based upon the percentage of the certified FFB processed from the total FFB processed.

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

5.4 Monthly Records of Certified FFB, CPO and PK Since the Last Audit

No	MONTH-YEAR	Certified Supply Bases (MT)	Certified CPO (MT)	Certified PK (MT)
		Not applicable as Main Assessment		
	TOTAL			

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

No	Buyers Name	GreenPalm Trading No	Certified CPO (MT) Sold	Certified PK (MT) Sold
1	N/A	-	-	-

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

No	Buyers Name	UTZ eTrace Trading No	Certified CPO (MT) Sold	Certified PK (MT) Sold
1	N/A	-	-	-

5.7 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 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.

5.8 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 45 ton FFB per hour. The mill is capable of handling MB supply chain model.

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

Recommendations made:	Yes
Summary of non-compliances:	Not Found
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: June 2016

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: | N/A as non-were raised during this audit. |
| • 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:	Selwendran
Position:	Head of Sustainability
Date:	11 th May 2016



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:	Baskaran Sankaran
Position:	Lead Auditor
Date:	29/04/2016



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:	Simon Selvaraj
Position:	Certifier
Date:	13 May 2016



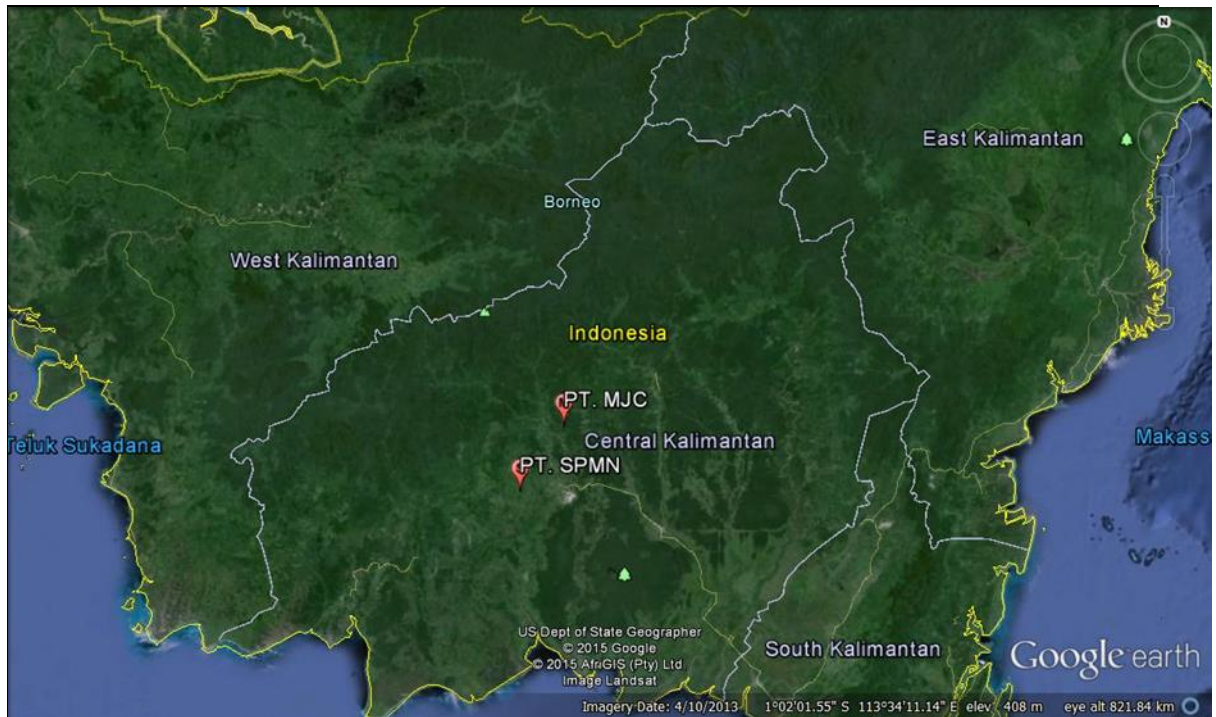
Signature

PART 7: APPENDICES

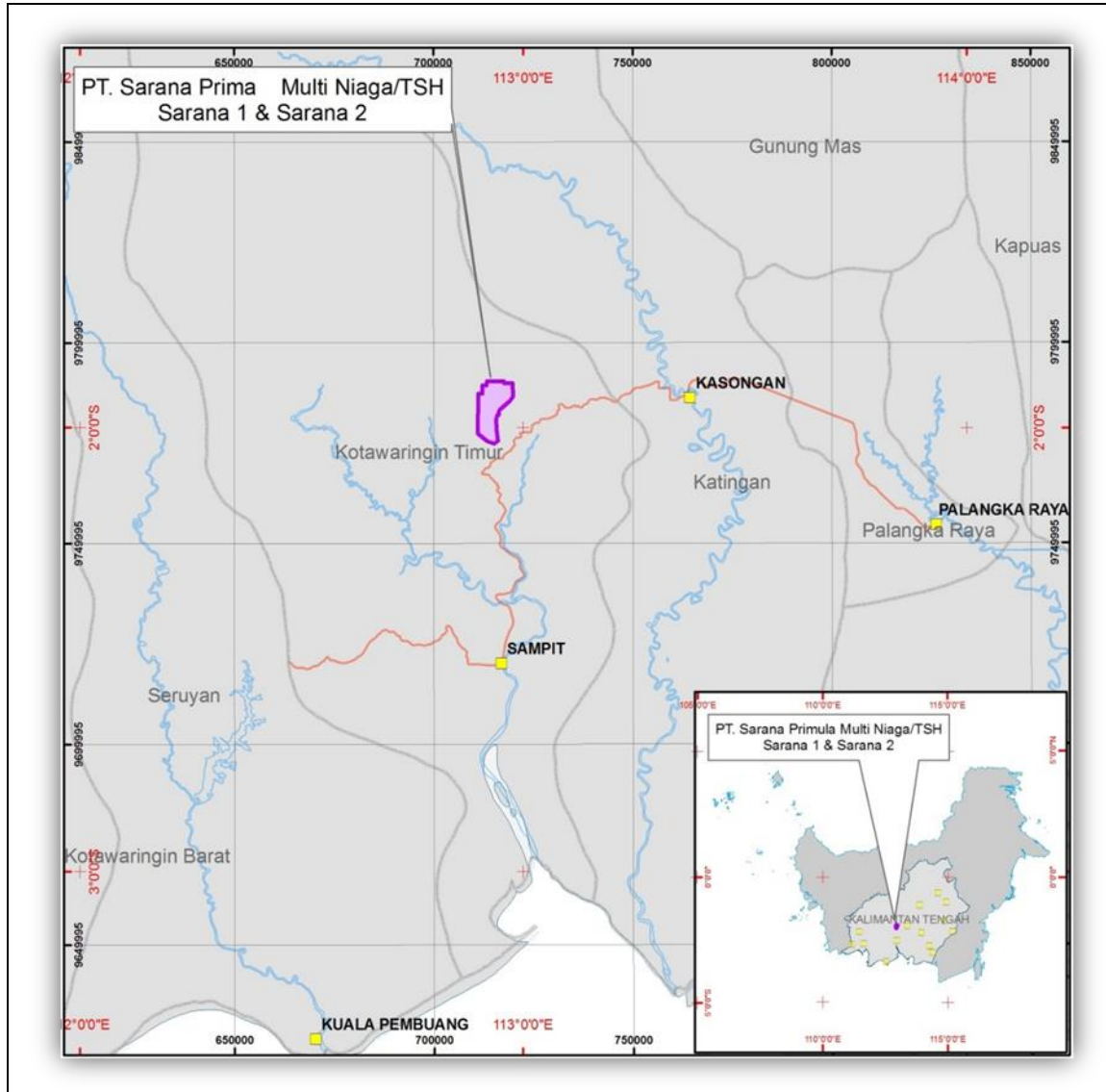
Appendix 1: Location Map for this Certification Unit

From 1.9, the location map(s)

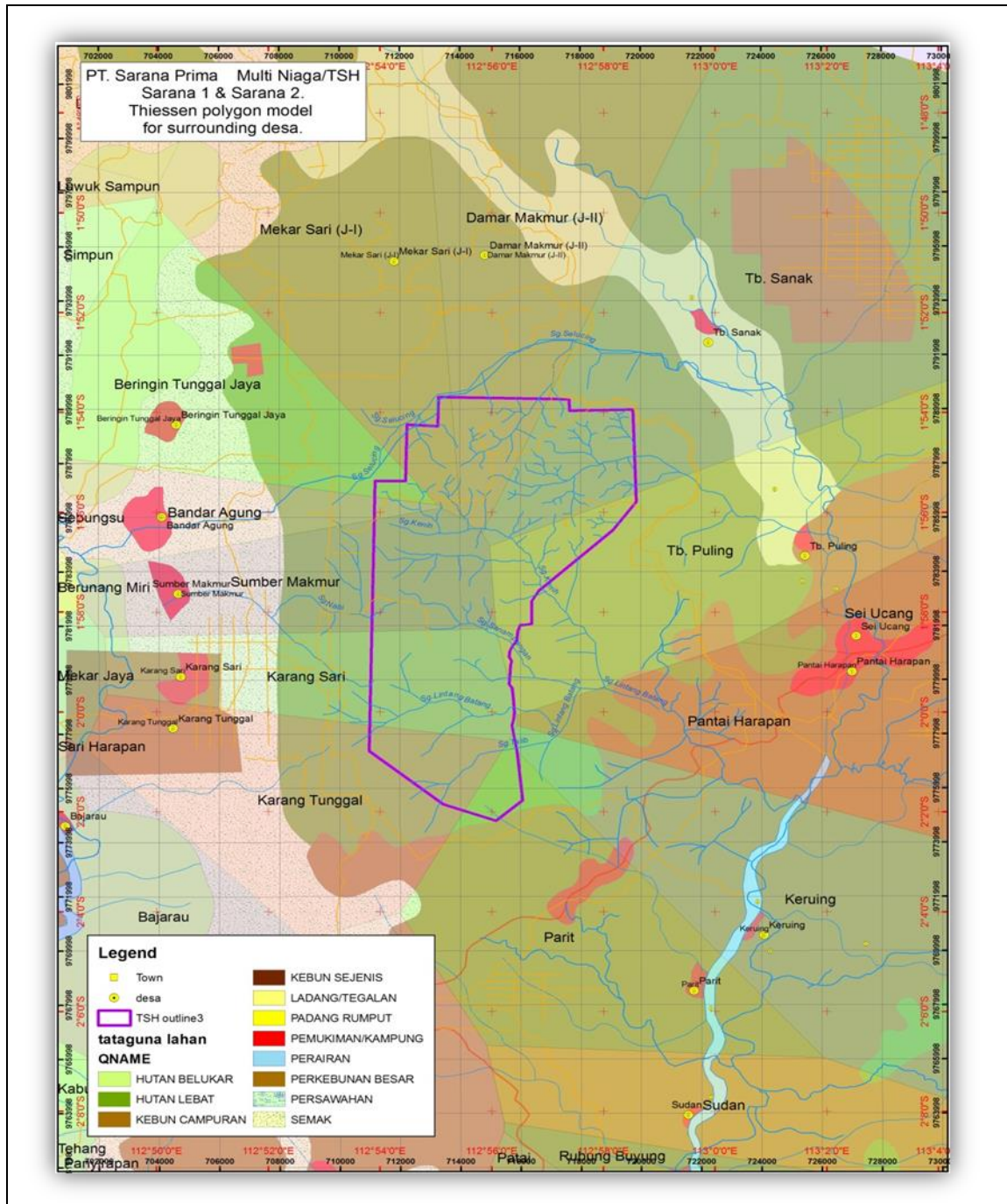
1. Location map of PT Sarana Prima Multi Niaga (PT SPMN) in Central Kalimantan, Kalimantan.



2. Location map of PT SPMN in Kotawaringin Timur Regency (district) in Central Kalimantan.



3. Location map of PT SPMN in Subdistrict Cempaga Hulu, East Kotawaringin Regency with surrounding villages.



Appendix 2: 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
SOCISO	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