

**Roundtable on Sustainable Palm Oil Certification  
R S P O**

Stage-1     Stage-2     Surveillance     Re-Certification

Name of Management Organisation : **Ungkaya POM – PT Tamaco Graha Krida subsidiary of Sime Darby Plantation Sdn. Bhd.**

Plantation Name : **PT Tamaco Graha Krida, Ungkaya Estate**

Location : Village of Ungkaya, Sub-District of Wita Ponda, District of Morowali, Province of Sulawesi Tengah, Indonesia

Certificate Code : **MUTU-RSPO/018**

Date of Certificate Issue : **29 December 2017**      Date of License Issue : **29 December 2017**

Date of Certificate Expiry : **28 December 2022**      Date of License Expiry : **28 December 2018**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
RC	5 <sup>th</sup> – 10 <sup>th</sup> June 2017	Marsudi Eko Santoso (Lead Auditor), Ardiansyah, Rudi Ramdani and Mohamad Amarullah	Ganapathy Ramasamy	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
RC	<b>29 December 2017</b>

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FIGURE  
Figure 1. Location Map of PT TAMACO GRAHA KRIDA

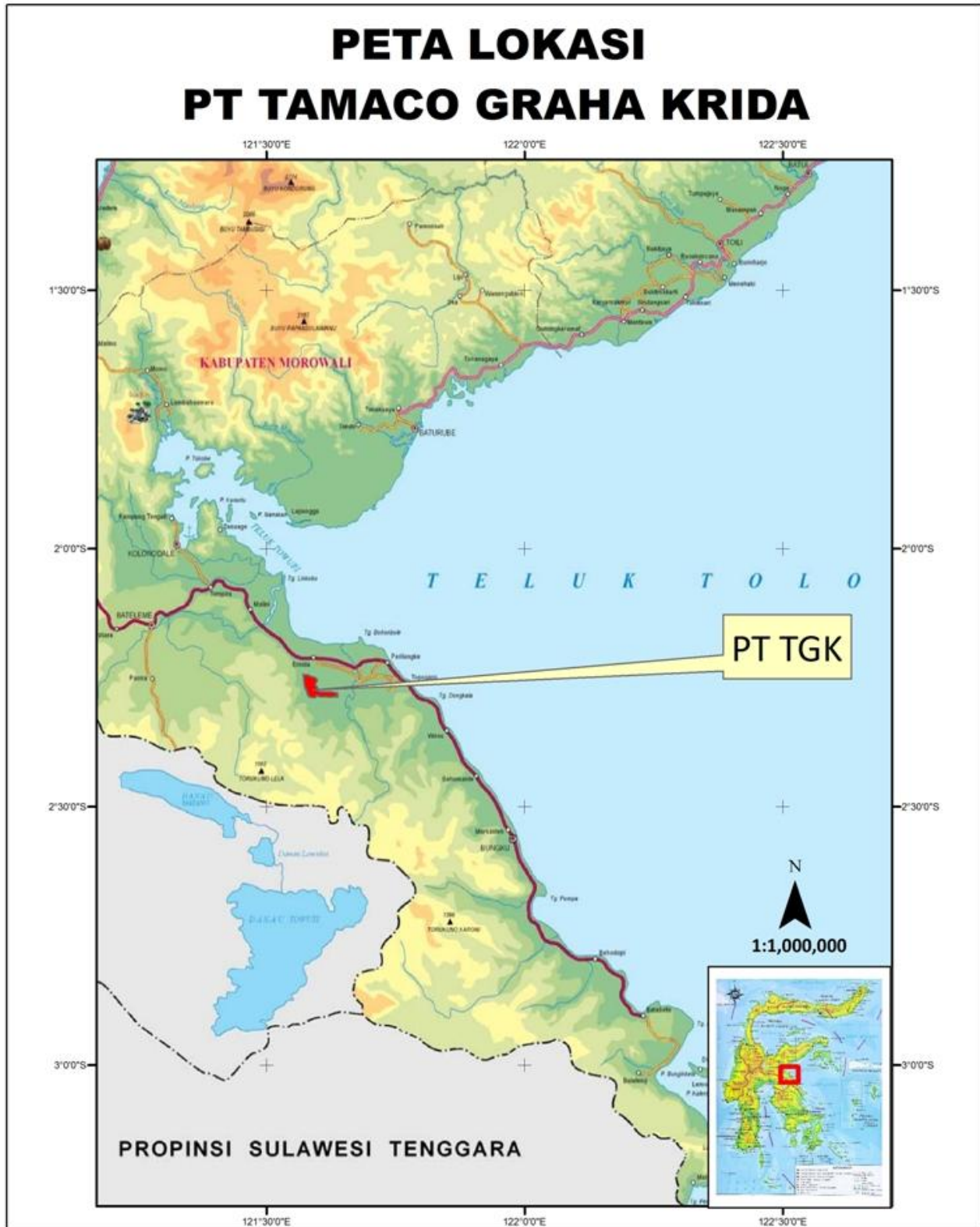
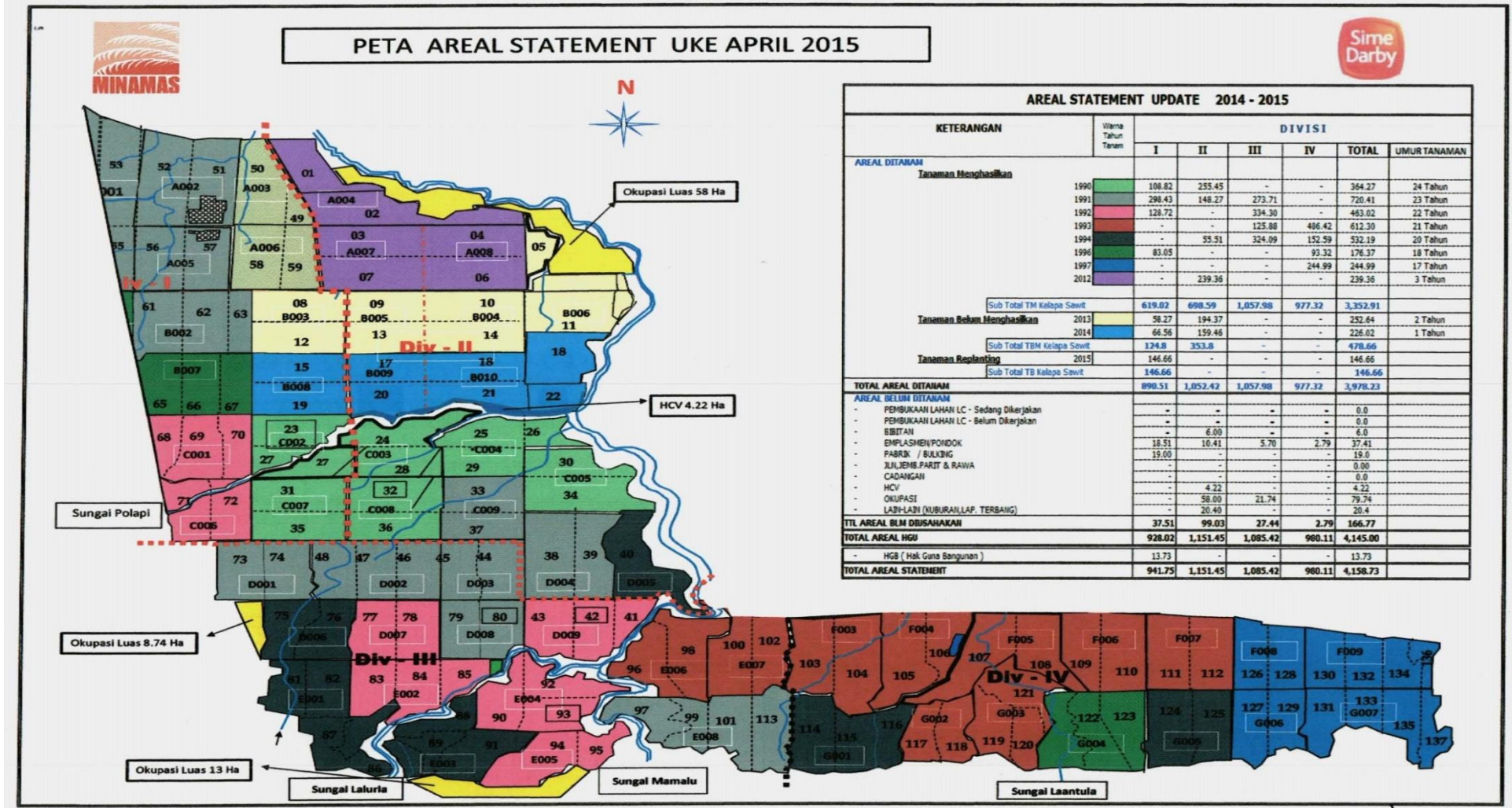


Figure 2. Operational Map of PT TAMACO GRAHA KRIDA – UNGKAYA ESTATE



<b>Glossary</b>		
AMDAL	:	<i>Analisis Mengenai Dampak Lingkungan</i> (Social and Environmental Impact Assessment)
ASA	:	Annual Surveillance Assessment
B3	:	<i>Bahan Berbahaya dan Beracun</i> (Hazardous waste or Scheduled Waste)
BOD	:	Biological Oxygen Demand
BMP	:	Best Management Practices
CD	:	Community Development
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
IPM	:	Integrated Pest Management
IUP	:	<i>Izin Usaha Perkebunan</i> (Plantation Operation License)
EFB / Jangkos	:	Empty Fruit Bunch / <i>Janjang kosong</i>
EHS	:	Environment, Health and Safety
FFB / TBS	:	Fresh Fruit Bunch / <i>Tandan buah Segar</i>
Jamsostek	:	<i>Jaminan sosial tenaga kerja</i> (Employees and Social Insurance)
KER	:	Kernel Extraction Rate
KT	:	<i>Kelompok Tani</i> (Farmer Group)
LC	:	Land Clearing
LCC	:	Legume Cover Crop
MB	:	Mass Balance
MRC	:	Minamas Research Centre
MSDS	:	Material Safety data Sheet
NA	:	Not applicable
NC	:	Non Conformity
OER	:	Oil Extraction Rate
OHS / K3	:	Occupational Health and Safety / <i>Kesehatan dan Keselamatan Kerja</i>
RKL	:	<i>Rencana Kelola Lingkungan</i> (Environmental Management Plan)
RPL	:	<i>Rencana Pemantauan Lingkungan</i> (Environmental Monitoring Plan)
SPK	:	<i>Surat Perjanjian Kerjasama</i> (Letter of Agreement)
PSD	:	Plantation Services Departement
PSQM	:	Plantation Sustainable Quality Management
PKB	:	<i>Perjanjian Kerja Bersama</i> (Working Agreement)
PKS / POM	:	<i>Pabrik Kelapa Sawit / Palm Oil Mill</i>
POME	:	Palm Oil Mill Effluent
P2K3	:	<i>Panitia Pembina Kesehatan dan Keselamatan Kerja</i> (OSH Organisation)
P3K	:	<i>First Aid Box</i>
SKU	:	<i>Satuan Kerja Unit</i> (Working Unit)
TGK	:	Tamaco Graha Krida
UKE	:	Ungkaya estate
UKF	:	Ungkaya factory

<b>SCOPE OF THE CERTIFICATION ASSESSMENT</b>			
<b>1.1. Assessment Standard Used</b>			
1.1.1	<ul style="list-style-type: none"> <li>• Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 30<sup>th</sup> September 2016.</li> <li>• RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</li> <li>• RSPO Certification System (approved by RSPO Executive Board 26 June 2007)</li> </ul>		
<b>1.2. Organisation Information</b>			
1.2.1	Organisation name listed in the certificate	PT TAMACO GRAHA KRIDA - Sime Darby Plantation Sdn. Bhd	
1.2.2	Contact person	Men Kon, Tang	
1.2.3	Organisation address and site address	Head Office : No 2, Plantation Tower Jalan PJU 1A/7 Petaling Jaya, Malaysia 47301  Liaison Office of Sime Darby Indonesia (Minamas Gemilang): The Plaza Office Tower, 36th Floor, Jl. M. H. Thamrin Kav. 28-30, Jakarta 10350	
1.2.4	Telephone	+6221 – 29926000	
1.2.5	Fax	+6221 – 29922686	
1.2.6	E-mail	<a href="mailto:mohamad.pirabaharan@simedarwin.com">mohamad.pirabaharan@simedarwin.com</a>	
1.2.7	Web page address	<a href="http://www.simedarwinplantation.com">www.simedarwinplantation.com</a>	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan	
1.2.9	Registered as RSPO member	1-0008-04-000-00, dated 8 <sup>th</sup> September 2004	
<b>1.3. Type of Assessment</b>			
1.3.1	Scope of Assessment and Number of Management Unit	1 Unit of Ungkaya POM and 1 Unit of Ungkaya Estate.	
1.3.2	Type of certificate	Single.	
<b>1.4. Locations of Mill and Plantation</b>			
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Ungkaya Factory	Village of Ungkaya, Sub District of Wita Ponda, District of Morowali, Province of Sulawesi Tengah	S 02° 13' 22"      E 121° 33' 49"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Ungkaya Estate	Village of Ungkaya, Sub District of Wita Ponda, District of Morowali, Province of Sulawesi Tengah	S 02° 13' 53"      E 121° 34' 15"

<b>1.5. Description of Area Statement</b>							
1.5.1	Tenure						
	• State					4,145 ha	
	• Community					- ha	
1.5.2	<b>Area Statement</b>		<b>Total (ha)</b>				
	• Total area					<b>4,145.00</b>	
	• Mature area					2,956.21	
	• Immature area					1,008.96	
	• Mill					19.00	
	• Nursery					6.00	
	• Housing					44.95	
	• Land Occupation					79.74	
	• HCV					30.14	
Source: Area statement April 2017							
<b>1.6. Planting Year and Cycles</b>							
1.6.1	Age profile of planting year						
	<b>Planting Year</b>	<b>Hectarage (Ha)</b>				<b>Total (ha)</b>	
		<b>Ungkaya Estate (ha)</b>					
	1990	59.90				59.90	
	1991	421.98				421.98	
	1992	334.30				334.30	
	1993	612.30				612.30	
	1994	532.19				532.19	
	1996	93.32				93.32	
	1997	244.99				244.99	
	2012	239.44				239.44	
	2013	253.63				253.63	
	2014	230.72				230.72	
	2015	248.34				248.34	
	2016	615.47				615.47	
	2017	78.59				78.59	
	<b>TOTAL</b>	<b>3,965.17</b>				<b>3,965.17</b>	
Source: Area statement April 2017							
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 <sup>nd</sup> Cycle				
<b>1.7. Description of Mill and Supply Base</b>							
1.7.1	Description of Mill						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (ton)</b>	<b>Extraction (%)</b>	<b>Out put (ton)</b>	<b>Extraction (%)</b>
	Ungkaya	45	177,260.76	38,456.05	21.62	8,222.62	4.64
<i>*Production data source from June 2016 – May 2017</i>							
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estate</b>	<b>Total Area</b>	<b>Planted Area</b>	<b>FFB</b>	<b>Yield</b>	<b>Supplied to Mill</b>	

	(Ha)	(Ha)	(tonnes/year)	(tonnes/ha/year)	FFB (tonnes/year)	%
Ungkaya Estate	4,145.00	3,965.17	51,961.61	17.58	51,961.61	100
<b>TOTAL</b>	<b>4,145.00</b>	<b>3,965.17</b>	<b>51,961.61</b>	<b>17.58</b>	<b>51,961.61</b>	<b>100</b>
<i>*Production data source from June 2016 – May 2017</i>						
1.7.3	FFB description from other source					
	Name of sources/ Organisation (RSPO certified / non- certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill FFB (tonnes/year)	
	Plasma Ungkaya	Independent Smallholder	5,005	5,369	115,332.59	
	Cooperative Morokerta – non certified	Outgrower	-	-	1,548.53	
	PT PN Tomata – non certified	Outgrower	-	-	8,187.19	
	PT Asera Asia Investama – non certified	Outgrower	-	-	65.75	
	Cooperative Puncak Jaya – non certified	Outgrower	-	-	165.09	
	<b>TOTAL</b>				<b>125,299.15</b>	
<i>*Production data source from June 2016 – May 2017</i>						
1.7.4	Products		FFB, CPO, PK			
<b>1.8. Estimate Tonnage of Certified Product</b>						
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 10 July 2016 to 9 July 2017 (tonnes/year)	Actual certified product 10 July 2016 to 5 June 2017 (tonnes/year)		
	• FFB Production		141,436	152,730.550		
	• CPO Production		33,450	32,743.501		
	• Palm Kernel (PK) Production		7,072	6,867.888		
1.8.2	Product selling		Actual selling product period 10 July 2016 until 5 June 2017			
	Tonnage of selling product					
	• CSPO		-			
	• CSPK		-			
	• CPO under other scheme trading (e.g ISCC, RFS)		-			
	• CPO under conventional trading (if any)		36,165.36 Ton			
	• PK under other scheme		-			
	• PK under conventional trading (if any)		6,400.149 Ton			
1.8.3	Estimate of Certified FFB Claim					
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	
	Ungkaya Estate	4,145	3,965.17	59,298	20,06	
	<b>TOTAL</b>	<b>4,145</b>	<b>3,965.17</b>	<b>59,298</b>	<b>20,06</b>	



<i>*Projected FFB production for 29 December 2017 – 28 December 2018</i>								
1.8.4	Estimate of Certified Palm Product Claim							
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>		
				<b>Out put (ton)</b>	<b>Extraction (%)</b>	<b>Out put (ton)</b>	<b>Extraction (%)</b>	
	Ungkaya	45	59,298	13,639	23.00	2,965	5.00	
<i>*Projected Ungkaya Mill production for 29 December 2017 – 28 December 2018</i>								
<b>1.9. Other Certifications</b>								
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			-				
	Indonesian Sustainable Palm Oil (ISPO)			MUTU-ISPO/034, dated 30 April 2015 until 29 April 2020				
<b>1.10. Time Bound Plan</b>								
1.10.1	<b>Time Bound Plan for Other Management Units</b>							
	<b>Management Unit</b>		<b>HGU on Process</b>		<b>Supply Base</b>	<b>Time Bound Plan</b>	<b>Location</b>	<b>Status</b>
	<b>Mill</b>	<b>Time Bound Plan</b>	<b>Ha</b>	<b>Time Bound Plan</b>				
<b>INDONESIA</b>								
	Sekunzir. PT. Indotruba Tengah	2010			Sekunzir	2010	Seruyan and West Kotawaringin District – Central Kalimantan	Certified
					Seruyan	2010		Certified
	Manggala. PT. Tunggal Mitra Plantations	2010			Manggala 1	2010	Rokan Hilir District – Riau	Certified
					Manggala 2	2010		Certified
					Manggala 3	2010		Certified
	Bukit Ajong PT. Sime Indo Agro	2010	1,652	2019	West	2010	Sanggau District – West Kalimantan	Certified
					East	2010		Certified
					Sei Mawang	2018		-
					East Plasma	2010		Certified
					West Plasma	2010		Certified
	Teluk Siak. PT Aneka Inti Persada	2011	421.31	2020	Teluk Siak	2011	Pekanbaru, Siak District – Riau	Certified
					Pinang Sebatang	2011		Certified
					Aneka Persada	2011		Certified
	Sungai Pinang. PT. Bina Sains Cemerlang	2012	308.25	2020	Sungai Pinang	2012	Musi Rawas District – South Sumatera	Certified
					Bukit Pinang	2012		Certified
	Pematang. PT. Teguh Sempurna	2011			Pematang	2011	Seruyan and East Kotawaringin Distri ct – Central Kalimantan	Certified
					Kawan Batu	2011		Certified
					Hatan Tiring	2011		Certified
					Batang Garing	2011		Certified
	Alur Dumai. PT Lahan Tani	2011			Alur Dumai	2011	Rokan Hilir District – Riau	Certified

Sakti							
Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011			Teluk Bakau	2011	Indra Giri Hilir District – Riau	Certified
				Nusa Perkasa	2011		Certified
				Nusa Lestari	2011		Certified
Mandah. PT. Bhumireksa Nusa Sejati	2014			Mandah	2011	Indra Giri Hilir District – Riau	Certified
				Rotan Semelur	2011		Certified
Angsana Mini. PT Sajang Heulang	2011			KKPA-1 PT.SHE	2013	Tanah Bumbu District – South Kalimantan	Certified
				Pantai Bonati	2011		Certified
Angsana. PT Ladangrumpun Suburabadi	2011			Angsana	2011	Tanah Bumbu District – South Kalimantan	Certified
				Gunung Sari	2011		Certified
				KKPA-4 PT.SHE	2013		Certified
Mustika. PT Sajang Heulang	2013			Mustika		Tanah Bumbu District – South Kalimantan	Certified
				KKPA-2 PT.SHE	2013		Certified
				KKPA-3 PT.SHE	2013		Certified
				KKPA-5 PT.SHE	2013		Certified
				SAP 1	2020		ST-2
Gunung Aru. PT Bersama Sejahtera Sakti	2011	765	2020	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
				Gunung Kemasan	2011		Certified
				Laut Timur	2011		Certified
				Pantai Timur	2011		Certified
				KKPA BSS	2020		-
Bebunga. PT. Langgeng Muaramakmur	2011	1,162	2020	Sungai Cengal	2011	Kotabaru District – South Kalimantan	Certified
				Bebunga	2011		Certified
				KKPA Sungai Cengal	2014		Certified
Sukamandang PT Kridatama Lancar	2011			Sukamandang	2011	Seruyan and East Kotawaringin Distri ct – Central Kalimantan	Certified
				Sapiri	2011		Certified
				Barasdanum	2011		Certified
				Kuala Kuayan	2011		Certified
Pondok Labu. PT Paripurna Swakarsa	2012	1,120	2020	Binturung	2012	Kotabaru District – South Kalimantan	Certified
				Pondok Labu	2012		Certified
				Rampa	2012		Certified
				Sesulung	2012		Certified
Selabak. PT Swadaya Andhika	2012	63	2020	Selabak	2012	Kotabaru District – South Kalimantan	Certified
				Randi	2012		Certified
				Sangkoh	2012		Certified
				Lanting	2012		Certified
Rantau. PT Laguna Mandiri	2012			Rantau	2012	Kotabaru District – South Kalimantan	Certified
				Matalok	2012		Certified
Betung. PT Laguna Mandiri	2014			Betung	2012	Kotabaru District – South Kalimantan	Certified
				Sekayu	2012		Certified

Ungkaya. PT Tamaco Graha Krida	2012			Ungkaya	2012	Morowali District – Sulawesi Tengah	Certified
				Plasma TGK	2015		Certified
Ladang Panjang. PT Bahari Gembira Ria	2012	1,639	2020	Ladang Panjang	2012	Muaro Jambi District - Jambi	Certified
				Plasma BGR	2020		-
Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	4,133	2020	Rantau Panjang	2012	Musi Banyuasin District – South Sumatera	Certified
				Bumi Ayu	2012		Certified
				Karang Ringin	2012		Certified
				Napal	2012		Certified
				Mangun Jaya	2012		Certified
				Sungai Jernih Estate and GPI KKPA	2017		-
Blang Simpo. PT Perkasa Subur Sakti	2013	1,286	2020	Tamiang (PT PPP)	2013	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified
				Batang Ara (PT PSK)	2013		Certified
				Blang Simpo-01	2013		Certified
				Blang Simpo-02	2013		Certified
MAS. PT Mitra Austral Sejahtera	2020			MAS 1	2018	Sanggau District – West Kalimantan	-
				MAS 1	2018		-
				MAS 1	2018		-
				Plasma MAS	2020		-
Lembiru. PT Sandika Nata Palma	2014			Lembiru	2014	Ketapang District – West Kalimantan	Certified
				Awatan	2014		Certified
				Karya Palma	2018		-
				KKPA SNP	2020		-
				Pelanjau (PT BAL)	2018		-
				Sungai Putih (PT BAL)	2018		-
				Baturus (PT BAL)	2018		-
				KKPA BAL	2020		-
<b>MALAYSIA</b>							
Sg Dingin SOU 1	2010			Bukit Hijau	2010	Kerangan, Kedah	Certified
				Padang Buluh	2010		Certified
				Bukit Selangor	2010		Certified
				Sg Dingin	2010		Certified
				Jentayu	2010		Certified
				Anak Kuli	2010		Certified
				Somme	2010		Certified
Chersonese SOU 2	2011			Chersonese	2011	Kuala Kurau, Perak	Certified
				Holyrood	2011		Certified
				Kalumpong	2011		Certified
				Tali Ayer	2011		Certified
Elphil SOU 3	2011			Kinta Kellas	2011	Sg Siput, Perak	Certified
				Elphil	2011		Certified
				Kamuning	2011		Certified

Flemington SOU 4	2011			Flemington	2011	Teluk Intan, Perak	Certified
				Bagan Datoh	2011		Certified
				Sabak Bernam	2011		Certified
				Sg Samak	2011		Certified
Seri Intan SOU 5	2011			Seri Intan (Main Division)	2011	Teluk Intan, Perak	Certified
				Sabrang	2011		Certified
				Sg Wangi	2011		Certified
				Sogomana (Main Division)	2011		Certified
Selaba SOU 5	2011			Seri Intan (Selaba Division)	2011	Teluk Intan, Perak	Certified
				Sogomana (Cashwood & Sg Beruas Division)	2011		Certified
				Bikam	2011		Certified
				Clumy	2011		Certified
Tennamaram SOU 6	2011			Tennamaram	2011	Bestari Jaya, Selangor	Certified
				Sungei Buloh	2011		Certified
				Bkt Talang	2011		Certified
Bkt Kerayong SOU 7	2011			Bkt Kerayong	2011	Kapar, Selangor	Certified
				Bkt Cherakah	2011		Certified
				Bkt Rajah	2011		Certified
				Bkt Lagong	2011		Certified
				Elmina	2011		Certified
East SOU 8	2010			East	2010	Carey Island, Selangor	Certified
				Dusun Durian	2010		Certified
				Sepang	2010		Certified
West - SOU 9	2010			West	2010	Carey Island, Selangor	Certified
Bukit Putri - SOU 10	2011			Bukit Putri	2011	Raub, Pahang	Certified
Kerdao SOU 11	2011			Kerdao	2011	Temerloh, Pahang	Certified
				Jentar	2011		Certified
				Mentakab	2011		Certified
				Sg Mai	2011		Certified
				Chenor	2011		Certified
Jabor - SOU 12	2011			Jabor	2011	Kuantan, Pahang	Certified
Labu SOU 13	2011			Labu	2011	Nilai, Negeri Sembilan	Certified
				New Labu	2011		Certified
				Bradwall	2011		Certified
Tanah Merah SOU 14	2010			Tanah Merah	2010	Port Dickson, Negeri Sembilan	Certified
				Sua Betong	2010		Certified
				Bukit Pelandok	2010		Certified
Sua Betong SOU 15	2014			Salak	2014	Port Dickson, Negeri Sembilan	Certified
				Sengkang	2014		Certified
				Siliau	2014		Certified
				PD Lukut	2014		Certified
				Sungai Baru	2014		Certified

Kok Foh SOU 16	2011			Tampin Linggi	2014	Bahau, Negeri Sembilan	Certified
				Bukit Pilah	2011		Certified
				Kok Foh	2011		Certified
				Muar River	2011		Certified
				St. Helier	2011		Certified
				Pertang	2011		Certified
				Sg Gemas	2011		Certified
				Sg Sebalang	2011		Certified
Sg Senarut	2011	Certified					
Kempas SOU 17	2010			Kempas	2010	Jasin, Melaka	Certified
				Kemuning	2010		Certified
				Tangkah	2010		Certified
Diamond Jubilee SOU 18	2011			Bukit Asahan	2011	Jasin, Melaka	Certified
				Diamond Jubilee	2011		Certified
				Serkam	2011		Certified
Pagoh SOU 19	2014			Pagoh	2014	Muar, Johor	Certified
				Lanadron	2014		Certified
				Pengkalan Bukit	2014		Certified
				Welch	2014		Certified
Chaah SOU 20	2010			North Labis	2010	Chaah, Johor	Certified
				Cha'ah	2010		Certified
				Sg Simpang Kiri	2010		Certified
Gunung Mas SOU 21	2010			Gunung Mas	2010	Kluang, Johor	Certified
				Kempas Klebang	2010		Certified
				Bukit Paloh	2010		Certified
				Yong Peng	2010		Certified
Bukit Benut SOU 22	2011			Bukit Benut	2011	Kluang, Johor	Certified
				CEP Niyor	2011		Certified
				Lambak / Elaeis	2011		Certified
Ulu Remis SOU 23	2011			Pekan	2011	Layang-layang, Johor	Certified
				Sembrong	2011		Certified
				Tun Dr. Ismail	2011		Certified
				Ulu Remis	2011		Certified
				Bukit Badak	2011		Certified
				Cenas	2011		Certified
Hadapan SOU 24	2011			CEP Rengam	2011	Layang-layang, Johor	Certified
				Kulai	2011		Certified
				Layang	2011		Certified
				Seri Pulai	2011		Certified
Sandakan Bay SOU 26	2008			Tun Tan Siew Sin	2008	Sandakan, Sabah	Certified
				Tunku	2008		Certified
				Tigowis	2008		Certified
				Sentosa	2008		Certified
				Saguliud	2008		Certified
Melalap SOU 27	2011			Melalap	2011	Tenom, Sabah	Certified
				Sapong	2011		Certified
Binuang	2009			Tingkayu	2009	Kunak, Sabah	Certified

SOU 28				Sungang	2009		Certified
				Jelata Bumi	2009		Certified
				Binuang	2009		Certified
Giram SOU 29	2009			Mostyn	2009	Kunak, Sabah	Certified
				Giram	2009		Certified
Merotai SOU 30	2009			Imam	2009	Tawau, Sabah	Certified
				Merotai	2009		Certified
				Table	2009		Certified
				Tiger	2009		Certified
Lavang SOU 31	2011			Belian	2011	Bintulu, Serawak	Certified
				Kelida	2011		Certified
				Lavang	2011		Certified
				Lavang (SE)	2011		Certified
				Rasan	2011		Certified
Rajawali SOU 32	2011			Rajawali	2011	Bintulu, Serawak	Certified
				Samudera	2011		Certified
				Semarak	2011		Certified
				Bayu	2011		Certified
Derawan SOU 33	2011			Takau	2011	Bintulu, Serawak	Certified
				Damai	2011		Certified
				Derawan	2011		Certified
				Sahua	2011		Certified
Pekaka SOU 34	2011			Chartquest	2011	Bintulu, Serawak	Certified
				Dulang	2011		Certified
				Peroh	2011		Certified
				Pekaka	2011		Certified
				Ruai	2011		Certified
<p>Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia.</p> <p>A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and Sime Darby Plantation Sdn Bhd targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.</p> <p>There was change of the Time Bound Plan under Sime Darby on 15 April 2016 cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still unresolved from the Serikat Petani Kelapa Sawit (SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTU has consider that Sime Darby still comply with the RSPO requirement for partial certification.</p>							
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>						
	PT TGK has an agreement with the farmers and out growers surrounded PT TGK for the FFB trading. Both FFB Suppliers are not managed by the company. Hence, PT TGK is not obligue/compulsory to certify them.						

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1. Assessment Team</b>	
<b>RC</b>	<ol style="list-style-type: none"> <li><b>Marsudi Eko Santoso (Lead Auditor supervised)</b>. Bachelor of Agriculture, majoring in Agro technology. Followed the Management System Certification (ISO 9001-2008), Awareness HACCP certification, training of RSPO auditor and training of RSPO Lead Auditor training, ISPO Lead auditor training and distribution quality management process - APMEA. He had involved several time in RSPO certification assessment activities as an auditor. Currently he works for Independent Certification Body. During this audit, has verify of legal, social and OHS aspect.</li> <li><b>Ardiansyah (Lead Auditor witnesser)</b>. Bachelor of Forest Resources Conservation from Department of Forestry, Bogor Agricultural University. Had followed several activities for identified environmental impact such as preparing EIA document for plantation and plantation forest. Had followed several trainings namely: Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), Training Lead Auditor ISO 9001:2008, Training ISO 14001:2004, OHS based on OHSAS, RSPO Lead Auditors (endorsed by Proforest and Daemeter), Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and mapping for land cover analysis.</li> <li><b>Rudi Ramdani (Auditor)</b>. Bachelor of Agriculture Majoring in Agronomy from Faculty of Agriculture, Bogor Agricultural University. Had experienced for more than two years as an operational staff in a private oil palm plantation company in Indonesia. Had followed several training i.e.: Indonesian Sustainable Palm Oil auditor, RSPO Lead Auditor (endorsed by Proforest and Diameter), Management System Certification (ISO 9001-2008) training and awareness OHSAS. Currently works for Independent Certification Body as Auditor for RSPO and ISPO certification system scheme. During this audit, has verify for Worker Welfare, Transparency and Social Aspect.</li> <li><b>Mohamad Amarullah (Auditor)</b>. Master of Wood science and technology from University of Putra Malaysia and Bachelor of Forestry form Bogor Agricultural University. Had six year experience as an Agronomist and Researcher in Indonesia and Malaysia. Had contributed to soil correlation and yield improvement project on peat soil in Riau. Had followed training such as ISO 17021, ISO 17065, HCV, ISO 9001:2008, Auditor ISPO, RSPO Lead Auditors (endorsed by Daemeter and Proforest) and ISO 14001:2004. During the assessment, has verify for environment, HCV, Best Management Practice &amp; SCCS aspect.</li> </ol>
<b>2.2. Assessment Methodology, Assessment Process and Locations of Assessment</b>	
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>RC</b>	<p>Number of auditors : 4 auditor.          Number of days for <b>RC</b> at site :4 days.          Number of working days for <b>RC</b> at site :16 Working days.</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>RC</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Tamaco Graha Krida to the requirements of</p> <ul style="list-style-type: none"> <li><b>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 30<sup>th</sup> September 2016</b></li> <li><b>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</b></li> </ul> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results <b>RC</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<b>Annual Surveillance</b>).</p> <p>Improvement of findings from main assesment findings were observed by auditors at this <b>RC</b> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>RC</b>.</p> <p>The assessment program please find Appendix 2</p>
<b>2.2.3</b>	<b>Location of Assessment</b>
<b>RC</b>	Auditors assess one (1) mill and its supply base : 1 estate (Ungkaya Estate). The complete information of the visitation:

**Ungkaya Estate**

- **Block 12.** Observation the application of effluent
- **Block 23.** Observation the HCV management in buffer zone of Palopi River
- **Block 90.** Observation the HCV management in buffer zone of Laluri River
- **Workshop.** Observation and interview related to waste management, OHS implementation and machine maintenance.
- **Pesticide warehouse.** Observation and interview related to condition of warehouse, emergency equipment, premixing chemical, OHS implementation, medical surveillance and waste management.
- **Generator room in Division 3.** Observation and interview related to waste management.
- **Block D8 Divisi 3.** Observation to barnowl box.
- **Block E001 Divisi 3.** Observation to fire monitoring tower.
- **Block E008 Divisi 3.** Observation and interview with Foreman and Harvester towards technical, OHS, manpower and conservation aspect.
- **Nursery.** Observation and interview with Foreman and Harvester towards technical, OHS, manpower and conservation aspect.
- **Block A005 Divisi 1.** Observation and interview with Foreman and Harvester towards technical, OHS, manpower and conservation aspect.

**Ungkaya Factory**

- **WTP.** Observation the monitoring of water usage, the use of chemical material and OHS implementation.
- **Drainage.** Observation the waste water from mill operation
- **Chemical warehouse.** Observation and interview related to condition of warehouse, emergency equipment, OHS implementation and waste management.
- **Hazardous waste warehouse.** Observation the hazardous waste type, emergency equipment, record and OHS implementation.
- **WWTP.** Observation the management of POME, condition of effluent pond, emergency pond and pump house.

**Interview with members of stakeholders.**

**Associated Agencies**

1. Forestry and Plantation Agency of Morowali District, Central Sulawesi Province.
2. Manpower Agency of Morowali District, Central Sulawesi Province.
3. National Land Agency of Morowali District, Central Sulawesi Province.
4. Environment Agency of Morowali District, Central Sulawesi Province.

**2.3. Stakeholder Consultation and Stakeholders Contacted**

<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>RC</b>	Summary of stakeholder consultation process Consultation of stakeholders for PT TAMACO GRAHA KRIDA was held by: Public Notification 30 days prior to assessment in MUTUAGUNG LESTARI website on April 27, 2017 Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples on 7 June 2017. Numbers of input from stakeholders were clarified by PT TAMACO GRAHA KRIDA
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>

**2.4. Determining Next Assessment**

	The next visit ( <b>Surveillance</b> ) will be determined at as soon as nine months and at least a year after the certificate is issued.
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**3.0 ASSESSMENT FINDINGS**

**3.1 Summary of Assessment Report of the RSPO Certification**

MUTUAGUNG LESTARI has conducted an assessment of Ungkaya POM – PT Tamaco Graha Krida, Sime Darby operation consisting of one (1) mill, one (1) oil palm estate and one (1) oil palm scheme smallholders consist of 171 Farmer Group (5,005 farmers / smallholders).

During the assessment, there were eleven (11) Nonconformities were assigned against Major Compliance Indicator; five (5) Nonconformities were assigned against minor Compliance Indicator and zero (0) Opportunity for Improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. (document record/photographic/etc.).

MUTUAGUNG LESTARI found that Ungkaya POM – PT Tamaco Graha Krida, Sime Darby complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 30<sup>th</sup> September 2016 and Supply Chain Requirement for CPO Mill, November 2014.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Continued

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>	
<b>1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1</b>	
PT Tamaco Graha Krida (TGK) had a SOP of information request. Incoming information requests from stakeholders are documented in a " the log book of the incoming and outgoing letters". Based document verification and interview with stakeholders, it is known that during the year 2016 there is no one request for information from stakeholders All documents related to the communication and consultation are stored for 1 years.	
The results of the public consultation with the relevant authorities, it is known that the company has provided regular information related to the management of environmental, social, labor, OHS, etc.	
<b>1.1.2</b>	
Based on log book of information request and interview with stakeholders, management of PT TGK there is no one request for information from stakeholders to smallholders.	
	<b>Status: Comply</b>
<b>1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</b>	
<b>1.2.1</b>	
The Company already has a list of information to stakeholders such as EIA, document of Land Use Title, document of OHS implementation and CSR document, interview with Stakeholders its known if they understood how to communicate and consult to the companies.	
Based on intrview with smallholders known abouth the document of deduction of the smallholders payment can be accessible by the smallholders and the smallholders aware of the debt of plasma payment.	
	<b>Status: Comply</b>

**1.3 Growers and millers commit to ethical conduct in all business operations and transactions.**

**1.3.1**  
The company has had written policy. It describes the code of conduct and ethic behaviour on all operational of the company and the transaction as well. It is written on the Code of conduct No. 440/HRM-COC/07. It has been approved by the top manajemen.

Based on interview with the sampled related parties such as management unit representative, employees, board of gender committee and board of labour union, known that the company's code of conduct has been socialized via morning briefing and safety briefing.

**Status: Comply**

**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

**2.1 There is compliance with all applicable local, national and ratified international laws and regulations.**

**2.1.1**  
According to the result of stakeholder consultation with the Government Agencies of Morowali District (Plantation Agency and National Land Agency)\, PT TGK has been running the business cooperatively. PT TGK also complies the national and regional law.

The company has implementation of complies the national and regional Law, for example:

- Comply with Land Use Permit.
- Comply with minimum wage for year 2017.
- Comply with EIA
- The companies has compliance to Article 3 of the Safety Act (UU No. 1 on 1970) e.g. prevent or control the incidence or spread of temperature variations, humidity, dust, dirt, smoke, vapour, gas, draughts, variable weather conditions, rays or radiance, sound and vibration).
- Compliance with Government Regulation no. 50 of 2012: Licenses for engineers in the Mill, Boiler men, Electricians, Charge- men are authorised by the relevant authorities to perform their jobs as required.

**2.1.2**  
The company has a documented system in form of the list of law in aspects of land legal, manpower and OHS. There are 123 law and check list of the compliance of the company over the law. The procedure of law requirements compliance is started by completing the checklist of law compliance evaluation. The evaluation of the law compliance is reviewed by the company for at least once a year. The system to search any law change that have to do with estate and mill is implemented by the Department of Legal. It is authorized to PSQM Officer.

**2.1.3**  
Procedure (SOP) of oil palm agronomy for Minamas Plantation was presented in document of Agricultural Reference Manual Policy No. 110/EST-ARM/13 dated September 1<sup>st</sup>, 2013. While technical guidelines and operational administrative procedure for oil palm processing were presented in document Policy No. 110/POD-FAC/07 Part I and 130/POD-FAC/07, respectively. The certification unit conducts Internal Audit on RSPO implementation, including ensuring compliance with regulations. Internal audits conducted by PSQM Team (Mr. Tjahjo Mulyono, Asmara Hadi and Triyuwana) on April 1, 2017 and all legal aspects have been comply.

**2.1.4**  
Based on evaluation of regulatory compliance of PT TGK 2016 document review, it couldd be concluded that CH has classify the type of Laws/Regulations based on its aspects (e.g. legal, agronomy, environment, manpower, etc.), monitoring on its application and fulfillment, provide the evidence of fulfillment and keep updating new Law/Regulation. Evaluation of Law compliances was reviewed once a year by Department of Law while documentation and Distribution was authorized by Department of PSQM.

Based on stakeholder consultation to Government Institutions of Morowali District, it could be concluded that CH had cooperatively running the business and had tried to comply with applicable Law/Regulations. Furthermore, based on field

<p>observation in BMO aspects, it could be concluded that the CH had been carrying out activities which accordance with applicable regulations, such as zero burning in land clearing, using certified seeds and no use of Paraquat in weeds control.</p>	
<b>2.1.1</b>	<b>Status: Non Conformance 2016.01 with Major category</b>
<p><b>2.2</b>  <b>The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</b></p>	
<p><b>2.2.1</b>  Certificate Holder showing legal document of land ownership from Government land as Land Use Right (HGU) certificate No. 06/HGU/1989 (dated 15 July 1989). Size of permitted area covering 4,145 Ha and validity of this license upto Year 2024. History of the land tenure is from the Government land and community ownership that have been compensated by the CH. All those documents that showing legal ownership or history of land are on behalf of PT. Tamaco Graha Krida.</p>	
<p><b>2.2.2</b>  Legal boundaries of land use right are available in place. In 2011, National Land Agency (BPN) of Morowali District conducted re-demarcated of boundaries and issued the GPS coordinates list of poles location namely "Peta dan Buku Tugu Titik Batas HGU PT. Tamaco Graha Krida".  The organization has a regular polygon boundary maintenance plan 3 times a year according to point V maintenance procedure of BPN No. 061 / RSPO-PPBPN / 2011. However, the company has not been able to show the program and the realization of maintenance of the HGU Boundary of 2016-2017. The result of field visit was found Boundary No. 7 and No. 11 in poorly maintained condition (identity markers and paint is faded). This is a non-conformity No. 2016.03 with minor NC upgrade into Major.</p>	
<p><b>2.2.3;</b>  Based on field observation to Block G006 of Division 4 (Around BPN No. BTS 6) and E001 Block of Division 3, found land within HGU company planted oil palm by community (occupation). The result of document review of area statement of 2017 is known that there are HGU area which is occupied by the society of 79,74 Ha, whereas based on BPN evaluation document there is an area of 258,20 Ha which is occupied by society. Related to this matter the company has not been able to show proof of occupancy area settlement. This is non-conformity No. 2017.01 with Major category.</p>	
<p><b>2.2.4.</b>  Based on field observation to Block G006 of Division 4 (Around BPN No. BTS 6) and E001 Block of Division 3, found land within HGU company planted oil palm by community (occupation), But based on the results of interviews with stakeholders and the results of field visits note that the conflicts that occurred are not significant ..</p>	
<p><b>2.2.5.</b>  Based on field observations to Block G006 of Division 4 (Around BPN No. BTS 6) and E001 Block 3rd Division, found land within HGU company managed / planted palm oil by community (occupation). The result of document review of the area statement of 2017 is known that there are HGU area which is occupied by the society of 79.74 Ha, but based on BPN evaluation document there is an area of 258.20 Ha occupied by the community. Related to this matter the company has not been able to show the map of the entire occupation area. This is non-conformity No. 2017.02 with Major category.</p>	
<p><b>2.2.6</b>  According to the Memorandum No. 364/IV-SOUVII/2015 dated January 1st, 2015, CH committed to solve the issue by referring the applied law and procedure (no use of paramilitary to Own Estatemidate). This statement also confirmed during interviews with villagers (including smallholder farmers) that paramilitary used to resolve the land conflict is absence.</p>	
<b>2.2.2</b>	<b>Status: Non Conformance 2016.03 with Minor NC upgrade to Major category</b>
<b>2.2.3.</b>	<b>Status: Non Conformance 2017.01 with Major category</b>
<b>2.2.5</b>	<b>Status: Non Conformance 2017.02 with Major category</b>
<p><b>2.3</b>  <b>Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.</b></p>	
<p><b>2.3.1</b>  The results of interviews with stakeholders on 7 June 2017 and villagers on 7 June 2017, there is no land with the status of</p>	

Traditional Rights or Customary Rights. The villagers around the plantation are local people and also the Transmigration community (since 1985).

**2.3.2**

The ownership of land by PT TGK is proven by the document of Land Use Title (HGU) No. 06/HGU/1989 dated July 15th 1989. It was issued by Poso District National Land Agency. It valid till 2024 for 4.145 ha.

The results of the consultation can be seen that the legal implications, economic, and social environment so that the use of land for plantation development has been understood and accepted by the affected communities, including the implications for the legal status of their land, concessions or compensation for their land.

**2.3.3**

All information related to village communities around the plantations, including stakeholders and smallholders, in the delivery of information, including assessments of impacts and legal arrangements are presented in Bahasa Indonesia using simple and easy to understand terminology.

**2.3.4**

Based on the interview with village supervisor (Ketua BPD) of Ungkaya, surrounding communities were present including the Village Head. Evidence shown that Village communities have delegated their representatives to the Village Head.

**Status: Comply**

**PRINCIPLE #3 Commitment to long-term economic and financial viability**

**3.1**

**There is an implemented management plan that aims to achieve long term economic and financial viability.**

**3.1.1**

Long term business/management plan are presented in documents “Budget Plan of Ungkaya Estate for Period 2018-2022” and “Budget Plan of Ungkaya Factory for Period 2018-2022”. Estate budget plan has covers estate operational cost, replanting cost, production estimation/projection, output, maintenance cost per ha, manuring cost, upkeep cost, transportation cost, administration cost, road and bridge maintenance, as well as manpower cost. Meanwhile, factory budget plan has covers production volume and quality, manpower cost, maintenance cost of production machinery devices (sterilization, threshing, pressing, clarification, kernel recovery, boiler, power or generator, storage and dispatch), process cost, production plan, laboratory cost, water treatment plant cost, effluent treatment cost.

Management unit stated that those longterm (5 years) business plan mentioned above are subjected to be changed and reviewed annually by the respective management such as Mill or Estate Manager, General Manager (GM), Senior GM (Head Region), Head Plantation Officer (HPO) and Chief Finance Officer (CFO) through considering actual trends and dynamic situation which predicted could be changed in the future. The longterms business plan include plan for management of scheme smallholders.

**3.1.2**

UKE management unit shows replanting program and its realization which presented in replanting program for 2012-2025 with total target about 3,854.44 ha. According to replanting records, realization of replanting program from 2011/2012 to 2017/2018 were totaling about 2,098.04 ha. Replanting works has conducted by contractor third party namely PT Catur Manunggal Jaya Abadi and Mitra Jaya Perdana. The former contractor had conducted replanting activity before 2015 and the latter was after 2015/2016. Up to may 2017, replanting realization has reach about 56.27 % from 2012-2025 program.

According to soil map, it was informed that there were no presence of peat soil within UKE operational areas. Hence, replanting was 100 % conducted in mineral soil areas. Moreover, based on interview with Plantation (Estate Crop) Agency of Morowali District, it was informed that replanting has conducted by adopting zero burning method. Issues of land clearing through burning method were never been reported by stakeholders.

**Status: Comply**

**PRINCIPLE #4 Use of appropriate best practices by growers and millers**

**4.1**

**Operating procedures are appropriately documented and consistently implemented and monitored.**

**4.1.1**

There were no revision on the current procedure of oil palm agronomy and processing. The company has procedure (SOP) of oil palm Agronomy for Minamas Plantation Group which presented in document of Agricultural Reference Manual Policy No. 110/EST-ARM/13 dated September 1<sup>st</sup>, 2013, signed by the Head of Plantation Upstream Indonesia. The SOP describes techniques on palm material preparation, nursery, planting and replanting, land preparation, harvesting management, field upkeep, manuring, by-product application (EFB and POME), canopy management, water management and management in peat soil, standard of ripeness, ablation, palm protections, weeds control, LCC planting and rainfall recording.

Based on Agronomy SOP's document reviews, field observation and interview with harvester in Block E008 Divisi 3, it could be concluded that the harvester was able to explain and demonstrate the harvesting process in accordance with SOP, such as ripeness criteria, frond stacking and the use of personal protection equipment (PPE). Furthermore, based on field observation and interview with pesticide applicators in Block A005 Divisi 1, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as considering wind flows during spraying process, pesticides and weeds target, prohibited areas to be sprayed (for example conservation area and riparian zone, which were marked with yellow poles and yellow mark on the palm trunks), PPE's to be used as well as its management.

Moreover, procedure for oil palm processing from FFB acceptance to dispatch of CPO and PK were presented in document of Minamas Plantation palm oil mill guidelines Part I and Part II, policy No. 130/POD-FAC/07 and No. 110/POD-FAC/07 Chapter I, Sub-chapter 1.1 which describes POM technical guidelines, such as stations processing, stocking, waste control and management, water treatment and laboratory analysis. There were also another policies related with oil palm processing, for example: Policy No. 14x/PTK-TRP/2004, No. SOP-SLF-01/2010 and No. 721/TQEM-PKA/08 Sub-chapter 6.2 which describes about FFB transportation, FFB acceptance and FFB grading on the mill, respectively. Based on field observation to security post, weigh bridge station, loading ramp station, processing stations, power station (genset), workshop, WTP and WWTP in Ungkaya factory (UKF), it could be concluded that all processing activities has implemented in accordance with the procedures.

Mill guidelines and Agronomy SOPs have included safe work practices and details of how safe work is discussed in HIRAC documents. Based on SOP documents review, it could be concluded that the oil palm agronomy and processing procedures were still relevant with current situation and covers all main aspects from the field to the factory. All SOP's were available in Bahasa. Furthermore, based on observation to estate and mill office, it could be concluded that the respective SOP's were well distributed by PSQM officers.

**4.1.2**

Update and procedure documents distribution control to the respective units were conducted by Department of Plantation Sustainability Quality Management (PSQM). For monitoring and consistency purposes of procedure implementation, some mechanism had been carried out by PT TGK as presented in monthly Ungkaya Factory Manager Process Control report, Monthly Ungkaya Estate Management Committee Meeting report, Semester mill advisory visit report by Head Office team from Kuala Lumpur, as shows in document No. MIN/UKF/1/1617 for visit which carried out in March 31<sup>st</sup> to April 3<sup>rd</sup> 2017, Semester Plantation Advisory visit report by Agronomy team from Head Office, as shows in document plantation adviser questionnaire No. SOU 07/UKE/IV/2016 for visit which carried out in April 11<sup>th</sup>-14<sup>th</sup> 2016, Semester performance qualitative report by Head Office team, Annual RSPO internal audit by PSQM team from Head Office Kuala Lumpur and Annual RSPO internal audit by PSQM team from Regional Department. Those observation results has documented and delivered via online to head affice management for personal performance scoring purposes.

**4.1.3**

Mill and estate management operational activities has monitored, documented and regularly reported, for example production report by Assisstant PSQM, monthly Mill Manager report, monthly and semester FFB production report, manuring report, daily harvesting notes, Mandore notes and daily work plan which informed type of works, location, number of manpower and other remarks. Those reports has submitted to the respective upper-ordinate periodically. Each parameter were discussed and analysed by Manager and its sub-ordinate and presented in monthly meeting.

**4.1.4**

Procedure of FFB delivery was presented in the letter of cooperative agreement (SPK) among PT TGK and FFB supplier. Apart from UKE, FFB supplier under smallholder scheme has only Ungkaya Plasma, while from aoutgrower, the FFB supplier are Bimor Jaya, Cooperative Morokerta, PT Kinara Sinar gemilang, PT Timur Jaya Indomakmur, PT PN Tomata, PT Asera Asia Investama and Cooperative Puncak Raya. Document of official statement and agreement letter is presented as follows:

- Letter of Minister of Finance No. S-1591/MK.013/1987 about Surat persetujuan rencana pembiayaan proyek PIR-TRANS (SPRP3) PT TGK or approval statement of PIR-TRANS financing project.
- Letter of agreement PIR-TRANS project No. 43/TGK-UKE/PK/VIII/1998 dated August 28th 1998 between PT TGK and Smallholder group of Kari Bakti.
- Letter of Decree of the Regent of Morowali No. 1884.45/0068/DISHUTBUN/III/2004 dated March 12<sup>th</sup> 2004 about determination of Sambil Menanti and Maju Bersama smallholder group member, which came from village of Umbele and Pebatae, respectively. Both village were located on Sub District of Bumi Raya, District of Morowali.
- Letter of agreement between PT TGK and PT Timurjaya Indomakmur No. 011/TBS/TBS/TGK-TI/VI/2015 dated June 1<sup>st</sup> 2015 about FFB delivery and sale (trading). Letter has covers object of trading, time and location of transaction, FFB quality and acceptance, FFB transportation, price determination, payment, grading, supplier assurance, conflict, time of agreement, etc.

Based on observation and interview with weigh-bridge station operator, it was explained that FFB delivery letter (SPB) form from Ungkaya Estate and Ungkaya Plasma has marked by “RSPO Certified stamp”, while the rest sources has stamped by “Non-RSPO Certified stamp”. Separation on FFB sources recording was directly use a computer program namely Sime.ID.NET.PKSUNGKAYA.VER.16.06.2014. Hence, traceability of FFB sources was easily to be carried out.

<b>4.1.3</b>	<b>Status: Comply</b>
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**4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.**

**4.2.1 and 4.2.3**

Procedure of soil fertility management was presented in document policy No. 110/EST-ARM/13 part 8 about manuring. SOP mentioned that manuring recommendation must be based on leaf and soil sampling analysis. Leaf sampling and soil sampling analysis should be carried out once and every five years, respectively. Both analysis has carried out by Minamas Research Centre (MRC) in Pekanbaru, Riau. Parameter measured on leaf analysis are macronutrient (N, P, K, Ca, Mg and Mn) and micronutrient (Fe, B, Zn and Cu) content (in %) while in soil analysis are nutrient retention (pH, % organic-C, CEC), available nutrient (N-total, P-total, available-P, K-dd and Mg-dd), soil properties (texture, drainage class, rooting depth), etc.

The company was able to shows leaf sampling records which presented in document No. P89/2016 dated November 26<sup>th</sup> 2016 with parameter being measured and analized are macronutrient (N, P, K, Ca, Mg and Mn) and micronutrient (Fe, B, Zn and Cu) content (in %). Furthermore, soil analysis results was recorded in Test Report No. 447/UN8.2.1/PL/2014 year 2014, with parameter being measured and analized are nutrient retention (pH, % organic-C, CEC), available nutrient (N-total, P-total, available-P, K-dd and Mg-dd) adn soil properties (texture, drainage class, rooting depth). Both analysis were carried out by Minamas Research Centre (MRC) Laboratory Services in Pekanbaru, Riau. Moreover, for nutrient status monitoring and additional correction-manuring program purposes, visual assessment of palm vigour land field condition by MRC Agronomist has also carried out every 6 months through Plantation Advisory.

According to manuring recommendation program in 2017/2018, it could be concluded that calculation of fertilizer rates were derived from leaf and soil analysis. Furthermore, actual time of application has follows the schedule recommended by MRC Agronomist team.

According to soil survey semi detail map scale 1:50,000 and soil suitability study report which conducted in October 2005 by Minamas Research Centre (MRC) in Pekanbaru Riau, it was informed that there were no presence of peat soil within Ungkaya Estate operational areas. Main limitation of soil properties for oil palm cultivation were due to low soil fertility, low rainfall, presence of plintite layer within soil horizon which appears <50 cm of soil depth and hilly slopes. To overcome this situation, several strategy had been implemented by estate management such as fertilizer application has follows MRC agronomist recommendation, adopting EFB mulching application on replanting areas and low fertility areas, land application by POME, frond stacking parallel to the contour line or U-shape on the flat to undulating areas, to maintain soft grasses and selective weeding which aims to retain soil moisture. This is confirmed during field observation to Block C005 Divisi 2 and D008 Divisi 3 for EFB mulching and Block A005 Divisi 1 UKE for land application. Record of those by-products application were also available.

**4.2.2**

Uses of fertilizers were recorded on Manuring Recapitulation Report of Estates 2017-2018 and monthly management committee meeting (MCM) which prepared by Estate Manager. The report has informed Block of application, type and volume of fertilizer applied. Fertilizer recommended in 2017/2018 NK Blend, NPK, RP, kieserite, HGFB, MOP and ZA. According to the record, it

was informed that up to May 2017, application of RP and ZA has reach about 99.40 % and 34.60 % from the target, respectively. Fertilizer application (dosage and time of application) has follows manuring schedule recommended by MRC team. Furthermore, based on interview with fertilizer applicators in Block A005 Divisi1, it was stated that applicators has trained periodically by Foreman and Assistant Manager. The applicators has also able to explain and demonstrate technical aspects such as fertilizer placement, time of application, correct dosage, PPE used and areas where fertilizer is prohibited to be applied.

**4.2.4**

Apart from chemical fertilizers, organic fertilizers which came from by-products (EFB and POME) has also applied for nutrient cycle purposes. By-products application was documented in monthly Estate Manager report chapter monthly work realization, realization of manuring report and by-product realization report. EFB dosage recommended were varies about 200 kg/palm/year in replanting areas and 40 ton/ha/year (or about 250-300 kg/palm/year) in mature areas, which depends on field condition. Furthermore, POME applied were about 830 m<sup>3</sup>/ha/year.

Based on field observation to Block C005 Divisi 2 and D008 Divisi 3 UKE, it was found EFB mulching on replanting and mature areas, respectively. In the former area, EFB were placed on the palm circle while the latter were placed on the inter-rows or inter-palm. Dosage of application were follows MRS recommendation. Furthermore, based on observation to Block A005 Divisi 1 UKE, it was found land application was carried out in the permitted area and applied in accordance with procedures.

**Status: Comply**

**4.3**

**Practices minimize and control erosion and degradation of soils.**

**4.3.1; 4.3.2 and 4.3.6**

According to semi detail soil map (scale 1:50,000) which derived from soil survey and land suitability study report in October 2005, it was informed that there were no presence of peat soils and about 59 % of PT TGK operational area was classified as currently not suitable (N1 class) while the rest was marginal (S3 class). MRC team informed in the report that best management input and suitable agronomy technique recommended by MRC team are expected to enhance the suitability class from N1 and S3 into S2 class (suitable). Soil survey report has also informed that 71% (or 2,830 ha), 19% (or 741 ha) and 10% (or 405 ha) of PT TGK operational areas were classified into flat, undulating and rolling to hilly, respectively. There were no areas with slope more than 40% landscape. Based on explanation above, it could be concluded that there were no fragile areas within PT TGK (Ungkaya Estate) operational areas.

According to soil type and topography map scale 1:50,000 which derived from soil survey and land suitability report 2005, it could be concluded that 71 %, 19 % and 10 % of area were classified as flat, undulating and rolling to hilly, respectively. There were no presences of steep slope area (> 40%) or fragile area. In order to minimize land erosion, surface run-off and leaching on rolling to hilly area, MRC has recommend some agronomy input such as maintaining LCC or soft grasses, vetiver grass planting, selective weeding, terraces planting system, silt pit installation and frond stacking parallel to the slope.

Policy No. II-04/MRC-SOP/10 dated May 25<sup>th</sup>, 2010 about soil erosion measurement guidelines contended that to measure the effectiveness of minimizing level of erosion through frond stacking, EFB mulching application and terraces, monitoring of erosion pole in Block 61 and 63 should be carried out every month. Furthermore, policy No. 110/EST-ARM13 chapter 5 explained that planting density in hilly slope area (6-25°) was 148 palm/ha and planted using voile lining method. Record of soil and water conservation monitoring was documented in Plantation Advisor report. Based on field visit in hilly area, all recommendation mentioned in soil survey report and procedure were satisfactory implemented.

**4.3.3**

Program of road maintenance has found on annual budget plan which is included on Budget of transportation cost. Road maintenance activities were consist of manual maintenance such as cover crop clearance, surface reparation through gravels, road grader and compaction. Record of program realization is presented as follows:

- Map of road maintenance in Divisi 1 informed that up to May 2017, application of giving laterite layer and road compaction had been conducted in Field A002, A005 and A006 for about 7,900 m length.
- Letter of Agreement with road maintenance contractor No. 98/TGK-UKE/SPK-LKL/II/2017, No. 101/TGK-UKE/SPK-LKL/II/2017 and No. 103/TGK-UKE/SPK-LKL/II/2017, as well as Official Report of road maintenance activity informed that road compaction had been conducted in Block 49 and 59 (Field A002 and A006), Block 56 and 56 (Field A005) and Block 51 and 52 (Field A002). Total gravels/plintitie used for road maintenance was about 9,480 m<sup>3</sup>.

Based on field observation, it was found that road conditions were satisfactory and easily passable by FFB, CPO and PK transporter unit (tank-truck and dump-truck).

**4.3.4 and 4.3.5**

According to semi detail soil map which derived from soil survey and land suitability study October 2005, it was informed that there were no presence of peat soils within Ungkaya Estate operational areas. Hence, peat subsidence measurement, water management implementation and drainability study are not applicable in this Indicator.

**Status: Comply**

**4.4**

**Practices maintain the quality and availability of surface and ground water.**

**4.4.1 and 4.4.2**

CH has implemented the water management plan consist of marking the buffer zone, monitoring the quality of water surface and maintain the signboard of prohibition. Field visit in Block 23 which is Palopi buffer zone is known that there are signboard of prohibition of chemical use in buffer zone and the CH didn't conduct replanting on this buffer zone as far as  $\pm$  50 meter (5-8 palm trees). The condition of buffer zone is growth with natural vegetation and scrub.

CH also shows the monitoring result and evaluation of water surface quality in Ungkaya River for November 2016. Based on the monitoring result is known that there are operation activities of PT TGK didn't give negative impact to water surface.

**4.4.3**

PT TGK has had license to use the effluent for land application which approve by Environmental Agency of Morowali District. The license will be valid for 3 years since 14 April 2015. The quality of effluent has been monitor every month which done by accredited laboratory. Based on document review is known that quality of effluent has been accordance with the license such as the quality of BOD below the 5,000 mg/L. Field visit in block 12 shows that effluent has been implemented in accordance with the license which state the area of application is 149.58 Ha consist of block 2, 3, 7, 12, 13, 57, 62, 63 and 67. Implementation report of land application and monitoring of effluent quality has been reported to environmental agency every three month, such as report for period January – March 2017 has been sent on 27 April 2017.

**4.4.4**

Mill has show the monitoring record of water usage which monitored every day. Based on the monitoring record for period April 2016 – March 2017, the average of water usage for processing is 0.49 M<sup>3</sup>/ MT FFB. This is under the standard of CH which is 1.3 M<sup>3</sup>/ MT FFB. Field visit in WTP show that flowmeter to measure the water usage in functional state. CH also has had permit to use the surface water based on decree of Sulawesi Tengah Governor which valid for 5 years since 30 December 2016.

**Status: COMPLY**

**4.5**

**Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.**

The company has committed to implement integrated pest management (IPM) which presented in procedure of ARM Policy No. 110/EST-ARM/13 Chapter 15 about plant protection which covers early warning system, census and analysis, biological and chemical pest population management and monitoring. The estate management has a program of integrated pest management and its realization which presented in monthly committee meeting report, for example as follows:

- Census of leaf eating caterpillar in May 2017 informed that massive incidence with number of larvae up to 17 per fronds were noted in Divisi 3 UKE has covers about 141 ha. Application of 126 litre Lancer 75 SP (Acephate 75 %) has been conducted to overcome this situation.
- Census of Ganoderma, termites and Oryctes in May 2017 shows that number of incidence were below its economic threshold. Hence, there is pesticide application.
- For biological control, the company has conducting beneficial plants for leaf eating caterpillar populaion control and adopting barn owl (*Tyto alba*) for rats population control. Up to May in 2017, 8.59 m/ha of *Cassia cobanensis*, 4.94 m/ha *Antigonon leptopus* and 3.06 m/ha of *Turnera subulata* had been planted around the UKE for 2017 program. Furthermore, 42 unit of barn owl box (1 BOB expected to covers about 20 ha) has been installed as well. Those biological control application has confirmed during field observation along mainroad and collectionroad for beneficial plants and Block D008 Divisi 3 for BOB.
- In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum*



*conyzoicus*, *Boreiva alata* and *Mikania micranta*, the use of Meta Prima 20 WG (Methyl Metsulfuron) could be substitute with Basta 150 SL (Ammonium Glufosinat) or Kenlon 480 EC (Triclophyr Butoksi Ester). Moreover, biological control has also adopted as mentioned above.

**4.5.2**

The Company has conducting several trainings which aims to maintain workers knowledge and skills towards P&D management, for example as follows:

- Training of agrochemicals application (pesticide and fertilizer), conducted on March 2<sup>nd</sup> 2017 in Divisi 3 and attended by 29 pesticide applicators.
- Training of OHS towards agrochemicals application, conducted on April 23<sup>rd</sup> 2016 in Divisi 2 and attended by 68 agrochemicals applicators

Based on field observation and interview with pesticide applicators in Block A005 Divisi 1, it could be concluded that the interviewee were able to explained and demonstrate several technical skills such as PPE used, spraying techniques and prohibited application areas such as HCV and riparian areas which marked with yellow paint on palm trunks or yellow poles.

**Status: Comply**

**4.6**

**Pesticides are used in ways that do not endanger health or the environment**

**4.6.1 and 4.6.3**

Procedure ARM Policy No. 110/EST-ARM/13 Chapter 15 about plant protection mentioned that the use of agrochemical should be based on census analysis evaluation when the level of incidence is more than threshold limits. Program and realization of pest management was presented in monthly committee meeting report which describes census, biological control, pesticide application, etc.

In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoicus*, *Boreiva alata* and *Mikania micranta*, the use of Meta Prima 20 WG (Methyl Metsulfuron) could be substitute with Basta 150 SL (Ammonium Glufosinat) or Kenlon 480 EC (Triclophyr Butoksi Ester). Moreover, estate management has also adopting biological control method such as conducting beneficial plants for leaf eating caterpillar populaiaon control and adopting barn owl (*Tyto alba*) for rats population control. Up to May in 2017, 8.59 m/ha of *Cassia cobanensis*, 4.94 m/ha *Antigonon leptopus* and 3.06 m/ha of *Turnera subulata* had been planted around the UKE for 2017 program. Furthermore, 42 unit of barn owl box (1 BOB expected to covers about 20 ha) has been installed as well. Those biological control application has confirmed during field observation along mainroad and collectionroad for beneficial plants and Block D008 Divisi 3 for Barn owl box (BOB). Rat bones and feather were found surrounding the BOB.

According to observation to agrochemicals warehouse and record of pesticide application, it was known 7 herbicides brands and 1 insecticide brand were used during 2017. Active substances of those pesticides were Methyl Metsulfuron, Ammonium Glufosinat, Isoprophyl Amine Glyphosate, Triklopir Butoksi Etil Ester and Acephate. All pesticides used by PT TGK were listed in the book of pesticide commission 2016 issued by Department of Agriculture, Republic of Indonesia. Furthermore, based on field observation and interview with pesticide applicators in Block A005 Divisi 1, it could be concluded that the interviewee were able to explained and demonstrate several technical skills such as PPE used, spraying techniques and prohibited application areas such as HCV and riparian areas which marked with yellow paint on palm trunks or yellow poles.

**4.6.2**

Record of pesticide used is presented in document of pesticide uses record and monthly manager report or monthly committee meeting. For example, total Kenlon 480 EC (Triklampir Butoksi Etil Ester) uses in Divisi 1, Divisi 2, Divisi 3 and Divisi 4 were 143.33, 276.00, 700.00 and 201.00 litre, respectively. LD<sub>50</sub> oral and dermal for Kenlon 480 EC were 1,480 mg/kg in Rats and 2,000 mg/kg in Rabbits, respectively.

**4.6.4**

Based on pesticide used records in 2017 for Ungkaya Estate which presented in Indicator 4.6.1 and 4.6.2 and based on observation in chemical storage, it could be concluded that there is no pesticides listed in WHO Appendix 1A, 1B and/or listed in Stockholm or Rotterdam Convention as well as paraquat.

**4.6.5; 4.6.7 and 4.6.9**

Procedure of pesticide handling, use and application were presented in several documents, such as document No. LF/SOP.ESH/04 dated January 11<sup>th</sup> 2011 about agrochemicals handling, ARM Policy No. 110/EST-ARM/13 Chapter 15 dated September 1<sup>st</sup> 2013 about plant protection, Material Safety Data Sheet (MSDS) of pesticide products and Hazard Identification Risk Assessment Determining Control (HIRADC) for estate. In general, procedures has covers guideline of storage and handling of pesticides, handling of accident and first aid, risk identification, pesticides spills and leaks handling, PPE, physical and chemical properties, reactivity and material stability, toxicology and ecology information, pesticide wastes handling and transportation.

The Company has conducting several trainings which aims to maintain workers knowledge and skills towards P&D management, for example as follows:

- Training of agrochemicals application (pesticide and fertilizer), conducted on March 2<sup>nd</sup> 2017 in Divisi 3 and attended by 29 pesticide applicators.
- Training of OHS towards agrochemicals application, conducted on April 23<sup>rd</sup> 2016 in Divisi 2 and attended by 68 agrochemicals applicators

According to document verification, statement from estate managert, interview with pesticide applicators and field observation to agrochemicals warehouse, it could be concluded that the company has no use of pesticides which required a special training for its applicators (ex. Paraquat) as arranged by Ministry of Agriculture Regulation (Permentan) No. 24 year 2011.

Based on field observation and interview with pesticide applicators in Block A005 Divisi 1, it could be concluded that the interviewee were able to explained and demonstrate several technical skills such as PPE used, spraying techniques and prohibited application areas such as HCV and riparian areas which marked with yellow paint on palm trunks or yellow poles. Furthermore, based on field observation to pesticides warehouse in Ungkaya Estate, it was found that all MSDS were available and match with pesticide stocks, symbols of risk and hazardous level, instruction and PPE used were displayed properly. Furthermore there are block spraying system (BSS) House as pesticide mixing and PPE's place. Moreover, observation to housing complex shows that there was no use of discarded pesticide containers and other agrochemicals for domestic household purposes.

**4.6.6 and 4.6.10**

CH has had procedure of pesticide storage which explain the warehouse must has good air circulation, the chemical storage must separate with other material, the warehouse must be locked and Not exposed to direct sunlight Field visit in chemical warehouse of Ungkaya Estate shows that CH has implemented the pesticide storage in accordance with the procedure such as the warehouse has good air circulation, separate with other material, all chemical has MSDS, locked and not exposed to direct sunlight.

CH has had procedure of pesticide waste handling. Interview with warehouse officer is known that socialization has been done related to pesticide waste handling in accordance with owned procedure. Document review and field visit at hazardous waste warehouse in mill is known that the pesticide waste has been placed in this warehouse. Field visit in housing and office are not found the empty pesticide containers used for other purpose.

**4.6.8**

Based on field observation and information form estate management, it was informed that there were no pesticide application by plane through the air. All pesticides has applied through spraying and trunk injection.

**4.6.11 and 4.6.12**

The results of the medical examination on May 21, 2016 include physical examination and spirometry by physician UPTD Puskesmas Laantula Jaya (Dr. Andi Hernaningsih AE) and known by Company Doctors. The examination included physical examination and spirometry for 55 spray workers.

Letter of application for employee health inspection fee No. 56 / TGK-UKE / VI / 2017 dated May 29, 2017 which was received on June 6, 2017 by the Parties Puskesmas Laantula Jaya. However, there is no evidence that a 2017 check is conducted. This is non-conformity No. 2017.03 with Major NC.

Based on interviewed with the spraying workers known there is no indication of skin disease and itches

<b>4.6.11.</b>	<b>Status: Non Conformity with Major category</b>	
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4.7

**An occupational health and safety plan is documented, effectively communicated and implemented.**

4.7.1

The Company has a policy of K3 December 2011 stating that Plantation Upstream Indonesia is committed to providing and maintaining a safe and healthy working environment by implementing effective management to prevent unhealthy accidents and environment on Staff / Employees and guests / visitors. Based on interview with workers known they are workwers has aware of and understand the policy.

4.7.2

The Company has the hazard identification document listed in the Hazard Identification Risk Assessment and Controls (HIRAC) document of January 2016 prepared by P2K3 Secretary and approved by the Chairman of P2K3, but no evidence of HIRAC evaluation for 2017 is in accordance with the HOPAC SOP page 12 points 4.6.7. Which states that HIRAC should be reviewed at least once a year. **See Non-Conformity No: 2016.04 with Major category.**

4.7.3

Based on the results of field visits in the nursery area found spray workers using APD masks from t-shirts / ordinary cloth because the masks are owned in wet conditions of rain. Related to this the company has shown evidence of PPE and proof of socialization of PPE liabilities, but has not been able to show recording evidence of preventive action to prevent it from happening again. **See Non-Conformity No: 2016.05.**

4.7.4

The verification results of documents and interviews with management known that the company has formed Guiding Committee of Occupational Safety & Health organization which responsible for programs and OHS policies to runs effectively. To ensure the OHS program has been implemented effectively, the board of Guiding Committee of Occupational Safety & Health performed a meeting periodically every month. Interviews with the Labor and Transmigration Agency Morowali it's known that the management unit has reported Guiding Committee of Occupational Safety & Health report regularly every three months.

4.7.5

- Regarding non-conformity at the time of Surveillance 4, the company shows evidence: Ungkaya Factory has presented evidence of improvements in the form of minutes of the addition of P3K Tools and Drugs at the Ungkaya Factory workshop station on 27 April 2016 accompanied by documentary evidence. The result of the field visit in the workshop was found the first aid box with the first aid box that has been dilegkapi.
- Ungkaya Factory has indicated
  - Replacement Hose Hydrant No. 6 is broken. The Hose Hydrant location is located in the area around the kernel front kernel dispatch station
  - Records of fire simulations on May 3, 2016 in the area around the front Kernel station
  - Result of field visit in PKS conducted by hydrant test in good condition.4.7.6

However, the company has not been able to show the identification records of the root of the problem and the precautions to avoid recurrence.

on the Re Certification assessment found:

The Company provides First Aid in each unit and has conducted monthly monitoring such as Lay out and list of P3K placements placed in high-risk stations, first-aid monitoring box conducted every month. Sample document handover of first-aid box Bo. 6 / TGK-UKE / BAJP / I / 2017 dated May 28, 2017 is available on the delivery of the first aid box in the Child Care Center. However, based on the results of field visits in day care Division III did not find the first aid box. The company shows the list of fulfillment of first aid box, for example, there are 9 boxes of First Aid kit. The result of the field visit found the existence of P3K box in B3 waste warehouse and workshop. However, based on the results of field visits in the area of operation of the estate was not found in the field P3K box. See NC No. 2016.12.

4.7.7

The Company has consistently monitoring work accidents that fully explained about the months of the incident, the number of cases, the location of the accident, type of accident, the results, work hours lost, causes, follow-up and results. Monitoring of work accidents performed every month and reported to the relevant agencies in conjunction together with regular reports of Guiding Committee of Occupational Safety & Health.

<b>4.7.2</b>	<b>Status: Non Conformance 2016.04 with Major category</b>	
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4.7.3	Status: Non Conformance 2017.05 with Major category	
4.7.5	Status: Non Conformance 2016.12 with Minor upgrade to Major category	
<b>4.8</b>		
<b>All staff, workers, smallholders and contractors are appropriately trained.</b>		
<b>4.8.1</b>		
The results of the re assessment certification, found that:		
<ol style="list-style-type: none"> <li>1. The company does not have a training program for plasma farmers 2017.</li> <li>2. The Company has not been able to show the training needs identification documents for its employees, staff, contractors and farmers.</li> </ol>		
See Non Conformity No. 2017.06		
4.8.2		
The company has had a worker training records for each unit. Result of interview with employees (harvest worker, fertilizer worker, and chemist operator) it is revealed that company has scheduled and conducted training programs to employees.		
4.8.1	Status: Nonconformity No. 2017.06	
<b>PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity</b>		
<b>5.1</b>		
<b>Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.</b>		
<b>5.1.1</b>		
Consistent with the ASA-4, company's EIA documents approved in April 1995 by the AMDAL Commission Center, covering the area of 15,000 ha in Morowali District. The EIA document has identified impact from mill and estate activities such as land clearing, FFB procesing in mill and operation activities in estate.		
Interview with stakeholder (environmental agency and local community) is known that there is no issue related to environment caused by operation activities of PT TGK.		
<b>5.1.2 and 5.1.3</b>		
CH has determined the environmental management plan and monitoring plan in accordance with EIA document. The implementation of environmental management plan and monitoring plan has been documented in RKL and RPL implementation report which every semester reported to environmental agency. Based on RKL and RPL implementation report semester II of 2016 is known that the implementation of management plan and monitoring plan is not accordance with EIA document. There are two aspect which not include in the report i.e. odor and aquatic biota. Based on that, the <b>Nonconformity No. 2016.14 with minor category is upgrade to major category.</b>		
5.1.2	Status: Nonconformity No. 2016.14 with minor category is upgrade to major category	
<b>5.2</b>		
<b>The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced</b>		
<b>5.2.1</b>		
There are no changes since the ASA-03. Identification of RTE species been conducted simultaneously with the activities of identification HCV which carried out by Pollito on January 2010. CH can show attendance list of HCV Public Hearing Event dated 12/01/2010, was attended by 21 participants representing PT TGK (5 personnel), local government (6 personnel), government agencies (5 personnel), community figures including scheme smallholder farmer groups (5 personnel).		
CH has had documentation of public consultation conducted by mail, among others, to Department of Forestry and Plantation Morowali District, Head of Environment Morowali District, Head of Legal Office Morowali District and the University of Tadulako.		
<b>5.2.2</b>		
Based on identification, there are HCV in operation area of PT TGK for an area of 249.76 Ha which are Palopi River, Mamalu River, Laluria River and Laantula River. The action that had been taken to preserve and protect HCVs area explained in Conservation Forest Management procedure and Buffer Zone management procedure. For period 2016/2017, the management		

plan to HCV consist of marking HCV area, maintain signboard of prohibition, monitoring vegetation, monitoring wildlife, manual upkeep and monitoring river water quality.

Based on field observations to the buffer zone of Laluria River in Block 90 is known that CH has implemented the management of HCV such as marking buffer zone as far of 50 meters with yellow mark on the palm tree and installing prohibition signboard. Beside that, on buffer zone of Palopi River in Block 23 is known that CH did not conduct replanting and let the area overgrown by natural vegetation.

**5.2.3**

CH has conducted socialization on protected animals and plants and HCV to surrounding communities and employees of PT TGK. Socialization activities conducted on 20 April 2017 with a total of 16 participants. Minutes of meeting, attendance list and photo of socialization activities are available. Based on consultation with the surrounding community and workers is known that socialization related to the existence of protected plants and animals has been done by the company. The community can explain the types of protected animals that are in the plantation area of PT TGK. But, CH has not been able to show sanctions to individuals who work for the company if it is found to have captured, harmed, collected or killed any protected species. This is become **Nonconformity No. 2017.07 with minor category**.

**5.2.4**

CH has conducted HCV and wildlife monitoring in accordance with the established program i.e once a month. Based on monitoring results in April and May 2017 it is known that flora which present are *mahoni*, *trembesi*, *jati*, *bamboo* and *eboni*. For fauna which present are jungle fowl (*ayam hutan*), *maleo*, lizards (*biawak*), sparrows (*burung pipit*) and pythons (*ular piton*). CH has not been able to show evaluation of monitoring results that have been done. This is become **Nonconformity No. 2017.08 with minor category**.

**5.2.5**

Based on HCV identification and field visit showed that there were no HCV set-asides with existing rights of local communities.

5.2.3	<b>Status: Nonconformity No. 2017.07 with minor category</b>	
5.2.4	<b>Status: Nonconformity No. 2017.08 with minor category</b>	

**5.3  
Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.**

**5.3.1**

CH has not been able to show identification of all waste products and sources of pollution. This is become **Nonconformity No. 2017.09 with major category**.

**5.3.2**

CH has had hazardous waste management procedure which explain that chemical and their container must be store in hazardous waste warehouse. CH has had license for hazardous waste warehouse which approve by Regent of Morowali District and valid for 5 years since 30 July 2015.

Field visit at hazardous waste warehouse in mill shows that pesticide container from estate is stored in this warehouse, but chemical container that use in the mill such as Nalco 2811 are not stored in this warehouse. This is become **Nonconformity No. 2017.10 with major category**.

**5.3.3**

CH has had procedure which explain hazardous waste and non-hazardous waste management. Based on document review and field visit shows that:

- Fiber and shells have been utilized as boiler fuel.
- Effluent have been utilized for land application.
- EFB have been utilized for organic fertilizer.
- Pesticide containers, oil, filter, chemical material expired, battery, medical waste, used lamp and rags from operation activities in estate and mill are stored in hazardous waste warehouse
- Domestic waste from housing and office is dumped into landfill

Based on field visit in workshop shows that there is a place for store temporarily used oil and filter, but when interview with

workers stated that the ex-oil and filter is sent to licensed hazardous waste warehouse at mill when it was full. CH does not yet have a storage and transport mechanism for hazardous waste from the site to the licensed hazardous waste warehouse to verify the consistency of waste management. This is become <b>Nonconformity No. 2017.11 with minor category</b> .	
5.3.1	<b>Status: Nonconformity No. 2017.09 with major category</b>
5.3.2	<b>Status: Nonconformity No. 2017.10 with major category</b>
5.3.3	<b>Status: Nonconformity No. 2017.11 with minor category</b>
<b>5.4</b>	
<b>Efficiency of fossil fuel use and the use of renewable energy is optimised.</b>	
<b>5.4.1</b>	
In order to enhance the efficiency of fossil fuel use, mill utilizes a shell and fiber as boiler fuel substitute for diesel fuel. Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. Based on monitoring record for April 2017 is known that the usage of renewable energy is 91.82 kWh/ MT CPO and the usage of non-renewable energy is 23.61 kWh/ MT CPO.	
<b>Status: Comply</b>	
<b>5.5</b>	
<b>Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>	
<b>Own Estate</b>	
<b>5.5.1</b>	
The certificate holder perform land preparation with mechanical methods, according to the agronomic manual reference No. policy 110 / EST-ARM / 08 section 4 on land preparation explained that land preparation is done manually by uprooted, chopped, marking planting holes and making holes for planting.	
Based on interviews with the Head of Administration Ungkaya Estate, replanting activities have been conducted since October 2011. The company has a fire control procedures, among others:	
<ul style="list-style-type: none"> <li>- Fire protection No. policy 730 / TQEM-ESH / 10</li> <li>- Emergencies No. RSPO policy / B.4.1 / TGK</li> <li>- Countermeasures of fire No. Policy 727 / TQEM-ESH / 10.</li> </ul>	
The procedure describes the handling and control of fires effectively and safely to all workers, especially the emergency response team (ERT).	
<b>5.5.2</b>	
During the field visit, sighted no activities that caused risk of fire in replanting areas, operational areas and in employee housing areas.	
<b>Smallholders</b>	
<b>5.5.1; 5.5.2</b>	
Smallholder does not perform burning activities in land preparation according to the agronomic manual reference No. policy 110 / EST-ARM / 08 section 4 on land preparation explained that land preparation is done manually by uprooted, chopped, marking planting holes and making holes for planting. During the ASA 4 there were no replanting activities in the smallholder area.	
<b>Status: COMPLY</b>	
<b>5.6</b>	
<b>Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</b>	
<b>5.6.1</b>	
CH has identified the source of GHG emission which consist of land clearing, fertilization, the use of diesel fuel, FFB processing and POME. Monitoring of mill gas emission is being done by accredited laboratory every semester. Based on the monitoring result on December 2016 is known that all parameter of emission is meet with regulation threshold. Beside that, mill also monitor the noise level every six month. Based on monitoring on Semester II of 2016 it is known that the noise level at Boiler Station was 92 dBA and Sterilization was 86.4 dBA.	
<b>5.6.2</b>	
Mitigation to reduce greenhouse gases that have been made consist of:	
<ul style="list-style-type: none"> <li>- Planting cover crops with legume cover crops during land clearing until the oil palm age of 3.5 years</li> <li>- Conduct land clearing by zero burning</li> <li>- Conduct fertilization in accordance with the recommendations</li> </ul>	

- Utilize EFB as organic fertilizer
- Utilization of POME as organic fertilizer
- fiber and shells utilization
- Efficiency of diesel fuel

Based on field observations in replanting areas in Division 2 is known that the land clearing has been done by mechanical method or zero burning and EFB has used as organic fertilizer.

**5.6.3**

Based on field visit it is known that mill has had smoke density meter to measure the opacity of smoke from boiler. Beside that the opacity of smoke also monitored by accredited lab and based on the last monitoring on Dec 2016 it is known that the opacity is accordance with government regulation. CH has not been able to show the results of monitoring GHG emissions by using PalmGHG Calculator Version 3. This is become **Nonconformity No. 2017.12 with minor category**.

<b>5.6.3</b>	<b>Status: Nonconformity No. 2017.12 with minor category.</b>
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**PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills**

**6.1 Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.**

**6.1.1**  
The certificate holder based their social impact assesment on the documents of AMDAL, RKL/RPL, SIA and replanting assesment. The 4 document has cover potential aspect of land right, livelihood, work condition, culture and religion, education and health, communication and environment.

**6.1.2**  
The affected stakeholder has been described in the social impact assesment runned in 2009 by Pollito. The stakeholder were workers, people from surrounding vilage and member of smallholder.

**6.1.3**  
The managing of social impact has been done through implementation of RKL/RPL every semester. There is report of RKL/RPL semester 1 & 2 of 2016. The report has include of social impact management in the surrounding vilage and its operational area. The company has also give questionnaire to smallholder every semester, as input of their management evaluation.

**6.1.4**  
The certificate holder has not shown the evidence of mitigation management to mitigate the social impact that arises has to be reviewed at least 2 years, including plasma scheme. Such as:

- Periodic program of social negative impact reduction through participation of affected parties, including smallholders' scheme.
- Timeline of implementation and impact mitigation matrix according to the recommendations Social Impact Assessment.
- Evaluation of the adequacy of the actions taken by the parameters measured.

**Non conformance No. 2016.16 minor upgrade into major.**

**6.1.5**  
The certificate formed 4 area coordinator which is reponsible in supervising and coaching the smallholder member. Based on field interview with smallholder group head informed that the area coordinator was minimum once in a week visiting the group.

<b>6.1.4</b>	<b>Status: Nonconformity No. 2016.16 with minor upgrade to Major category</b>
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**6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.**

**6.2.1**  
The certificate holder has list of stakeholder which is updated every once in a year. The list include stakeholder from government, non-government organization (NGO), public figure, contractor, gender committee, contractor, land ownership, etc.

The certificate holder has procedure of information request (dated December 1 2011) which explain about mechanism of request for information. There is socialization documentation of the procedure, as example in UngkayaEstate Divition 3 dated August 12 2016. Communication through direct supervisor or using aspiration box in estate. Based on public consultation with head of union of PT Tamaco Graha Krida informed that they already know of how and to whom to communicate with the company.

The certificate holder also provide book to record stakeholder aspiration. The book is available in estate office.

**6.2.2**

The PIC for communication and consultation on site is Senior Assistant which is under the operation manager an din coordination with other division. Based on field interview with surrounding stakeholder obtained information on how and who to communicate with the company.

**6.2.3**

The certificate holder kept stakeholder list. The list is managed in estate an factory and updated once in a year. The list include stakeholder from government, nongovernment organization, public figure, contractor, gender committee, contractor, land ownership, etc.

Record of communication from external stakeholder is also available at estate and factory, which is recorded in public aspiration book. There is only 2 information request letter in 2017, and both of it has been answered..

Based on the procedure of information, all of request of information will be answered in maximum 14 days after the receiving date of the letter.

**Status: Comply**

**6.3**

**There is a mutually agreed and documented system for dealing with complaints and grievances, which is Implemented and accepted by all affected parties.**

**6.3.1**

The certificate holder has procedure of handling complaint mechanism (dated March 4 2009)which explain the mechanism of communication and handling of complaint. In section V par 5.5 stated that : the company guarantee security and secrecy the reporter. There is also mechanism scheme of handling complaint from stakeholder.

The PIC in site is Administration Head under operation manager and along coordination with other Division. The time limit for responding request for information is 14 days prior to the incoming letter.

Based on public consultation with agency at Morowali district and smallholer goup head informed that they already knew to who and how to request for help or to communicating complaint.

Based on consultation with worker union representation informed that the union can also receive complaint from worker to be handled to the management. For 2016, there is no industrial conflict between worker and the company.

**6.3.2**

Based on stakeholder communication with surrounding village known that there are no conflict of land or other thing. The certificate holder has also monitored request for information and complaint from stakeholder in form of book of stakeholder aspiration. There is also book of internal complaint in estate and factory. It was managed through estate

**Status: Comply**

**6.4**

**Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

**6.4.1**

CH has had SOP for land compensation which describes identification, calculation and compensation for land release mechanism (053/TGK UKP-HLG/C11, dated December 1 2010). In this procedure was explained that the process of land identification is involved the community and the village government.



<b>6.4.2 and 6.4.3</b>	
<p>The results of document review, field visit and interviews show that the certificate holder does not perform new expansion since ASA-1 until ASA-4. The youngest pam oil plant was planted in 1997.</p>	
<p><b>Status: Comply</b></p>	
<p><b>6.5</b>  <b>Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</b></p>	
<p><b>6.5.1</b>          The certificate holder has work agreement for permanent worker and temporary daily worker which explain about the wages, work hour, duty and responsibility, and other provisions. The wages is in accordance with Sulawesi Tengah Governor Decree No 561/880/DISNAKERTRANASDA-G.ST/2016 about sectoral minimum wage for Morowali district dated December 6 2016 as much as Rp 2,464,000per month. Besides, the company have Intern Office Mail no 010/RSP-i2/1/2017 dated January 13 2017 about Wage for daily permanent worker and monthly permanent worker. It explain that the wage for daily permanent worker is as much as Rp 2,464,500per month. The wage for contract worker is set in the work agreement. Based on interview with worker in estate, they received the payslip document and the amount is in accordance with the applicable regulation.</p>	
<p><b>6.5.2</b>          Work agreement (contract) between worker and company describes about type of work and salary, duty and responsibility, work hour, health and medical, work termination, and others. Contract is written in Indonesian Language and workers are understood the substance of the contract. On the chapter which describes salary system, stated that basic wage for permanent daily worker is following daily minimum wage.</p> <p>The certificate holder also has collective labour agreement (PKB) between company and labour union for period year 2016 – 2018 which is endorsed by Manpower and Transmigration Agency in Morowali Regency dated October 19 2016. The collective labour agreement is regulated about company and worker responsibilities, recruitment process, promotion and demotion, work time management, payment system, social insurance, contract termination, and so on.</p>	
<p><b>6.5.3 and 6.5.4</b>          Based on the results of field visits known that certificate holder has been providing housing facilities, lighting, water, daycare, cooperatives, employee halls, places of worship, school buses, clinics and educational facilities. Company also facilitates all workers to access adequate food supply by held cooperation. Moreover, the location of estate is near the village, so worker can get the staple food with reasonable price. The Company also provides rice support to all permanent worker.</p>	
<p><b>Status: Comply</b></p>	
<p><b>6.6</b>  <b>The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</b></p>	
<p><b>6.6.1</b>          There is no change in company union policy. It was written in guidelines for sustainable plantation management (no policy 724/TQEM-SPM/09 dated November 8 2010), point 5 which stated that the compay is hoped to respect workers right to make and join in union worker according with their will and to negotiate together. There is also no change in worker union structure yet. The structure has also been registered to Manpower Agency of Morowali District at October 19 2016.</p>	
<p><b>6.6.2</b>          There is sample document meeting of collective labour agreement extension of 2016-2018 dated October 18-19 2016 at club house of PT Tamaco Graha Krida. The meeting talked about change of 15 article in the general work agreement. Based on interview with union head, it is informed that the last meeting talked about change day in facing ledul Fitri for 3 work day and it has been approved by both side.</p>	
<p><b>Status: Comply</b></p>	
<p><b>6.7</b>  <b>Children are not employed or exploited.</b></p>	
<p>Based on document review of manpower period April 2017 for PT Tamaco Graha Krida known that there is no worker under 18 year old. Neverthelese, based on field visit in block 19 Divition 2 found that there was worker who bring children to work area. Thus is not comply with guidelines for sustainable plantation management (no policy 724/TQEM-SPMS/09) which in point 6</p>	

stated that Plantation Upstream Indonesia do not use worker under age. <b>Non conformance no.2017.13.</b>		
6.7.1	<b>Status: Nonconformity No. 2017.13 with Major category</b>	<b>Open</b>
<b>6.8</b> <b>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b>		
<b>6.8.1</b> The policy of non discrimination is written in point 1 of 6 of social policy (number 724/TQEM-SPMS/09, dated April1 2010). It said that all staff/employee should treated well and fairly in the process of recruitment, improvement, condition and work situation, without depending on race, tribes, gender, sin color, disability, sexual orientation, organization membership, political view, religion and age. The policy has been socialized to worker through morning master and socialization to contractor. Based on manpower statistic of PT Tamaco Graha Krida period of April 2017 obtained information that workers came from many of area, tribes, different religion. Based on observation and filed interview with worker in Ungkaya Estate and mill, it is known that they are coming from Java, Flores, Sumbawa, Sulawesi, Sumatera and local area as of Sungai Durian and its surroundings.		
<b>6.8.2</b> Based on observation and filed interview with worker in Ungkaya factory and Estate, it is known that they are coming from Java, Flores, Sumbawa, Sulawesi, Sumatera and local area of its surroundings. Female worker has already knew of female committee, its caretaker and its function. They informed that there are no case or complaint against this condition. Female worker has given a right to take a monthly menstruation leave and maternity leave. Local community has also given opportunity to work in the plantation and factory according to its skill and company needs.		
<b>6.8.3</b> The certificate holder could show work agreement which cover right and obligation of both party. Based on field interview with worker in Ungkaya factory and estate, they already understand and excepting the agreement. Based on interview with human resource staff obtained information that evaluation of worker performance is done once in a year. There is sample ldocument of performance evaluation for admnistration head of Ungkaya Estate.		
<b>Status: Comply</b>		
<b>6.9</b> <b>There is no harassment or abuse in the work place, and reproductive rights are protected.</b>		
<b>6.9.1</b> The certificate holder has social policy number 724/TQEM-SPMS/09 dated April 1 2010 point 4 stated that improving an implement policy to protect women worker from sexual harassment and heir reproduction right. Company rules of certificate holder has flowchart of sexual harassment handling (FM-STD5-52-Rxx).  Based on filed interview with women worker in nursery of Ungkaya Estate known that the female worker has already knew of female committee, its caretaker and its function, reproduction right (menstruation and birth leave), and a daycare for children. Moreover, based on interview with gender committee head informed that there was no case of sexual harassment or discrimination to women worker. Mechanism of complaint was arranged in SOP of handling complaint mechanism dated March 4 <sup>th</sup> 2009.		
<b>6.9.2</b> The certificate holder commitment on reproduction right is written in social policy number 724/TQEM-SPMS/09 dated April 1 2010 point 4 stated that improving an implement policy to protect women worker from sexual harassment and their reproduction right. There is also collectiv e labour agreement of non staff period 2016-2018, article 33 paragraph 1 which rules that female worker has a right of maternal leave of 1.5 before and after maternity.  Based on interview with female worker in Ungkaya informed that they already knew of women worker right of reproduction like monthly menstrual leave and maternity leave. They also knew about prohibition for maternal worker to work with chemical.  Gender committee has been known by female worker.		
<b>6.9.3</b> The certificate holder has procedure of handling complaint mechanism dated March 4 2009. The protection to reporter is stated		

in section V point 5.5 of its procedure. There is also flowchart mechanism of handling complaint from stakeholder.

The certificate holder has also provide aspiration box in estate and factory. Based on interview with worker and union head of PT Tamaco Graha Krida informed that there is no industrial matter for 2016. The worker union can also be used to assist handling of worker complaint to management.

**Status: Comply**

**6.10**

**Growers and mills deal fairly and transparently with smallholders and other local businesses.**

**6.10.1**

FFB price for smallholders is following FFB price from Plantation Agency of Sulawesi Tengah Province. The certificate holder has routinely sent the price list to the smallholder group coordinator every month. This information was confirmed through field interview with smallholder members.

**6.10.2**

FFB price for smallholders is following FFB price from Plantation Agency of Sulawesi Tengah Province. There is sample of FFB price letter to smallholder group coordinator for the FFB price of March 2017 number ref 60/UKP-TGK/III/2017 dated March 18 2017, which informed of FFB price based on letter from Plantation Agency of Sulawesi Tengah number 525.26/1250/B.SPHP/Disbunnak dated March 14 2017.

**6.10.3**

Based on field interview with replanting contractor, it is informed that the contract of work has been made fair, legal and transparent.

**6.10.4**

Based on interview with contractor (replanting) is known that the contractor is given time to learn the contract. It is also stated that up to now there are no problems between the contractor and company. The company is also make payments timely manner. There is also sample of FFB document payment from smallholder of Laantula Jaya 1 period of March 1 2017 to March 31 2017 as much as Rp.126.799.680. Based on verification of document payment, it is known that the FFB has been paid accordingly with the price list from the plantation agency.

**Status: Comply**

**6.11**

**Growers and millers contribute to local sustainable development wherever appropriate.**

**6.11.1**

The certificate holder shows document of CSR PT Tamaco Graha Krida Ungkaya Estate period of July 2016/ June 2017 which consist of 11 activity, as of:

- National Independent day celebration tuition for 4 sub district as much as Rp.3.000.000 and district as much as Rp.3.000.000.
- Cow donation for qurban in Wita Ponda and Bumi Raya sub district as much as Rp.25.000.000.
- Donation for bulding material of worship facility in Wita Ponda sub district Rp.5.000.000.
- Donation for Musabaqoh Tilawatil Qur'an in District of Morowali as much as Rp.4.000.000.
- Support for pesantren funding in Wita Ponda and Bumi Raya district as much as Rp.2.000.000.
- Scholarship for elementary, junior and senior school student as much as Rp.6.000.000.
- Donation for youth activity as much as Rp.4.000.000.

Based on interview with worker in the company informed that his son is one of the student who receive scholarship for senior high school level.

**6.11.2**

The certificate holder has also build smallholder in form of people's core plantation for 183 group, 5,250 members and 5,859 Ha. For managing the plasma, it was formed 4 area coordinator, 4 administration clerk and 1 administration head.

**Status: Comply**

**6.12**

**No forms of forced or trafficked labour are used.**

**6.12.1**

The certificate holder has the policy of non discrimination in point 1 of 6 of social policy (number 724/TQEM-SPMS/09, dated April 1 2010). It said that all staff/employee should be treated well and fairly in the process of recruitment, improvement, condition and work situation, without depending on race, tribes, gender, skin color, disability, sexual orientation, organization membership, political view, religion and age.

Based on field interview and stakeholder consultation with union worker representative and worker in estate and mill informed that there is no forced labor. There is procedure of receiving permanent worker (No. 431/HRM-RCT/07) and general work agreement (560/842/snt/xii/2016 dated January 12 2017). It is written in the procedure that all of recruitment have to be approved by the operation manager.

Based on field interview known that the certificate holder did not use outsourcing agent in recruitment. The responsible person in recruitment process is the human resource staff. There is also no foreign worker in field, so there is no holding of identity card.

The certificate holder has also implement rules of minimum salary from Governor of Sulawesi Tengah in 2017. It is confirmed through salary payroll of January 2017. The arrangement of working hour is clearly stated in worker agreement. All of work agreement has been clearly explaining of obligation and right of both parties.

**6.12.2**

Based on review of work agreement number SPK No.007/BTE-EM/SPK/IX/2016, it is known that the agreement has explained clearly about job desk for workers. Both party has signed on the contract. There is no contract substitution.

**6.12.3**

The certificate holder did not use foreign worker in field activity.

**Status: Comply**

**6.13**

**Growers and millers respect human rights**

**6.13.1**

The company policy on human right is still same with the previous surveillance. It was stated on the memorandum (No.367/TGK-UKE/V/2015) on May 7 2015 that treatment whether written or unwritten in field is not against with norm in the regulation number 39 year of 1999 concerning on human rights.. There is sample socialization document of human right policy to contractor and worker on August 12 2016. The policy has been socialized to by the assistant manager worker in the daily morning master.

Based on interview with union caretaker and female committee caretaker informed that the company has implemented human right policy, where all of worker have been given same opportunity. The local contractor and replanting contractor has also informed same condition. There is no human right case happened in the company for period of 2017.

**Status: Comply**

**PRINCIPLE #7 Responsible development of new plantings**

**7.1**

**A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.**

**7.1.1; 7.1.2 and 7.1.3**

According to the data of Areal Statement, there is no new estate expansion conducted by PT TGK post 2005. The latest planting program was conducted on 1997. Therefore, all the principle 7 matters are not implemented.

**Status: Comply**

**7.2**

**Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.**

**7.2.1 and 7.2.2**

According to the data of Areal Statement, there is no new estate expansion conducted by PT TGK post 2005. The latest planting program was conducted on 1997. Therefore, all the principle 7 matters are not implemented.

**Status: Comply**

<b>7.3</b>	
<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>	
<b>7.3.1; 7.3.2; 7.3.3; 7.3.4 and 7.3.5</b>	
No new plantings which replacing primary forest or any of (or more) of High Conservation Values (HCVs), since November 2005. Planting was done from 1990 to 1997. Planting performed after Nov 2005 was replanting activities. According to the data of Areal Statement, there is no new estate expansion conducted by PT TGK post 2005. The latest planting program was conducted on 1997. Therefore, all the principle 7 matters are not implemented. RSPO compensation has been inform the CB on 29 March 2017 that PT Tamaco Graha Krida (Ungkaya POM and supply base) may proceed with recertification.	
	<b>Status: Comply</b>
<b>7.4</b>	
<b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>	
<b>7.4.1 and 7.4.2</b>	
According to the data of Areal Statement, there is no new estate expansion conducted by PT TGK post 2005. The latest planting program was conducted on 1997. Therefore, all the principle 7 matters are not implemented.	
	<b>Status: Comply</b>
<b>7.5</b>	
<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	
According to the data of Areal Statement, there is no new estate expansion conducted by PT TGK post 2005. The latest planting program was conducted on 1997. Therefore, all the principle 7 matters are not implemented.	
	<b>Status: Comply</b>
<b>7.6</b>	
<b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>	
<b>7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5 and 7.6.6</b>	
According to the data of Areal Statement, there is no new estate expansion conducted by PT TGK post 2005. The latest planting program was conducted on 1997. Therefore, all the principle 7 matters are not implemented.	
	<b>Status: Comply</b>
<b>7.7</b>	
<b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>	
According to the data of Areal Statement, there is no new estate expansion conducted by PT TGK post 2005. The latest planting program was conducted on 1997. Therefore, all the principle 7 matters are not implemented.	
	<b>Status: Comply</b>
<b>7.8</b>	
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>	
<b>7.8.1 and 7.8.2</b>	
According to the data of Areal Statement, there is no new estate expansion conducted by PT TGK post 2005. The latest planting program was conducted on 1997. Therefore, all the principle 7 matters are not implemented (refer to 5.6).	
	<b>Status: Comply</b>
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>	
<b>8.1</b>	
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>	
<b>8.1.1</b>	
Based on field observation it could be concluded that continuous improvement in term of best management practices is no use of paraquat. For environment aspect, the management unit conduct management and monitoring the quality of environment and reduce the waste by reuse method such as EFB, fiber and shell.	

Based on the results of the Re Certification audit, it is known that there are inconsistencies in the audit of ASA4, which are:

- Indicator 2.2.2 (NCR No. 2016.03).
- Indicator 4.6.11 (NCR No. 2017.03)
- Indicator 4.7.2 (NCR No.2017.04).
- Indicator 4.7.5 (NCR No. 2016.12).
- Indicator 5.1.2 (NCR No. 2017.12)
- Indicator 6.1.4 (NCR No. 2016.16)

**Non conformance No. 2017.14 with Major category**

8.1.1.	<b>Status: Non conformance No. 2017.14 with Major category</b>
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**3.2 Summary of Assessment Report of Supply Chain Requirements**

Clause	(Module E) CPO Mills - Mass Balance Requirements															
<b>E.1</b>	<b>Definition</b>															
<b>E.1.1</b>	<p><b>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</b></p> <p>Ungkaya Factory (UKF) has implementing mass balance supply chain model, due to fact that FFB processed were came from the certified sources (Ungkaya Estate and Ungkaya Plasma, a scheme smallholder) and non-certified sources (out-grower, e.g. Bimor Jaya, Cooperative Morokerta, PT Kinara Sinar gemilang, PT Timur Jaya Indomakmur, PT PN Tomata, PT Asera Asia Investama and Cooperative Puncak Raya). Only CPO and PK products from the former sources has only claimed as RSPO certified products. Certificate code of Ungkaya Estate and Ungkaya Plasma is MUTU-RSPO/018, issued in July 10<sup>th</sup> 2012.</p> <p>Based on observation and interview to the weigh-bridge station, it was explained by the operator that FFB delivery letter (SPB) form from Ungkaya Estate and Ungkaya Plasma has marked by "RSPO Certified stamp", while the rest sources has stamped by "Non-RSPO Certified stamp". Moreover, CPO and PK delivery form has marked by "RSPO Certified Mass Balance Stamp".</p> <p><b>Status: Comply as required</b></p>															
<b>E.2</b>	<b>Explanation</b>															
<b>E.2.1</b>	<p><b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</b></p> <p>Estimation product from UKF is presented in this Re-certification report, i.e. <b>33,215 mt</b> Certified Sustainable Palm Oil (CSPO) and <b>7,209.43 mt</b> Certified Sustainable Palm Kernel (CSPK). Actual production within August 10<sup>th</sup> 2016 to June 5<sup>th</sup> 2017 were 29,901.97 mt ton CSPO and 6,275.40 mt CSPK.</p> <p><b>Status: Comply as required</b></p>															
<b>E.2.2</b>	<p><b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</b></p> <ul style="list-style-type: none"> <li>• RSPO IT Platform member registration number: <b>RSPO_PO100000331</b></li> <li>• Certified CPO sold to each buyer period of August 10<sup>th</sup> 2016 to June 5<sup>th</sup> 2017</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 30%;">Date</th> <th style="width: 40%;">Buyer</th> <th style="width: 30%;">Volume</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td align="center" colspan="2"><b>Total</b></td> <td align="center">5,000 mt</td> </tr> </tbody> </table>	Date	Buyer	Volume										<b>Total</b>		5,000 mt
Date	Buyer	Volume														
<b>Total</b>		5,000 mt														

According to palm trace data dated June 5<sup>th</sup> 2017, it was informed that there was product reduction for about 5,000 mt of CSPO. Regarding this matter, the company was not be able to shows transaction data within August 10<sup>th</sup> 2016 to June 5<sup>th</sup> 2017. Hence, raised **NCR No. 2017.15**.

Based on the Table above which derived from Palm Trace website, the volume of certified CPO selling was balance.

• **Certified Palm Kernel sold to each buyer period of August 10<sup>th</sup> 2016 to June 5<sup>th</sup> 2017**

Date	Buyer	Volume
-	-	-
-	-	-
-	-	-
<b>Total</b>		-

Based on the Table above which derived from Palm Trace website, it could be concluded that there were no selling of certified palm kernel within license period.

**E.2.2. Status: NCR No.2017.15**

**E.3 Documented procedures**

**E.3.1**

**The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:**

- a. Complete and up to date procedures covering the implementation of all the elements in these requirements;**
- b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.**

Procedure of SCCS implementation is presented in document No. 079-501/TGK-SPC-03/16 dated March 3<sup>rd</sup> 2016 about product identification and traceability product capability in oil palm factory of Minamas Plantation. This procedure was applicable for FFB acceptance place (UKF), production process, bulking station and product delivery process to buyers. Procedure has also describes objective, scope, definition, general information, person in charge, procedure, special condition, administration facility and appendix. Form of supply chain implemented by PT TGK was mass balance.

Task and responsibility of personal towards SCCS mass balance implementation are:

Factory Manager

- Keeping and maintaining all documents, records or notes of the usage of all raw materials and supporting materials used on the production process and ultimate product quality.
- Verification of the status of the product sent to the vendee by signing the official record of the product dispatch with the vendee.

PSQM Assistant

- Conducting FFB quality control (grading) in mill and composing daily recapitulation.
- Monitoring the palm product dispatch and load/unload as well as witnessing the compilation of official record of CPO and Palm Kernel dispatch.

Laboratory Foreman or Assistant

- Analyzing and testing the product and raw material quality in all mill production process stages.
- Keeping, maintaining and distributing the result of raw material and product analysis to the stakeholders.

Bulking Assistant/Senior Assistant/Manager

- CPO and PK product transport from POM to bulking station.
- CPO and PK handling and storage in bulking station.

UKF has provide training of SCCS on December 22<sup>nd</sup> 2015, attended by 19 participant which consist of UKF Manager, Senior Officer, UKE Manager, Assistant and other respective worker.

Based on observation and interview to the weigh-bridge station, it was explained by the operator that FFB delivery letter (SPB)

form from Ungkaya Estate and Ungkaya Plasma has marked by "RSPO Certified stamp", while the rest sources has stamped by "RSPO Non Certified stamp". Moreover, CPO and PK delivery form has marked by "RSPO Certified Mass Balance Stamp".

**Status: Comply as required**

**E.3.2**

**The site shall have documented procedures for receiving and processing certified and non-certified FFBs.**

Based on observation and interview to the weigh-bridge station, it was explained by the operator that FFB delivery letter (SPB) form from Ungkaya Estate and Ungkaya Plasma has marked by "RSPO Certified stamp", while the rest sources has stamped by "Non-RSPO Certified stamp". Moreover, CPO and PK delivery form has marked by "RSPO Certified Mass Balance Stamp".

FFB delivery letter (SPB) for RSPO-certified and RSPO-non certified is presented as follows:

- SPB form No. 00006433 dated April 22nd 2017 informed that 430 FFB and 8,000 kg of loose fruits from Block 08U Rotation 91C from Smallholder group of Usaha Baru has sent to UKF by Vehicle No. DN 8605 AV (Driver: Adi) at 17:00 on the same date. The SPB signed by Usaha Baru Smallholder Group Representative, Driver, FFB Staff and Weigh Bridge Operator. The SPB form and Weigh Ticket were marked with "RSPO Certified stamp" by Weigh Bridge Operator.
- FFB receive ticket No. 253403 dated May 20<sup>th</sup> 2017 informed that 5,950 kg of FFB (net weigh of 320 pcs FFB) has delivered to UKF from Field Lahan 1 Cooperative Morokerto on the same date by vehicle No.B94030DB (Driver IC: 1002). The ticket was marked with "NON RSPO Certified stamp" by Weigh Bridge Operator.

**Status: Comply as required**

**E.4**

**Purchasing and goods in**

**E.4.1**

**The site shall verify and document the volumes of certified and non-certified FFBs received.**

UKF has provide an update of the monthly summary of certified and non-certified FFB received, as follows:

- **Certified and non-certified FFB received period of July 10<sup>th</sup> 2016 to June 5<sup>th</sup> 2017**

Month	FFB (mt)		
	RSPO Certified	Non Certified	Total
July 10 <sup>th</sup> – 31 <sup>st</sup> 2016	10,461.89	1,118.22	11,580.11
August 2016	7,908.05	840.41	8,748.46
September 2016	5,449.76	859.81	6,309.57
October 2016	10,557.77	1,699.21	12,256.98
November 2016	16,818.60	1,686.36	18,504.96
December 2016	20,468.13	741.01	21,209.14
January 2017	20,162.18	501.69	20,663.87
February 2017	19,178.57	167.02	19,345.59
March 2017	15,882.98	187.02	16,070.00
April 2017	11,781.98	290.81	12,072.79
May 2017	12,319.40	336.12	12,655.52
June 1 <sup>st</sup> – 5 <sup>th</sup> 2017	1,741.24	47,150.00	1,788.39
<b>Total</b>	<b>152,730.55</b>	<b>8,474.83</b>	<b>161,250.38</b>

**Status: Comply as required**

**E.4.2**

**The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.**

Based on estimate FFB claim from Surveillance 4 in 2016, it was informed that certified CPO and palm kernel from July 10<sup>th</sup> 2016 to July 9<sup>th</sup> 2017 were about 33,450 mt and 7,072 mt, respectively. As verified the actual production from July 10<sup>th</sup> 2016 to time of audit (June 5<sup>th</sup> 2017), total production of CSPO and CSPK were 32,743.501 mt and 6,867.888 mt, respectively. Hence, it could be concluded that actual production were still below claim product stated in the previous license.

Memorandum of Head of PSQM Sumatera and Sulawesi No. 013/PSQM-UM/IX/2015 dated September 3<sup>rd</sup> 2015 about SCCS RSPO mentioned in point 2.3 that factory (PIC: Head of Administration/KTU) will inform certification body when actual production is more than claim product stated in the license period presented in certificate.

**Status: Comply as required**



**E.5 Record keeping**

**E.5.1**

- a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.**
- b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.**
- c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)**

CPO from UKF has delivered to Bulking of Bahumbelu. All products sent were marked by RSPO Certified Mass Balance Stamp. For example as follows:

- Weigh bridge ticket of transfer out No. 060619 dated June 6th 2017 informed 6,660 kg of CSPO RSPO-Certified mass balance has sent to Bulking.
- Weigh bridge ticket of transfer out No. 060608 dated June 6th 2017 informed 6,926 kg of CSPK RSPO-Certified mass balance has sent to Bulking.

Delivery of certified products (CSPO and SCPK) to Bahumbelu Bulking has carried out from the positive stock on the UKF storage. UKF has identified Certified and non-certified products presented as follows:

Period	CPO Production (mt)			CPO Dispatch (mt)		
	Cert	Non-Cert	Total	Cert	Non-Certified	Total
July 10 <sup>th</sup> – 31 <sup>st</sup> 2016	2,355.31	251.75	2,607.06	-	4,110.33	4,110.33
August 2016	1,658.27	176.23	1,834.50	-	1,454.70	1,454.70
September 2016	1,113.74	175.72	1,289.46	-	1,049.29	1,049.29
October 2016	2,179.44	350.77	2,530.21	-	2,500.58	2,500.58
November 2016	3,573.17	358.27	3,931.44	-	2,500.07	2,500.07
December 2016	4,431.67	160.44	4,592.11	-	-	-
January 2017	4,418.10	109.93	4,528.03	-	6,695.38	6,695.38
February 2017	4,245.51	36.97	4,282.48	-	7,053.52	7,053.52
March 2017	3,435.49	40.45	3,475.94	-	4,800.48	4,800.48
April 2017	2,470.31	60.97	2,531.28	-	3,000.13	3,000.13
May 2017	2,540.55	69.32	2,609.87	-	-	-
June 1 <sup>st</sup> – 5 <sup>th</sup> 2017	321.93	8.72	330.65	-	3,000.88	3,000.88
<b>Total</b>	<b>32,743.50</b>	<b>1,799.54</b>	<b>34,543.04</b>	-	<b>36,165.36</b>	<b>36,165.36</b>

Period	PK Production (mt)			PK Dispatch (mt)		
	Cert	Non-Cert	Total	Cert	Non-Certified	Total
July 10 <sup>th</sup> – 31 <sup>st</sup> 2016	498.57	53.29	551.86	-	-	-
August 2016	332.72	35.36	368.08	-	1,000.04	1,000.04
September 2016	236.62	37.33	273.95	-	-	-
October 2016	495.18	79.70	574.88	-	700.04	700.04
November 2016	772.64	77.47	850.11	-	700.03	700.03
December 2016	939.03	34.00	973.03	-	999.85	999.85
January 2017	865.76	21.54	887.30	-	1,000.14	1,000.14
February 2017	913.80	7.96	921.76	-	-	-
March 2017	760.95	8.96	769.91	-	1,000.04	1,000.04
April 2017	502.78	12.41	515.19	-	1,000.01	1,000.01
May 2017	484.78	13.23	498.01	-	-	-
June 1 <sup>st</sup> – 5 <sup>th</sup> 2017	65.07	1.76	66.83	-	-	-
<b>Total</b>	<b>6,275.40</b>	<b>317.98</b>	<b>6,593.38</b>	-	<b>6,400.15</b>	<b>6,400.15</b>

However, according to field observation and interview with Foreman in Bahumbelu Bulking, it was informed that Bulking has not ability and mechanism to determine the volume of Certified and non-certified status of products. Those volume products

status were issued by UKF. Hence raised **NCR No. 2017.16**.

**Status: NCR No. 2017.16**

**E.5.2**

**In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.**

UKF does not have kernel crushing plant facility and do not deliver its kernel to an independent palm kernel crushing plant.

**Status: Comply as required**

**3.3. Conformity Checklist of Certificate and Logo Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or √</b>
<b>Re-Certification</b>	PT TGK have a license/approval from Mutuagung Lestari as Certification Body regarding use of certification with No. MUTU-RSPO/018	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>Re-Certification</b>	Certificate Holder (PT TGK) are not using the RSPO logo both on-product and off-product within scope of certification.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>Re-Certification</b>	Certificate Holder (PT TGK) are not using the RSPO logo both on-product and off-product within scope of certification.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>Re-Certification</b>	Certificate Holder (PT TGK) are not using the RSPO logo both on-product and off-product within scope of certification.	√
	<b>Status: Comply</b>	

**3.4. Summary of RSPO Partial Certification.**

Compliance of the uncertified management units of Sime Darby Plantation Sdn Bhd against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below

Sime Darby Plantation Sdn Bhd Time Bound Plan is explained in table section 1.10. Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Sdn Bhd has informed the Time Bound Plan progress through representative’s office in Indonesia. MUTU has considered that Sime Darby Plantation Sdn Bhd is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Sdn Bhd Indonesian representative on June 16th, 2016 by the Head of PSQM.

MUTU has verified partial certification for un-certified unit’s subsidiary of Sime Darby Plantation Sdn Bhd based on their Time Bound Plan. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There are significant land conflicts in PT Mitra Austral Sejahtera, there is still an issue that remain unresolved social i.e. from Serikat Petani Kelapa Sawit (SPKS), but improvements are ongoing.
- PT Budidaya Agro Lestari waiting for land title process.
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p><b>Company Group/Holding Statement:</b> Companies are already doing internal audits. There are internal audit reports for each company.</p> <p><b>Auditor Verification:</b> Internal Audit report available for uncertified management unit for example PT Sandika Natapalma – Karya Palma Estate on 10 February 2017.</p>
i.	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p><b>Company Group/Holding Statement:</b> HCV assessment has been conducted for uncertified units i.e. PT Mitra Austral Sejahtera (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).</p> <p><b>Auditor Verification:</b> Sime Darby Plantation Sdn Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2<sup>nd</sup> revision on 24 June 2016. The companies ensuring reporting of disclosure of liability progress to</p>

		RSPO and according to the CB's correspondency with RSPO Remediation and Compensation.
i.	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>Company Group/Holding Statement:</b> A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at <a href="http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14">http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</a></p> <p><b>Auditor Verification:</b></p> <ul style="list-style-type: none"> <li>• Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1<sup>st</sup> 2010 and due to not conduct NPP.</li> <li>• RSPO NPP process has been completed in 2011 for a new mill in Liberia.</li> </ul>
ii.	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p><b>Company Group/Holding Statement:</b> Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/46">http://www.rspo.org/members/complaints/status-of-complaints/view/46</a> PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd) Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/29">http://www.rspo.org/members/complaints/status-of-complaints/view/29</a></p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There are land conflict in :</p> <ul style="list-style-type: none"> <li>• PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities</li> <li>• PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.</li> </ul>
iii.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p><b>Company Group/Holding Statement:</b> No stakeholder comments or complaints received.</p> <p><b>Auditor Verification:</b></p>

		Auditor has verified the supporting evidence of above the company statement. There are no labour dispute in company unit.
iv.	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p><b>Company Group/Holding Statement:</b> None noted. No stakeholder comments or complaints received.</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for company under SDP waiting for land title process, ie:</p> <ul style="list-style-type: none"> <li>• PT Sime Indo Agro 1,652 Ha</li> <li>• PT Aneka Inti Persada 421.31 Ha</li> <li>• PT Bina Sains Cemerlang 308.25 Ha</li> <li>• PT Bersama Sejahtera Sakti 765 Ha</li> <li>• PT Langgeng Muaramakmur 1,162 Ha</li> <li>• PT Paripurna Swakarsa 1,120 Ha</li> <li>• PT Swadaya Andika 63 Ha</li> <li>• PT Bahari Gembira Ria 1,639 Ha</li> <li>• PT Guthrie Pecconina Indonesia 4,133 Ha</li> <li>• PT Perkasa Subur Sakti 1,286 Ha</li> </ul>

**3.5. Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components**

**3.5.1 Identification of Findings at Surveillance-4**

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
2016.01	2.1.1	<p><b>Compliance of Regulation</b></p> <p><b>1. Document of Environment</b></p> <p>Certificate holder (CH) has had the EIA document dated 1995, which scope of study has covers own estate and smallholders area.</p> <p>However, some smallholders area has not included on EIA study, i.e. on 2,676 ha and 244 ha in Block Bumi Harapan to Block Ambunu and Block Atananga to Block Samarenda, respectively.</p> <p>Environment Agency of Morowali District in April 27<sup>th</sup>, 2016 mentioned that EIA study of PT TGK must comply with PP (Govt. Law) No. 27 year 2012 and should covers whole own estate and smallholder areas.</p> <p><b>2. Medical Examination</b></p> <p>CH couldn't shows the evidence on</p>	PT. TGK and Plasma	MAJOR	29 June 2016	CH must be able to show the evidence of compliance of regulation related with environmental aspects, including consultation with the respective Govt. Agency are carried out properly.	<p><b>Root cause:</b></p> <p>The company did not know that the EIA document did not cover all smallholder scheme areas, it is caused by the location map of AMDAL not clearly mentioned the study's area and also EIA carried out before the regional growth.</p> <p>The unit of Legal and Support from Departments of PSD and PSQM-ESH are team who's responsible for regulation fulfilment monitoring.</p> <p>Last special medical checkup had conducted in 2014 while in 2015, it was never been carried out. The special checkup is starts to be carried out on May 2016 and it would be annually conducted.</p> <p><b>Corrective actions</b></p> <p>1. Consultation meeting between PT TGK and Environment Agency of Morowali District has been conducted in May 30<sup>th</sup> 2016. Follow up of the meeting will be carried out by the Agency</p>	<b>CLOSED With OBSERVATION</b>	June 28 <sup>th</sup> 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
		special medical check up for high risk workers (e.g. works on high noise area) had been carried out properly. This is not complying with Permenaker (Regulation of Ministry of Manpower) No. 02 year 1980.					<p>(minutes of the meeting is attached).</p> <p>2. PT TGK has deal with local govt. clinic of Laantula jaya to conduct a special medical check up. In scope of Morowali District, there was only Laantula clinic whose be able to provide the devices for special medical checkup, i.e. Audiometry testing.</p> <p><b>Preventive Actions</b></p> <p>1. PT TGK will follows any instructions came from Morowali Environment Agency, in accordance with Govt. Regulation No. 27 year 2012.</p> <p>2. PT TGK polyclinic team will always make cooperation with the competence parties in conducting a special medical checkup. Special medical checkup will be included and scheduled in company annual program.</p> <p><b>Auditor Observation:</b>  <b>June 12<sup>th</sup> 2016</b>            CH has shown the evidence of consultation minutes with Morowali Environment Agency and Audiometric testing results had been carried out by Laantula jaya Clinic. However, the</p>		



CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p>evaluation on identified of workers with hearing problem was not available. Hence the NCR is consider as <b>non-conform/Open</b>.</p> <p><b>June 21<sup>st</sup>, 2016</b></p> <p><b>1. Documents of Environment</b></p> <p>CH has shown the evidence of consultation minutes meeting with Morowali Environment District had conducted in May 30<sup>th</sup> 2016. The minutes stated that field crosscheck and time of visit will be conducted in the third week of June 2016.</p> <p>Team of Auditor concluded that the CH must be able to show the evidence of field visit, Environment Agency recommendation and follow up plan towards recommendation had been carried out properly.</p> <p>As explained above, Auditor team concluded that the NCR is still remain <b>open</b> until the proper evidences are available.</p> <p><b>2. Medical check up</b></p> <p>CH was able to shows the evaluation of Audiometric testing which carried out by Laantula Jaya clinic. The result stated that workers identified with minor audiometric/hearing problem category are compulsory to use PPE during</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p>working hours, while workers with medium category will be allocate to another station where the level of noise is lower than 85 dB</p> <p>Regarding that matter, the evidence of allocation of 5 workers who's identified on medium category were not available. Hence, the NCR status still remain as <b>Open</b>.</p> <p><b>Observation on June 29, 2016</b>  <b>EIA Document :</b>                      The company can show the minutes of verification / field survey conducted by Environment Agency of district of Morowali, Forestry and Plantation and Housing &amp; Regional Spatial Planning Department on 15 June 2016. An field overview performed in block of Atanangan-Samarenda and block of Bumi Harapan-Ambunu. Based on the survey results known that the areas is exclude of the range of EIA study published earlier.</p> <p>The Company can show the proposal preparation of EIA Addendum of Oil Plam Cultivation for smallholder scheme in the Bungku Barat Sub-District, Bumi Raya Sub-District And Witaponda Sub-District, Morowali Regency, Central Sulawesi, proposed</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p>by PT Ideall Multi Design addressed to PT Tamaco Graha Krida on June 14, 2016.</p> <p><b>Mutation employees</b> The company has been submitted evidence of employee mutation letter No. 003/TGK-UKF/Mutation/V/16 (May 30, 2016). The letter was submitted by Factory Manager as many as 10 factory employees that has been identified hearing loss based on audiometric hearing test results on May 23, 2016. The identified employee has been assigned moved to other station processes with low noise. Based on these corrective actions, the audit team stated the non-conformity in this section <b>CLOSED WITH OBSERVATION.</b></p>		
2016.02	2.2.1	<p><b>The Actual land Use</b></p> <p>CH has a land title (HGU) document No. HGU No. 06/HGU/1989 dated July 15<sup>th</sup>, 1989 and book of boundary pole year 2011 which issued by National Land Agency of Morowali District. However:</p> <ol style="list-style-type: none"> <li>1. Based on field observation to boundary pole No. 12, No. 13 and No. 14 where located on Block 71 Division 1, Block 81 Division 3 and Block 86 Division 3, respectively and land title map 2011 review, it</li> </ol>	PT. TGK	MAJOR	29 June 2016	CH must be able to show the evidence of actual land use is comply with the owned land title(s), as well as conducting a consultation and communication with Land Agency are carried out properly.	<p><b>Refutation on June (29<sup>th</sup> 2016)</b> Borders as mentioned in land title certificate No. 01/1989 for 2,692 ha land area (as accordance with decree of land title No. 06/1989) informed that BTS 12, 13 and 14 position are comply with national land agency (BPN) field assessment which conducted in April 24<sup>th</sup> 2014. BPN also stated that there was no oil palm planted outside the land title borders, except for 116.81 ha, 111.43 ha and 17.05 ha where located</p>	<b>CLOSED WITH OBSERVATION.</b>	June 28 <sup>th</sup> 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
		<p>was found that the actual land used has exceeds than the land title.</p> <p>2. Based on land title map 2011 and hectare statement map analysis, it was found that the shapes of boundary were not match. (For example as shown in boundary between pole No. 13 and No. 14). This indicates there was oil palm planted outside the land title permit.</p> <p>CH couldn't shows the evidence that corrective action needed to overcome the matter above had been carried out to the respective parties (Land Agency).</p>					<p>in Desa Ungkaya, Laantula and Bumi Harapan, respectively. Hence, referring the BPN data for audit assessment is strongly expected (Appendix 1).</p> <p>Moreover, the circle marked by the respective auditor has pointed as an area which planted in 1993. However, based on BPN field verification, it was planted in 2014. Hence, there was no oil palm planted outside the land title borders of PT TGK.</p> <p><b>Root cause :</b> During the field visit, the evidence of the BPN field visit results year of 2014 are not shown because the person in charge (PSD) has resigned and there is no handover document, so the unit does not know the existence of these documents.</p> <p><b>Corrective action :</b> All documents related to the legal aspects will be stored by the PSD department and during the audit the PSD staff will accompany.</p> <p><b>Preventive action:</b> Filling the soft copy of the entire legal documents and distributed into the unit.</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p><b>Auditor Observations : June 12, 2016</b> Please explain the circled area on a map 1 and map 2 attached.</p> <p><b>Auditor Observations:</b> <b>30 June 2016</b> PT. TGK has shown the evidence in the form of a letter from BPN of Morowali District No: 77/72.06/V/2014 (24 April 2014) concerning the result of determination of the HGU boundaries of PT. TGK in the Ungkaya village, Laantula Jaya village and Bumi Harapan village.</p> <p>The letter informs that BPN has been measuring the HGU boundaries of PT. TGK to ensure that there is oil palm cultivation beyond land rights and concluded will exclude the areas that indicated outside of land rights, among others: Ungkaya Village (116.81 Ha); Laantula Jaya Village (111.43 Ha); Bumi Harapan Village (5.17 Ha), following is attachment map scale of 1:50,000 . The non-conformity, stated CLOSED with OBSERVATION. Will be ensured during stakeholder consultation on the next assessment.</p>		
2016.03	2.2.2	Legal Boundaries Must be Clear and	PT. TGK	Minor Upgrade	RC	CH must be able to show a clear legal boundaries and	<b>Root Cause :</b>	Closed	14 Oct 2017

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
		<p><b>well Maintained</b></p> <p>CH has shows book and map of legal boundary 2011, issued by Land Agency of Morowali District. Those documents were made based on re-mapping land title coordinate transformation survey, dated 27-30 November 2011.</p> <p>However, based on field observation to boundary poles No. 1 and 11, both poles were not found, although Auditor team has refer to the specific coordinates mentioned by documents above. Furthermore, condition of boundary poles No. 12, 13 and 14 were not maintained properly.</p>		Major		pole condition must be well maintained.	<p>Because the maintenance of boundary stone of HGU is not updated (according to SOP) so that the problem is not identified early.</p> <p><b>Corrective Action:</b></p> <ol style="list-style-type: none"> <li>1. Make maintenance schedule for boundary stone every 4 months according to SOP</li> <li>2. Determine special officer to maintenance boundary stone under the responsibility of Safety Officer.</li> <li>3. Issuing a decree for the Special Officer signed by the Estate Manager</li> </ol> <p><b>Preventive Action:</b></p> <p>Ensure maintenance of boundary stone of HGU in accordance with existing SOPs.</p> <p><b>Assessor Evaluation and Conclusion (filled by auditor):</b>  <b>Observation on Recertification.</b>                      The organization has a regular plan on maintaining the border every 3 times a year in accordance with the procedures for maintaining the HGU boundary (No. 061 / RSPO-PPBPN / 2011) but the company has not been</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p>able to show the program and the realization of the maintenance of the HGU Boundary of 2016-2017. Field visits found Boundary No. 7 and No. 11 in poorly maintained condition (stakes and paint identity is faded).</p> <p><b>Observation on 14 October 2017.</b></p> <ol style="list-style-type: none"> <li>The Company shows the schedule of monitoring and maintenance of boundary stone of HGU made by the Safety Officer. The schedule of monitoring and maintenance of boundary stone is set in January, May and September of 2017.</li> <li>Records of the realization of monitoring and maintenance of boundary stone on 23 September 2017 and carried out maintenance with repainting of boundary stone, but based on the monitoring results it is known that the boundary stone no. 1, 2, 5 and 8 not found. Related to this company shows the progress of replacement of lost boundary stone, that is: <ul style="list-style-type: none"> <li>Identification and monitoring of boundary stone by PT TGK internal team on 23 September 2017</li> <li>Communication with PSD team on 9 October 2017</li> </ul> </li> </ol>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<ul style="list-style-type: none"> <li>• Electronic email reply from PSD Team on 9 October 2017 to coordinate the determination of the location of boundary stone in cooperation with the Minamas Reseach Center team and to be planned in November 2017.</li> <li>• Letter from the UKE Manager to the PSD Manager related to land legality settlement of PT TGK No. 89 / UKE-ISPO / X / 2017 dated 6 October 2017.</li> <li>• The Company sets targets in December 2017 for coordination with BPN and settlement of replacement of lost boundary stone</li> </ul> <p>3. Program monitoring and maintenance of HGU boundary stone in 2017/2018 in September 2017; January 2018 and May 2018</p> <p>4. Decision Letter Appointment of special officer for monitoring and coordinating the maintenance of HGU boundary stone No. 28 / TGK-UKE / IX / 2017 dated 11 September 2017</p> <p><b>Based on the explanation Nonconformity No. 2016.03 is closed with observation</b></p>		



CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
2016.04	3.1.1	<p><b>Long-term Management Plan</b> Group Manager has not been able to shows long-term management plan, minimum for the next three years.</p>	Plasma	MAJOR	29 June 2016	Group Manager must be able to show a long-term management plan (include production and replanting), minimum for the next 3 years.	<p><b>Root cause:</b> CH team was not be able to shows the long term business plan for the next three years.</p> <p><b>Corrective action :</b> The long-term plan document of Plasma garden showed to auditors</p> <p><b>Corrective actions:</b> The long term business of PT TGK plan will be updated periodically.</p> <p><b>Observation May 3<sup>rd</sup> 2016.</b> Group Manager has be able to shows the evidence of long term business plan for period 2018/2019, which include budget of production based on palm ages and replanting plan. Based on the evidence, the NCR No. 2016.04 is considered closed.</p>	Closed	June 21 <sup>st</sup> 2016
2016.05	4.1.3	<p><b>Procedure Implementation Monitoring Record.</b> Group Manager has not been able to shows the evidence of procedure implementation has been carried out consistently.</p>	Plasma	minor	RC	Group Manager must be able to show the evidence of procedure implementations are recorded and well maintained.	Smallholders have been excluded from the scope of certification because credit payment has been paid off and become Independent Smallholders.	-	

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
2016.06	4.2.2	<b>Fertilizer Used Record</b> Group Manager has not been able to shows the record of fertilizers used by the smallholders.	Plasma	minor	RC	Group Manager must be able to show the record of fertilizers used by the smallholders.	Smallholders have been excluded from the scope of certification because credit payment has been paid off and become Independent Smallholders.	-	
2016.07	4.2.3	<b>Periodic Soil and Leaf Sampling</b> Fertilizer recommendation for smallholders was not based on leaf and soil sampling analysis.	Plasma	minor	RC	Fertilizing recommendation must be based on leaf and soil analysis.	Smallholders have been excluded from the scope of certification because credit payment has been paid off and become Independent Smallholders.	-	
2016.08	4.6.1	<b>Pesticides Used Justification</b> Group Manager has not been able to shows the list of pesticides used by the smallholders.	Plasma	MAJOR	29 June 2016	Group Manager must be able to show the list of pesticides used by the smallholders.	<p><b>Root cause:</b> List of pesticide used by smallholders has complied with recommendation of Manpower Agency of Morowali District. The document was not shown during the audit due to data collection on pesticides used was still on going and not completed yet.</p> <p><b>Corrective actions:</b> Smallholders team is now compiled the list of pesticides used by the smallholders.</p> <p><b>Preventive Actions</b> Smallholder's team will regularly update and monitor the use of pesticides by smallholders.</p> <p><b>Auditor Observation</b></p>	Closed	June 29 <sup>th</sup> 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p><b>June 12<sup>th</sup> 2016</b> CH has shown the evidence of correction which consist of list, dosage and target of pesticides used by smallholders in May 2016. However, CH was not be able to shows the method of pesticides identification. Hence, the NCR is still <b>Open</b>.</p> <p><b>June 21<sup>st</sup> 2016</b> CH has shown a letter from Manpower Agency of Morowali District No. 521.43/193/SNT/III/2015 dated March 4<sup>th</sup> 2015 about list of pesticides recommended. The pesticides used by smallholders were refer to this document.  However, the Group Manager was not be able to shows the method of identification and data collection of pesticides used by smallholders. Hence, the NCR is still Open.</p> <p><b>June 29, 2016</b> The certificate holder can show evidence of corrective action in the form of : Minutes of field visits to gather information of pesticides used by farmers. For example on February 23, 2016 in Farmers Group of Laantula Jaya 1 known that the pesticide used by</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							farmers is a pesticide of glyphosates active ingredient.  Based on explanation above, the non-conformity on this indicator stated <b>CLOSED WITH OBSERVATION</b>		
2016.09	4.6.2 4.6.4	<b>Pesticides Used Record</b> Group Manager has not been able to shows the record of pesticides used by the smallholders.	Plasma	MAJOR	29 June 2016	Group Manager must be able to show the record of pesticides used by the smallholders.	<p><b>Root cause:</b> Record of pesticides used by smallholders were not available</p> <p><b>Corrective actions:</b> Smallholders' team has compile and shows the record of pesticides used by smallholders.</p> <p><b>Preventive actions:</b> Smallholders' team will regularly monitor and update pesticides used by the smallholders.</p> <p><b>Source of data:</b> Data od pesticides used by smallholders has taken by every working groups and Regional Coordinators.</p> <p><b>Auditor observation:</b> <b>June 12<sup>th</sup> 2016</b> CH has shown an evidence of corrective action, such as volume of pesticides</p>	<b>Closed With Observation</b>	June 29 <sup>th</sup> 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p>used by smallholders for period July 2015 to June 2015. However, CH could not explain the source and how the data is taken during that period. Hence, the NCR is still remain as <b>open</b></p> <p><b>June 21<sup>st</sup> 2016</b>            Group Manager has deliver an evidence, in form of document of total pesticides used by smallholders Regional IV Ungkaya for period 2015-2016. However, Group Manager has not be able to shows evidence of pesticides used records from another Group or Regional Coordinator. Moreover, method and form of monitoring and identification of pesticides uses were also not available. Hence, the NCR status still <b>Open</b>.</p> <p><b>June 29, 2016</b>            Companies can show evidence of corrective action namely document of pesticides use by farmers form period of 2015- 2016. In the form describes the farmers group, pesticide type and amount of use.            Based on explanation above, the non-conformity on this indicator stated <b>CLOSED WITH OBSERVATION</b></p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
2016.10	4.6.11	<p><b>Annual Specific Medical Monitoring for Pesticide Applicators</b></p> <p>CH has conduct general medical checkup for pesticide applicators in Ungkaya Estate. However, evidence on specific medical checkup such as spirometry and cholinesterase hasn't shows yet.</p>	Ungkaya Estate	MAJOR	29 June 2016	CH must be able to show the evidence of specific medical check up to all pesticides applicators in Ungkaya Estate are carried out properly.	<p><b>Root cause:</b></p> <p>The reason why special medical checkup results couldn't be shown are the activity has not carried out in 2015 (last time conducted in 2014). The checkup will be carry forward to May 2016.</p> <p><b>Corrective actions:</b></p> <p>PT TGK has made an agreement with Laantula Jaya clinic for conducting special medical checkup regularly. Laantula Jaya clinic has been choosen was due to it was the only clinic in Morowali Distrct which could provide a special medical check up services, include Audiometri.</p> <p>Since cholinesterase service was not available in Morowali and Morowali Utara District, PT TGK management was still ongoing for looking up a vendor which have competencies to provide cholinesterase testing services.</p> <p><b>Preventive actions:</b></p> <p>The PT TGK polyclinic team will always cooperate with the competent parties to conduct an annual special</p>	CLOSED WITH OBSERVATION	June 29 <sup>th</sup> 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p>medical checkup. The company has preparing the medical annual surveillance schedule for period of 2016-2017 including the timeline.</p> <p><b>Auditor observation</b> <b>June 12<sup>th</sup> 2016</b> CH has shown an evidence of spirometry testing which carried out by Laantula Jaya clinic. However, evaluation of worker whose identified have spirometry problem were not available. Hence, the NCR status is still remain as <b>Open</b>.</p> <p><b>June 21<sup>st</sup> 2016</b> CH has shown spirometry testing results of pesticide applicators in Ungkaya Estate, which carried out by Laantula Jaya clinic. The testing result has include a comprehensive doctor evaluation. Thus, it has met the criteria and non-conformity related to Spirometry testing is considering <b>Closed</b>.</p> <p>CH shows letter of Management No. 72/TGK-UKE/VI/16/S dated June 22<sup>nd</sup> 2016 which addressed to the chief of</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p>Prodia Lab in Palu. The letter was about cost offer for cholinesterase testing services.</p> <p>However, testing results regarding the matter above were not available. Hence, the NCR is still remain as <b>Open</b>.</p> <p><b>Verification on June 29, 2016</b></p> <p>Companies can show document of mutual agreement between PT Tamaco Graha Krida and PT Prodia Widyahusada concerning of cholinesterase examination. In the document explained that the medical examination will be held on July 18, 2016.</p> <p><b>Observation on June 30, 2016</b></p> <p>The certificate holder has submitted periodic medical surveillance schedule for the years of 2016-2017 and its time frame implementation. The purpose of making the schedule so that timely and appropriate according to the applicable regulation. Based on the explanation above and corrective action evidence, the non-conformity on this indicator stated <b>CLOSED WITH OBSERVATION</b>.</p>		



CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
2016.11	4.7.2	<p><b>HIRAC Evaluation and Implementation</b></p> <p>Based on observation to Ungkaya POM, it was found that there were some risk control which not properly implemented, as follows:</p> <ol style="list-style-type: none"> <li>1. Contractor worker has smoking around boiler station.</li> <li>2. PPE used by engine room and boiler station workers were not accordance with company risk identification. For example, uses of cotton instead of earmuff or earplug for hearing protection.</li> </ol> <p>Evaluation and HIRAC implementation monitoring about the matters above were not shown yet.</p>	Ungkaya Factory	MAJOR	29 June 2016	CH must be able to show that evaluation and HIRAC implementation monitoring are carried out properly.	<p><b>Root cause:</b></p> <p>Management unit has no assertive actions against contractor workers regarding smoking on working area and not wearing an appropriate PPE.</p> <p>OHS Committee in the respective unit is the one who's responsible in occupational health and safety management system implementation monitoring.</p> <p>Socialization towards contractor was held through safety briefing (evidence of socialization is attached).</p> <p>Evaluation that should be done are by giving work permit to the contractor and monitoring of PPE uses.</p> <p>Punishment via warning letter is already given to the respective workers.</p> <p><b>Corrective actions:</b></p> <p>Punishment is already given by management unit to the respective contractor workers.</p>	CLOSED with OBSERVATION	June 22 <sup>nd</sup> 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p>After punishment is implemented towards contractor workers, same mistake is not repeatedly happen.</p> <p>If there were a breach of OHS regulation, the mill management would gave more strict punishment by giving warning letter or could be fired.</p> <p><b>Preventive actions:</b></p> <ol style="list-style-type: none"> <li>1. Unit of management will always conducting a socialization and safety briefing to the whole mill contractor workers.</li> <li>2. To implement strict punishment for workers whose don't follow OHS regulations.</li> </ol> <p>Letter of agreement with legal stamp between company and all workers about OHS regulation pursuance is made as an effort of regulation fulfilment.</p> <p>Apart from the above, PPE use inspection and monitoring has also conducted by P2K3 team.</p> <p><b>Auditor observation</b>  <b>12 June 2016</b>            CH has deliver corrective evidence such as warning letter No. 007/TGK-</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p>UKF/Teg./V/2016 dated April 30<sup>th</sup> 2016 and letter of declaration from worker with initial named HYT, evaluation of PPE ear plug uses in engine room and Memorandum No. 001/KSE/TGK-UKF/V/2016 (14 Mei 2016).</p> <p>However, evaluation and monitoring implementation of HIRAC in Ungkaya Factory such as fulfilment of OHS regulations and warning symbols, PPE uses and nonsmoking regulation were not available.</p> <p>Hence, the NCR status is still remain as <b>Open</b>.</p> <p><b>June 22<sup>nd</sup> 2016</b></p> <p>CH is able to show as follows:</p> <ol style="list-style-type: none"> <li>1. OHS socialization towards contractor at May 23<sup>rd</sup> 2016 which attended by 5 workers from PT MBI. Moreover, company shows warning letter given to the group leader and worker of PT Thara, contractor of boiler foundation installation, for its attitude which not comply with OHS of PT TGK, e.g. smoking in working area. Thus this corrective are consider as comply and <b>closed with observation</b>.</li> <li>2. Letter of agreement about safety work between PT TGK and all</li> </ol>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							workers which mentioned that workers should be committed with implementation of OHS aspects in working area. Monitoring record on PPE uses in May 2016 has also be showed. Thus, the NCR No. 2016.11 is consider <b>closed with observation.</b>		
2016.12	4.7.5	<p><b>Emergency Response Facility</b></p> <p>Based on field observation to Ungkaya POM, it was found that:</p> <ol style="list-style-type: none"> <li>Hydrant hose where located around kernel station was leaking and not ready to use.</li> <li>The content first aid kit box where located in workshop was inadequate. Only cotton, alcohol and wound medicine available.</li> </ol> <p>Regarding the matter above, CH has not been able to shows that evaluation and emergency response facilities monitoring had carried out properly.</p>	Ungkaya Factory	Minor upgrade Major	RC	CH must be able to show that evaluation and implementation monitoring on readiness of emergency response facilities are carried out properly.	<p><b>Root cause:</b></p> <p>About ASA4 Non-Conformity</p> <ol style="list-style-type: none"> <li>The contents of the First Aid Box at the Workshop station is not sufficient because it has not been refilled.</li> <li>Hydrant hoses in the kernel station are not ready for use because it has not been used for a long time, so that it is decayed and damaged.</li> </ol> <p><b>First Aid Box at Daycare (Division III)</b></p> <p>The First Aid Kit in the third division of TPA was not found because it was Missing</p> <p><b>First Aid Box in field</b></p> <p>The First Aid Box is not found in the Field (Field Supervision) due to limited availability.</p> <p><b>Corrective actions:</b></p>	Closed	4 Oct 2017

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p>About ASA4 Non-Conformity</p> <p>1. UKF Management has Completed all contents of First Aid Box in accordance with applicable SOP.</p> <p>2. Hydrant Hose in Kernel Station has been done Replacement.</p> <p><b>First Aid Kit at Daycare of Division III</b></p> <p>The Company has Re-provided the First Aid Kit and its contents</p> <p><b>First Aid Kit on the field</b></p> <p>The Company has distributed the First Aid Kit and its Contents to All Harvest Supervision in the Field</p> <p><b>Preventive actions:</b></p> <p>About ASA4 Non-Conformity</p> <p>1. UKF Management will always monitor the contents of first aid box periodically and will complete it according to SOP</p> <p>2. The management unit will always monitor the hydrant hose condition and use it in the simulation to ensure the feasibility of the hose.</p> <p><b>First Aid Box at Daycare (Division III)</b></p> <p>Manajement will Perform Monthly</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p>Monitoring on the completeness of First Aid Box and its Contents  <b>First Aid Box in the field</b>            Will Perform Monthly Monitoring on the completeness of First Aid Box and its Contents</p> <p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>            Observation on October 4, 2017            About ASA4 Non-Conformity</p> <ol style="list-style-type: none"> <li>UKF Management has Completed all contents of First Aid Box in accordance with applicable SOP.</li> <li>Hydrant Hose in Kernel Station has been done Replacement.</li> </ol> <p>The Company shows evidence of nonconformity improvements, including:</p> <ol style="list-style-type: none"> <li>Fulfillment of first aid kit at daycare in Division III:               <ul style="list-style-type: none"> <li>Official handover report No. 20 / TGK-UKE / IX / 2017 dated September 30, 2017.</li> <li>Document photos of the first aid box handover.</li> <li>Records of inspection of the contents of First Aid Box in</li> </ul> </li> </ol>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p>September 2017 by the safety officer.</p> <p>2. Fulfillment of First Aid Box at Ungkaya Estate:</p> <ul style="list-style-type: none"> <li>• News of the First Aid box. 37 / TGK-UKE / IX / 2017 dated 16 August 2017 to 14 officers in Ungkaya Estate Division 1-4.</li> <li>• Document photo submission of first aid box.</li> <li>• Records of inspection of the contents of First Aid Boxes in August and September 2017 by Safety Officer.</li> </ul> <p>Based on evidence of improvements submitted then No mismatch. 2016.12 otherwise Closed with Observation.</p>		
2016.13	5.1.1	<p><b>Document of Environmental Feasibility</b></p> <p>At the time of ASA-3, it was identified that smallholders area of 2,676 ha and 244 ha in Blok Bumi Harapan to Block Ambunu and Block Atananga to Block Block Samarenda, respectively, were not included in EIA study. Hence, Group Manager shows the documents from all Regional Coordinators which mentioned</p>	PT TGK dan Plasma	MAJOR	29 June 2016	Group Manager must be able to show the evidence of environmental feasibility report had covered all operational areas, include smallholders. Public consultation with the respective Institutions must also be provided.	<p><b>Root cause:</b></p> <p>The company did not know that the EIA document did not cover all smallholder scheme areas, it is caused by the location map of AMDAL not clearly mentioned the study's area and also EIA carried out before the regional growth.</p> <p>The unit of Legal and Support from Departments of PSD and PSQM-ESH are team who's responsible for</p>	Closed With Observation	June 29 <sup>th</sup> 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
		<p>that environmental management implementation will follow EIA study of PT TGK and the actual implementation would be included on the Environmental Management and Monitoring Plan (RKL)/RPL semester report.</p> <p>However, based on public consultation to Environmental Agency of Morowali District, the respective officer stated that Group Manager must be able to show the environmental feasibility study report (SPPL document) of areas mentioned above regularly, as required by Government Regulation (PP) No. 27 year 2012.</p>					<p>regulation fulfillment monitoring.</p> <p><b>Corrective actions</b>            Consultation meeting between PT TGK and Environment Agency of Morowali District has been conducted in May 30<sup>th</sup> 2016. Follow up of the meeting will be carried out by the Agency (minutes of the meeting is attached).</p> <p><b>Preventive Actions</b>            PT TGK will follow any instructions came from Morowali Environment Agency, in accordance with Govt. Regulation No. 27 year 2012.</p> <p><b>Auditor Observation:</b>  <b>June 12<sup>th</sup> 2016</b>            CH has shown the evidence of consultation minutes with Morowali Environment Agency. However, status of conformity has pending until the above questions has answered.</p> <p><b>June 21<sup>st</sup>, 2016</b>            CH has shown the evidence of consultation minutes meeting with Morowali Environment District had conducted in May 30<sup>th</sup> 2016. The minutes stated that field crosscheck and time of visit will be conducted in the third</p>		



CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p>week of June 2016.</p> <p>Team of Auditor concluded that the CH must be able to show the evidence of field visit, Environment Agency recommendation and follow up plan towards recommendation had been carried out properly.</p> <p>As explained above, Auditor team concluded that the NCR is still <b>open</b> until the proper evidences are available.</p> <p><b>Observation on June 29, 2016</b></p> <p>The company can show the minutes of verification / field survey conducted by Environment Agency of district of Morowali, Forestry and Plantation and Housing &amp; Regional Spatial Planning Department on 15 June 2016. An field overview performed in block of Atanangan-Samarenda and block of Bumi Harapan-Ambunu. Based on the survey results known that the areas is exclude of the range of EIA study published earlier.</p> <p>The Company can show the proposal preparation of EIA Addendum of Oil Palm Cultivation for smallholder scheme in the Bungku Barat Sub-District, Bumi Raya Sub-District And Witaponda Sub-District Morowali Regency, Central Sulawesi, proposed</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							by PT Ideall Multi Design addressed to PT Tamaco Graha Krida on June 14, 2016. Based on these corrective actions, the audit team stated the non-conformity in this section CLOSED WITH OBSERVATION.		
2016.14	5.1.2	<p><b>Implimentation of Environmental Management in Accordance to EIA</b></p> <p>CH has set a management plan of environment monitoring and actual realization every semester, which presented in the Environment Management and Monitoring Plan report (RKL/RPL). However, some points instructed in EIA were not included in RPL/RPL report and carried out properly, as follows:</p> <ul style="list-style-type: none"> <li>• Analysis and monitoring of water quality on rivers and wells as mentioned in EIA report, e.g. river of Mamalu, Laantula, Laluria and wells of villages.</li> <li>• Evaluation on noise and odor analysis on second semester in 2015.</li> <li>• Management and monitoring of aquatic biota in rivers of Mamalu, Laantula, Laluria and Ungkaya.</li> </ul>	PT TGK dan Plasma	Minor Upgrade Major	RC	CH should able to show the evidence of environment management and monitoring complied with EIA instruction.	<p><b>Root cause:</b></p> <p>Officers who make RKL-RPL have not known that the parameters should be monitored and contained in RKL-RPL</p> <p><b>Corrective actions:</b></p> <p>All Parameters in accordance with the EIA Document have been monitored and contained in RKL-RPL (Attached RKL-RPL report semester 1 of 2017)</p> <p><b>Preventive actions:</b></p> <p>Management PT. TGK will always Perform Monitoring of all Parameters according to the EIA Document and included in RKL-RPL.</p> <p>The PIC that performs the Monitoring is Asst. PSQM / ESH and Coordinate with Operations Staff of PT. TGK</p>	Closed	14 Oct 2017

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p><b>Assessor Evaluation and Conclusion</b>  <b>9 June 2017</b>            CH has presented the implementation report of RKL-RPL of second semester of 2016 which explains about the management, the result of monitoring and evaluation related:</p> <ul style="list-style-type: none"> <li>• Air quality and noise</li> <li>• Water quality in river of Ungkaya, Laluria, Mamalu, Laantula, monitoring well, community well, worker well and well outside the plantation.</li> <li>• POME quality and solid waste</li> <li>• Fire potential</li> <li>• Flora and fauna</li> <li>• Public unrest</li> <li>• Community environment (erosion and flood)</li> </ul> <p>However, in the report there is no management, monitoring and evaluation related to:</p> <ul style="list-style-type: none"> <li>• Odor</li> <li>• Water biota</li> </ul> <p>In addition, CH has not explained the</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p>root cause and corrective actions and the implementation of environmental management and monitoring for the plasma area. Based on this <b>Non conformity No. 2016.14 is not yet closed.</b></p> <p><b>19 August 2017</b>            PT TGK has presented the RKL-RPL report for the first semester of 2017 which describes management activities, monitoring and evaluation activities. Management, monitoring and evaluation activities carried out by the management unit are:</p> <ul style="list-style-type: none"> <li>• Air quality and noise</li> <li>• River water quality, well water quality and water biota</li> <li>• POME quality and solid waste</li> <li>• Fire potential</li> <li>• Flora and fauna</li> <li>• Public unrest</li> <li>• Community environment (erosion and flood)</li> </ul> <p>However, in the report there is no management, monitoring and evaluation related to odor. Beside that CH has not explained the root cause</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
							<p>and corrective actions. Based on this <b>Non conformity No. 2016.14 is not yet closed.</b></p> <p><b>6 September 2017</b> PT TGK has presented the revision of RKL-RPL report for the first semester of 2017 which also explain about management activities, monitoring and evaluation related to odor.</p> <p>Management unit need to clarify the corrective action. Based on this <b>Non conformity No. 2016.14 is not yet closed.</b></p> <p><b>14 October 2017</b> Management unit has give clarify related to corrective action. Based on this <b>Non conformity No. 2016.14 is closed.</b></p>		
		Group Manager has not been able to shows the evidence of environment management and monitoring in smallholders area as mentioned in EIA report had carried out properly.	<b>Ungkaya Plasma</b>	<b>Minor</b>	<b>RC</b>	Group Manager must be able to show the evidence of environment management and monitoring activities in smallholder areas are carried out and reported to the respective institutions.	Smallholders have been excluded from the scope of certification because credit payment has been paid off and become Independent Smallholders.	-	
<b>2016.15</b>	<b>5.3.2</b>	<b>Hazardous Material Wastes Management</b>	<b>Ungkaya Estate</b>	<b>MAJOR</b>	<b>60 hari (29 Juni 2016)</b>	CH must be able to show the evidence of all Hazardous	<b>Root cause:</b> Hazardous waste materials (used oil)	<b>CLOSED WITH</b>	June 22 <sup>nd</sup> 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
		Based on field observation in the workshop of UKE, auditor found that there are hazardous waste (used oil) placed outdoors without cover and pallets (not delivered to waste scheduled storage), it is not in accordance with applicable regulations (Regulation No. 101 of 2014).				Material Wastes are well managed and in accordance with the applicable regulations.	<p>which managed not properly as directed in Govt. Regulation (PP) No. 101 year 2014 were still found.</p> <p><b>Corrective actions:</b> The UKE management has remove the hazardous waste to the permitted hazardous waste warehouse. Evidence regarding this matter has shown at the time of closing meeting.</p> <p><b>Preventive actions:</b> Management of UKE will managed hazardous waste, in accordance with Govt. regulation No. 101 year 2014 and conduct its implementation monitoring regularly.</p> <p><b>Auditor observation</b> <b>June 22<sup>nd</sup> 2016</b> CH has deliver corrective evidence by shows an announcement letter of oil waste delivery, together with photo documentations. Root of causes and corrective actions were also provided properly. Hence, the <b>NCR No. 2016.15 is considered closed with observation.</b></p>	<b>OBSERVATION</b>	
2016.16	6.1.4	<b>Social Impact Plan Review</b>	PT. TGK and	Minor Upgrade	RC	CH must evaluate the program and realization of	Smallholders have been excluded from the scope of certification	-	

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
		<p>CH has not been able to show the evidence of mitigation management on reducing social impact arises in own estate and smallholders area were had been reviewed for at least every 2 years, as follows:</p> <ul style="list-style-type: none"> <li>• Periodic program of social negative impact reduction through participation of affected parties, including smallholders.</li> <li>• Time schedule and matrix of mitigation impact as recommended by social impact assessment.</li> <li>• Adequate evaluation on action taken by the measured parameters.</li> </ul>	<b>Plasma</b>	<b>Major</b>		social impact which had been carried out, minimum for every two years.	because credit payment has been paid off and become Independent Smallholders.		
2016.17	<b>RSPO Certification System 4.2.4 c</b>	<p><b>Challenging Time Bound Plan</b> Revision on time bound plan of Minamas group management was still insufficient, as follows:</p> <ul style="list-style-type: none"> <li>• Certification process for PT BGR was planned to be conducted in 2020, which supposedly in 2015. This statement is presented in the new MoU as estate management justification. However, the copy of MoU was not shown yet.</li> <li>• With the same reason has mentioned above, certification process for karya Palma Estate (PT Sandika Natapalma) and PT Budidaya Agrolestari, included</li> </ul>	<b>Liaison Office Sime Darby Indonesia</b>	<b>Major</b>	<b>60 hari (29 Juni 2016)</b>	Sime Darby plantations is need to review the RSPO certification status of its subsidiaries, accordance to RSPO certification system, version of 2007 (Rev. 2011).	<p><b>Auditor Observation</b> <b>21 Juni 2016</b> Sime Darby Plantations has deliver a time bound plan which renewed in April 15<sup>th</sup> 2016 and revised in June 16<sup>th</sup> 2016. The new time bound plan has mentioned a justification of uncertified units. Hence, the NCR No. 2016.17 is considered <b>closed</b>.</p>	<b>CLOSED</b>	June 21 <sup>st</sup> 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date /
		<p>Sungai Putih Estate (a full managed smallholders-cooperative Perkebunan Sejahtera Palma sejati and Mitra Usaha Tani Sejahtera) were planned to be conducted in 2018, which supposedly in 2017.</p> <p>Those matters above were not comply with RSPO Certification System 4.2.4 (c) which stated that all the FFB from the directly managed estates shall be produced to certifiable standards. The CH mills will develop and implement a plan to ensure that 100 % of associated smallholders and out grower are of certifiable standard within 3 years.</p>							



**1.1. Opportunity for Improvement**

No	Ref.Std	Description ( <i>Penjelasan</i> )
1		Standard adjustment of <i>RSPO Management System Requirements and Guidance for Group Certification of FFB Production</i> 7 March 2016 for untuk smallholders scheme (OBSERVATION)
2	<b>Major 4.6.6</b>	Ensuring the hazardous wastes delivery to the hazardous waste temporary warehouse permitted is documented ( <b>Observation</b> )
3	<b>SCCS Module E 2014 E.4.2</b>	Information related with certified CPO and PK over production against its claim is communicated to CB ( <b>Observation</b> )

**1.2. Noteworthy Positive Components *Re-Certification***

<b>No</b>	<b>Description</b>
1	The company has obtained the PROPER certificate of Blue category Year 2016.
2	The commitment of the company to apply the principles of sustainable palm oil management.
3	Conducting smallholders development.

**Identification of Non-conformity at Re-Certification**

<b>NCR No.</b>	: 2017.01	<b>Issued by</b>	: Marsudi Eko Santoso
<b>Date Issued</b>	: 9 Juni 2017	<b>Time Limit</b>	: 8 Juni 2018
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 16 November 2017
<b>Standard Ref. &amp; Requirement</b>	<b>2.2.3.</b> <b>In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b> Based on field observations to Block G006 of Division 4 (Around BPN No. BTS 6) and E001 Block 3rd Division, found land within HGU company managed / planted palm oil by community (occupation). The result of document review of the area statement of 2017 is known that there are HGU area which is occupied by the society of 79.74 Ha. Related to this matter the company has not been able to show evidence of occupation occupancy area.			
<b>Root Cause Analysis (filled by organization audited):</b> Records of completion of Occupation area have not been found in Operational unit of PT. TGK			
<b>Correction (filled by organization audited):</b> Management will involve local Muspika and discuss occupational issues by involving the parties so that joint decisions are obtained and then the results to be socialized to the surrounding community.			
<b>Corrective Action (filled by organization audited):</b> If the agreement has been obtained, then Management will be committed to maintain the agreement.			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Observation on 4 November 2017.</b> Report of Land Settlement Agreement of 96.4 Ha in Ungkaya Sub-District Wita Ponda Sub-Province of Morowali, Number: 640/187 / BAK / ADPUM / 2913, dated 27 September 2013. Minutes of the event are signed by the parties:			

- Morowali District (Sudir) District Government Assistant and Welfare Secretariat
- Head of Public Administration Section Morowali District Secretariat (Drs Ichwan Bachmid)
- Head of Wita Ponda (Ridwan)
- Sub-Head of Regional Autonomy of Public Administration Section (Benyamin PB Hambuako)
- Staff of the Office of the Environment (Awaludin)
- Village Head Ungkaya (Ridwan Hasan)
- Estate Manager Ungkaya (M. Sabir Kadong)
- Attached also Attendance List (10 people)

Observations dated November 16, 2017.

Company shows evidence of recording of discussion of settlement of Occupation area:

- Meeting invitation from the Regional Secretariat on February 24, 2016 005/040 / ADPUM / II / 2016 to the Head of Fisheries and Maritime Affairs of Morowali Regency, Head of BPN Kabupaten Morowali, Head of Legal Division of Morowali Regency, Head of Witaponda Sub-District, Village Head of Emea, Sampean Tabu Village Head of PT TGK.
- Minutes of the meeting on 25 February 2016

Based on the above matters no mismatch. 2017.01 otherwise closed with observation.

**Verified by** : **Marsudi Eko Santoso**

<b>NCR No.</b>	: 2017.02	<b>Issued by</b>	: Marsudi Eko Santoso
<b>Date Issued</b>	: 9 Juni 2017	<b>Time Limit</b>	: 8 Juni 2018
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 16 November 2017
<b>Standard Ref. &amp; Requirement</b>	: 2.2.5. For any conflict or dispute over the land, the evidence of the extent of disputed area is mapped out in a participatory way with involvement of affected parties (including neighboring communities and local government where applicable), shall be available.		
<b>Non-Conformance Description &amp; Evidence observed</b> (filled by auditor):			

Based on field observations to Block G006 of Division 4 (Around BPN No. BTS 6) and E001 Block 3rd Division, found land within HGU company managed / planted palm oil by community (occupation). The result of document review of the area statement of 2017 is known that there are HGU area which is occupied by the society of 79.74 Ha. Related to this matter the company has not been able to show the map of the entire occupation area.

**Root Cause Analysis** (filled by organization audited):

The company does not have an entire Occupation Map from the Research Department (MRC)

**Correction** (filled by organization audited):

Management conducted a field review and compiled a map of all occupation areas in PT. TGK

**Corrective Action** (filled by organization audited):

Monitoring of occupational areas with internal audit

**Assessor Evaluation and Conclusion** (filled by auditor):

Observation on November 16, 2017.

The Company already has a map of Occupation area of PT TGK – Ungkaya Estate dated March 25, 2016 with a scale of 1: 10,000, the source of the map is the result of the discussion of September 2013 and February 2016 meeting.

Based on evidence of improvements submitted then No mismatch. 2017.02 is declared closed.

**Verified by** : Marsudi Eko Santoso

<b>NCR No.</b> Nomorketidaksesuaian	: 2017.03	<b>Issued by</b> Diterbitkanoleh	: Marsudi Eko Santoso
<b>Date Issued</b> Tanggalditerbitkan	: 9 Juni 2017	<b>Time Limit</b> Batas Waktu	: 8 June 2018
<b>NC Grade</b> Grade ketidaksesuaian	: Major	<b>Date of Closing</b> TanggalTerpenuhi	: 16 October 2017
<b>Standard Ref. &amp; Requirement</b> AcuanStandar&Persyaratan	: 4.6.11. Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available		
<b>Non-Conformance Description &amp; Evidence observed</b> (filled by auditor):			

The results of the medical examination of workers dated May 21, 2016, including physical examination and spirometry by doctors UPTD Puskesmas Laantula Jaya (Dr. Andi Hernaningsih AE) and known by Company Doctors. The examination included physical examination and spirometry for 55 spray workers. But for examination in 2017 can not be shown.

Letter of application for employee health inspection fee No. 56 / TGK-UKE / VI / 2017 dated May 29, 2017 which was received on June 6, 2017 by the Parties Puskesmas Laantula Jaya. However, there is no evidence that a 2017 check is conducted.

**Root Cause Analysis** (filled by organization audited):

The delay in health examination is because the agreement has not been made with the competent party in performing the medical check up in a planned / scheduled manner.

**Correction** (filled by organization audited):

The company has conducted worker health checks including spirometry, Audiometry and Cholinesterase in June 2017

**Corrective Action** (filled by organization audited):

The Company prepares a periodic schedule in the SPK Clause of health examination.

**Assessor Evaluation and Conclusion** (filled by auditor):

**Observation August 21, 2017.**

The company shows a recording of improvement evidence that is:

1. Analysis by Company Doctor related to result of medical examination based on letter from Doctor No. 07 / TGK-UKE / PLK / VII / 2017.
2. Records of cholinesterase examination for spray workers from Prodia Clinical Laboratory No. Lab 1706200087 sampling dated June 20, 2017 with total workers examined Cholinesterase levels of 40 workers and health examination results showed that levels of cholinesterase in normal levels.
3. Recording audiometric test examination for 8 workers from Prodia Clinic Laboratory No. Lab 1706200087 sampling dated June 20, 2017 with workers who examined the Audiometry Test that is 8 Workers.

Observation on October 14, 2017.

The Company also shows a follow-up record of the results of a medical examination conducted by the Company Doctor, for example:

- Referral of health examination No. 0313B0010717Y000053 to ENT Specialist at Morowali Hospital on October 9, 2017.
- Referral letter from ENT clinic specialist Morowali Hospital on October 9, 2017 with information on therapy with methylobalamin 3x500 mg and Santa E 2x 400 mg. Recommendations from ENT Doctors were presented that there was a low-frequency hearing loss (125 Hz) for both ears. Should be given ear protection and periodic checks for audiometry.

**Observation on 16 October 2017**

The Company shows evidence of PPE recording for workers recommended by ENT Doctor, in the form of an acceptance report of PPE (ear muff) on October 18, 2017 to the

operator and photo documentation on the use of PPE.

Based on the evidence of improvements submitted, it is stated that Non-Conformity No. 2016.10 otherwise closed with observation.

**Verified by** : **Marsudi Eko Santoso**

<b>NCR No.</b>	: <b>2017.04</b>	<b>Issued by</b>	: <b>Marsudi Eko Santoso</b>
<b>Date Issued</b>	: <b>9 June 2017</b>	<b>Time Limit</b>	: <b>8 Juni 2018</b>
<b>NC Grade</b>	: <b>Major</b>	<b>Date of Closing</b>	: <b>21 August 2017</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>4.7.2. A documented risk assessment shall be available and its implementation shall be recorded.</b>		

**Non-Conformance Description & Evidence observed** *(filled by auditor):*

The Company has the hazard identification documents listed in the Hazard Identification Risk Assessment and Controls (HIRAC) document of January 2016 prepared by P2K3 Secretary and approved by the Chairman of P2K3, but no evidence of HIRAC evaluation for 2017 has been performed in accordance with HOP SOP 12 page 4.6.7. Which states that HIRAC should be reviewed at least once a year.

**Root Cause Analysis** *(filled by organization audited):*

HIRAC has not been conducted Evaluation In accordance with SOP

**Correction** *(filled by organization audited):*

HIRAC Evaluation for 2017 has been done By P2K3 Team UKE and UKF

**Corrective Action** *(filled by organization audited):*

The Company will Perform an Annual accordance SOP of HIRAC Evaluation  
Evaluations will be made on a scheduled basis during the Second Quarter Period (April-June)

**Assessor Evaluation and Conclusion** *(filled by auditor):*

Observation on 21st August 2017:

Records of HIRAC evaluation for the period of 2017, among others:

1. The HIRAC UKE document was created by the P2K3 Secretary and approved by the Estate Manager on 5 July 2017.
2. The UKF HIRAC document is created by P2K3 Secretary and approved by Mill Manager on August 4, 2017.

Records showing HIRAC evaluation activities on July 5, 2017.

Based on the improvements submitted, NCR's no. 2016.11 is declared closed.

**Verified by** : **Marsudi Eko Santoso**

<b>NCR No.</b> Nomorketidaksesuaian	: 2017.05	<b>Issued by</b> Diterbitkanoleh	: Marsudi Eko Santoso
<b>Date Issued</b> Tanggalditerbitkan	: 9 Juni 2017	<b>Time Limit</b> Batas Waktu	: 8 Juni 2018
<b>NC Grade</b> Grade ketidaksesuaian	: Major	<b>Date of Closing</b> TanggalTerpenuhi	: 16 November 2017
<b>Standard Ref. &amp; Requirement</b> AcuanStandar&Persyaratan	: 4.7.3. Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Based on the results of field visits in the nursery area found spray workers using PPE masks from t-shirts / ordinary cloth because the masks are owned in wet rain condiments. Related to this the company has shown evidence of PPE and the evidence of the socialization of PPE liabilities, but has not been able to show evidence of preventive measures so that it does not happen again.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> The root cause of the discovery of spray employees using a mask of ordinary cloth because the mask is commonly used in wet conditions exposed to rain.			
<b>Correction</b> <i>(filled by organization audited):</i> Corrective action taken that has been done socialization / safety briefing so that all employees of Chemist always use PPE chemist completely			
<b>Corrective Action</b> <i>(filled by organization audited):</i> Precautions taken are to provide a spare mask to every spray worker.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Observation on October 14, 2017.</b> The Company sends a recording of PPE compliance for the spraying team, consisting of:			



- Reports of PPE handover ceremony No. 47 / TGK-UKE / VI / 2017 dated May 15, 2017 to 11 workers.
- Socialize the use of standard masks dated May 15, 2017.

**Observation on October 16, 2017.**

News of inspection of stock of spray mask on October 15, 2017 with the amount of mask reserve 30 mask.

Based on evidence of improvement, no mismatch. 2017.03 is declared closed.

<b>Verified by</b> <b>Diverifikasioleh</b>	:	<b>Marsudi Eko Santoso</b>
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<b>NCR No.</b> <b>Nomorketidaksesuaian</b>	:	<b>2017.06</b>	<b>Issued by</b> <b>Diterbitkanoleh</b>	:	<b>Marsudi Eko Santoso</b>
<b>Date Issued</b> <b>Tanggalditerbitkan</b>	:	<b>9 Juni 2017</b>	<b>Time Limit</b> <b>Batas Waktu</b>	:	<b>8 Juni 2018</b>
<b>NC Grade</b> <b>Grade ketidaksesuaian</b>	:	<b>Major</b>	<b>Date of Closing</b> <b>TanggalTerpenuhi</b>	:	<b>14 October 2017</b>
<b>Standard Ref. &amp; Requirement</b> <b>AcuanStandar&amp;Persyaratan</b>	:	<b>4.8.1.</b> <b>Records of training program related to the aspects of RSPO Principles and Criteria shall be available</b>			
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>					
<ol style="list-style-type: none"> <li>1. The company does not have a training program for plasma farmers in 2017.</li> <li>2. The Company has not been able to present the training needs identification documents for employees, staff, contractors and farmers.</li> </ol>					
<b>Root Cause Analysis (filled by organization audited):</b>					
Identification of Training Needs Analysis and Training Program has not been documented					
<b>Correction (filled by organization audited):</b>					
Unit Management has made a needs identification analysis and Training program for 2017-2018					
<b>Corrective Action (filled by organization audited):</b>					
Monitoring for the training program to be implemented and appropriate training needs.					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>					
Observation October 14, 2017.					
The Company shows evidence of remedy, consisting of:					

1. The company shows the matrix document identification of employee training needs:
- Training Need Analysis for Ungkaya Estate approved by Estate Manager on August 15, 2017.
  - Training Need Analysis for Ungkaya Mill approved by Mill Manager on August 14, 2017.
  - Training Need Analysis for smallholders approved by Estate Manager on August 15, 2017.
2. The company has farmers training program from July 2017 to June 2018 approved by the Estate Manager on August 15, 2017.  
Based on evidence of improvement, no mismatch. 2017.04 is declared closed.

**Verified by** : **Marsudi Eko Santoso**  
**Diverifikasioleh**

<b>NCR No.</b>	: 2017. 07	<b>Issued by</b>	: Ardiansyah
<b>Date Issued</b>	: 9 June 2017	<b>Time Limit</b>	: 8 June 2018
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 19 October 2017
<b>Standard Ref. &amp; Requirement</b>	5.2.3 Program(s) to socialize the status of protected, rare, threatened or endangered (RTE) to all workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
CH has not been able to show sanctions to individuals who work for the company if it is proven to arrest, harm, collect or kill protected species.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
Chairman of PT. TGK not yet issued Memos on Keeping Protected Plants and Animals			
<b>Correction</b> <i>(filled by organization audited):</i>			
Management PT. TGK has issued Memorandum regarding the obligation of Keeping Plants and Animals protected and initialize to all employees.			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
Perform the Memorandum in accordance with the applicable provisions.			

<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>19 October 2017</b>	
The management unit has had a memorandum from Senior Manager to all staff and employees of PT TGK on 18 October 2017 related to protecting protected plants and animals. This memorandum explains that it is affirmed to all staff and employees of PT TGK to avoid harassing, capturing, harming, collecting or killing protected plants and animals. If found and proven to violate in accordance with these provisions then the management of PT TGK will give sanctions.	
Management unit also conduct socialization by install the memorandum in division office and central office. Based on the evidence <b>Non conformity No. 2017.05 is closed.</b>	
<b>Verified by</b>	: <b>Ardiansyah</b>

<b>NCR No.</b>	: <b>2017.08</b>	<b>Issued by</b>	: <b>Ardiansyah</b>
<b>Date Issued</b>	: <b>9 June 2017</b>	<b>Time Limit</b>	: <b>ASA-1.1</b>
<b>NC Grade</b>	: <b>Minor</b>	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: <b>5.2.4</b> Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> CH has not shown the evaluation of HCV monitoring			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Evaluation of HCV monitoring not make by officer			
<b>Correction</b> <i>(filled by organization audited):</i> Management plan and evaluation of HCV monitoring has made by officer			

**Corrective Action** *(filled by organization audited):*

Perform management plan and evaluation of HCV monitoring result

**Assessor Evaluation and Conclusion** *(filled by auditor):*

Management uni has demonstrate HCV management plan, but the evaluation of implementation of management plan is not available. Based on the evidence **Non conformity No. 2017.06 is not closed.**

**Verified by** : **Ardiansyah**

<b>NCR No.</b>	: 2017. 09	<b>Issued by</b>	: Ardiansyah
<b>Date Issued</b>	: 9 June 2017	<b>Time Limit</b>	: 8 June 2018
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 14 October 2017
<b>Standard Ref. &amp; Requirement</b>	: 5.3.1 A documented identified source of all waste and pollution, shall be available		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> CH has not shown documented identified source of all waste and pollution			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Documentation of all waste and pollution not rouiten updated			
<b>Correction</b> <i>(filled by organization audited):</i> Identification of all waste and pollution from PT TGK has make and documented			
<b>Corrective Action</b> <i>(filled by organization audited):</i> Perform identification of all waste and pollution routine every semester			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> 7 August 2017			

Management uni has demonstrate identification of waste source and pollution for operation activities. Identification of waste explain about waste source, waste name, waste categorize, waste classification, frequency, unit, amount and management plan. Waste that indentified consist of effluent, emission, shell, fiber, EFB, tires, lamp, can, boiler ash, oil, filter, battery, gloves, rags, plastic, domestic waste, paper, agrochemical containers and medical waste. Not all waste has been identified such as chemical containers from mill, iron scrap, etc. Management unit also need to clarify the corrective action. Based on the evidence **Non conformity No. 2017.09 is not closed.**

**14 October 2017**

Management unit has demonstrate identification of waste from operation activiffities for period Jan – July 2017. The result of identification explain about waste name, waste categorize, waste classification, etc. beside that, management unit also provide the explanation of corrective action. Based on the evidence **Non conformity No. 2017.09 is closed.**

**Verified by** : **Ardiansyah**

<b>NCR No.</b>	: <b>2017. 10</b>	<b>Issued by</b>	: <b>Ardiansyah</b>
<b>Date Issued</b>	: <b>9 June 2017</b>	<b>Time Limit</b>	: <b>ASA-1.1</b>
<b>NC Grade</b>	: <b>Minor</b>	<b>Date of Closing</b>	: <b>19 October 2017</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>5.3.2</b> <b>There shall be evidence that all chemicals and their empty containers are disposed of responsibly</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b> Field visit at the Chemical Warehouse in factory and interview with the workers found that the factory uses chemicals such as Nalco 2811 which is hazardous material with the classification of irritation.  Results of visits in hazardous waste warehouse in factory found that the pesticides container has been stored in this place. However, for the chemicals container used in factory not seen in hazardous waste warehouse.			
<b>Root Cause Analysis (filled by organization audited):</b> Chemical container in factory is still used for other things such as cleaning the factory.			
<b>Correction (filled by organization audited):</b>			

Factory laboratorium supervisor has submitted all chemical containers to Hazardous waste warehouse and documented in balance sheet.

**Corrective Action** *(filled by organization audited):*

Every use of chemicals and discharged volume then the container will be directly submitted to hazardous waste warehouse. To avoid misuse of chemical container, the factory manager issue a Memorandum of Prohibition to used chemical container as a Domestic employee's needs and memos socialized to employees through safety breafing.

**Assessor Evaluation and Conclusion** *(filled by auditor):*

**19 October 2017**

Management unit showed a memorandum from the factory manager dated 18 October 2017 to factory employees explaining that it is strictly forbidden to use used fuel drums, ex-agrochemical container and ex-chemical container as water reservoirs / domestic needs. If a violation is found, then management will impose sanctions.

Management unit also showed the minutes of the handover of the chemical container in the factory on 18 October 2017. The waste was delivered from the laboratory supervisor to the hazardous waste warehouse officer. Waste delivered is 3 Nalco 2811 container, 3 Nalco 3273 container and 1 Nalco 22310 container.

Based on the evidence, nonconformity No. 2017.08 is closed.

**Verified by** : **Ardiansyah**

<b>NCR No.</b>	: 2017. 11	<b>Issued by</b>	: Ardiansyah
<b>Date Issued</b>	: 9 June 2017	<b>Time Limit</b>	: ASA-1.1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 17 October 2017
<b>Standard Ref. &amp; Requirement</b>	: 5.3.3 A documented waste management plan to avoid or reduce pollution and its implementation shall be available		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
Field visit at workshop and generator house of division 3 is known that there is hazardous waste in the form of used oil and filter which is kept at this location. CH does not yet have the storage and transport mechanism of hazardous waste at producing site to the licensed hazardous waste warehouse.			

<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i> The absence of the mechanism of hazardous waste storage and transportation at the producing site.</p>
<p><b>Correction</b> <i>(filled by organization audited):</i> Create Mechanism / SOP to manage storage and transport of hazardous waste producing site.</p>
<p><b>Preventive Action</b> <i>(filled by organization audited):</i> Create monthly monitoring in accordance with SOP to ensure that the SOP is implemented. PIC Responsible is Ungkaya Estate Senior Assisstant as Head of Transportation and Traction.</p>
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <p><b>6 September 2017</b> Management unit has demonstrated the storage and transport mechanism of hazardous waste from Ungkaya Estate. Based on these mechanisms, it is known that hazardous waste generated by the estate is kept maximum 1 month in the producing site. Management unit should also provide additional explanations regarding corrective action. Based on the above explanation, the <b>Nonconformity No. 2017.10 is not closed.</b></p> <p><b>17 October 2017</b> Management unit has provided explanations regarding corrective action. Based on the above explanation, the <b>Nonconformity No. 2017.10 is closed.</b></p> </p>
<p><b>Verified by</b> : <b>Ardiansyah</b></p>

<b>NCR No.</b>	: 2017. 12	<b>Issued by</b>	: Ardiansyah
<b>Date Issued</b>	: 9 June 2017	<b>Time Limit</b>	: ASA-1.1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 1 November 2017
<b>Standard Ref. &amp; Requirement</b>	: 5.6.3 A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.		

**Non-Conformance Description & Evidence observed** *(filled by auditor):*

CH has not been able to show the results of monitoring GHG emissions by using PalmGHG Calculator Version 3.

**Root Cause Analysis** *(filled by organization audited):*

Calculation of GHG emissions have not been done yet. Every year at the end of the year, GHG emissions will be calculated

**Correction** *(filled by organization audited):*

Perform GHG Emission Calculation by Using Palm GHG Calculator 3

**Corrective Action** *(filled by organization audited):*

At the end of every year, GHG emissions will be calculated with PIC PSQM staff.

**Assessor Evaluation and Conclusion** *(filled by auditor):*

**1 Nov 2017**

Management unit has performed the 2016 GHG calculation using the RSPO V.3 palmGHG calculator.

Emissions per product	tCO <sub>2</sub> e/tProduct	Extraction	%	Production	ton/year
CPO	1.78	OER	23.23	FFB Processed	195250.51
PK	1.78	KER	4.78	CPO Produced	

Land Use	ha
OP planted area	3637.01
OP Planted on peat	0
Conservation (forested)	91.52
Conservation (non-forested)	0

**Summary of Field Emissions and Sinks**

	Own Crop		Group		3 <sup>rd</sup> Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha
<b>Emissions</b>								
Land conversion	55750.15	15.33						



*CO <sub>2</sub> emissions from fertilizer	9174.89	2.52					
**N <sub>2</sub> O emissions	3758.51	1.03					
Fuel consumption	704.61	0.19					
Peat Oxidation	0	0					
<b>Sinks</b>							
Crop sequestration	-26351.69	-7.25					
Conservation Sequestration	-656.02	-0.18					
<b>Total</b>	<b>42380.45</b>	<b>11.65</b>			<b>16702.1</b>		

**Summary of Mill Emissions and Credits**

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emissions</b>		
POME	38272.41	0.2
Fuel consumption	8.5	0
Grid Electricity Utilisation	0	0
<b>Credits</b>		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	<b>38280.91</b>	<b>0.2</b>

**Palm oil Mill Effluent (POME) Treatment**

Divert to compost	0
Divert to anaerobic digestion	100

**POME Diverted to Anaerobic Digestion:**

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

<b>Nonconformity No. 2017.10 is closed</b>	
<b>Verified by</b>	: Ardiansyah

<b>NCR No.</b>	: 2017. 13	<b>Issued by</b>	: Rudi Ramdani
<b>Date Issued</b>	: 9 June 2017	<b>Time Limit</b>	: 8 Juni 2018
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 21 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 6.7.1	There shall be documented evidence that minimum age requirements are met.	
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> The Company has shown evidence of socialization to employees and contractors regarding the policy of prohibiting bringing children to work on 3 May 2017 in Block 8 of Division 1. However, based on field visits in Block 19 of Division 2 there are still workers who bring children to the work place this is not in accordance with the guidelines of sustainable management of plantation social policy points to 6.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> the worker has not complied with Company regulations			
<b>Correction</b> <i>(filled by organization audited):</i> Management UKE provides a letter of reprimand to the contractor			
<b>Corrective Action</b> <i>(filled by organization audited):</i> The precaution taken is that the correspondent makes a statement to not repeat back to bring the children to workplace.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>21 August 2017:</b> The Company shows corrective action in the form of: <ul style="list-style-type: none"> <li>Letter of reprimand dated 9 June 2017 from Senior Manager PT TGK to EFB application contractor, that in the event of a similar occurrence there may be termination of employment contract</li> </ul>			

- Statement letter dated 10 June 2017 from EFB application contractor that will conduct supervision on EF application workers.

**Nonconformity No. 2017.11 is closed**

**Verified by** : Rudi Ramdani

<b>NCR No.</b> Nomorketidaksesuaian	: 2017. 14	<b>Issued by</b> Diterbitkanoleh	: Marsudi Eko Santoso
<b>Date Issued</b> Tanggalditerbitkan	: 9 Juni 2017	<b>Time Limit</b> Batas Waktu	: 8 Juni 2018
<b>NC Grade</b> Grade ketidaksesuaian	: Major	<b>Date of Closing</b> TanggalTerpenuhi	:
<b>Standard Ref. &amp; Requirement</b> AcuanStandar&Persyaratan	: 8.1.1. The action plan for monitoring shall be available, based on a consideration of the social and environmental impacts and routine evaluation of the plantation and mill operations.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Based on the results of the Re Certification audit, it is known that there are inconsistencies in the audit of ASA4, which are: <ul style="list-style-type: none"> <li>• Indicator 2.2.2 (NCR No. 2016.03).</li> <li>• Indicator 4.6.11 (NCR No. 2017.03)</li> <li>• Indicator 4.7.2 (NCR No.2017.04).</li> <li>• Indicator 4.7.5 (NCR No. 2016.12).</li> <li>• Indicator 5.1.2 (NCR No. 2017.12)</li> <li>• Indicator 6.1.4 (NCR No. 2016.16)</li> </ul>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Follow-up improvement of internal audit not fulfilled 100%.			
<b>Correction</b> <i>(filled by organization audited):</i> 1. For Indicator 2.2.2 (NCR No. 2016.03) CH has been improved:			

- Schedule of every 4-month for HGU stamp maintenance according to SOP
  - Establish a special maintenance of HGU boundaries under the responsibility of Safety Officer.
  - Issuing a Decree for the Special Officer signed by the Estate Manager
2. For Indicator 4.6.11 (NCR No. 2016.10) CH has been conducted of spirometry, Audiometry and Cholinesterase in June 2017
  3. For Indicator 4.7.2 (NCR No.2016.17) CH has been conducting HIRAC Evaluation for 2017 by the UKE and UKF P2K3 Team
  4. For Indicator 4.7.5 (NCR No. 2016.12) CH has been done improvements with the details are:
    - A. Subject to Non-conformance S4**
      - \* UKF Management has Completed all the contents of First Aid Box in accordance with applicable provisions.
      - \* Hydrant Hose in Kernel Station has been done Replacement.
    - B. First Aid Kit in TPA Division III**  
The Company has Re-provided the First Aid Kit and its contents
    - C. First Aid Box on the Ground**  
The Company has distributed the First Aid Kit and its Contents to All Harvest Supervision in the Field
  5. For Indicator 5.1.2 (NCR No. 2016.14) CH has been performing monitoring of All Parameters according to the direction of the Amdal Document and contained in RKL-RPL
  6. For Indicator 6.1.4 (NCR No. 2016.16), PSQM Staff has conducted review of the social impacts management / monitoring and management plan and made a social impact assessment of PT. TGK.

**Corrective Action** *(filled by organization audited):*

Audit findings (previous audit stages) will be a priority assessment during internal audit.

Internal audits are made at least 6 months before external auditing to allow sufficient time to correct the nonconformities and ensure that all RSPO requirements are comply.

**Assessor Evaluation and Conclusion** *(filled by auditor):*

Observation November 4, 2017

The management unit has submitted an internal audit result conducted on November 4, 2017. Based on the internal review results it is known that the achievement of RSPO is 64.5%.

The Company sets out the implementation of management reviews to follow up on the results of internal audits and ensure that all RSPO requirements are met.

Based on evidence of improvement then the incompatibility of 2017.12 is closed.

**Verified by**

:

**Ardiansyah**

<b>NCR No.</b>	: 2017. 15	<b>Issued by</b>	: Mohamad Amarullah
<b>Date Issued</b>	: 9 Juni 2017	<b>Time Limit</b>	: 8 Juni 2018
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: SCCS Module E 2014 (E.2.2) The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
The company is not be able to shows CSPO transaction from Bulking of Bahumbelu to buyer for period August 10 <sup>th</sup> 2016 to June 5 <sup>th</sup> 2017. As crosschecked to palmtrace on June 5 <sup>th</sup> 2017, it was known that there was product reduction for about 5,000 mt of CSPO.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<b>AnalisaAkarMasalah</b> <i>(dilengkapiolehorganisasi yang diaudit):</i>			
Lack of communication between the Operations Unit and the Jakarta Marketing Authority			
<b>Correction</b> <i>(filled by organization audited):</i>			
Marketing has ensured that No sales / transactions for eTrace CSPO UKF, the difference of 5,000 mT CSPO occurs because CSPO has been transferred / allocated to Book & Claimed, so that the remaining eTrace (remaining) data is 28,450 tons. PT TGK has provided evidence of a transfer of 5000 MT CSPO for the sale of non-physical certificates.			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
PSQM Division will help communication between Unit PT. TGK with marketing Jakarta.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
September 15, 2017			
The Management Unit shows the recording of communication via E-mail with the Central Marketing Unit. Based on the results of correspondence, informed that there is no physical transactions CSPO, but "Book and Claim". This is demonstrated through the Transaction Report checks on Palmtrace informing that there is a Transaction Stock. ST-TR-910e9c80-20a5 dated 05/04/2017 for CSPO Mass Balance program, with type of "Credit Allocation" transaction of 5,000mt. based on the explanation, evidence of improvement is acceptable. However, companies need to complement the root cause analysis, correction and corrective action, so Non-Conformity No. 2017.13 not yet comply.			

<p>October 14, 2017 The management unit should provide additional explanations regarding the root of the problem, so Non-Conformity No. 2017.13 not yet comply.</p>	
<p>October 17, 2017 The management unit has provided additional explanations regarding the root of the problem, so Non-Conformity No. 2017.13 is closed.</p>	
<p><b>Verified by</b> <b>Diverifikasioleh</b></p>	<p><b>:</b> <b>Mohamad Amarullah</b></p>

**1.3. Opportunity for Improvement (OFI)**

**Peluang untuk Perbaikan**

No	Ref. Std.	Description
-	-	-

**Summary of Arising Issues from Public, Management and Auditor Response**

Stakeholder Issue	Auditor Responses
<p><b>Smallholder Group.</b>            In general, the relationship between the company and the surrounding community is well established, there is a mutually beneficial relationship. Communications are well tuned and mutually open. Based on the results of interviews with the public obtained information, among others:</p> <ul style="list-style-type: none"> <li>• Increasing the standard of living of the community by the number of surrounding communities working in the company or becoming members of the plasma.</li> <li>• No environmental issues related to environmental pollution were found.</li> <li>• There is direct assistance to each village in the form of rotating cattle donation.</li> <li>• There are no issues of land conflicts.</li> <li>• FFB pricing for smallholders is done transparently following the price set by Plantation Agency. The price set by the Plantation Agency is socialized once every month.</li> <li>• There is no agreement yet between plasma farmers and companies regarding the continued replanting of plasma land. The replanting plan is done in 2014.</li> <li>• Plan KKPA company with Full Manage system.</li> </ul>	<p>The company demonstrates the communication and fostering efforts of smallholders through the establishment of area coordinators, assistants and plasma managers.</p>
<p><b>Worker Union:</b></p> <ul style="list-style-type: none"> <li>• The creation of a CLA for 2016-2018, newly signed in January 2017, setbacks due to schedule adjustments with the Manpower Office. CLA approval was just witnessed and signed by the Head of the Morowali Employment Agency.</li> <li>• CLA making process is done both ways with well-established communication process</li> <li>• CLA only applies to employees and does not apply to Staff, distribution process has been done to each division, besides socialization through supervisor with multiplication of PKB sheet of 100 copies.</li> <li>• Changes made based on existing needs revise from previous CLA. One of the important things emphasized in the CLA is about Safety and PPE.</li> <li>• Wages set By Manpower Agency, so far there is no wage-related problem.</li> <li>• To date, Worker Unions have no specific program in carrying out activities but are in compliance with existing needs, to date the Union has helped to solve existing problems, assist in the mediation process.</li> </ul> <p>Salary calculations for plantation and factory employees are different, factory employees are calculated overtime while garden workers have special premium calculations that have been set for the number of hours multiplied in each month.</p>	<p>The Company has demonstrated that facilitation and cooperation with unions has worked well, as described in indicator 6.6.</p>

Stakeholder Issue	Auditor Responses
<ul style="list-style-type: none"> <li>• Rice allowance of 15 kg and not taken from salary, including for wife and child. Given in the form of rice with unit price Kg 9000 rupiah / Kg.</li> <li>• Members of Work Unions are all employees of PT TGK.</li> <li>• Until the recertification activities are implemented, there are no new issues related to employment. The Company operates in accordance with the rules of employment and collective labor agreements.</li> <li>• Rice allowance is not a problem, because the employee is in a prosperous position (personal needs, everyday family fulfilled). Rice is a fixed allowance in accordance with CLA, electricity from mill and company generator.</li> <li>• Chairman of the trade union of PT TGK appointed as chairman of the labor representative on the wage council.</li> <li>• The target of the union chairman so that the electricity in the nursery and division 4 divisions can be up for 12 hours. (Currently the power is on with the setting: at 5 pm to 12 pm, then turns on again at 4, if fasting, starts at 11 pm to 3 am).</li> <li>• The latest CLA has been added 100 copies submitted to the division and foreman.</li> <li>• Regarding temporary worker that there is still temporary worker, but in accordance with the labor rules, they only get salary and allowance of rice only for workers only (15 kg).</li> <li>• Based on information from managers that as of June 1, 2017 no additional of temporary worker is added.</li> <li>• There has been a meeting on change days, allocated 3 days on 3, 11 and 18 June 2017 to replace the ledul fitri day. Based on the meeting between the company (manager, KTU) and union representatives (Pak Theny and Mr. Sony). Refer to CLA article 11 regarding the day change.</li> <li>• Expectations to increase the Ramadan safari in 4 mosques.</li> </ul>	
<p><b>Head of Setia Krida Cooperation</b></p> <ul style="list-style-type: none"> <li>• The cooperative in PT TGK named SetiaKrida Cooperative, the main focus of the Cooperative is the provision of basic food.</li> <li>• SetiaKrida cooperative consists of PT TGK employees</li> <li>• Until now the monthly fee has not been running for a while.</li> <li>• SetriaKrida Cooperative is a Cooperative that is run by dues, the existing cooperative condition is a cooperative whose management has changed hands, when the cooperative is taken and continued the cooperative is in a condition without leaders and without capital, until now there has been no assistance from the company.</li> <li>• Assets owned by cooperatives are only buildings located next to the old mosque.</li> <li>• Until now, KoperasiSetiaKrida is still using an old deed where the focus of the cooperative is still specific in one area namely sembako.</li> </ul>	<p>The Company has provided evidence of facilitation for the establishment of an employee cooperative as described in indicator 6.5.4.</p>



Stakeholder Issue	Auditor Responses
<ul style="list-style-type: none"> <li>Utilization of the existence of cooperatives is not limited to members of the cooperative, all employees of PT TGK allowed to take goods from the cooperative</li> <li>Payment system is done by cutting the salary. Therefore, every employee is restricted to taking excessive basic needs in the cooperative to avoid bills that exceed the amount of wages earned.</li> <li>Cooperative monthly expenditure is around Rp.300 million.</li> <li>RAT is planned to be implemented in June 2017 after Eid.</li> <li>The chairman of the cooperative once submitted a proposed loan fund with an overview of funds for cooperative operations of about 200-300 million per month.. The Chairman of the Cooperative once spoke with Bank BRI with a 5-year credit system, but has not been implemented yet.</li> <li>The cooperative has a fixed supplier with a debt repayment system (mostly from Beteleme and Sampeantaba). Estimated oil requirement 35 dos contents 4 jerry cans, 1 month sugar 1-1.5 tons, coffee 25 dos size 900 gram</li> </ul>	
<p><b>Gender Committee</b></p> <ul style="list-style-type: none"> <li>Until the last year no cases have occurred in PT TGK regarding Gender</li> <li>Unhealthy habits undertaken are menstrual leave that is customary for reasons, so the future planned for taking menstruation leave will be examined at the Clinic for more stringent checks.</li> <li>Work program conducted in the form of socialization. In each division there is a PIC of complaint management.</li> <li>Maternity leave must be taken 45 days before and 45 days postpartum, late retirement delay will not extend postpartum leave, The existence of clinic is expected to check the employees regularly so that the taking of leave can be on time</li> </ul>	<p>The Company has facilitated the establishment of gender committees as a form of facilitation for the rights of women workers.</p>
<p>Environment Agency of Morowali District.</p> <ul style="list-style-type: none"> <li>The Company is considered administratively good in the case of compulsory reporting, among others, the report of the Liquid Waste Quarter, B3 waste management report and RKL / RPL report.</li> <li>There have been no reports from surrounding communities and NGOs regarding the issue of environmental pollution due to the company's operational activities.</li> <li>The Company has a valid B3 waste TPS Permit.</li> <li>The Company has not yet implemented the extension of the Liquid Waste Application Permit (LA).</li> <li>Medical waste management has not been done with RSUD Morowali because Incinerator RSUD damaged. Medical waste is sent to temporary hazardous storage to be submitted to licensed collectors.</li> <li>The Company is required to implement an AMDAL addendum covering plasma land.</li> </ul>	<p>The Company has submitted a report related to environmental management to the Environment Agency.</p>

Stakeholder Issue	Auditor Responses
<ul style="list-style-type: none"> <li>The Company is expected to regularly present quarterly and / or semester reports to the DLH, especially for parameters that exceed the quality standard.</li> </ul>	
<p><b>Land Agency of Morowali District</b>  <b>26 April 2017</b></p> <ul style="list-style-type: none"> <li>There is no change in the operational area of the company. Thus, there is no new location permit and addition of HGU.</li> <li>Companies are requested to involve BPN after the company first coordinates with the District Government.</li> <li>The company has reported the development of land occupied by the community.</li> </ul>	<p>The Company has shown evidence of land legalization and land dispute resolution process.</p>
<p><b>Plantation Agency of Morowali District.</b></p> <ul style="list-style-type: none"> <li>The Company has reported the semester report of plantation business activities (LKUP) in an orderly manner to the agency. The reported information is considered to be in accordance with the requirements of the Service.</li> <li>The plantation office has not conducted a plantation business valuation (PUP) activity due to the structural change of the Plantation's organization to the Agriculture agency.</li> <li>Informed there is no change of location permit, SPUP and corporate HGU.</li> <li>The company owns smallholder by utilizing transmigration area.</li> <li>The company once involved the Agency related to the preparation of the CSR program, but this did not work continuously.</li> <li>The company is considered to have resolved issues related to land disputes well.</li> <li>All operational areas of the company are located in the APL area and there is no customary / traditional forest in the vicinity of the company.</li> <li>Companies are encouraged to continue to engage in dialogue with stakeholders regarding the extension of cooperation with the smallholder.</li> </ul>	<p>The Company has shown evidence of land legalization and land dispute resolution process.</p>
<p><b>Manpower Agency of Morowali District.</b></p> <ul style="list-style-type: none"> <li>The Company has periodically submitted mandatory employment related reports such as WLTK, P2K3 and employment casualty reports.</li> <li>There is no BHL in the company.</li> <li>The structure of P2K3 has been reported.</li> <li>Machine licensing in mill and estate and SIO has been owned by the company.</li> </ul>	<p>The Company has been able to demonstrate compliance with labor and safety related regulations as described in criterion 6.5.</p>

Stakeholder Issue	Auditor Responses
<ul style="list-style-type: none"> <li>• There is no corporate relationship problem with employees.</li> <li>• There are no under-age workers.</li> <li>• The minimum wage has been applied.</li> <li>• Employees have been included in BPJS Kindergarten and Health.</li> <li>• The company already has emergency fire fighting equipment and is sufficient.</li> <li>• There were no incidents of land fires for the period 2016-2017.</li> <li>• Employee CLA has been agreed and signed together with witnessed by the labor service</li> </ul>	
<p><b>Replanting Contractor (PT Mitra Karya Jaya Perdana ).</b></p> <ul style="list-style-type: none"> <li>• PT MKJP started cooperation with the company since the 4th month of 2014.</li> <li>• Scope of work: ditching, chipping, stacking, trenching, hole making, road building, leveling, patio making.</li> <li>• Currently working in Division 2, with 5 tools (1 dozer, exca PC 200 2, PC 480 1, jonder 1).</li> <li>• Camp contractor in division 1 in the form of company's old housing.</li> <li>• The unit stored in the field and also for the service.</li> <li>• Storage of diesel from the warehouse itself and taken from PT TGK with cutting system of work.</li> <li>• Work contract per 1 year, then renewed per 1 year.</li> <li>• Process work through field inspection together. BAPP submission, joint field checks, for BAPP process. The process of filing for payment takes 10-15 business days.</li> <li>• So far the payment process is in accordance with the contract value.</li> <li>• Workers as many as 8 workers (helper 3 operators 5), plus 1 foreman, 1 supervisor, 1 mechanic, 1 driver, 1 cook. Helper from the employees of local residents.</li> <li>• Socialization of company policy, on PPE (helmet, safety shoe vest, work quality, minimum age of worker, health / worker). PPE is provided by PT MKJP itself.</li> <li>• There are no cases of workers in the field.</li> <li>• The company also places supervisors from the company to oversee the contractor's work process.</li> <li>• Settlement of work disputes can be resolved through the discussion of the two parties.</li> <li>• Blocks 27 and 23 Divisions 1, blocks 24, 25 Divisions 2, 26, 34, 30 Division 2 replanting in the form of a 50 meter buffer zone are not replanted. This has also been mentioned in the contract agreement. For 2017-2018 target replanting area of 458 Ha.</li> </ul>	<p>The Company has demonstrated that work contracts with its counterparts have been conducted fairly, legally and transparently. The payment process of the work proceeds in accordance with mutually agreed mechanisms, as described in indicator 6.10.4.</p>

**CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**


**Formal Sign-off of Assessment Findings**

Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.

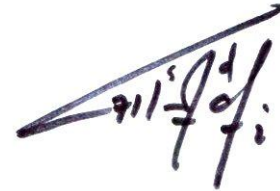
Signed on behalf of:

PT TAMACO GRAHA KRIDA  
Management Representative

Mutuagung Lestari  
Lead Auditor



Mohamad Pirabaharan  
16 November 2017



Marsudi Eko Santoso  
16 November 2017

**APPENDICES**

**Appendix-1. List of Stakeholder Contacted in the RSPO Certification Process**

No	Institution / NGO / Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Dinas Pertanian	District of Morowali	-	Interview	7 June 2017	√	
2	Dinas tenaga kerja & transmigrasi	District of Morowali	-	Interview	7 June 2017	√	
3	Badan Pertanahan Nasional	District of Morowali	-	Interview	7 June 2017	√	
4	Dinas Lingkungan Hidup	District of Morowali	-	Interview	7 June 2017	√	
5	<b>Smallholders Group:</b> Bali Jaya	District of Morowali	-	Interview	8 June 2017	√	
	Karya Lestari	District of Morowali	-	Interview	8 June 2017	√	
	Bangun Karso	District of Morowali	-	Interview	8 June 2017	√	
	Amarta Bumi	District of Morowali	-	Interview	8 June 2017	√	
	Setya Persada	District of Morowali	-	Interview	8 June 2017	√	
	Bumi Harapan Jaya	District of Morowali	-	Interview	8 June 2017	√	
	Petani Harapan	District of Morowali	-	Interview	8 June 2017	√	
	Laantula Jaya 2	District of Morowali	-	Interview	8 June 2017	√	
	Laantula Jaya 8	District of Morowali	-	Interview	8 June 2017	√	
	Kari Bakti	District of Morowali	-	Interview	8 June 2017	√	
	Baringin Jaya 7	District of Morowali	-	Interview	8 June 2017	√	
	Baringin Jaya 9	District of Morowali	-	Interview	8 June 2017	√	
	Tani Jaya	District of Morowali	-	Interview	8 June 2017	√	
	Tani Mulya	District of Morowali	-	Interview	7 June 2017	√	
	Mekar Jaya H	District of Morowali	-	Interview	7 June 2017	√	
	Karya Subur	District of Morowali	-	Interview	7 June 2017	√	
	Eka Jaya	District of Morowali	-	Interview	7 June 2017	√	
	Harapan Baik	District of Morowali	-	Interview	7 June 2017	√	
	Beringin Jaya	District of Morowali	-	Interview	7 June 2017	√	

	Pefalia Mokora 1	District of Morowali	-	Interview	7 June 2017	√	
	Suka Jaya	Kabupaten Morowali	-	Interview	7 June 2017	√	
	Patuh Abadi	Kabupaten Morowali	-	Interview	7 June 2017	√	
	Bali Putra	Kabupaten Morowali	-	Interview	7 June 2017	√	
	Sukamaju F	Kabupaten Morowali	-	Interview	7 June 2017	√	
	Marosso	Kabupaten Morowali	-	Interview	7 June 2017	√	
6	Labour Union	Kabupaten Morowali	-	Interview	7 June 2017	√	
7	Gender Comitee	Kabupaten Morowali	-	Interview	7 June 2017	√	
8	Replanting Contractor	Kabupaten Morowali	-	Interview	7 June 2017	√	

**Assessment Program**

DATE	5 <sup>th</sup> – 10 <sup>th</sup> June 2017	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday</b> <b>5<sup>th</sup> June 2017</b> 05.00 – 10.15 10.15 – 20.00	Flight Jakarta to Kendari Travelling of Auditor team (Kendari – Ungkaya Estate)	<b>MES, ADH,</b>
<b>Tuesday</b> <b>6<sup>th</sup> June 2017</b> 08.00 – 08.45  08.45 – 12.00	Opening meeting <ul style="list-style-type: none"> <li>• Auditee Speech (Introduction of PIC, Profile of Scheme managers and Smallholders)</li> <li>• Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul> Field observation to <b>UNGKAYA ESTATE</b> : <ul style="list-style-type: none"> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Implementation of Environmental, Conservation and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management, HCV Area)</li> <li>• Implementation of Occupational Health &amp; Safety Aspect</li> <li>• Implementation of Employment Procedure and Mechanism Aspect</li> <li>• Implementation of Legal Aspect (Land Ownership, Legal Boundaries)</li> <li>• Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance)</li> </ul>	<b>MR Ungkaya</b>  <b>MES</b>  <b>MAH</b>  <b>ADH/MES</b>  <b>RRI</b>  <b>MES/ADH</b>  <b>RRI</b>

DATE	5 <sup>th</sup> – 10 <sup>th</sup> June 2017	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 – 14.00	Break and lunch	
15.30 – 16.30	<p>Field visit to <b>UNGKAYA FACTORY:</b></p> <ul style="list-style-type: none"> <li>• Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>• Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</li> <li>• Interview with Worker’s Union Mill, Contractor of CPO Transporter, Gender Committee and <b><u>Stakeholder Consultation with surrounding villagers</u></b></li> </ul>	<p><b>MAH</b></p> <p><b>MES/ADH</b></p> <p><b>RRI</b></p>
<p><b>Rabu / Wednesday</b> <b>7 Juni 2017</b></p> <p>08.00 – 12.00</p>	<p><b><u>Stakeholder Consultation with relevant government agencies at Morowali</u></b> <i>Field observation of 3 Farmers Group (Korwil 3 with 9 Farmers Group):</i></p> <ul style="list-style-type: none"> <li>• <i>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</i></li> <li>• <i>Implementation of Environmental, Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</i></li> <li>• <i>Implementation of Employment Procedure and Mechanism Aspect</i></li> <li>• <i>Implementation of Legal Aspect (Land Ownership, Smallholders Profile)</i></li> <li>• <i>Implementation of Conservation Aspect</i></li> <li>• <i>Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance)</i></li> </ul>	<p><b>RRI</b></p> <p><b>MES</b></p> <p><b>MAH</b></p> <p><b>ADH</b></p>
<p>12.00 – 14.00</p> <p>14.00 – 17.00</p>	<p>Break and lunch</p> <p>Verification of field visit and completing checklist</p>	



DATE	5 <sup>th</sup> – 10 <sup>th</sup> June 2017	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<p><b>Kamis / Thursday</b> <b>8 Juni 2017</b> 08.00 – 12.00</p> <p>12.00 – 14.00 14.00 – 17.00</p>	<p><b>Observasi lapangan ke Kebun petani Korwil 4 (12 Farmers group):</b></p> <ul style="list-style-type: none"> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Implementation of Environmental, Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>• Implementation of Employment Procedure and Mechanism Aspect</li> <li>• Implementation of Legal Aspect (Land Ownership, Smallholders Profile)</li> <li>• Implementation of Conservation Aspect</li> <li>• Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance)</li> </ul> <p>Break and lunch Verification of field visit and completing checklist</p>	<p><b>MES ADH MAH RRI</b></p>
<p><b>Friday</b> <b>9 June 2017</b> 08.00 – 10.00 10.00 – 11.00 11.00 – 12.00 12.00 – 21.00</p>	<p>Internal discussion by auditor team preparing for Closing Meeting Closing Meeting Lunch and trip preparation Travelling back (Ungkaya Estate – Kendari)</p>	<p><b>ALL TEAM</b></p>
<p><b>Saturday</b> <b>10 June 2017</b> 11.15 – 14.25</p>	<p>Return flights Kendari - Jakarta</p>	<p><b>ALL TEAM</b></p>