

**Roundtable on Sustainable Palm Oil Certification  
RSPO**

Stage-1     Stage-2     Surveillance     Re-Certification

**Name of Management Organisation** : Pondok Labu Palm Oil Mill – PT Paripurna Swakarsa subsidiary of Sime Darby Plantation Sdn, Bhd  
**Plantation Name** : PT Paripurna Swakarsa – Binturung Estate, Sesulung Estate, Pondok Labu Estate & Rampa Estate

**Location** : Sub District of Pamukan Selatan and Sub District of Makukan Utara, District of Kotabaru, Province of Kalimantan Selatan, Indonesia

**Certificate Code** : **MUTU-RSPO/016**

**Date of Certificate Issue** : 16 March 2012                      **Date of License Issue** : 16 March 2016  
**Date of Certificate Expiry** : 15 March 2017                      **Date of License Expiry** : 15 March 2017

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	19 – 23 February 2016	Bukti Bagja (Lead Auditor), Doni, Muhammad Rinaldi, Rudi Ramdani	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	01 April 2016

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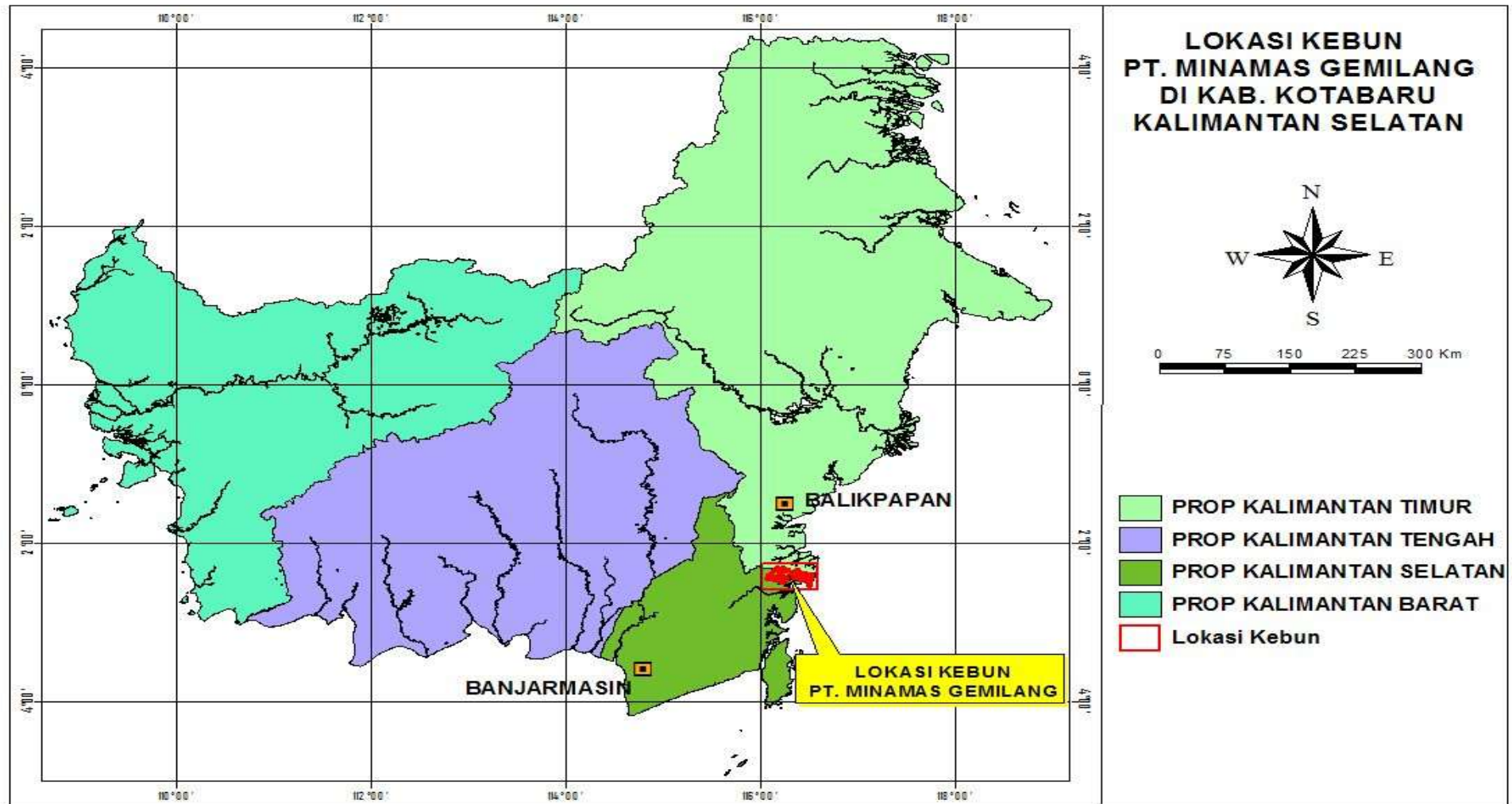
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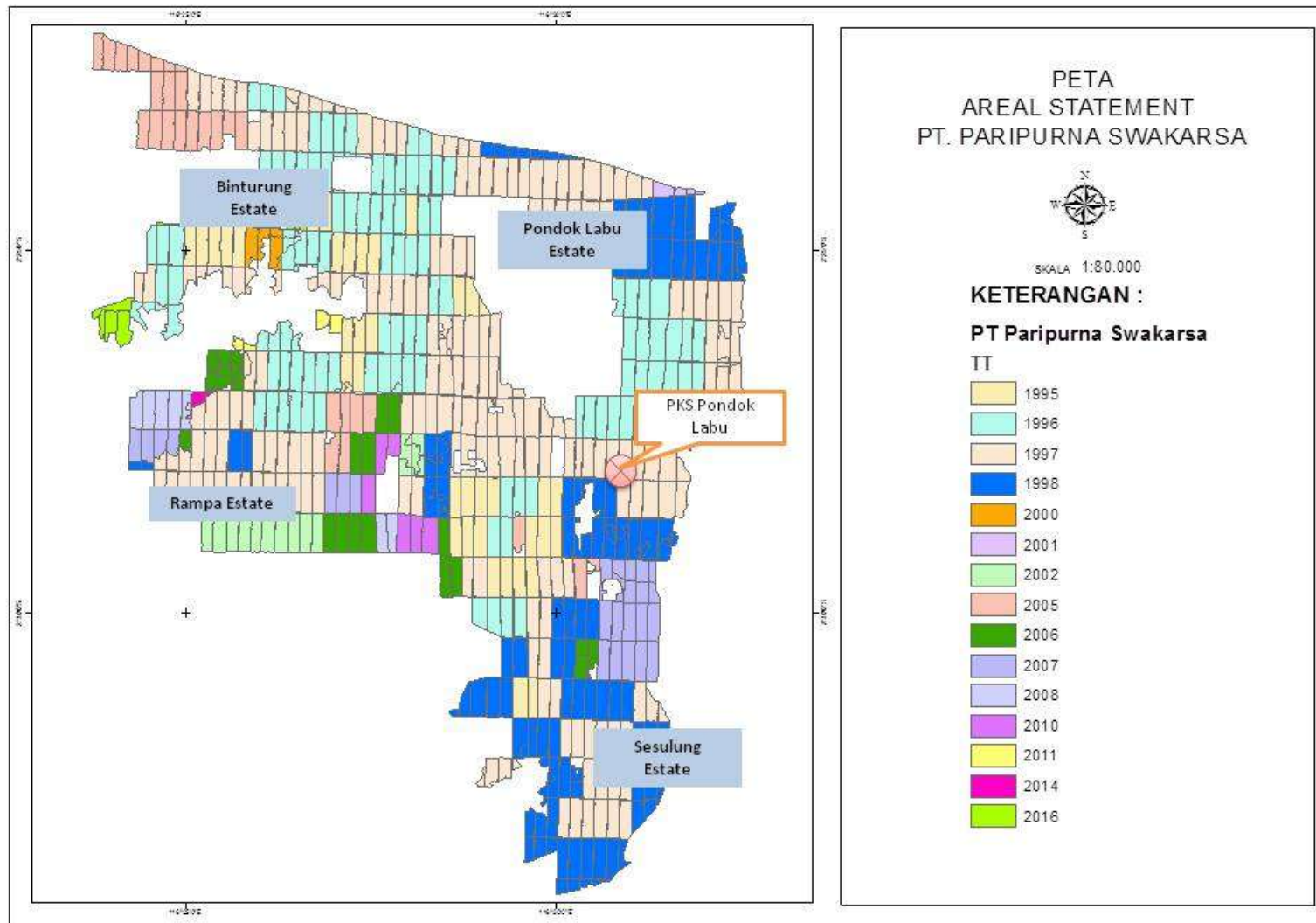
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Figure 1. Location Map of PT Paripurna Swakarsa



**Figure 2. Operational Map of PT Paripurna Swakarsa**



<b>Abbreviations Used</b>		
AMDAL	:	Environment Impact Assesment
APAR	:	Fire Extinguisher
APD	:	Personal Protection Equipment (PPE)
ARM	:	Agronomy Reference Manual
B3	:	Hazardous Material
BBM	:	Fuel Oil
BLH	:	Environment Agency
BOD	:	Biological Oxygen Demand
BPN	:	National Land Agency
BSS	:	Blok Spraying Sistem
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
CSR/CD	:	Corporate Social Responsibility/ Community Development
EFB	:	Empty Fruit Bunch
GHG	:	Green House Gasses
HCV	:	High Conservation Value
HGU	:	Land Use Title
IPAL	:	Waste Water Treatment Process
JAMSOSTEK	:	Socila Security
K3	:	Occupational, Safety and Health
KAN	:	National Accreditaion Commitee
KKPA	:	Primary Credit Union Members
LB3	:	Hazardous Waste Material
LC	:	Land Clearing
LSM	:	Non Governmental Organiization
MSDS	:	Material Safety Data Sheet
P2K3	:	Commtee Occupational Helath and Safety Adviser
P3K	:	First Aid
PBB	:	Property Tax
Permentan	:	Regulation Minister Of Agriculture
PHT	:	Integrated Pest Management
PK	:	Palm Kernel
PKB	:	Collective Labor Agreement
PKS	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PSD	:	Plantation Service departement
PSQM	:	Plantation Sustainability Quality Management
RKL	:	Environmental Management Plan
RPL	:	Environmental Monitoring Plan
SKU	:	Genral Working Requirement
SOP	:	Standard Oprational Procedure
SSE	:	Sesulung Estate
TBS	:	Fresh Fruit Bunch
TPS	:	Temporary Storage Area
UMK	:	District Minimum Wage
UMP	:	Province Minimum Wage
UU	:	Constitution

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>• <i>RSPO Principles and Criteria (P&amp;C) for for the Production of Sustainable Palm Oil - April 25<sup>th</sup>, 2013.</i></li> <li>• <i>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)</i></li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	<b>PT PARIPURNA SWAKARSA</b>	
1.2.2	Contact person	Mohamad Pirabaharan	
1.2.3	Organisation address and site address	<u>Head Office:</u> The Plaza Lt. 36 Jl. M.H Thamrin Kav 28-30 Jakarta Pusat 10350.  <u>Mill &amp; Estate:</u> Village of Pondok Labu, Sub District of Pamukan Selatan, District of Kotabaru, Province of Kalimantan Selatan	
1.2.4	Telephone	+6221 - 29926000	
1.2.5	Fax	+6221 – 29922686	
1.2.6	E-mail	<a href="mailto:Mohamad.pirabaharan@simedarby.com">Mohamad.pirabaharan@simedarby.com</a>	
1.2.7	Web page address	<a href="http://www.simedarby.com">www.simedarby.com</a>	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan (Head of PSQM Sime Darby Plantation Sdn Bhd)	
1.2.9	Registered as RSPO member	1-0008-04-000-00 tanggal 07 Desember 2004	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	Pondok Labu Mill and its Supply Bases: Binturung Estate, Sesulung Estate, Pondok Labu Estate, Rampa Estate	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>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                      Longitude</b>
	Pondok Labu Factory	Village of Pondok Labu, Sub District of Pamukan Selatan, District of Kotabaru, Province of Kalimantan Selatan	S 02° 28' 53"                      E 116° 30' 45"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude                      Longitude</b>



Binturung Estate	Village of Binturung, Sub District of Pamukan Utara, District of Kotabaru, Province of Kalimantan Selatan	S 2° 22' 00" - 2° 26' 57"	E 116° 23' 46" - 116° 28' 00"
Pondok Labu Esatae	Village of Pondok Labu, Sub District of Pamukan Selatan, District of Kotabaru, Province of Kalimantan Selatan	S 2° 23' 16" - 2° 27' 37"	E 116° 28' 00" - 116° 32' 35"
Rampa Estate	Village of Rampa Cengal, Sub District of Pamukan Selatan, District of Kotabaru, Province of Kalimantan Selatan	S 2° 23' 54" - 2° 29' 08"	E 116° 24' 15" - 116° 29' 47"
Sesulung Estate	Village of Sesulung, Sub District of Pamukan Selatan, District of Kotabaru, Province of Kalimantan Selatan	S 2° 27' 00" - 2° 33' 51"	E 116° 28' 34" - 116° 31' 49"

**1.5 Description of Area Statement**

1.5.1	Tenure	
	• State	HGU No. 137/HGU/BPN/97 = 14.892 Ha (There are proposing land use permit of 1.119.98 Ha)
	• Community	- Ha

**1.5.2 Area Statement**

	PT Paripurna Swakarsa (Ha)	Total (Ha)
• Total area	16,011.98	16,011.98
• Mature area	14,128.60	14,128.60
• Immature area	15.66	15.66
• Replanting	549.83	549.83
• Mill	55.23	55.23
• Infrastructure	761.81	761.81
• Nursery	31	31
• Occupation	65.14	65.14
• HCV	396.51	396.51
• Hill/valley/river/swamp	8.20	8.20

**1.6 Planting Year and Cycles**

**1.6.1 Age profile of planting year**

Planting Year	Hectarage (Ha)				
	Binturung Estate	Pondok Labu Estate	Rampa Estate	Sesulung Estate	Total
<b>1995</b>	458.63	94.08	121.18	211.89	885.78
<b>1996</b>	1,398.91	1,097.83	253.36	255.83	3,005.93
<b>1997</b>	765.83	1,599.03	1,393.61	1,484.77	5,243.24
<b>1998</b>	-	665.98	203.41	1,521.46	2,390.85
<b>1999</b>	-	-	-	-	-

2000	74.88	-	-	-	74.88		
2001	-	27.70	-	-	27.70		
2002	-	-	355.52	-	355.52		
2003	-	-	-	-	-		
2004	-	-	-	-	-		
2005	465.62	-	173.85	62.93	702.40		
2006	44.81	-	257.28	131.01	433.10		
2007	-	-	181.20	411.09	592.29		
2008	-	-	193.64	-	193.64		
2009	-	-	-	-	-		
2010	-	-	177.27	-	177.27		
2011	46	-	-	-	46		
2014	-	-	15.66	-	15.66		
2016	333.44	-	-	216.39	549.83		
<b>TOTAL</b>	<b>3,588.12</b>	<b>3,484.62</b>	<b>3,325.98</b>	<b>4,295.37</b>	<b>14,694.09</b>		
1.6.2	New Planting area after January 2010				Ha		
1.6.3	Planting Cycle				2 <sup>nd</sup> Cycle		
<b>1.7</b>	<b>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 (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	Pondok Labu Factory	60	216,970.40	49,640.17	22.88	10,270.20	4.73
	<i>*Source of FFB received &amp; processed 12 month before assessment (Februari 2015 – January 2016)</i>						
	<i>*Restaned of FFB 55.04 tonnes</i>						
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/year)</b>	<b>%</b>
	Binturung Estate	4,072.02	3,588.12	56,774.037	15.82	46,028.90	81.07
	Pondok Labu Esatae	3,672.72	3,484.62	54,862.300	15.74	48,487.05	88.38
	Rampa Estate	3,658.60	3,325.98	61,119.160	18.37	55,336.70	90.53
	Sesulung Estate	4,608.64	4,295.37	72,943.070	16.98	64,776.30	88.80
	<b>Total</b>	<b>16,011.98</b>	<b>14,694.09</b>	<b>245,698.567</b>	<b>16.72</b>	<b>214,628.95</b>	<b>87.35</b>
	<i>*Production data source from 12 months before assessment (February 2015 – January 2016)</i>						
1.7.3	FFB description from other source						
	<b>Name of sources</b>	<b>Organisation</b>	<b>Location</b>	<b>Ha</b>	<b>Supplied to Mill</b>		
					<b>FFB (tonnes/year)</b>		
	KKPA Area Sungai Cengal (RSPO Certified)	Scheme Smallholders of Sungai Cengal	Kabupaten Kota Baru, Provinsi	-	2,396.52		



			Kalimantan Selatan				
	<b>TOTAL</b>			-		2,396.52	
<i>*Source Production Data on 12 months before assessment (February 2015 – January 2016)</i>							
1.7.4	Product categories		FFB, CPO, PK				
<b>1.8</b>	<b>Estimate Tonnage of Certified Product</b>						
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 16 March 2015 to 16 March 2016 (tonnes/year)		Actual certified product 16 March 2015 to 20 February 2016 (tonnes/year)		
	• FFB Production		287,229		187,835.9		
	• CPO Production		66,062		45,907		
	• Palm Kernel (PK) Production		14,361		10,237.05		
1.8.2	Estimate of Certified FFB Claim						
	<b>Name of Estate(s)</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>		
	Binturung Estate	4,072.02	3,588.12	59,613	16.61		
	Pondok Labu Esatae	3,672.72	3,484.62	57,605	16.53		
	Rampa Estate	3,658.60	3,325.98	64,175	19.29		
	Sesulung Estate	4,608.64	4,295.37	76,590	17.83		
	<b>TOTAL</b>	<b>16,011.98</b>	<b>14,694.09</b>	<b>257,983</b>	<b>17.55</b>		
<i>*Estimated 5% increased from FFB production period of February 2015 – January 2016</i>							
1.8.3	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 (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	Pondok Labu Factory	60	257,983	60,626	23.5	12,899	5
<i>*Estimated 5% increased from FFB production period of February 2015 – January 2016</i>							
<b>1.9</b>	<b>Other Certifications</b>						
	ISO 9001:2008		-				
	ISO 14001: 2004		-				
	OHSAS 18001:2007		-				
	ISCC		-				
	Others		Indonesian Sustainable Palm Oil pada bulan September 2013 (berlaku s/d 19 September 2018)				
<b>1.10</b>	<b>Time Bound Plan</b>						
1.10.1	<b>Time Bound Plan for Other Management Units</b>						
	<b>Management Unit</b>		<b>Estate (Supply Base)</b>	<b>Time Bound Plan</b>	<b>Location</b>	<b>Status</b>	
	<b>MILL</b>	<b>Time Bound Plan</b>					
		2010	Sekunyir	2010		Certified	

Sekunyir. PT. Indotruba Tengah		Seruyan	2010	Seruyan and West Kotawaringin District – Central Kalimantan	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	West	2010	Sanggau District –West Kalimantan	Certified
		East	2010		Certified
		Sei Mawang	2010		Certified
		East Plasma	2010		Certified
		West Plasma	2010		Certified
Teluk Siak. PT Aneka Inti Persada	2011	Teluk Siak	2011	Pekanbaru, Siak District – Riau	Certified
		Pinang Sebatang	2011		Certified
		Aneka Persada	2011		Certified
Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012	Musi Rawas District – South Sumatera	Certified
		Bukit Pinang	2012		Certified
Pematang. PT. Teguh Sempurna	2011	Pematang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
		Kawan Batu	2011		Certified
		Hatan Tiring	2011		Certified
		Batang Garing	2011		Certified
Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011	Rokan Hilir District – Riau	Certified
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	KKPA-2 PT.SHE	2013	Tanah Bumbu District – South Kalimantan	Certified
		KKPA-3 PT.SHE	2013		Certified
		KKPA-5 PT.SHE	2013		Certified
Gunung Aru. PT Bersama Sejahtea Sakti	2011	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
		Gunung Kemasan	2011		Certified
		Laut Timur	2011		Certified
		Pantai Timur	2011		Certified
Bebunga. PT. Langgeng	2011	Sungai Cengal	2011	Kotabaru District – South Kalimantan	Certified
		Bebunga	2011		Certified

Muaramakmur		KKPA Sungai Cengal	2014		Certified
Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
		Sapiri	2011		Certified
		Barasdanum	2011		Certified
		Kuala Kuayan	2011		Certified
Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	Kotabaru District – South Kalimantan	Certified
		Pondok Labu	2012		Certified
		Rampa	2012		Certified
		Sesulung	2012		Certified
Selabak. PT Swadaya Andhika	2012	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	Ladang Panjang	2012	Muaro Jambi District - Jambi	Certified
		Plasma BGR	2015		-
Rantau Panjang. PT Guthrie Peconina Indonesia	2012	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 dan GPI KKPA	2015		-
Blang Simpo. PT Perkasa Subur Sakti	2013	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	2013	Sanggau District – West Kalimantan	-
		MAS 1	2013		-
		MAS 1	2013		-
		Plasma MAS	2020		-
Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014	Ketapang District – West Kalimantan	Certified
		Awatan	2014		Certified
		Karya Palma	2016		-
		KKPA SNP	2020		-

	Pelanjau (PT BAL)	2018	-
	Sungai Putih (PT BAL)	2018	-
	Baturus (PT BAL)	2018	-

POM in Indonesia. There is change in time bound plan that caused the company to postponed the certification process with the following explanation :  
 PT Mitra Austral Sejahtera. There are still social problems (issues) that are still unresolved that of Oil Palm Smallholders of Sanggau still do not approve of the process improvement demands by society and conflict resolution in accordance with the principles and creiteria of the RSPO.  
 Sime Darby has informed Time Bound Plan progress to the PT Mutuagung Lestari, and considering that Sime Darby still meet the requirements of the RSPO.

1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>
	There is no scheme smalholders in PT Paripurna Swakarsa.

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-4</b>	<p>1. <b>Bukti Bagja (Lead Auditor)</b>. Indonesian citizen. Master of Science majoring in Environmental Science, University of Indonesia. More than 10 years experience in various national and international forestry and environmental project. Certified RSPO Lead Auditor, involved in various RSPO assessment in Indonesia and Malaysia as Lead Auditor. He too experienced in numbers of international environmental project in Indonesia. Had attended various relevant training i.e. Auditor/Lead auditor Management System Certification (ISO 9001-2008), EIA (AMDAL), HCV assessment, Indonesian Sustainable Palm Oil Lead auditor. Has competency in digital mapping such as: ArcGIS, MAPInfo, ER MAPPER, ERDAS Imagine. During this ST-2 audit, he assigned to verify of legal and conservation aspect. In this ASA2 audit, he assigned to verify of legal, environment and conservation aspect</p> <p>2. <b>M. Rinaldi (Auditor)</b>. Expert associate department of Oil Palm Plantations, Institute Pertanian Bogor. He has 4 years experience working as staff plantation operations in the private oil palm plantation companies in Indonesia. He has been training RSPO Awareness, ISPO auditor training, training Auditor/Lead Auditor ISO 9001-2008, ISO 14000 training, training AK3. In this ASA-4, he assess on aspect of worker welfare, occupational, safety &amp; health.</p> <p>3. <b>Rudi Ramdani (Auditor)</b>. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty of Bogor Agriculture Institute. He has working experienced more than two years as an operational staff in a private oil palm plantation company in Indonesia. Several training he has followed namely: Indonesian Sustainable Palm Oil auditor, Awareness RSPO, Management System Certification (ISO 9001-2008) training, and implementation of SMK3. In this ASA-4, he assess on aspect of best management practices.</p> <p>4. <b>Doni (Auditor)</b>. Masters in rural sociology from IPB completed in 2005. Have follows several certifications including training auditor ISPO dated November 25 to 30, 2013 in Bogor and Medan, certification of Sustainable Forest Management (SFM) Scheme Indonesian Ecolabelling Institute (LEI) and the Ministry of Forestry in 2008, training of technical assistance for the people of rural farmers organized by Sajogyo Institute (Scienc) in Bogor, 2005, journalism training organized by Harian Rakyat Merdeka in Jakarta (2001) and training management of BMT (Baitul Mal Watamwil) held by ICMI (Association of Indonesian Muslim Intellectuals) centers in the district Karanganyar, prov. Central Java in 2005. In ASA-4 activity this time assessing the aspect of transparency of information and social.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-4</b>	<p>Number of auditors : 4 auditor          Number of days for <b>ASA-4</b> at site : 3 days          Number of working days for <b>ASA-4C</b> at site : 12 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-4</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Paripurna Swakarsa to the requirements of <b>RSPO Principles and Criteria (P&amp;C) for for the Production of Sustainable Palm Oil - April 25<sup>th</sup>, 2013 &amp; 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>.</p> <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. Some opportunities for improvement of the results <b>ASA-4</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>RC</b>).</p> <p>Improvement of findings from <b>ASA-4</b> 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>ASA-4</b>.</p> <p>The assessment program please find Appendix 2</p>

2.2.3	<b>Locations of Assessment</b>
ASA-4	<p>The number of management units at this event consist of four estates that supply to 1 Palm Oil Mill. In conducting the assessment, auditor team uses a formula <math>0.8\sqrt{y}</math> to determine the management unit that is the focus sample locations and critical. Baesd on the formula, the team auditors determine that the site of the sample is 1 unit of palm oil mill (Pondok Labu POM) and 2 estates (Sesulung Estate &amp; Rampa Estate).</p> <p>As for location details at the ASA-4 visit as follows :</p> <p><u>Sesulung Estate:</u></p> <ul style="list-style-type: none"> <li>• <b>Land Use Title Pole No. PSA 30, PSA 31, and PSA 32 in Sesulung Estate Division 1.</b> Pole condition is well-maintained and complete, according to the map of Land Use Title Pole position from National Land Agency.</li> <li>• <b>Riparian conservation area in Division I of Sesulung Estate.</b> Conservation area is in well-maintained condition, provided the marker in the form of protected areas signboard, boundary marker of riparian buffer zone. However, it is suggested that the enrichment activities need to be more incentives in all parts of riparian.</li> <li>• <b>Workshop.</b> Observations and interviews with employees related to the management of Hazardous Waste and Hazardous Materials, provision of PPE, trainings, and emergency response facilities.</li> <li>• <b>Fire extinguishers warehouse.</b> Observations on the availability and condition of fire extinguishers and the preparedness of fire fighter teams.</li> <li>• <b>Agrochemical Warehouse.</b> Observations related to the management of agrochemical and waste of former agrochemical containers, emergency response facilities and the types of pesticides used.</li> <li>• <b>Houses Block Spraying System.</b> Observations related to the management of tools and PPE for sprayers, bathing and washing facilities and management of environmental pollution.</li> <li>• <b>Employees Housing.</b> Observations related to the employees facility, domestic waste management, and emergency response facilities.</li> <li>• <b>Hazardous Waste Warehouse.</b> Observations related to the Hazardous Waste Management, the condition of buildings and supporting facilities, recording of Hazardous Waste.</li> <li>• <b>Block N42, Division 2.</b> Observation of harvesting with C1R2 system (1 cutter, 1 lose fruits taker and midrib compiler and 1 FFB loader to Fruit Collecting Point). Harvesters have understood the criteria of the harvest fruits. Workers have been equipped with an adequate PPE (helmet, boots). Supervisor has been equipped with First Aid box and able to explain about its use.</li> <li>• <b>Block V51, Division 3.</b> Observation of erosion pole as soil erosion monitoring points. Based on field interviews with officers known that the measurements were performed every 6 months.</li> <li>• <b>Block N40, Division 2.</b> Observation of chipping, stacking, terracing, and making holes for planting mechanically. Based on the field visit, it is known that the company has implemented technique of replanting without burning. Conservation efforts are also done by terracing, stop bund, making trenches in low area. Based on observations in the area of the planting hole, did not find any indication of ganoderma attacks.</li> <li>• <b>Block O38, Division 2.</b> Observation of EFB application in the area of immature plant. Preparation of the midrib in 1 layer in the circle of palm. Immature plant area has also been planted with cover crops (legumes).</li> <li>• <b>Block O37, Division 2.</b> Observations of Owl's Nest, where can be seen dead rat and rat bones below the nest.</li> <li>• <b>Block K45, Division 1.</b> Observations of block application of effluent and control well. There is no indication of waste spill out of land application area. Water conditions in monitoring wells visually, quite good.</li> <li>• <b>Block N51, Division 1.</b> Observation of water gate out and into the estate blocks and management of low-lying areas. Based on the field visits known that the company has made sluice gate of out and into the estate blocks, making embankments of water and sluice to manage the water in the estate blocks, primary trenches manufacture, secondary and fin trenches to maintain groundwater levels.</li> </ul> <p><u>Rampa Estate:</u></p> <ul style="list-style-type: none"> <li>• <b>Land Use Title Pole number PSA 6, PSA 7, and PSA 8 in Rampa Estate Division 1.</b> Pole is well-maintained and complete, according to the map of Land Use Title Pole position from National Land Agency.</li> <li>• <b>Conservation area of mangrove forest ecosystems in Rampa Estate Division 3 Blok M.</b> Conservation area in preserved condition and still found some primates such as monkeys, apes and crocodiles. Provided marker in the form of protected areas signboard as well as a ban on hunting, provided conservation area boundaries in the</li> </ul>



form of trenches.

- **Workshop.** Observations and interviews with employees related to the management of hazardous waste and hazardous materials, provision of PPE, trainings, emergency response facilities.
- **Rampa Estate Health Unit.** Observations related to the medical waste management, workplace accident data, disease data of workers, training for paramedics and interviews regarding the policy towards reproductive rights.
- **Fire extinguishers warehouse.** Observations on the availability and condition of fire extinguishers and the preparedness of fire fighter teams.
- **Agrochemical Warehouse.** Observations related to the management of agrochemical and waste of former agrochemical containers, emergency response facilities and the types of pesticides used.
- **Employees Housing in Division 2.** Observations related to the employees facility, domestic waste management, and emergency response facilities.
- **Daycares.** Observations related to the facilities given, emergency response facilities and interviews with employees related to work hours, wages, access to meet daily needs, policies, protection of reproductive rights for female workers.
- **Hazardous Waste Warehouse.** Observations related to the Hazardous Waste Management, the condition of buildings and supporting facilities, recording of Hazardous Waste.
- **Housing Reservoir in division 3.** Observations related to the water qualities, management of water sources.
- **Block L41, Division 3.** Observations of block application of effluent and control well. There is no indication of waste spill out of land application area. Water conditions in monitoring wells visually, quite good.
- **Block L36, Division 3.** Observation of erosion pole as soil erosion monitoring points. Based on field interviews with officers known that the measurements were performed every 6 months.
- **Block M20-21, Division 3.** Observation of piezometer poles in the estate blocks, poles of water level management in the main drain and sluice of out and into the estate. Based on interviews with field workers known that the height of ground water is maintained at a height of at least 60 cm from the ground. Pole of water level showed the water conditions in the estate block as well as opening and closing action of sluice that must be done.
- **Block L20, Division 3.** Observation of harvesting with C1R2 system (1 cutter, 1 lose fruits taker and midrib compiler and 1 FFB loader to Fruit Collecting Point). Harvesters have understood the criteria of the harvest fruits. Workers have been equipped with an adequate PPE (helmet, boots). Supervisor has been equipped with First Aid box and able to explain about its use.
- **Block K20, Division 1.** Observations of Owl's Nest, where can be seen dead rat and rat bones below the nest.

Pondok Labu Mill:

- **Loading Ramp.** Observations related to sorting activities and interviews with workers about the understanding of fruit criteria, fruit handling which are not eligible, until the ways of working in accordance with the procedure.
- **Processing.** Observations and interviews with employees related to the processing of FFB into crude palm oil (CPO), workers understanding related to the existing SOP, fire emergency facilities at the mill, First Aid facilities, implementation of OHS, the facilities provided by the company, the trainings which have been provided by the company and the employment.
- **Machinery / Turbines Room.** Observations and interviews with operator related to the fuel efficiency, workers understanding related to the SOP, fire emergency facilities at the mill, First Aid facilities, implementation of OHS, the facilities provided by the company, health examinations, trainings that have been provided by the company and the employment.
- **Boiler Room.** Observations and interviews with relevant operator, workers understanding related to the SOP, fire emergency facilities at the mill, First Aid facilities, implementation of OHS, the facilities provided by the company, health examinations, trainings that have been provided by the company and the employment.
- **Workshop.** Observations and interviews related to the mill machinery maintenance, training for employees, PPE in the workshop, emergency response facilities.
- **Water Treatment Process Stations in POM.** Observation of the water purification process for processing requirements and domestics where there is a flowmeter for monitoring the use of water (1 flowmeter for domestic needs, 1 for POM needs and 1 special flowmeter to monitor the use of water for processing). WTP operators are using an adequate PPE (masks, gloves and boots).

	<ul style="list-style-type: none"> <li>• <b>Fat pit in POM.</b> Observations of Effluent management in fat pit station, which monitored its management to the IPAL with flowmeter.</li> <li>• <b>Hazardous Waste Warehouse.</b> Observations of Temporary Warehouse conditions, infrastructure of emergency response and recording of hazardous waste in and out.</li> <li>• <b>Oil Warehouse, Chemical Warehouse.</b> Observations of warehouse conditions and emergency response tools in the warehouse.</li> <li>• <b>Storage Tank.</b> Observations of second containment in the area of storage tank.</li> <li>• <b>Drainage system in the POM.</b> Observations of effluent drainage results from sanitation activities in the POM and rain water which is streamed into sedimentation ponds.</li> <li>• <b>WWTP of Pondok Labu Factory.</b> in the IPAL found that solid waste disposal (the rest of the shell, fiber and husks) around WWTP of Pondok Labu POM has not done well resulting potential of surface water contamination.</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-4</b>	<p>The public consultation with stakeholders to PT Paripurna Swakarsa done through :</p> <ul style="list-style-type: none"> <li>• Public announcement on the website Mutuagung Lestari (<a href="http://www.mutucertification.com">www.mutucertification.com</a>) on February 1, 2016.</li> <li>• Conducting visits and direct interviews with stakeholders (Environmental Agency; Department of Labor; Department of Plantation and the National Land Agency of Kotabaru, Kalimantan Selatan) on February 16, 2016.</li> <li>• Conduct consultation via email questionnaire to NGOs (Wahana Lingkungan Hidup Indonesia, WWF, Sawit Watch) on February 10, 2016.</li> <li>• Conducting visits and direct interviews with stakeholders in the village (villages of Binturung, Sesulung and Rampa) on February 23, 2016.</li> <li>• Conducting interviews with the committee on gender, labour and contractor on February 23, 2016.</li> </ul> <p>Feedback from stakeholders both positively and negatively received by the audit team to be clarified as material consideration in the assesment of ASA-4.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit (RC) will be determined one year after this <b>ASA-4</b> (January – March 2017).

**3.0. ASSESSMENT FINDINGS**

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

MUTUAGUNG LESTARI has conducted an assessment of Pondok Labu POM – PT Paripurna Swakarsa, Sime Darby Plantation Sdn, Bhd operation consisting of one (1) mill and four (4) oil palm estates.

During the assessment, there were zero (0) Nonconformities were assigned against Major Compliance Indicator(s); four (4) nonconformity(s) were assigned against Minor Compliance Indicators 1.1.1; 4.4.1; 5.3.3; 5.6.3; and two (2) nonconformance(s) against supply chain requirement for CPO mill D.4.1 and six (6) opportunity(s) 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...). Those corrective action(s) taken that consist of zero (0) Major non-conformity(s) and four (4) Minor non-conformity(s) ~~had been closed out~~ shall be verified during next assessment.

MUTUAGUNG LESTARI found that Pondok Labu POM – PT Paripurna Swakarsa, Sime Darby Plantation Sdn Bhd complied with the requirements of RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25<sup>th</sup>, 2013 & 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).

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>		
<p><b>Indicator 1.1.1 minor :</b>            The company has the SOP of Requests for information (102 / PSA-INF / C11 dated February 20, 2016) describes the classification of document lists that can be accessed by the public. In the procedure also explains that the person in charge of the delivery of information to stakeholders is the operational unit manager, the response time of information requests up to 1 week, but if need the approval from the Head Department then the maximum response time is 1 month. But the company has not been able to show the Socialization evidence of SOP for requesting information to the relevant stakeholders. <b>Non conformity No. 2016.01 with Minor category</b></p>		
<p><b>Indicator 1.1.2 major :</b>            The entire information services both incoming and outgoing mail letter including responses to requests for information conducted by the Staff. Once received by the Personnel Staff, requests for information are given in response to the approval of the leadership. There are books of logbook that records manually incoming and outgoing mail that contains information of the serial number, the date of the letter, receipt date, sender, evaluation, feedback, status, description, for example, dated December 7, 2015, votting committee of Binturung village request of supporting accommodation for PILKADA dated December 9, 2015, related to the request, the company approved it by letter No. Bne-Ds/18/XII/2015.            Example of company confirmation of request dated September 22, 2015 of Sesulung villagers asking for water supply for marriage parties, related to the request, the company approves by letter No.099/KTR-SSE/IX/2015.</p>		
<b>1.1.1</b>	<b>Status: Non conformity No. 2016.01 with Minor category</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.**

**Indicator 1.2.1 major :**

The company has the SOP of Requests for information (102/PSA-INF/C11, dated February 19, 2016) describes about the classification of document lists that can be accessed by the public, among others: The area, payment proof of Social Security, Payment proof of Employees treatment, Employees Public Facilities, Pests and Diseases attacks Data, Light Vehicles and Heavy Equipment Data, supporting machines Data, CSR Data has ever done, Bridge Data, road length Data, Work Building Data, General Building Data, School Building Data, type of fertilizer used, type of agrochemical used, Unit Payment Employees Data, school students Data, OHS plans, plans and assessment of social impact, HCV documents, plans of reduction and prevention of pollution, complaint data, negotiation procedure, continuous improvement plan, certification assessment report and human rights policy.

**Status: Comply**

**1.3**

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

**Indicator 1.3.1 minor :**

The Company has a Code of Conduct Policy No. 440 / HRM-COC / 07 Revision No. 00 Dated May 24, 2007. In general, the Code of Conduct explains that Minamas Plantations as a subsidiary instructed engage in business activities guided by the principles of Good Governance in all operational environments of Minamas Plantations.

In the Code of Conduct, it is mentioned that the work ethic to be owned by workers, among others, mutual respect and being open to the opinions, obey the rules of the company and Collective Labor Agreement, behave polite and courteous, and not doing intimidation and humiliation, not doing misconduct and criminal acts such as embezzlement the company properties.

The company has socialized the Code of Conduct to all employees of PT LMR held on December 7, 2015 conducted in BBE, December 8, 2015 conducted in BKE, December 22, 2015 conducted in BBF and December 30, 2015 conducted in SCE. Based on interviews with workers and worker unions, explained that the company has provided socialization related to the company's code of conduct.

**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.**

**Indicator 2.1.1 major:**

The company has shown some evidence of compliance with legal requirements as follows :

**Employment**

- The Company has adjusted the minimum wage of employees in accordance with the Decree of South Kalimantan Governor No. 188.44 / 0479 / KUM / 2015 dated December 10, 2015 about District Minimum Wage Fixing in 2016 amounted to Rp 2,200,000.

**Occupational Health and Safety**

- Already has a Company's Doctor that is certified by Hygiene Company and Occupational Health in accordance with Regulation of Labor and Transmigration and Cooperative Ministry No. 01 Year 1976 about Liability of Hygiene Company and Occupational Health Practice for Doctors in Management Unit.
- Have had a Paramedic certified by Hygiene Company and Occupational Health as many as 5 paramedics in accordance with Regulation of Labor and Transmigration Ministry No. 01 Year 1979 about Liability of Hygiene Company and Occupational health Practice for Paramedics in Management Unit.
- Already Have 4 welders in the estate and 5 welders in the licensed mill, this is in accordance with Regulation of Labor and Transmigration Ministry No. 02 Year 1982 about Qualifications of welder in the workplace.
- Already has certification of Electrical OHS as many as 3 workers in accordance with Decree of Guidance and supervision General Director Head No. 311 Year 2002 about Competency Certification of Electrical OHS.

- Already have 6 licensed steam boiler operators in accordance with Regulation of Labor Ministry No. 01 Year 1988 about Qualifications and Requirements of Steam boiler Operators.
- Already has operator license of heavy equipment in accordance with Regulation of Labor and Transmigration Ministry No. 09 Year 2010 about Operators and Officers of heavy equipment with a total of 2 operators in BBE, 2 operators in BKE, 4 operators in SCE and 5 operators in BBF. There are 5 SIO in BBF that have expired and the company showed Letter of Handling SIO extension to Labor and Transmigration Agency of Kotabaru district on January 28, 2016 stating that BBF is currently maintains the extension of SIO in the name of Syahrianur, Joko Purnomo, Ujjanur, Hayani and Diyan. It will be observed further on the next visit. **OFI**
- Has had an organizational structure of Guiding Committee of Occupational Safety & Health and reporting Guiding Committee of Occupational Safety & Health reports and work accident has been carried out regularly every three months in accordance with Regulation of Labor Ministry No. 4 Year 1987 and Regulation of Labor Ministry No. 3 Year 1998.
- Providing PPE to employees freely. This is in accordance with Statue No. 1 Year 1970 and Regulation of Labor Ministry No. 8 Year 2010.
- Has had an organizational structure and firefighters who have been trained every year. This is in accordance with the Decree of Labor and Transmigration Ministry No. 186 Year 1999.

**Indicator 2.1.2 minor :**

To ensure the information on legal requirements, the company has a Regulatory Compliance Evaluation document that is updated regularly every year. For update which took place on January 15, 2016, there were 9 additional of latest regulations such as rules regarding to the salaries of employees (Decree of Central Kalimantan Governor No. 188.44 / 0479 / KUM / 2015 dated December 10, 2015), the regulations related to the implementation of certification system of Indonesia sustainable palm oil (ISPO) (Regulation of Agriculture Ministry No. 11 Year 2015), regulations related to the Social Security (Act No. 40 Year 2014), regulations related to the OHS Management System (Regulation of Labor Ministry No. 26 Year 2014).

Based on the study of Evaluation document of Regulatory Compliance, the company has ensured regulatory compliance both old and latest regulations.

**Indicator 2.1.3 minor :**

Mechanisms to ensure compliance with legal requirements stated in the Legal Requirements Procedure (Policy No. 301 / PSQM-ESH / 11) on February 1, 2016. In that procedure has been explained that the update of the latest regulations did at least once a year and for the responsible person of regulatory updates is ESH Manager. Implementation of the regulatory updates is documented in Regulatory Compliance Evaluation document that describes the type of regulation, things that are monitored, compliance status and proof of compliance documents.

**Indicator 2.1.4 minor :**

There is a revision of procedures Legal Requirements (Policy No.301/PSQM-ESH/11) on February 1, 2016. In that procedure has been explained that the update to the latest regulations do at least 1 year and the responsible person to update regulation is Manager ESH. Implementation of the regulatory updates documented in regulatory compliance regulation that describes the type of regulation. It is monitored compliance status and document proof of compliance.

**Status: Comply**

**2.2**

**The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.**

**Indicator 2.2.1 major:**

The company can show actual proof of land ownership as follows:

1. Location permit for PT Paripurna Swakarsa under applicable regulations as follows:
  - Area backup permissions for plantation covering an area of ± 22,800 hectares in District of South Pamukan and North Pamukan from South Kalimantan Governor in accordance with number 08 / PL.84 / 1989 / BPN-43 dated May 31, 1989.
  - Location permissions for oil palm plantations covering an area of 1,514 hectares from Regent of Kotabaru through decree No. 389 Year 2006 in the district of South Pamukan and district of North Pamukan on behalf of PT Paripurna Swakarsa.
2. PT. PSA area is derived from the release of the production forest area that can be converted (Convertible Production Forest) according to Forest Land Use Agreement, 1982. For the purposes of the estate, the company has received



permission of releasing forest area from the Ministry of Forestry through the decree of Forestry Ministry No. 523 / KPTS-II / 1994 on 16 November 1994 for an area of 21,744 hectares.

3. The whole Land Use Title area that already owned by PT. Paripurna Swakarsa until surveillance audit is 14,892 hectares under Land Use Title Certificate No. 14 Year 1997, which is valid for 35 years up to November 22, 2032.

Besides of Land Use Title certificate, there are estate areas which is under the management to obtain the certificate of Land Use Title that covering an area of 1,119.97 hectares in Pondok Labu Estate in Block F33, F35, F36 (planted in 1997), C33 - C36 (planted in 1997), C37 - C44 (planted in 1998), D33 - D49 (planted in 1996, 1997, 1998), E41 - E49 (planted in 1997 and 1998).

The Company currently maintains the new Land Use Title for the area, with the progress of the maintenance is as follows:

- a. In 2008: Applying for a new Land Use Title for an area of 1,119.97 hectares (Letter No. 097 / PSA / UM / PSD / IX / 08 on September 15, 2008). Further verification about the remaining land from the location permit is 1,514 hectares (plants in 2006) and the Land Use Title approved by National Land Agency (2010) covering an area of 1,119.97 hectares.
- b. In 2009: National Land Agency of South Kalimantan responds the PSA request letter with the Letter No 540.2 / 45/178 / BPN-43 on March 5, 2009, concerning to the instruction of field study on B soil examination. Examination of B soil has been conducted on 12 to 15 March 2009.
- c. In 2010 Letter from National Land Agency of District (0063/9-63/II/2010) requests:
  - Explanation of the land area acquisition of 1,119.97 hectares.
  - Description from Forest Area Consolidation Center whether the requested land is within or outside from the forest area in accordance with the Decree of Forestry Ministry No. 435 Year 2009.
  - Payment Proof of land and building taxes in Current year.
- d. In 2012 Letter to the National Land Agency of South Kalimantan (103 / PSA / PSD-BJB / XI / 2012) regarding to the explanation of the Letter from National Land Agency in 2010 previously. As well as completing the file / document of Land Use Title arrangement.
- e. In 2013. The company has asked for technical considerations to the Department of Forestry (310 / PSA / UM / PSD / XII / 13, December 3, 2013) that the status of the area being applied is according to the Decree No. 435 Year 2009.
- f. In 2014 published Recommendations from Mining Department of Kotabaru through letter No. 5451/268-BP / DPE dated February 28, which states in the requested area is not contained Mining Business License.
- g. In 2014 published Recommendations from Forest Ministry of Kotabaru through letter No. 522/147 / TGH / 2014 dated March 4, 2014 stating that the requested area is in APL and not in the forest area, the area is also not included in the location of the delay issuance of new licenses (Indication Map of New Permit Delays).
- h. There is a letter from National Land Agency of Kotabaru No. 59 / 200.3 / III / 2014 dated March 5, 2014 which stated that:
  - Against to the submitted Land Use Title field, it has been done mapping the plot in 2008 in accordance with Plot Map No. 21-17.10-2008.
  - There are differences between the coordinate system of plot map (local coordinates) to the Point of Technical Basic Framework of National Land Agency.
- i. In 2014 published a letter from National Land Agency No. 896 / 9-63 / XI / 2014 dated November 17, 2014 about the application return for Land Use Title on behalf of PT. PSA in Kotabaru district, South Kalimantan. Documents are returned because of their shortage of about 15 points as follows:
  - Proof that the Land Use Title requested by the previous Land Use Title is in a single stretch
  - Assessing the competent technical agency
  - Power of attorney of Directors
  - A valid identity card
  - Changes in deed
  - A valid Company Registration Number
  - Working map of the land acquisition
  - Letter from the village of Pondok Labu related to the land area of 659.59 hectares
  - Treatise of land technical consideration
  - EIA / Environmental Management Efforts - Environmental Monitoring Efforts
  - Notice of Land and Building Tax in current year
  - Etc.

**Indicator 2.2.3 minor :**



Interviews with the village chief leaders of Rampa village and acting head of Sei Sulung known that in the land concession of the company, there is no cases of land disputes or land disputes being processed. All land conflicts have been completed in 2005 through the mechanism of negotiations and the payment of compensation. In the early stages of the opening of the estate, some cases of land disputes have occurred and have all been completed in 2005.

**Indicator 2.2.4 minor & 2.2.5 minor :**

Based on the verification of documents and interviews with officers of PSD (Plantation Service Department) PT PSA, is known that at the time of the audit conducted (ASA-4), there is no conflict with the surrounding communities are ongoing. This statement has been confirmed through the public consultation conducted by the auditors to the boards of Binturung village, Seisulung village and Rampa village of the audit ASA-4.

Note disputes that have occurred show that disputes have occurred in the early stages of the opening of the estates. The cases of land disputes have been completed in 2005. Examples of the settlement is through consultation with the community of Pondok Labu village and Sesulung village through agreement of plasma program / KKPA which will be implemented by the company. Available records of the minutes and the minutes of the land conflict settlement negotiations.

**Indicator 2.2.6 major :**

Progress in 2015 was a letter from PT. PSA to the Head of National Land Agency Regional Office of South Kalimantan in 2014 with No. 227 / PSA / UM / PSD / IV / 2015, dated April 15, 2015 submitted by the Director of PT PSA. The Company asked for referrals to obtain supporting documents required for arrange the Land Use Title covering an area of 1,119.97 hectares.

Based on interviews with the village chief and comASA-4.munity leaders of Rampa village and Temporary Village chief of Sesulung known that in the Company's Land Use Title, there are no cases of land disputes that being processed. All of the conflict lands have been completed in 2005 through the mechanism of negotiations and the payment of compensation. In the early stages of the estate opening, some cases of land disputes have occurred and all of it has been completed in 2005. Based on the interview with the Village Chief of Balemea, Community Leaders of Pamupakan Indah Village, Village Chief of Binturung known that the company acquiring land through FPIC approach, no violence and intimidation. Compensation for land and crops were calculated fairly.

**Status: Comply**

**2.3**

**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.**

**Indicator 2.3.1 major ; 2.3.2 minor ; 2.3.3 minor ; 2.3.4 major :**

Results of interviews with village chief and community leaders of Rampa village and Temporary Village Chief of Sei. Sulung known that in the company's area there is no land derived from customary rights. The villages around the estate does not have customary land, land ownership patterns based on proprietary of Land Own Title, SKT, deed of purchase and inheritance. So that there is no handing over land from the customary rights.

**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.**

**Indicator 3.1.1 major:**

The company showed documents of Estate Cost Analysis Budget in 2015 to 2016 and Projection in 2017 up to 2020 which includes the following information: Planted hectares, mature hectare, FFB production (tonnes), yield (tons / ha), direct cost (oil palm harvesting and collection checkroll, oil palm harvesting and collection contractor, oil palm scout harvesting; oil palm external transport, oil palm internal field transport Croll, oil palm internal transport contract, oil palm transport ramp hooper; oil palm water management, soil conservation, weeding, census, boundaries, paths, pest and disease, supplying, analysis, sanitation; manuring manual application, the EFB application, mechanical application, compost application), fixed cost (administration, statutory payment, security, general building, general expense, training, ESH, implements, stock write-off, inter estate / mill clearing expense, amenities, health, buildings, social, transport / travel, worker, recovery, Light Vehicle depreciation, up keep road, etc).

The Company has also devised Mill Cost Analysis budget of 2016 to 2017 and projection of 2018 to 2021 which includes the information about processing FFB, the extraction of OER and KER, production of CPO, PK and others. Every achievement of production in the end of the year book then evaluated by comparing the budget to see the variants of its accomplishments.

The company also has long-term work plan for KKPA as outlined in the document of Estate Cost Analysis Budget in 2015 to 2016 and projection in 2016 to 2020.

Based on the study of soil types maps and field observations known there are no peat soils in the working area of PT PSA.

**Indicator 3.1.2 minor:**

The Company has arranged long-range area map of Pamukan replanting programs, East Kalimantan province from 2015 to 2027. The plan is then translated back in the document of long range replanting program in every estate, for example, to Sesulung Estate covering an area of 4,295.38 hectares which planned to begin replanting starting in 2015 to 2028.

**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.**

**Indicator 4.1.1 major:**

There is no change in the cultivation and processing procedures. The Company has owned procedures that documented appropriately implemented and monitored regularly. Procedures of estate operational activities ranging from land clearing, replanting until the harvest is Agriculture Manual Reference of Agronomy document No. 110 / EST-ARM / 13, ratified on September 16, 2013. While the procedures of FFB admission process until dispatch CPO and kernels, arranged in engineering guidelines of palm oil mill Parts I and II, Minamas Plantation on April 30, 2007.

**Indicator 4.1.2 minor :**

Mechanisms to ensure the procedure is done through periodic examinations by the internal audit team through PSQM department. The Company shows a sample document:

- Plantation advisory reports of Rampa Estate on 19 to 21 November 2015 with the results of PQR assessment for mature is 75, inorganic fertilizer is 88, crops recovery rating is 4, for example: pruning the dry and broken midrib, except the green ones.
- GCA Report of Rampa Estate in the period of October 2015 with 4 findings and have been followed up, for example: agency cash advances that late is being accounted, and have been followed up with an accountability memo of agency cash advances maximum in 3 days.
- Sesulung Estate: Plantation Advisory document dated March 18, 2016, for example, for the timeliness of fertilization with a value equal to 79%.

Based on field observations and interviews, it can be seen that the cultivation and processing procedures of the company have been applied in the field, such as interviews and observations as follows:

- Field observations and interviews with factory employees from grading station and other processing station, it is known that the employee have understand the scope of the job procedure.
- Observation of harvesting at block N42, Division 2, Sesulung Estate and block L20, Division 3, Rampa Estate. Based on field observations note that the harvest has been done according to harvesting procedure. Harvesters have known about FFB standard, the harvest basis, safety procedures, as well as the wage system.
- Observations and interviews with officers/observers peg erosion in block L36, Division 3, Rampa Estate, he has understand of the monitoring technic.

**Indicator 4.1.3 minor :**

The Company determines the registration of various maintenance activities, production, and processing, for example:

- Monthly report of PT PSA in Pondok Labu POM in December 2015 which includes the information about: production stocks, daily FFB reception data, statistical data of production and extraction, daily production data, etc. (SF).
- Daily production reports Pondok Labu POM dated January 31, 2016.

- Monthly reports of Rampa and Sesulung Estate for the month of December 2015 (the period of July 2015 to June 2016).

**Indicator 4.1.4 major :**

Pondok Labu POM has been taking notes throughout the FFB origins that come into the POM, including from third parties. For the period of ASA 3, the source of FFB is as follows:

- Binturung Estate (certified) : 52,421.09 tons (22.98 %)
- Rampa Estate (certified): 68,838.32 tons (30.17 %)
- Pondok Labu Estate (certified): 48,037.75 tons (21.06 %)
- Sesulung (certified): 56,361.90 tons (24.7 %)
- Sungai Cengal KKPA (certified until Januari 11, 2016) : 2,485.05 tons (1.09 %)

**Status: Comply**

**4.2**

**Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.**

**Indicator 4.2.1 minor:**

The company has shown records of the effort to maintain and improve soil fertility, among others:

- Leaves analysis once a year.
- Soil analysis per 5 years, were last conducted in February 2015.
- Arrange the fertilizer recommendations annually.
- Records of fertilization achievement realization of each semester in the current periods.
- EFB fertilization application program in certain areas.
- Realization of effluent application to the land application blocks in accordance with the permit, for example in Sesulung Estate, block K45 Division 1.

**Indicator 4.2.2 minor :**

Records of program and realization of fertilization in semester 1 Year 2015 to 2016 are recorded and evaluated in the document report of management committee meeting, for example, in December 2015, with Actual to date as follows:

Type of Fertilizer	Application (tons)
Kieserite	454.45
HGFB	38.88
NK Blend	173.40

**Indicator 4.2.3 minor:**

The Company showed a sample document:

- Results of leaves analysis for Sesulung Estate on January 17, 2015 for the following elements: N, P, K, Ca, Mg, B, and Ash.
- Results of leaves analysis for Rampa Estate on January 15, 2015 for the following elements: N, P, K, Ca, Mg, B, and Ash.
- Results of soil analysis for Sesulung Estate and Rampa Estate on November 17, 2015.

**Indicator 4.2.4 minor:**

Based on information from the estate staff and field visits known that the chopped from the palm tree midrib which has been uprooted in the replanting activities are arranged in the inter row into stacks.

- In addition, the company also conducts the application of effluent to the application block in accordance with the permit, for example: the application data of effluent in the period from January to December 2015 for PLE 1, 2, 3, 4 as much as 299,506 m3.
- The data of EFB application in 2015: RPE 152,201 tons and SSE as much as 405.68 hectares from 528.44 Hectares program with tonnage of 16,250.11 tons from 21,137.73 tons program. Planting legume cover crop in the replanting area, silt pit manufacture, stop bund and drainage trenches in the replanting area.

**Status: Comply**

**4.3**

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

**Indicator 4.3.1 major:**

The management unit has the Land Map Unit (SPL) for Rampa Estate and Land Map Unit (SPL) of Sesulung estate results from Semi Detailed Soil Survey in 2007 with a scale of 1:50,000, which also informs about: soil series, slope, and the area of each soil series.

Based on the field visits in Block L12, Division 4, Sungai Cengal Estate known that for undulating area, the company performed management through the midrib arrangement of the U-shape frond stacking, manufacturing silt pit and monitoring the erosion, as well as the allowance for soft weeds in the inter row as ground cover crops.

**Indicator 4.3.2 minor :**

Based on field observations to replanting areas in block N40, Division 2, Sesulung Estate is known to have carried out terracing activities in the block of replanting area and the use of palm tree that have been chipping into inter row.

In addition, the company also has conducted monitoring of erosion through the installation of erosion pole. There are examples of the monitoring results of erosion pole in Sesulung block J36 for the period of July 2015 to December 2015 with an average of erosion rate was still below the threshold set (3.43 cm / year).

Based on the field visits in block V51, Division 3 of SSE known that management actions conducted in the sloping area (6°) is the soft weed maintenance, drafting midrib to slow the erosion and manufacturing silt pit.

**Indicator 4.3.3 minor :**

The company has had a road maintenance program for 2016. Based on field observations to Rampa Estate and Sesulung Estate known that company has been conducting treatment and hardening of the road by way of insertion using splited rocks, including insertion of boundary road.

**Indicator 4.3.4 major & 4.3.5 minor :**

There are no peat lands in PT PSA.

**Indicator 4.3.6 minor :**

Based on the results of field visits known that the management of low-lying areas by making fin trench with a ratio of 1:4 at the certain points and the installation of in and out sluice from river into the estate block.

Figure of sluice in block N51, Division 1, SSE:



**Status: Comply**

**4.4**

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

**Indicator 4.4.1 minor :**

The company has had a water management plan that contains the information of water needs for the processing of palm oil and workers domestic need, supply water for processing at the mill, and the supply of water from water sources, especially rivers that exist in the company's environment.

In 2015 occurred water deficit due to the long dry season from June to December. For 2016, it is predicted that still occurred water shortage, so that the company build a water storage ponds (*embung*) in each estate.

To ensure the quality of the water reservoir that is the source of clean water for the employees, has been conducted testing of the water reservoir quality in each emplasmen, namely: Pondok Labu factory (PLF), Pondok Labu Estate (PLE), Binturung Estate (BNE), Sesulung Esate (SSE), and Rampa Estate (RPE). The tests conducted on 32 parameters in accordance with



Regulation of Health Ministry No. 416 Year 1990. The tests conducted regularly every year. The latest testing was conducted on March 25, 2015.

However, the document of water reservoir quality testing in Division II of BNE, Division I of PLE, Division III of PLE, and Division II of PLE, in March 2015 showed the water quality is not adequate as clean water according to the standards of Health Ministry Regulation No. 416 Year 1990 (for examples: the coliform is high). There has been no follow-up evidence of the water resources management to ensure the provision of adequate clean water facilities for employees. **Non Conformity NCR No. 2016.2.**

**Indicator 4.4.2 major :**

For the protection of surface water and groundwater, the company has performed protection of watersheds and swamps, as follows:

1. SOP of management and maintenance the resources and water quality in the following SOP:
  - Available SOP of Buffer Zone management (034/LMR-PBZ/C7 dated December 1, 2010) which includes the Riparian, Reservoir Border, Water Springs Border and left and right areas of the main trench.
  - Available SOP of Watershed protection (Watershed) Document No. 031/LMR-DAS/C7 Dated December 1, 2010 which describes the procedure for Watershed Protection Zone (Buffer Zone)
2. River water quality monitoring every six months in accordance with the environmental documents of Environmental Management Plan - Environmental Monitoring Plan. Testing is conducted by a third party that is Sucifindo Laboratory (accredited) with scope of 33 river water quality parameters according to the prevailing standards that is Government Regulation No. 82 Year 2001. The latest measurements carried out in September 2015 Located in Sesulung River, Biuku River, and Binturung River.

**Indicator 4.4.3 minor :**

Pondok Labu POM has been conducted effluent quality testing used for Land Application regularly every month. The test is conducted by Sucofindo laboratory (accredited) with reference to the Environmental Minister Decree No. 28/2003.

**Indicator 4.4.4 minor :**

The company has been monitoring the use of water for processing (processing and boilers) as well as for domestic needs (housing) around Pondok Labu POM. The efficiency level of water use in the processing of FFB is measured based on the actual value compared with the predetermined budget. Water usage data is also recorded in the Daily Report of Processing CPO / Kernel. Based on data on the use of water in Pondok Labu Mill of January – November 2015 discoverde that the average actual consumption of water by 1.40 m3 per tonnes ffb is lower than the water consumption budget at 1.5 m3 per tonnes ffb.

4.4.1 minor	<b>Status: Non Conformity NCR No. 2016.2.</b>
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**4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.**

**Indicator 4.5.1 major:**

The Company has an integrated pest management program shown by the ongoing activities of monitoring the plants pest and disease, for example for Sesulung estate, as follows:

- Beneficial plants: *Cassia cobanesis* 10,053 m (2.34 m/hectare), *Antigonon leptosus* 568 m (0.13 m/hectare), *Turnera subulata* 21,975 m (5.12 m/hectare).
- Barn Owl Box 70 units with the occupancy rate is 100%, with details: 46 eggs, 47 owlets, 35 Mature.
- There is no attacks of ganoderma. There are no rat attacks as well as caterpillar pests that exceed the threshold.

**Rampa Estate :**

- Based on observations in Rampa Estate, Division 2 and 3, the company has made use of beneficial plants as biological control of leaf eating caterpillars, namely : *Turnera subulata* and *Antigonon leptosus*.
- Calculation of BOB in Rampa Estate : Division 1 needs 128, installed 16, program in 2016 = 33; Division 2 need 100, installed 9, program in 2016 = 27; Division3, installed 104, program in 2016 = 27.
- Monitoring BOB in Rampa Estate : 78% of the total installed BOB, 8 eggs, 5 chicks, 14 adults.
- No attack of ganoderma. There are no attack of rats and pest palm leaf eating caterpillars that exceed the threshold.

**Indicator 4.5.2 minor :**

The company showed the training documentation, as follows:

- Rampa estate: News event documentation of plants pests and diseases training dated November 21, 2015 which was attended by 14 participants and 1 speaker about: census of nettle caterpillars and bagworm, pest control and the use of materials and workers PPE. The critical population of Oil Palm Leaf Eaters Caterpillar, as follows: *Setora nitens* is 5 caterpillars / midrib, *Setothosea asigna* is 5 caterpillars / midrib, *Darna trima* is 10 caterpillars / midrib, *Darna diducta* is 10 caterpillars / midrib, *Mahasena corbeti* is 5 caterpillars / midrib, *Metisa plana* is 10 caterpillars / midrib, *Pteroma pendula* is 10 caterpillars / midrib. And training in Sesulung estate: on September 7, 2015 with 16 participants.

Based on the interview with the supervisor of IPM at block 037, Division 3, Sesulung Estate obtained information that is based on observation of pest, it is concluded there are no pests palm leaf eating caterpillars that exceed the threshold.

**Status: Comply**

**4.6**

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

**Indicator 4.6.1 major:**

The Company showed a list of the type of pesticide used, among others: Audit 486 SL, Medally 20 WG, Lancer, Prima Up, Meta Pria, Lentrek 400 EC, Dithane, Kenlon, Industik (glyphosate), Matador, Basta 150 EC, Starane 20 EC, and Decis 2.5 EC. The overall pesticide used has already been registered in the pesticide book of agriculture and forestry in 2014, whereas in the application refers to the ARM in the parts of plants protection.

**Indicator 4.6.2 major :**

The company showed document of monitoring pesticide usage per hectare and per ton of FFB production, for example: RPE: The use of audit (glyphosate isopropyl amine) in November 2015 as much as 34 l, 74.70% active ingredient, the total of active ingredient is 25,398, planting total is 3,325 hectares, total FFB production is 5,100,310 kg, so the total of active ingredient per hectare is 0.0076.

**Indicator 4.6.3 major :**

Based on interviews with management staff and field workers known that there are no preventive use of pesticides to prevent plant diseases. The use of pesticides have been followed the suggestion in the ARM document and refer to the recommendations of the product concerned.

Based on field interviews with sprayer supervisor and staff known that selective spraying activities has been carried out for woody growth, the use of micron herbicides tool, as well as buffer zones determination.

**Indicator 4.6.4 minor :**

All of the pesticides use are refer to the agronomy manual reference of oil palm plantations policy No. 110 / EST-ARM / 13, part of plant protection, both for the Immature Plant, Mature Plant and the use of pesticides in nurseries.

Based on observations of the assessment results of Plantation Advisory in RPE, there are no rat attacks. Likewise, based on a review of warehouse data.

**Indicator 4.6.5 major :**

The company showed the documentation, as follows:

- News event of training MSDS, First Aid and Best Practice Spraying on 21 to 22 January 2015 was attended by 19 participants with materials include: SOP for sprayers from preparation of working tools, the use of PPE (masks, gloves, aprons, hats, shoes), buffer zone, tools maintenance to complete work), team discipline of BSS, MSDS pesticides, until First Aid. Also on October 29, 2015 which was attended by 11 participants and one speaker. In SSE on July 13, 2015 with participants as many as 12 sprayers.
- News event of training and safety briefing of fertilization team (BMS) dated January 22, 2015 which was attended by 13 participants and two speakers with the materials: SOP of fertilization, a procedure of safety fertilization (PPE of masks, gloves, goggles, boots, long-sleeved clothes, goggles) , first aid if there are emergencies, working arrangements and working tools storage.

**Indicator 4.6.6 major :**

The company showed the documentation, as follows:



- Rampa Estate and Sesulung Estate: Training of hazardous waste handling on December 17, 2015 at BSS home and during the morning briefing.

Hazardous Waste handling records can be shown well, as follows:

- Sesulung Estate: Hazardous waste warehouse card for kenlon former packaging, dated March 9, 2015 as many as 12, are sent to PLF Hazardous Waste Warehouse on May 27, 2015.
- Rampa Estate: Based on field visits to Hazardous Waste Warehouse in Rampa Estate, there is no waste of used pesticide containers, because it has been handed over to PLF Hazardous Waste Warehouse.

**Indicator 4.6.7 minor :**

Based on interviews with sprayers in block N40 Division 2 of SSE and the staff are known to have carried out the spray training, socialization of riparian (buffer zone) as well as the use of pesticides according to the recommendation dosage of the research team. Then, based on the field observations known that sprayers have been equipped adequate PPE include masks, gloves, aprons, and boots.

**Indicator 4.6.8 major :**

Based on field interviews with sprayers and HPT team and company's staff that not to apply pesticides by air.

**Indicator 4.6.10 minor :**

Waste management of used pesticide containers are managed in accordance with the Hazardous Waste Management Procedure and non Hazardous Material (Management of Hazardous Waste & Hazardous Material), Chapter 5.2.5 with the following stages: cleaning is done properly (wash and rinse three times, perforate the bottom of the packaging, collecting in the specified storage area).

The company showed the recommendations of Hazardous Waste storage in estate for 14 days at Temporary Warehouse in the estate, and then sent to the licensed Hazardous Waste Warehouse in the POM. Based on the field visits to the Hazardous Waste Warehouse in the POM known to have done expenditure of Hazardous Waste Warehouse on February 15, 2016.

**Indicator 4.6.11 major :**

The Company has conducted health examinations for those working in high-risk areas including pesticide operators. Examination done include physical examination performed by the company's doctor on February 1, 2016 as well as laboratory tests (Cholinesterase) from Prodia clinic held on February 1 to 4, 2016. Based on interviews with sprayers and boiler operators, explained that the health examinations are always carried out every year. Health examinations for 2016 have been carried out in early February.

The company also performed a physical exam to 77 RPE employees, 40 SSE employees and 17 PLF employees, it is known that all workers are still in a healthy condition to work, but for the results of laboratory tests (Cholinesterase) from Prodia clinic cannot be shown, It will be observed on next visit. **OFI**

Based on interviews with sprayers, explained that the health examinations are always carried out every year. Health examinations for 2016 have been carried out in early February. Physically, workers informed that the use of personal protective equipment during spraying activities avoid potential irritation and itching due to exposure to pesticides

**Indicator 4.6.12 major :**

The results of field visits and interviews with sprayers in Sesulung Estate and Rampa Estate known that no pregnant and breast-feeding women who became sprayer team. The employees have known that if she is pregnant and breast-feeding, they are not allowed to do the work with chemicals..

**Status: Comply**

**4.7**

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

**Indicator 4.7.1 minor :**

There are no OHS policy changes from previous appraisal. The company has had the OHS policy on 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 accidents and unhealthy environment at the Staff / Employees and guests / visitors.

**Indicator 4.7.2 & 4.7.3 major :**

The Company has Guiding Committee of Occupational Safety & Health work program for the period of June 2015 to July 2016 which was passed by the Chairman of SOU. The work plan will be carried out include monthly meeting (every month), inspection the emergency equipment (every month), inspection of PPE (every month), medical examination (performed once a year), a simulation of an emergency (twice a year) , Evidence of the implementation of the work program is recorded in the report of Guiding Committee of Occupational Safety and Health, for example, 4th quarter Guiding Committee of Occupational Safety and Health reports (October to December 2015) that includes monthly meetings, the use of PPE inspection, inspection of emergency response tool.

Identification of the risks that owned by the mill has not changed from the previous year due to the absence of additional mill operational activities while for identifying risks in the estate, there are additional types of activities, that is replanting. But the company can improve the effectiveness of risk identification by describing the types of PPE for each operational activity. **OFI** Based on the field visits in the workshop, there is risk identification at every working tools used, for example in the area of grinding machines and welding tools.

**Indicator 4.7.4 major :**

The company can shown some safe job trainings to workers for example, training of SOP engine room on December 15, 2015 in PLF, spraying technique training on July 13, 2015 and has provided PPE according to the identification of risks to workers. Based on a visit in SSE estate, RPE estate and PLF mill, all workers have been using PPE according to the risk analysis that has been made. For example, for sprayers are using PPE with the type of helmet and face shield, mask, apron, shoes, and rubber gloves. Workers also explained that the company has provided training on how to work safely for example, an interview with the harvesters, explained that the workers have been given training on how to work safely in harvesting including the use of PPE, safe way when cutting the fruit and the midrib until the fruits loading to the fruit collecting points.

**Indicator 4.7.5 minor :**

The person in charge of OHS is in the organizational structure of Guiding Committee of Occupational Safety & Health which was approved by Labor Agency of Kotabaru district associated with the letter of authorization :

- P2K3 Pondok Labu Factory based on letter No. KEP-566 049 / P2K3 / naker-2 / IX / 2015 about the Guiding Committee of Occupational Safety and Health in the company with the Chairman is Ahmad Subakir and secretary on behalf of Margono (Appointment Letter of OHS Experts with No. KEP. 7834 / M / DJPPK / VII / 2014).
- P2K3 Rampa Estate based on letter No. Kep.566.037/P2K3/Naker-2/X/2015) with the chairman is M. Taufiqur Rohman and secretary Waldy Jan Edwin Saragih (Appointment Letter of OHS Experts No. Kep.P.251/M/DJPPK/IX/2013).
- P2K3 Sesulung Estate based on letter No. 566.013/P2K3/Naker-2/II/2016) with the chairman is Lasyono and secretary I Made Admika (Appointment Letter of OHS Experts No. 13.2284/AK3/U/VII/2013

Based on interviews with Labor Agency of Kotabaru district, explained that the company has had Guiding Committee of Occupational Safety and Health structure and reporting all activities regularly in accordance with the regulations.

**Indicator 4.7.6 minor & 4.7.7 minor :**

Regular meetings in the organizational structure of Guiding Committee of Occupational Safety & Health are conducted every month for discussions related to OHS, for example :

- RPE : meeting on December 5, 2015 which was attended by 22 attendance which are staf, supervisor workshop, office employe and security which discuss the assertipe of PPE for safety and riding.of using PPE.
- SSE : meeting on December 30, 2015 which was followed by 12gatendance of members and committee of P2K3 which discuss of aiminG zero accident, discussion of accident at work, increasing discipline.
- PLF : meeting on December 8, 2015 which was followed by 17 members of P2K3 which discuss of safety meeting for workers, training of fire simulation and OHS, and checking of OHS equipments.

To prevent accidents and emergencies, the company has conducted several actions, among others:

- Making SOP that is SOP No. PSA/SOP.PD on December 1, 2010 About the Emergency Response ratified by the Chairman of SOU and SOP No. 7302 / PSQM-ESH / 14 on July 8, 2014 ratified by Head Plantation Upstream of Indonesia about Guidelines for Prevention and countermeasures of Fires.
- Emergency response training including training of APAR on October 24, 2015, simulation of land fire fighting on September 11, 2015 in PLF, training of P3K on February 14, 2015 in RPE.

- The company owned emergency response facilities, among others: in SSE : 88 units of Fire Extinguisher; 24 units of First Aid box, in RPE: 34 units of Fire Extinguisher; 24 units of First Aid box and in PLF: 28 units of Fire Extinguisher; 7 units of First Aid box. The entire fire extinguisher and First Aid are monitored every month. Based on the field visits to agrochemical warehouse, workshop at PLF, RPE and SSE, the fire extinguisher and First Aid box contained a checklist, last monitoring was held on February 5, 2016. During the visit, the equipment is in good condition.
- Registering all workers to work insurance. Based on interviews with workers and the engine room operators and harvesters, it is known that all workers have been registered in Social Insurance Security and have a membership card of Social Insurance Security.

**Indicator 4.7.7 minor :**

The company is recording the workplace accidents in the Report of Guiding Committee of Occupational Safety & Health which reported to the Labor Agency which explaining about the incident dates, names, employee status, accident location, type of accident, the number of days lost, accident categories up to the accident chronology. For example, in the report of Guiding Committee of Occupational Safety and Health in the period of October to December 2015 :

RPE : 6 accidents with 13 days lost.

SSE : 12 accidents with 23 days lost.

PLF : there is no accident.

Based on accident report in 2015, there are only minor accident which is handled by medical kit at the unit and do not claimed to occupational accident insurance.

**Status: Comply**

**4.8**

**All staff, workers, smallholders and contractors are appropriately trained.**

**Indicator 4.8.1 major :**

The company has the training matrix for the period of 2015/2016 that is, harvest training, maintenance training, training related to the FFB processing, training about pests and diseases, OHS training, emergency response, firefighters training, SCCS, MSDS and handling of chemicals, system of certification and First Aid.

**Indicator 4.8.2 minor :**

The Company can show the training documents for each worker either from monthly workers up to daily workers recorded in the Register of Employee Training, for example:

**SSE Estate:**

- Employees on behalf of Niko Demus, Position: security, has been given training related to OHS, training of fire management.

**PLF**

- Employees on behalf of Leo Pasiakan, Position: supervisor of mechanic, has been given training related to OHS, training of engine room..

**RPE**

- Employees on behalf of Hasinah, Position: Sprayers, has been given training related to OHS, spraying.

Based on interviews with sprayers and boiler operator explained that the workers had been given some trainings include spraying technique training, emergency response training.

**Status: Comply**

**PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity**

**5.1**

**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.**

**Indicator 5.1.1 major :**

The company has had Document of Environmental Impact Assessment (EIA) of Oil Palm Plantations and mill on behalf of PT.

Laguna Mandiri, PT. Langgeng Muara Makmur, PT. Paripurna Swakarsa and PT. Swadaya Andika, ratified by the Head of Planning, Secretary, Secretary of the Central Committee, the Ministry of Agriculture No. 008 / ANDAL / BA / II / 1995 dated February 27, 1995. **The area covered in the EIA study of PT PSA is 22,800 hectares, and the installed mill capacity is 60 tons of FFB / hour.**

To support the EIA document, provided documents of Social Impact Assessment (SIA) in 2010 in cooperation with third parties as a basis for management of social impact caused by company operations.

**Indicator 5.1.2 minor :**

Documents of Environmental Impact Assessment (EIA) of PT PSA Oil Palm Plantation in 1995 already contained the matrix of the environmental management plan to reduce the negative impacts and promote the positive impacts. The matrix management of environment provides management action plan, location, time, and stakeholder / concerned parties.

EIA documents present a management plan for 10 types of impacts, that is: Air Quality Decrease, Physical and Chemical of Soil, Erosion and Sedimentation, Increased Dangers of Flood, Water Quality Decrease, Nuisance of Wildlife, Public unrest, changes in Farming Pattern, Employment and Community / Employee Incomes.

As evidence of the implementation of environmental management plans, the company has compiled the Report of Environmental Management and Monitoring regularly every six months in accordance with the requested environment document (EIA and DPLH). The report was presented to the competent agency that is Environmental Bodies of Kotabaru, South Kalimantan Province. The latest reports are available for the second semester in 2015 will be submitted to the relevant agencies on January 30, 2016.

**Indicator 5.1.3 minor :**

In 2016, the company has compiled a review of the matrix of management plan and the environmental monitoring. In general, the management and monitoring actions contained in the EIA document is still relevant to be preserved because there is no significant change in the company's operations.

**Status: Comply**

**5.2**

**The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced**

**Indicator 5.2.1 major :**

According to hecare statement and declaration of HCV area in year 2015, There area is 396,51 hectares HCV area has been identified and managed , consists of: Mangrove swamp ecosystem in Rampa and Binturung Estate (371,31 hectares), water springs at Binturung Estate (25,12 hectares).

Study of HCV area in year 2009 had identified several protected wildlifes, such as: Peusing Pangolin / Trenggiling Peusing (*Manis javanica*), Monkey (*Macaca fascicularis*), Ape (*Macaca nemestrina*), Coconut Squirrel / Bajing Kelapa (*Callosciurus notatus*), Sero Ambang (*Aonyx cinerea*) , Skunks (*Mydaus Javanensis*), Deer (*muntjac munticus*), Mouse Deer (*Tragulus javanicus*); 7 species of birds, among others: Punai Besar (*Treron capellei*), Pekaka Emas (*Pelargopsis capensis*), Kipasan Belang (*Rhipidura javanica*), oriental pied hornbill / Kangkareng Perut Putih (*Anthrococerus albirostris*), Tiung Mas (*Gracula religiosa*), Crimson Sunbird / Burung Madu Sepah Raja (*Aethopyga siparaja*), little spiderhunter / Pijantung Kecil (*Arachnothera longirostris*); and 2 species of reptiles, among others: Cobra (*Naja sp*), crocodile (*Crocodylus spp*).

**Indicator 5.2.2 minor :**

The management of PT. PSA has made several efforts to protect endangered or threatened species and their habitats, among others:

1. Monitoring of flora and fauna regularly as shown by monitoring form of flora and fauna in Rampa and Sesulung Estate. Inside the document is described about the types of activities related to the management of HCV which is equipped with a target time.
2. Enrichment plant on the riparian to prevent erosion. For Pondok Labu Esate with plants total is around 356 trees for planting until 2015. The period up to June 2011 as many as 69 trees, until July 2012 as many as 114 trees, up to March 2013 as many as 183 trees. The types of planted trees, among others: Fir / Cemara, guinea fowl / Balam, Kipas Hutan,

jackfruit, guava, jackfruit, etc.

Installation of sign board and protection of HCV areas (rivers, swamps, and forest areas). Field verification in HCV of Binturung swamp forests and riparian showed the signboard is still in good condition.

**Indicator 5.2.3 minor :**

The Company has conducted socialization of protected areas and conservation of flora and fauna as shown by:

1. Socialization records to the employees of PT. PSA at the time of the Public Consultation in the process of identifying HCV of PT.PSA which held on Sunday, December 6, 2009.
2. Socialization also made to employees and the public through Installation of Name Board, Plan of Appeal and posters addressed to: Village Chief of Sesulung village, Village Chief of Pondok Labu, Village Chief of Binturung and Rampa as in the Letter No. 02/NKT-PSA/2011, on June 3, 2011.
3. Socialization records with villagers of Pondok Labu, Sesulung, Rampa took place separately on 15 and 20 August 2014, respectively in the Estate Office and the Primary School Building of Pondok Labu (Improvement Evidence: the minutes, documentation and socialization materials). This is in accordance with the verification to the community leaders around the estate in a public consultation which showed that the company had conducted socialization.
4. Additional socialization on Tuesday, February 2, 2016 to employees and communities who also attended by communities and staff of North Pamukan District and village communities as many as 47 people.

Socialization periodically through morning briefing.

**Indicator 5.2.4 minor :**

The Company has also reported the presence of rare plants and animals to the Natural Resource Conservation Agency (BKSDA) South Kalimantan as shown by the evidence of report to Natural Resources Conservation Agency of South Kalimantan Province on January 4, 2016.

The report contains information: a list of flora and fauna in the identification plantations, protected area maps, and the data of protected areas socialization to the local communities.

**Indicator 5.2.5 minor :**

Auditors did not find any violation of community rights in the determination of HCV considering that the Land Use Title areas into plantations and HCV areas entirely from the state forest areas that have been released (if there is a rights of local communities, as described in the criteria 2.3 previously).

Based on the public consultations with village communities around the company (for example, Balemea village, Binturung, and Pamukan Indah) and Kotabaru district government, there are no indications of conflicts use and rights of local communities to the HCV areas.

**Status: Comply**

**5.3**

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

**Indicator 5.3.1 major :**

The waste products and sources of pollution resulting from plantations and mills have been identified, as shown by the document of "Identifications of Waste Sources in PT. PSA ". Matrix of Waste Sources Identification and Its Management informed the Waste Sources, Waste Name; Waste types; Classification (Hazardous / Non Hazardous); Frequency; Unit; Number / month; Reuse / Recycle / Disposal; Temporary Storage Area; Target; Notes and documented.

Pondok Labu POM observations showed that most of the solid waste as shells and fiber has been used for renewable energy. Hazardous waste has been managed properly through the storage in landfill and extermination by licensed third parties. The effluent is applied properly in Sesulung Estate. Observations in housing showed the domestic waste from household has been managed well.

**Indicator 5.3.2 major :**

PT. PSA already has a storage area of Hazardous Waste which is licensed and meets the requirements in accordance with the regulations. Hazardous Waste types stored among others: Grease (Used Oil), Battery / Used Battery, Dust Cloth and Used Light Bulbs.

The total of Temporary Warehouse is 1 Unit. Located in the area of POM (Pondok Labu Mill). Temporary Warehouse location



coordinates: 020 28' 27.0" LS and 1160 30' 26.0" East Longitude. Temporary Warehouse Size: 4 m x 2 m x 3 m. License term for 5 years from the specified date (applies up to March 8, 2016). Hazardous Waste Storage Period: 180 days, with the provision that the generated Hazardous Waste <50 Kg / day

For extermination of Hazardous Waste, the company has agreements with licensed third parties, as follows:

1. The labor agreement with the licensed collector and exterminator of Hazardous Waste namely PT. Balikpapan Environmental Service in the Letter of Intent No. 019 / MKT / VII / 2015 dated January 2, 2015 signed by the Mill Manager and representative of PT. BES.
2. Collector permission obtained from permit of the Environment Minister Decree No. 163 Year 2010, dated July 12, 2010. The validity period is 5 years. Transportation permit obtained through Letters of recommendation from Directorate General of Civil for operating license of special good transport No. B / 22 / Dep.IV / LH / 01/2011, dated January 3, 2011.

Waste from the activity in the central clinic in the form of a syringe, needle, gauze, ampoule and handscoon. Clinic waste is exterminated in community health centers of Sengayam. Available services cooperation agreement of Hazardous Waste management with Sengayam Community Health Centers in Pamukan West (002 / BBE-Pusk / limbah-VII / 2012).

**Indicator 5.3.3 minor :**

The Company has documented the plan of disposal and management of waste in the Waste Source Identification document and in the applicable SOP, that is:

1. SOP of Utilization of solid waste from EFB:
  - Agronomy Manual Reference (Policy No: 110 / EST-ARM / 08), Coastal Soil doses (25 tons EFB / year), Inland Soil (30 tons EFB / year). The second application is done after 12 months from the first application. EFB is applied one layer with 2 to 3 circles around the subject within 0.3 meters from the base of the palm tree.
  - SOP of EFB Application on December 2010: Scope: provided nutrients for plants; maintained soil moisture; growing the cover crops; 1 ton of EFB is equal to 8 kg of Urea, 2.9 RP, 18.3 MOP, 5 kg Kieserite; the distance is not too far from the POM; preferably the sandy areas; not near the river / ditch. Based on the Flow Chart Material Balance, in 100% of FFB produced 23% EFB.
2. SOP of Shells Utilization:

The basics of Oil Palm Processing (Policy No. 110 / POD-FA / 07, chapter 1.8. Kernel Station, pages No: 1.8 / 76) stated: The results of the second stage separation in kernel station, after the shells dried, water in the drying drum then sent to the shells silo for use as boiler fuel or other purposes. Based on the Flow Chart Material Balance, in 100% of FFB produced 5% shell.
3. SOP of Fiber Utilization:

The basics of Oil Palm Processing (Policy No. 110 / POD-FA / 07, chapter 1.7. Separation of seeds and fiber, pages No: 1.7 / 60) stated: b. Pneumatic separation: the separation of fibers used as boiler fuel. Based on the Flow Chart Material Balance, in 100% FFB produced 14% fiber.
4. SOP of effluent utilization:
  - Technical Guidelines for palm oil mill (Policy No: 110 / POD-FAC / 07) Part III. Effluent Control.
  - Agronomy Manual Reference (Policy No: 110 / EST-ARM / 08) Part 8.3 Fertilization of Palm Oil Plant, Effluent Applications (POME). Application doses: Coastal Soil: 360 liters / tree / year (Two applications), Inland Soil: 550 liters / tree / year (Two applications), Irrigation System: 750 tons / hectare / year (three to four applications)
5. SOP of Waste Management No. RA 012 on December 1, 2010 about the management of Hazardous Waste and Non Hazardous Material

For waste management, Pondok Labu POM has had WWTP consisting of 10 units ponds with a total capacity of 71,050 m<sup>3</sup>. Specifications of the waste pond are as follows:

- 2 Cooling Ponds with a capacity of 1,100 m<sup>3</sup>/pond,
- 2 Mixing Ponds with a capacity of 1,100 m<sup>3</sup>/pond,
- 2 Aerobic Ponds with a capacity of 6,250 m<sup>3</sup>/pond,
- 2 Anaerobic Ponds with a capacity of 20,000 m<sup>3</sup> (pond 1) and 15,300 m<sup>3</sup> (pond 2),
- 2 Application Ponds with a capacity of 8,750 m<sup>3</sup> (pond 1) and 9,000 m<sup>3</sup> (pond 2).

Available documents of waste utilization, as follows:



1. Permit letter for the use of effluent for applications in the estate area (Land application) from local government.
2. Monitoring records of effluent discharge to land application:
  - In October 2015 applied 23,890 m3 in Sesulung and Rampa Estate
  - In November 2015 applied 25,319 m3 in Sesulung and Rampa Estate
  - In December 2015 applied 24,751 m3 in Sesulung and Rampa Estate
3. Monitoring records of shells and fiber volume for boiler fuel in Pondok Labu POM.
4. Records of EFB application in the plantations in the form of:
  - Weigh tickets of EFB delivery to Pondok Labu Estate
  - Recapitulation of EFB utilization, for example, data for the last three months:

Month	Result (ton)		
	EFB	Solid	Boiler Ash
October	4,918.12	0	0
November	4,556.54	0	0
December	1,274.03	0	0

Based on field observation in housing of Pondok Labu Mill known that household waste has been managed in a manner provided bins at the front of the house, further transportation to the end of the trash on the block with stockpiling closed system.

However, in the area of WWTP was found that the disposal of solid waste (residual of shell, fiber and husks) around WWTP of Pondok Labu POM has not done well so that creating a potential of surface water contamination. **Non Conformity NCR No. 2016.3.**

5.3.3 minor **Status: Non Conformity NCR No. 2016.3.**

**5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.**

**Indicator 5.4.1 minor :**

The plans to increase the efficiency of fossil fuel use are available in the document SOP of non hazardous solid waste utilization in the form of shell and fiber as boiler fuel replacing diesel fuel.

As the evidence of implementation, available documents of monitoring the use of renewable energy sources in the form of shells and fiber in PT. LMR along with the data of fuel usage in Pondok Labu POM. Recapitulation of EFB utilization and fuel usage in the last three months in Pondok Labu POM is as follows:

Month	Result (ton)			Fuel Usage (Liter)
	Shell	Fiber	The Energy Produced (Kwh)	
October	1,118	3,353	163,840	10,705
November	1,036	3,107	159,360	21,020
December	322	966	29,440	17,675

Recapitulation of fuel utilization efficiency due to the use of fiber and shell within one year is as follows:

Total of FFB processed: 228,062 tons

Total of electrical energy: 2,828,138 Kwh

Total of diesel fuel usage: 207,265 liters

The use of fiber and shell: 45,612 tons

Average of kwh / ton of shell: 48.62

Total of diesel fuel saving: 958,544 liters

The cost efficiency of solar: Rp 11,598,381.424.

**Status: Comply**

**5.5 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.**

**Indicator 5.5.1 major :**

The Company has a memorandum from Head Plantation Operation NO POD-UM-044 / III / 2010 dated March 9, 2010 about

replanting program from 2010 to 2030 based on the new block, which describes the replanting program from 2010 to 2030 for MINAMAS Plantation.

The Company has an Agronomy Manual Reference No. 110 / EST-ARM / 08, where in Part 4 of Land Clearing in clause 3.1 (b) stated that the land clearing should be guided on Director General of Plantation Decree No. KB.110 / SK / DJ BUN / 05.95 dated May 30, 1995.

**Indicator 5.5.2 minor :**

The company showed an example document of replanting Cooperative Agreement Letter as replanting activities without burn as follows:

- Collective Labor Agreement No.011 / replanting / PSA-SSE / XI / 2015 between PT PSA with CV. Borneo Agro Lestari on November 2, 2015 concerning about: replanting activities covering an area of 216 hectares covering jobs: uprooted, stacks. Chopped / minced; digging and closing the holes hump with soil, new road construction, new trench construction, terracing with fort / levee every 20 m intervals, tillage, making holes for planting mechanically (46 x 60 cm), making mounds / chambering in the lowly area, as well as silt pit.

Figure of block N40 in Division 2 of SSE : replanting area



**Status: Comply**

**5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.**

**Indicator 5.6.1 major :**

The Company has identified the sources of waste and pollution in the mills and plantations, as showed in the previous indicator 5.3.1. Among others are the documentation of pollution assessment, as follows:

1. Identification of the waste sources in PT. PSA as showed by the matrix of Waste Sources Identification and its Management which informed about the waste source, Waste Name; Waste types; Classification (Hazardous Materials / Non Hazardous Materials); Frequency; Unit; Amount / month; Reuse / Recycle / Disposal; A temporary storage area; Aim; Notes and documented.
2. SOP of handling of stationary sources distraction (dated January 1, 2012), Part V. Procedure: Monitoring the quality of air emissions is done continuously and reported every 6 months to the Governor / Local Governor copied to the Environment Impact Control Agency.

Handling of Air Pollution:

- Installation and operation of Dust Collector continuously
- Cleaning the working area outside and inside the instrument regularly
- The program of tree planting around the area of engine unit
- The use of masks to employees / station operators

Health checks for employees regularly

**Indicator 5.6.2 major :**

Especially for greenhouse gas emissions, the company has had an inventory SOP of GHG emission sources inside the SOP No: 700 / PSQM-GRK-01/12, about GHG Sources Inventory. As the implementation from the SOP of GHG inventory, has been

identified the sources of GHG as follows:

1. sources of emissions from estate operational:
    - Land cover change: The difference between C stocks time average on land between the vegetation before it was opened by oil palm.
    - Current land use: Use of Fertilizer (N<sub>2</sub>O), Change C<sub>ORG</sub> Soil (CO<sub>2</sub>), Soil Management (CH<sub>4</sub>), Planting in the Peat Areas (CO<sub>2</sub> & CH<sub>4</sub>).
    - The use of diesel for generator and heavy equipment operational (CO<sub>2</sub>).
    - Transport of FFB from Estate to POM (CO<sub>2</sub>).
  2. Inventory of emission sources from Palm Oil Mill operational (POM).
    - The use of diesel fuel for the operational of Generator (CO<sub>2</sub>)
    - Use of shell / fiber for boilers and generators operational (CO<sub>2</sub>)
    - The use of electricity for mill operational.
    - Kernel Separations.
    - POME waste disposal (CH<sub>4</sub>& CO<sub>2</sub>)
- Transport of CPO and PKO to a refinery or port (CO<sub>2</sub>).

**Indicator 5.6..3 minor :**

The Company has identified the sources of greenhouse gas emissions on the plantation and mill operations as described in the previous indicators 5.6.2, however, have not provided evidence of an inventory of greenhouse gases quantitatively by using a measuring instrument and the right methods and the reports regularly to the RSPO GHG working group. **Non Conformity NCR No.2016.4.**

5.6.3 minor	<b>Status: Non Conformity NCR No. 2016.4.</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.**

**Indicator 6.1.1 major ; 6.1.2 major ; 6.1.3 major ; 6.1.4 minor ; 6.1.5 minor :**  
 Available Reports of Social Impact Assessment carried out by the company in cooperation with the Indonesian Sustainable Palm Oil Foundation in 2010. Coverage includes the analysis of social impact covering the positive and negative impacts. In both documents, there is evidence of the implementation of social impact assessment in a participatory manner by involving the community around the plantation and other interested parties. The SIA document arrangement method include: directional interviews, focus group discussions (FGD), and observation. The Company has evaluated the implementation of social impact assessment (SIA) conducted in 2015, the evaluation is non-formal included village government and community leaders. The aim is to determine the effectiveness and accuracy of SIA implementation.

	<b>Status: Comply</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.**

**Indicator 6.2.1 major ; 6.2.2 minor ; 6.2.3 minor :**  
 Available SOP of Communication and Consultation (PSA/SOP DK), on April 11, 2011. The entire communication and consultation services either by incoming and outgoing mail, including the response implemented by the Staff. Once received by the Personnel Staff, the requests for information are given a response after the approval from the leadership. There are logbooks that records incoming and outgoing mail manually. According to the Explanation from Environmental Body, Labor and Transmigration Agency and Plantation Agency of Kotabaru District explained that the company is routinely submit the periodic reports that have become its obligations as stipulated in the regulations. The company also cooperatively with Local Government of Kotabaru District.

	<b>Status: Comply</b>	
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**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.**

**Indicator 6.3.1 major & 6.3.2 major :**

The company has had a revised SOP of complaints management (document No. PSA / SOP MPK, revision 01), revised SOP of Communication and Consultation (document No. PSA / SOP DK, revision 01), and SOP of Conflict Resolution (document No. 056.PSA.PK/C12). The company has been providing procedures for the submission of complaints and objections from employees and the public. To record the incoming complaints and objections, has provided a record book of complaints and objections for each estate. Based on the confirmation by the village board around the estate, that is Sesulung Estate, Rampa estate, and Binturung estate, known that the conflict resolution with the community, the company has implemented the mechanisms of dialogue and deliberation, as shown in the resolution of land disputes with the villagers of Pondok Labu and Sesulung in 2005.

The company has been disseminating procedures to the parties as indicated by the record in the form of :

- Minutes, attendance and photographs implementation of SOP socialization conflict resolution, request information, communications and consultations SOP and SOP Redress, dated January 19, 2013 at the Office of the Sesulung Estate.
- Minutes, attendance and photographs implementation of SOP socialization conflict resolution, request information, communications and consultations SOP and SOP Redress, dated January 18, 2013 in the village of the village of Binturung.
- Minutes, attendance and photographs implementation of SOP socialization conflict resolution, request information, communications and consultations SOP and SOP Redress, dated January 15, 2013 in the village of the Pondok Labu.

**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.**

**Indicator 6.4.1 major :**

The Company has owned the procedure of calculation identification and compensation for loss of legal rights and traditional rights in the form of SOP of Identification and Standard of Land Compensation (**001 / PSD-L & AS**), dated June 3, 2011 drafted by PSD by referring to the standards of land compensation issued by Government of Kotabaru district, there has been no revision on the existing procedures.

**Indicator 6.4.2 minor & 6.4.3 major :**

The results of interviews with community leaders and village chief of Rampa Village and village Chief of Sesulung Village known that in the company area there is no land derived from customary rights. The villages around the estate do not have customary land, the land ownership patterns based on the proprietary of SHM, SKT, Deed of purchase and inheritance. So that there is no handing over land from the customary rights.

**Status: Comply**

**6.5**

**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.**

**Indicator 6.5.1 major :**

Determination of wages / salaries in PT PSA refers to the:

- Decree of South Kalimantan Governor No. 188.44 / 0632 / KUM / 2014 dated December 16, 2014 about Sectoral Minimum Wage Fixing of South Kalimantan Province in 2015 amounted to Rp 1,875,000.
- Memorandum No. 014 / HRM-13 / I / 2015 dated January 12, 2015 about Payment Unit Daily Wages and Payment Unit Monthly Salary Structure in 2015 South Kalimantan area from Rp 1,675,000 / month to Rp 1,913,000 / month.
- South Kalimantan Governor Decree No. 188.44 / 0479 / KUM / 2015 dated December 10, 2015 about District Minimum Wage Fixing in 2016 amounted to Rp 2,200,000.
- Memorandum No. 004 / HRM-i3 / II / 2016 dated February 1, 2016 from GM of HRM about Payment Unit Daily Wages and Payment Unit Monthly Salary Structure in 2015 of Kotabaru region from Rp 1,913,000 / month to Rp 2,200,000 / month.

The company can show Employees payroll in the period of January 2016, the payment of employees salary still refer to the minimum wage in 2015 due to the application of the minimum wage implemented starting from February 2016 in accordance with the memorandum of HRM GM, for the underpayment of wages in January 2016 will be added / totaled in February 2016. Based on the payroll in January 2016, the basic salary for the employees who were attended the work in one month full have complied with the Minimum Wage that is Rp 1,913,000,-.

Based on the interviews with the worker unions, the company has given the employees' wages according to the minimum wage set by the government.

**Indicator 6.5.2 major :**

Labor laws related to the payments and conditions of employment contained in the Collective Labor Agreement. The Collective Labor Agreement owned by the company is not changed from the previous assessment (period of 2013 to 2015). Based on the interviews with the worker unions, Collective Labor Agreement in the period of 2016 is still being built, but it was agreed that the Collective Labor Agreement in the period of 2013 to 2015 was extended for one year or until a new Collective Labor Agreement is published. It will be observed on the next visit. **OFI**

In addition, employment laws are also listed in the Work Agreement therein described the scope of work, employment status, duration of Work Agreement, working time and overtime, provisions of wages, guarantees of safety work, rights and obligations until the layoffs of employment.

**Indicator 6.5.3.& 6.5.4 minor :**

Infrastructure for employees at SSE, RPE and PLF not have a changes from previous years, but there is redevelopment for employees housing from semi-permanent buildings into permanent buildings as well as in RPE, there is an addition of Water Treatment building with a capacity of 30,000 Liters to supply clean water to the employee's housing.

Based on the visits to the employee housing in RPE and SSE, known the facilities provided by the company in the form of housing, places of worship and daycare in good condition and well maintained and there are stalls that selling groceries.

Based on the field visit to housing facility on SSE and RPE, known that in the housing there are store which sale foods. Based on interviews with workers in the day care explains that every 2 days there is a trader who sale daily needs with affordable prices.

**Status: Comply**

**6.6**

**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.**

**Indicator 6.6.1 major :**

Policies and structures of Worker Unions have not changed from the previous research.

The company can show the documents of Worker Unions formation in each management unit, among others:

- Pondok Labu Factory showed the records of worker unions from Labor and Transmigration Agency of Kotabaru District No. 568/88/SP/XII/2011 and there is evidence of reinstatement with letter No. 560/1246/NAKER-2/2014 dated November 12, 2014 with the management composition: Chairman (Mahdiansyah), Vice Chairman (Alimuddin), Secretary (Hadriansyah), Treasurer I (Budi Rahman), and Treasurer II (Wenah).
- Sesulung Estate; Worker Unions of Sesulung Estate recorded in Labor and Transmigration Agency No. 568/095/Disnakertrans with a final board structure in accordance with the Head of Labor and Transmigration Agency of Kotabaru District No. 568/1040/ Disosnakertrans dated September 27, 2012 about the Change of Worker Unions Management with the management composition : Chairman (Rahmansyah), Secretary (Andi Awaluddin), Treasurer I (Gunawan), and Treasurer II (Margianto).

**Indicator 6.6.2 minor :**

A meeting performed by Worker Unions and the Company, among others:

- Meeting on October 28, 2015 to discuss and agreed the extension of Collective Labor Agreement validity period in the period of 2013 to 2015 in one year with a total of 18 participants consisting of company representatives and worker unions.
- Meeting on June 08, 2015 in PLF unit about the mutation workers of Mustaqim and Hafid with total participant of company



and member or labor organization.

Based on interviews with the worker unions, the communication between the company and worker unions are good and not complicated.

**Status: Comply**

**6.7**

**Children are not employed or exploited.**

**Indicator 6.7.1 major :**

The company's policy related to the minimum age requirement of workers there are no changes from previous assessments. The Company can show the Employee Demographics Data which explained the workers birth date. Based on the employee list, there are no workers under 18 years old. For PLF the youngest worker is Andi Yohanes (May 6 ,1993), in RPE the youngest worker is Jeri Kristianto Dollu Serang (June 22, 1997).

At the time of the audit team conducted field visits, there were no underage workers and described by the worker union that one of the requirements for work is already over 18 years old.

**Status: Comply**

**6.8**

**Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.**

**Indicator 6.8.1 & 6.8.2 major :**

Policy related to the similarity of opportunities / non-discriminations are still the same as the previous assessment. Available Employee Demographics Data of PT. PSA in January 2016, showed that the background of employees from diverse ethnic, religious and regional origin. For example, in SSE: on behalf of Mahda Erliani; gender: female; position: Head of store; education: D3; start to work on November 16, 2015; place of birth: Kotabaru; Date of Birth: October 10, 1992; Religion: Islam; Tribe: Banjar; Local residents. Based on visits and interviews with workers, it is known that workers are come from various tribes, among others: Javanese Tribe, Banjar Tribe, Batak Tribe, and Bugis Tribe.

**Indicator 6.8.3 minor :**

The company has the recruitment and promotion mechanisms described in the SOP of employees recruitment (SOP Recruitment 431 / HRM-RCT / 07), Collective Labor Agreement article No. 21 about promotions, and Memorandum of Head Plantation Upstream of Indonesia, No. 287-HRM-i1-V-11 which explains that the recruitment and promotion is based on the assessments, health checks, interviews and employee abilities.

The company can showed the examples of recruitment with the completeness of the data include an identity card, medical examination by the company doctor, job evaluation at the time of the experiments conducted in 3 months as well as a job application letter.

The company can also showed the examples of promotion based on the assessment that consider the effectiveness of work, loyalty and discipline, teamwork and job responsibilities. Based on the explanation from worker unions, the company is not discriminatory start from the reception until work in all types of work.

**Status: Comply**

**6.9**

**There is no harassment or abuse in the work place, and reproductive rights are protected.**

**Indicator 6.9.1 & 6.9.2 major :**

Policy related to labor protection of female workers and policies related to the protection of reproductive rights, there are no changes from the previous assessment. Policies for the protection of female workers are listed in the Gender Policy approved by the Head Plantation Upstream of Indonesia in April 2011, whereas, the policy related to the protection of reproductive rights are listed in the Collective Labor Agreement.

Based on the interviews with female workers in daycare and interviews with gender committee, explained that all of the female workers are obtained leave entitlement to give birth for three months and the right to rest for female workers who experienced menstruation for 2 days.

**Indicator 6.9.3 minor :**

Mechanisms of specific complaints, there is no change from the previous assessment. The company also owns SOP of Employee Complaints in Family Welfare Guidance documents, Revision No. 01, dated January 1, 2016 which stated that every complaint will be kept confidential. Based on the interviews with the Gender Committee, during 2015 there were no events / complaints related to the sexual harassment or violence to all employees.

**Status: Comply**

**6.10**

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

**Indicator 6.10.1 minor & 6.10.2 major :**

Available FFB price in January 2016 issued by Plantation Agency of South Kalimantan Government which published through letter No. 525/100 / PUPPH-2 dated January 20, 2016. The board of KKPA Smallholdings managed by the nucleus can show an agreed price that is determined from Plantation Agency of Provincial Government of South Kalimantan, with the mechanism of the deal and known by various parties and available Minutes of FFB pricing set between KKPA farmers, Governmental farmers and other parties including local estate agency. For example, for the price of FFB in February 2016 amounted to Rp 931 (Planting year is 3 years) and Rp 1,315 (Planting year > 14 years). Bebunga POM does not buy FFB from outside.

**Indicator 6.10.3 & 6.10.4 minor :**

Based on interviews with the company explained that the company did not receive FFB from outside the nucleus. Results of interviews with EFB transport contractors, explained that the company is transparently in drafting the work agreement, after finding the agreement, the work agreement was signed. The company also timely in paying the jobs in accordance with the Work Agreement. For example, local contractors Work Agreement, Work Agreement between Sesulung Estate with CV Alphan Jaya Mekar No. SSE / SPK-LKL / IX / 2015/024 dated December 23, 2015, EFB transport jobs, amounted to Rp 53,294,210.

**Status: Comply**

**6.11**

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

**Indicator 6.11.1 & 6.11.2 minor :**

Available annual report on the implementation of CSR in 2015 and has been reported to the Local Government of Kotabaru District, South Kalimantan Province. The Implementation of CSR in 2015: CSR implementation in education, social, religious, infrastructure development, sport, partnership of business and health. Examples of CSR implementation, roundtrip transportation for junior high school students in Rampa village, procurement of sacrificial animals in Sesulung. KKPA Smallholdings of PT PSA was in three villages namely Sesulung, Binturung and Pondok Labu with the total of planting area is 1,272.49 hectares. Commitments associated with the increased of sharecropper productivity, PT LMR has had training programs for farmers of KKPA Smallholdings and in 2015 already provides training for smallholdings farmers.

**Status: Comply**

**6.12**

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

**Indicator 6.12.1 major :**

Based on the study of employee list documents, all employees in PT.PSA are permanent employees and Workers in Certain Time, which can be proven that all workers have gained employment appointment letters and also work agreement.

**Indicator 6.12.2 & 6.12.3 minor :**

Based on the interviews with worker unions, explained that all employees are permanent employees and Work Agreement of Specific Time workers. To become a new employee, the workers are required to include an application letter, as well as for Work Agreement of Specific Time workers there are work agreement signed by the worker and the company representatives.

**Status: Comply**

**6.13**

**Growers and millers respect human rights**

**Indicator 6.13 major :**

Available Human Rights Policy (HAM) was created in June 2015 ratified by the Chairman of SOU. In the human rights policy is explained that PT. PSA incorporated in Minamas Plantation Group is committed to protecting the human rights of all staff and employees as well as female workers including: The right to life, right to have a family and continue the descent, the right to

develop themselves, the right to justice, the right to personal liberty, the right to safe, the right on welfare, the right to participate in government, women's rights, children's rights.

The company has been socialized human rights policy to all employees of PT.PSA held on December 5 & 12, 2015 conducted in PLE, December 10, 2015 conducted in SSE, December 18, 2015 conducted in RPE and December 22, 2015 conducted in PLF. Based on the interviews with workers and worker unions, explained that the company has been providing socialization related to the company's human rights policies.

**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.**

**Indicator 7.1.1 major :**

The entire plant area has been covered in the analysis of social and environmental impacts as follows:

1. The company has had Document of Environmental Impact Assessment (EIA) of Oil Palm Plantation and Mill on behalf of PT. Laguna Mandiri, PT. Langgeng Muara Makmur, PT. Paripurna Swakarsa and PT. Swadaya Andika, ratified by the Head of Planning, Secretary, Secretary of the Central Committee, the Ministry of Agriculture No. 008 / ANDAL / BA / II / 1995 dated February 27, 1995.
2. To support the EIA document, provided documents of Social Impact Assessment (SIA) in 2010 in cooperation with third parties as a basis for social impact management caused by the company operations.

**Indicator 7.1.2 minor :**

Documents of Environmental Impact Assessment (EIA) Oil Palm Plantation of PT. PSA in 1995 have already contained the matrix of the environmental management plan to reduce the negative impacts and promote the positive impact. There are at least 10 types of impacts are managed, that is: Air Quality Reduction, Physical and Chemical of Soil, Erosion and Sedimentation, Increased Dangers of flooding, Water Quality Reduction, Wildlife Nuisance, Public unrest, pattern changes in Farming, Employment and Society / employee Incomes.

**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.**

**Indicator 7.2.1 major & 7.2.2 minor :**

The Company does not perform the development of new estate, but replanting activities. Based on the field observations to the block of replanting area in block N40 Division 2 of SSE known replanting has used topographical information, drainage and other geographical information.

**Status: Comply**

**7.3**

**New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.**

**Indicator 7.3.1 major :**

Available evidence that there is no new planting after 2005 in the area of PT. PSA which made in the HCV area or primary forest, in the document:

- Analysis of Changes in land cover and land cover coefficient calculation in PT. PSA compiled in 2015. Analysis of changes in land cover by using Landsat 7 TM image data in 2005, 2009 and 2014, with the results of the entire of new planting area after 2005 carried over the shrub with a coefficient of "0"

HCV analysis documents that show the overlay between HCV location in 2010 with estate location map. There is no indications of any new plantings in the HCV area or primary forest.

**Indicator 7.3.2 major :**

The Company has identified the flora and fauna in the area of PT. PSA, including the area of high conservation value (HCV) in 2009. Based on the identification of HCV, at the working area of PT. PSA identified 734.63 hectares (4.93% from the total of

working area) and potential of HCV covering an area of 1,585 hectares (10.65% from the total of working area).

**Indicator 7.3.3 minor :**

The beginning of land clearing for planting over 2005 have been recorded properly by each estate as stated in the minutes of land clearing completion and monthly reports of crop progress.

**Indicator 7.3.4 major :**

The management of PT. PSA has developed HCV management plan to protect threatened and endangered species or their habitats, among others:

- Monitoring of flora and fauna regularly as shown by monitoring form of flora and fauna in Rampa and Sesulung Estate. Inside the document elaborated about the types of activities related to the management of HCV that is equipped with a target time.
- Plant enrichment on the riparian to prevent erosion. For Pondok Labu Estate, the total plants amounted to 356 trees for planting until 2015. The period up to June 2011 as many as 69 trees, until July 2012 as many as 114 trees, up to March 2013 as many as 183 trees. The types of trees planted, among others: Fir (Cemara), guinea fowl (Balam), Kipas Hutan, jackfruit, guava, jackfruit, etc.

Installation of sign board and protection of HCV areas (rivers, swamps, and forested areas). Field verification in HCV areas of Binturung swamp forests and riparian showed that the signboard is still in good condition.

**Indicator 7.3.5 minor :**

HCV identification documents have been drafted in a participatory manner and through consultation with affected communities. Has been identified the areas that needed by the surrounding communities to meet their basic needs, taking into account of the positive or negative changes to their livelihoods. These areas have been designated as areas of HCV 5 with an area of approximately 25 hectares in Binturung Estate.

**Status: Comply**

**7.4**

**Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.**

**Indicator 7.4.1 minor & 7.4.2 major :**

The company also has a map from MRC, that is: land maps units (SPL) of Rampa and Sesulung estate with a scale of 1: 50,000 which is from the result of a detailed soil survey in 2007, which informed about the soil series, slope and extent of each soil series and slope.

The Company does not perform the development of new estate, but replanting activities.

**Status: Comply**

**7.5**

**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.**

**Indicator 7.5.1 major :**

The results of interviews with community leaders and Village Chief of Rampa Village and Village Chief of Sesulung Village known that in the area of the company there is no land derived from customary rights. The villages around the estate do not have customary land, the land ownership patterns based on proprietary of Land Own Title, SKT, deed of purchase and inheritance. So that there is no handing over land from the customary rights.

**Status: Comply**

**7.6**

**Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.**

**Indicator 7.6.1 major; 7.6.2 major; 7.6.3 major; 7.6.4 minor; 7.6.5 minor; 7.6.6 minor :**

The results of interviews with community leaders and Village Chief of Rampa Village and Village Chief of Sesulung Village known that in the area of the company there is no land derived from customary rights. The villages around the estate do not have customary land, the land ownership patterns based on proprietary of Land Own Title, SKT, deed of purchase and

inheritance. So that there is no handing over land from the customary rights.	
	<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>	
<b>Indicator 7.7.1 major and 7.7.2 minor: See summary 5.5.</b>	
	<b>Status: Comply</b>
<b>7.8</b>	
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>	
<b>Indicator 7.8.1 major :</b>	
Identification of carbon stocks is not done because there is no planting after 2013. All of the new planting carried out only until 2007. To support the identification of emissions, the company has performed an analysis of liability through the analysis of changes in land cover from 2005, 2009, and 2015.	
The results of the analysis by using satellite imagery shows that there is no indication of a secondary forest area with a high carbon stock made from plantation.	
<b>Indicator 7.8.2 minor :</b>	
No new plantings after 2013 in PT. PSA.	
	<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>Indicator 8.1 major :</b>	
Technical of Cultivation	
<ul style="list-style-type: none"> <li>The company is trying out the system of C1R2 Harvest (1 cutter, 1 lose fruits taker and midrib compiler and 1 loader FFB to Fruit Collecting Point) system adopted from the harvest system of Sime Darby Estate of Malaysia.</li> <li>Program of Barn Owl Box additions, based on the results of monitoring of the occupancy level from the Barn Owl Box that have been there.</li> </ul>	
	<b>Status: Comply</b>



**3.2. Summary of Assessment Report of Supply Chain Requirement**

Clause	(Module D) CPO Mills – Identity Preserved Requirements
D1	<b>Definition</b>
D.1.1	<p><b>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</b></p> <p>In the audit of ASA-03, the company is projected to implement IP scheme because only accept fruits from sources that are not certified from their own estates. Documents that show the application, among others the declaration of SCSS scheme implementation of Identity Preserved (IP) in Pondok Labu POM, PT. PSA on June 1, 2015.</p> <p>Realization of fruit supply during the period of March 16, 2015 until the audit of ASA-04 (February 20, 2016) are as follows:</p> <ul style="list-style-type: none"> <li>- Binturung Estate (certified) : 52,421.09 tons (22.98 %)</li> <li>- Rampa Estate (certified): 68,838.32 tons (30.17 %)</li> <li>- Pondok Labu Estate (certified): 48,037.75 tons (21.06 %)</li> <li>- Sesulung (certified): 56,361.90 tons (24.7 %)</li> </ul> <p>KKPA Sungai Cengal (certified until January 11, 2016) : 2,485.05 tons (1.09 %)</p>
	<b>Status: Comply</b>
D.2	<b>Explanation</b>
D.2.1	<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>Estimated tonnage of CPO and PK products that can be produced by the certified mill had been noted by the certification body in the summary of the certification report. For the period of the certificate from March 16, 2015 to March 15, 2016 CPO production is estimated at 66,062 tons and the PK production estimate is 14,361 tons and Processed FFB is 287,229 tons.</p> <p>Actual tonnage of CPO and PK produced were recorded in the annual monitoring report by the Certification Body. For example, the actual production of CPO for the period of ASA - 03 (2014 to 2015) was 64,671.51 tons and PK was 12,999.65 tons.</p>
	<b>Status: Comply</b>
D.2.2	<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> <p>Bebunga POM facility has met the requirements for registration and reporting for supply chain through organization that manages e-trace RSPO CB24720 which is valid until March 15, 2016.</p> <p>Based on e-trace account data mentioned above, during the certification period of March 2015 to the ASA-04 in 2016, there were two recorded of CSPO and CPK sales from PKS Pondok Labu, namely Certified PO transaction of 8,000 tonnes on 14 April 2015 and CPKO of 1000 tons on October 16, 2015.</p>
	<b>Status: Comply</b>
D.3	<b>Documented procedures</b>
D.3.1	<p><b>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:</b></p>

- 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.**

Available procedures for application of SCCS with IP models in the SOP No: RSPO / 65 / SCPP / PSA dated June 1, 2015 about the Product Identification and Product Traceability in Minamas Plantation POM. SOP contains a complete and sophisticated procedure that includes the implementation of all elements in the requirements of IP SCCS as follows:

1. The scope of IP procedures
2. Definition
3. General information of IP

Person in Charge for the implementation of IP

**Factory Manager:**

- Store and maintain all documents, records and notes related to the use of raw materials in the production process.
- Verify the status of the products delivered to buyers in accordance with the documents (invoices, DO, Sales Contract, the Minutes of Products Shipping).
- Provide training about the requirements of supply chain certification to all staff involved.

**PSQM Assistant:**

- FFB Quality inspection (Grading) in the POM and make the daily recapitulation
- Supervise the delivery and loading / unloading of Palm Product

**Supervisor/Laboratory Assistant:**

- Conduct analysis and quality testing of raw materials and products in all stages of POM production process
- Store, maintain and distribute the results of the analysis and quality testing of raw materials and products

**Assistant/ Assistant Supervisor/ Bulking Manager:**

- Transportation of CPO and Palm Kernel Products from POM to the Bulking Station
- Handling and storage of CPO and Palm Kernel in the area of Bulking Station

4. Procedure
5. Special Condition
6. administrative means

The Company has conducted training of SCCS implementation, as follows:

- SCCS training on March 12, 2014, attended by 22 participants from mill and estate.

Training/Refreshment of SCCS on May 4, 2015 by involving the personnel key in the mill. Participants who attended include: Weighing Operator, accounting head, purchasing, transportation Supervisor.

**Status: Comply**

**D.3.2**

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

Available procedures for application of SCCS with IP models in the SOP No: RSPO / 65 / SCPP / PSA dated June 1, 2015 about the Product Identification and Product Traceability in Minamas Plantation POM. SOP contains complete and sophisticate procedures that include documented procedures of receipt and processing of certified and non-certified FFB.

**Status: Comply**

**D.4**

**Purchasing and goods in**

**D.4.1**

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

The facilities have been verified and documented the volume of certified and non-certified FFB which accepted in accordance with the applicable procedures that is FFB status verification which come through the inspection of fruit documents, as follows:

- Delivery Order Letter (SPB) which contains information of the fruit origins, as follows: Serial Number / Delivery Order Letter, License Plate, Shipping date, harvest date, Round, planting year, Block, Total bunches, FFB average rate, and estimated tonnage.
- Weighing Ticket of Rantau POM containing information: ticket number, stamp of "RSPO Certified", tonnage (Nett).

However:

1. Not available list of the certification status from all fruit suppliers to Pondok Labu POM. As its explanation of indicators D.1.

before, during audits of ASA-04, all units that supply the fruit has been certified except Sungai Cengal KKPA which the certification status is suspended until January 11, 2016.

2. Delivery Order Letter and Weigh Ticket for fruits from non certified sources (Sungai Cengal KKPA) since January 11, 2016 is still using the stamp of "RSPO Certified", for example Weigh Ticket on the 16, 17, and 18 February 2016. **Non Conformity NCR No. 2016.5 & 6.**

**Observation on March 17, 2016:**

The Company showed the evidence of improvement for Non Conformity NCR No. 2016. 5 & 6 so stated Fulfilled, as follows:

- The SOU Pondok Labu coordinated with the PT LMI to monitor the maintenance of freezing these certificate to be consideration of what steps will be done by Pondok Labu Factory. Since the date of February 24, 2016, the RSPO certificate of PT LMI has been active again.
- The management of PT PSA compile and update a list of supplier certification status as an officer guide SCCS.
- Create a memo for the determination of PIC SCCS to ascertain the status of FFB certifications sources received by Pondok Labu Factory. Memo issued by the chairman SOU to an officer on behalf of Suprpto (PSQM) to be a PIC. PIC responsibilities besides ensuring FFB incoming sources, as well as to immediately change the status of SCCS is used so that the condition in accordance with the conditions of the received material status.
- Begin the process of actively monitoring the certification status of each supplier on a regular basis with steps : 1). PIC create a list of suppliers and expiration of certificates each supplier; 2). PIC started monitoring the certification status of each estate regularly, especially when the period of validity of the certificate is almost gone.

**Status: Comply**

**D.4.2**

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

There is no excess production during the period of the certificate on March 16, 2015 to March 15, 2015. For the period of the certificate on March 16, 2015 to March 15, 2016, the estimated production are as follows:

- Estimation of CPO production amounted to 66,062 tons with the actual production of CPO is 31,253.33 tons.
- Estimation of PK production is 14,361 tons with the actual production of PK is 6,682.05 tons.
- Estimation of processed FFB is 287,229 tons with the actual processed FFB is 136,384.95 tons.

The facility has owned the procedure to report to the CB immediately if there is an excessive production projected.

**Status: Comply**

**D.5**

**Record keeping**

**D.5.1**

**The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.**

The facilities have been noted and balance all FFB reception with RSPO-certified, shipment of CPO and PK in:

- Daily reports of FFB reception, CPO and PK production in Pondok Labu POM, and CPO shipments. The daily report is a recapitulation from the reception records of FFB and CPO processing.
- Weekly and monthly reports as a recap from daily reports.
- Based on the daily report, compiled a balancing of all FFB receipt, CPO production and CPO shipments with three monthly basis.

The storage period of the records / notes or reports from FFB reception in the POM up to the delivery of CPO products to the buyer is fixed at 5 years in accordance with the SOP of record storage.

**Status: Comply**

**D.6**

**Processing**

**D.6.1**

**The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage**

The facility has owned one line facility of processing and storage of palm oil that is used to process and store the oil only from the certified sources.

The facilities have verified the certified CPO and PK which sent through weighbridge ticket containing information: ticket number, Time, nett weight, transporter, stamp of "RSPO Certified", Mill, Product Code, Quality, ratification from mill officer.

**Status: Comply**

**D.6.2**

**The objective is for 100 % segregated material to be reached**

With the persistence of the receipt of the fruit from certified sources that can not be separated in the processing and storage, the facilities can show the target achievement of 100% separated material between non-certified with certified.

**Status: Comply**

**3.3. Conformity Checklist of Certificate and Logo Use** *(Only apply for Surveillance Assessment Report)*

<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>ASA-4</b>	The company do not use logo of RSPO.	
	<b>Status: NA</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>ASA-4</b>	The company do not use logo of RSPO.	
	<b>Status: NA</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>ASA-4</b>	The company do not use logo of RSPO.	
	<b>Status: NA</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>ASA-4</b>	The company do not use logo of RSPO.	
	<b>Status: NA</b>	



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

<b>Management unit(s) observed: Observed Management Unit:</b>		
<b>1. PT Guthrie Pecconina of Indonesia (Sungai Jernih Estate and KKPA GPI).</b>		
<b>2.1</b>	<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>	<b>X or√</b>
	<p>There is some evidence of legal compliance which include:</p> <ol style="list-style-type: none"> <li>1. Legal tenure over the land in accordance with Law No. 5 Year 1960 about Agrarian, that is in the form of Land Use Title Certificate No. 664/2003, 552/2003 for the area of 10,139.91 hectares.</li> <li>2. Providing Labor Social Insurance, such as Social Insurance Security of Labor</li> <li>3. Providing the equipment of Occupational Health and Safety (K3) program for all employees in accordance with Law No. 1 Year 1970.</li> <li>4. Have the environmental documents.</li> <li>5. Not perform land clearing by burning in accordance with Law No. 18 Year 2004.</li> <li>6. Giving wages above the District Minimum Wage.</li> </ol> <p>Related to the company's compliance with the legality of land tenure, the implementation of environmental and social management, labor protection, as well as the submission of the report, several of relevant agencies (Environmental Agency of Musi Banyuasin District, Government of Musi Banyuasin District, and the Plantation and Forestry Agency of Musi Banyuasin District) stated that GPI was obedient and consistent with the regulatory.</p>	√
	<b>Status: Comply</b>	
<b>2.2</b>	<b>The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</b>	<b>X or√</b>
	<p>Sungai Jernih Estate and GPI KKPA has shown the right to control and use the land in the form:</p> <ul style="list-style-type: none"> <li>- Location permit in accordance with Musi Banyuasin Regent Decree No. 262 Year 2011 dated February 14, 2011 for an area of 4,000 hectares.</li> <li>- Location permit in accordance with Musi Banyuasin Regent Decree No. 0217 Year 2010 dated February 8, 2010 for an area of 2,000 hectares.</li> <li>- Determination of Smallholdings Farmers Candidates for KUD Sinar Delima in accordance with Musi Banyuasin Regent Decree No. 0258 Year 2010 dated February 17, 2010 which explained that there are 262 candidates for farmers with an area of 524 hectares from the village of Gajah Mati.</li> <li>- Collective Labor Agreement with KUD Sinar Delima No. 001 / Plasma / GPI-KUD / I / 2012 about the development of Palm Oil KKPA Partnership (Primary Cooperatives Credit for Members).</li> <li>- Determination of Smallholdings Farmers Candidates for KUD Mudah Rasan Jaya in accordance with Musi Banyuasin Regent Decree No. 1191 Year 2012 dated October 30, 2012 which explained that there are 622 candidates for farmers with an area of 1,244 hectares from the village of Serasan Jaya and Gajah Mati.</li> <li>- Collective Labor Agreement with KUD Mudah Rasan Jaya No. 008/kemitraan/GPI-MRS/IX/2014 about the development of Palm Oil KKPA Partnership (Primary Cooperatives Credit for Members).</li> <li>- Available news event of land handover from land owners with Individual Business Rights and Acknowledgment Letters of Rights. Such as news event of land handover on behalf of Aziz Ali with Individual Business Rights and Acknowledgment Letter of Rights dated July 9, 2007 for an area of 2.8 hectares known by the Village Chief of Gajah Mati and Acknowledgment Letter of Rights on behalf of Aziz Ali for an area of 2.8 hectares in the Village of Gajah Mati on February 24, 2008 and registered to the Sub District Office No. 593/126/2009 / XII / 2008 on December 3, 2008.</li> </ul>	√

	<ul style="list-style-type: none"> <li>- Plantation Business Permit for Smallholdings based on the Regent Decree No. 0265 in 2010 for Nucleus estate covering an area of 800 hectares and smallholdings covering an area of 1,200 hectares in the village of Gajah Mati in Sungai Keruh District</li> <li>- Plantation Business Permit for smallholdings based on the Regent Decree No. 282/KPTS/IUP/DISBUN/2011 for nucleus estate covering an area of 1,600 hectares and smallholdings covering an area of 2,400 hectares.</li> </ul>	
	<b>Status:</b>	
<b>6.3</b>	<b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</b>	<b>X or√</b>
	<p>The Company has a procedure of Consultation and Communication with Communities (RSPO / 6.2 / KKM), Handling of Community Complaints (RSPO / 6.3 / PKM), Handling of Employee Complaints (RSPO / 6.5 / PKK) and conflict resolution (RSPO / 2.2 / PK) which is implemented in a participatory manner to the communities around the estate, among others: (1) Talang Piase Village; (2) Talang Ilo III Village; (3) Napal Village; (4) Karang Ringin II Village; (5) Rantau Kasih Village. The technical settlement of disputes in an effective way, timely and correct way set in the mechanism (flow chart) of complaints handling, with the following description: Complaints from company's internal / external accepted by Kasie and noted, and then delivered to the manager to make a decision or if necessary, it will be consulted to the department head and the last is to make a decision. Complaints from workers can be completed for about two days (counted from incoming complaints into management until the realization of the settlement), while the time for handling the complaints from the community is depending on the type of the complaints submitted, if the complaint is small and the existing facilities can be completed less than three days, but if the complaint is large / significant and should be consulted to the central management, approximately one week. Public complaints have been documented in the Log Book of Public Complaints.</p>	√
	<b>Status: Comply</b>	
<b>6.4</b>	<b>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.</b>	<b>X or√</b>
	<p>The procedure to identify and calculate the compensation for loss of legal or customary rights over the land covered in the procedure (SOP) of Conflict Resolution (RSPO / 2.2 / PK).</p> <p>All the evidence of conflict resolution are available in the site, including news event of land handover from land owners with Individual Business Rights and Acknowledgment Letter of Rights.</p>	√
	<b>Status: Comply</b>	
<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>X or√</b>
	Management Unit has identified HCV area conducted in July 2011 by <i>RSPO Approve Assessor</i> .	√
	<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>	<b>X or√</b>
	<p>The procedure to identify and calculate compensation for loss of legal or customary rights over the land covered in the SOP of Conflict Resolution (RSPO / 2.2 / PK). There is no changes (revisions) to the contents or compensation calculation mechanism - as same as the results of previous audits.</p> <p>Smallholdings development is done by agreement between KUD Sinar Delima with PT GPI in accordance with the Collective Labor Agreement No. 001 / Plasma / GPI-KUD / I / 2012 about the development of Palm Oil Partnership KKPA (Primary Cooperatives Credit for Members).</p>	√

	<b>Status: Comply</b>	
<b>7.6</b>	<b>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>	<b>X or√</b>
	<p>The procedure to identify and calculate the compensation for loss of legal or customary rights over the land covered in the procedure (SOP) of Conflict Resolution (RSPO / 2.2 / PK).</p> <p>All the evidence of conflict resolution are available in the site, including news event of land handover from land owners with Individual Business Rights and Acknowledgment Letter of Rights.</p>	√
	<b>Status: Comply</b>	

**3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.**

**3.5.1 Identification of Findings, Corrective Actions and Observations at [ASA-4](#) Assessment**

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2016.1	1.1.1	<b>Giving Information</b> The company could not show the socialization evidence of SOP of requests for information to relevant stakeholders.	PT.PS A	Minor	Re-certification	The company must be able to show the socialization evidence of SOP of requests for information to relevant stakeholders.	<ul style="list-style-type: none"> <li>• <i>Root of the Problem:</i></li> <li>• <i>Corrective Action</i></li> <li>• <i>Preventive Action:</i></li> <li>• <i>Auditor Conclusion</i></li> </ul>	Open	
2016.2	4.4.1	<b>Surface Water Quality</b> Documents of reservoir water quality testing in Division II of BNE, Division I of PLE, Division III of PLE and Division II of PLE, in March 2015 showed that the water quality is not adequate as a clean water according to the standards from Regulation of Health Ministry No. 416 Year 1990 (high coliform content). However, there has been no evidence of a follow-up management of the water resources to ensure the provision of adequate clean water facilities for employees.	PT.PS A	Minor	Re-certification	The company must be able to show the evidence of a follow-up management of water reservoir which contaminated with <i>coliform</i> to ensure the provision of adequate clean water facilities for employees	<ul style="list-style-type: none"> <li>• <i>Root of the Problem:</i></li> <li>• <i>Corrective Action</i></li> <li>• <i>Preventive Action:</i></li> <li>• <i>Auditor Conclusion</i></li> </ul>	Open	
2016.3	5.3.3	<b>Solid Waste Management</b> Disposal of solid waste (residual of shell, fiber and husks) around WWTP of Pondok Labu POM has not done well so that creating potential of surface water contamination.	PLF	Minor	Re-certification	The company must be able to show the evidence of solid waste management properly in order to avoid the potential of surface water contamination	<ul style="list-style-type: none"> <li>• <i>Root of the Problem:</i></li> <li>• <i>Corrective Action</i></li> <li>• <i>Preventive Action:</i></li> <li>• <i>Auditor Conclusion</i></li> </ul>	Open	
2016.4	5.6.3	<b>Monitoring and Reporting GHG</b> Not yet available evidence of greenhouse	PT. PSA	Minor	Re-certification	The company must show the evidence of evaluation	<ul style="list-style-type: none"> <li>• <i>Root of the Problem:</i></li> <li>• <i>Corrective Action</i></li> </ul>	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		gas inventory and its report to the RSP0 GHG working group by using the relevant device.			ation	of greenhouse gas inventory and its report to RSP0 GHG working group by using the relevant device.	<ul style="list-style-type: none"> <li>Preventive Action:</li> <li>Auditor Conclusion:</li> </ul>		
2016.5	Item D.41 SCCS	<p><b>Verification of incoming FFB to the POM</b></p> <p>3. Not yet available a list of the certification status from all fruit suppliers to Pondok Labu POM.</p> <p>Delivery Order Letter and Weigh Ticket for fruits from non-certified sources (KKPA Sungai Cengal) since January 11, 2016 is still using the stamp of "RSP0 Certified".</p>	PLF	Major	March 20, 2016 (30 days)	The company must show the evidence of FFB verification that goes into the POM from certified and non-certified sources.	<ul style="list-style-type: none"> <li>Root of the Problem:               <ol style="list-style-type: none"> <li>FFB supplier data to Pondok Labu POM is already contained in a daily report of Pondok Labu POM production, but does not yet include supplier identification status updates other than PT PSA, so that officers are still included stamp "RSP0 certified".</li> <li>Pondok Labu POM not know the freezing RSP0 certificate PT LMI with KKPA ASC as one of its supply base. This occurs because the procedure is actively monitoring the certification status of each FFB supplier to Pondok Labu POM does not run, especially when the period of validity of a certificate from each supplier is almost gone.</li> </ol> </li> <li>Corrective Action:               <ol style="list-style-type: none"> <li>The management of PT PSA compile and update a list of supplier certification status as an officer guide SCCS.</li> <li>Create a memo for the determination of PIC SCCS to ensure certification status of FFB sources received at Pondok Labu POM. Memo issued by the chairman COU to an officer on behalf of Suprapro (PSQM) to be a PIC. PIC responsibility other than to make</li> </ol> </li> </ul>	Closed	March 17, 2016



CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>sure the source of the incoming FFB, as well as to immediately change the status of SCCS is used so that the condition in accordance with the condition of the received material status.</p> <p>3. Begin the process of actively monitoring the certification status of each supplier on a regular basis.</p> <p>• Preventive Action:</p> <ol style="list-style-type: none"> <li>To update the data and intensive communication to the FFB supplier if there are shipping plans to Pondok Labu POM along with its RSPO certificate status.</li> <li>Conduct an internal correction so that in the next year, if there is the same problem can immediately be coordinated.</li> </ol> <p>• Auditor Conclusion:</p> <ol style="list-style-type: none"> <li>The management unit has compiled the root cause analysis and corrective actions based on the roots of the problems identified.</li> <li>Identify the root cause are considered adequate, namely the absence of actively monitoring procedures certification status of the FFB supplier outside PT PSA so that the workers do not know the status change of KKPA ASC RSPO certificate.</li> <li>To ensure a permanent settlement, the company has taken steps to improve the monitoring PIC pointing supplier certification status and clarify the</li> </ol>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							procedures for monitoring by the PIC as well as a follow-up if it is identified suppliers that are certified.		
2016.6	Item D.41 SCCS	<p><b>The separation between certified and non certified fruits</b></p> <p>Facility has not been able to demonstrate the separation of CPO processing and storage from certified and non-certified sources since January 11, 2016, due to the presence of non-certified fruits (KKPA Sungai Cengal) that went into the facility.</p>	PLF	Major	March 20, 2016 (30 days)	The company must show the separation evidence of FFB verification that goes into the POM from certified and non-certified sources	<ul style="list-style-type: none"> <li>• <i>Root of the Problem:</i> Verification and separation are not running because before freezing RSPO certificate PT LMI dated January 11, 2016, all suppliers of FFB to Pondok Labu POM is RSPO certified. When there is freezing RSPO certificate PT LMI, the Pondok Labu POM had not been informed so that they include FFB of KKPA ASC as RSPO certified. This happens because the coordination between PT LMI with PT PSA. PT PSA do not run any FFB supplier certification monitoring procedures to Pondok Labu POM, especially when the period of validity of a certificate from each supplier is approaching exhausted.</li> <li>• <i>Corrective Action:</i> <ol style="list-style-type: none"> <li>1. The Pondok Labu SOU coordinated with the PT LMI to monitor the maintenance of freezing these certificates to be consideration of what steps will be done by Pondok Labu POM. Since the date of February 24, 2016, the RSPO certification of PT LMI is already active again.</li> <li>2. Management PT PSA appoint PIC SCCS to ensure FFB certification status sources received at Pondok Labu POM. Memo</li> </ol> </li> </ul>	Closed	March 17, 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>designation issued by chairman SOU to an officer on behalf of Suprpto (PSQM) to be a PIC. PIC responsibilities besides ensuring FFB incoming sources, as well as to immediately change the status of SCCS is used, so that the condition in accordance with the conditions of the received material status.</p> <p>3. Begin the process of actively monitoring certification status of each supplier with a steps as follows : 1). PIC create a list of suppliers and expiration of each supplier; 2). PIC started monitoring the certification status of each estate regularly, especially when the period of validity is running out.</p> <p>4. Issue of instructions that explain what steps to take if it detects a supplier outside the PT PSA that wxperienced freezing certificate or suppliers is not certified with a declaration of status changes SCCS.</p> <ul style="list-style-type: none"> <li>• Preventive Action: Conducting internal correction so that in the next year, if there is the same problem can immediately be coordinated.</li> <li>• Auditor Conclusion: Observation May 11, 2016: The management unit has conducted analysis of the root cause and corrective actions based on the roots of the problem identified. The formulation of the root causes are</li> </ul>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							considered relevant, namely the absence of actively monitoring procedures certification status of the outside FFB supplier verification of PT PSA, so that the workers do not know the status change KKPAASC certification.		

**3.5.3 Opportunity for Improvement**

No	Ref Std	Descriptions
1	2.1.1	Perusahaan perlu memastikan kembali terkait pengurusan perpanjangan SIO yang diajukan kepada Dinas terkait <b>(Observasi)</b>
2	4.4.1	Perusahaan didorong melakukan pengelolaan air terencana (water management plan) yang dilengkapi informasi sumber air permukaan, ground water, serta upaya perlindungan sumber-sumber air
3	4.6.11	Perusahaan perlu memastikan kembali terkait hasil pemeriksaan kesehatan laboratorium (Cholinestrase, Audiometri dan Respirometri) yang dilaksanakan pada tanggal 1-4 Februari 2016. <b>(Observasi)</b>
4	4.7.2	Perusahaan dapat meningkatkan efektifitas identifikasi resiko dan pengendaliannya dengan menambahkan jenis APD yang harus digunakan di setiap kegiatan.
5	6.5.2	Perusahaan perlu memastikan kembali terkait pengurusan PKB. <b>(Observasi)</b>
6	6.11.1	Perusahaan didorong untuk meningkatkan kinerja pengelolaan dampak sosial melalui CSR dan peningkatan kesejahteraan masyarakat desa di sekitar kebun <b>(Observasi)</b>

**3.5.4 Noteworthy Positive Components**

No	Ref Std	Descriptions
1	-	Competence of the staff involved in the implementation of RSPO audit.

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

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p><b>Labor and Transmigration Agency of Kotabaru District</b></p> <ul style="list-style-type: none"> <li>The Company has Guiding Committee of Occupational Safety &amp; Health structure, regularly report the Guiding Committee of Occupational Safety &amp; Health activities every three months, regularly report the Labor compulsory report, the company has implemented the wage in accordance with the applicable regulations. Starting in 2016 the government of Kotabaru District is applied District Minimum Wage. The Company has not had a wage scale structure.</li> <li>Labor and Transmigration Agency is not received any complaints or information related to the employment issues.</li> <li>The Company does not employ children under 18 years old. The rights of female workers also fulfilled by the company.</li> <li>There are worker unions and registered in the Labor and Transmigration Agency of Kotabaru District. The company has not had Bipartite Cooperation Institution.</li> </ul>	<ul style="list-style-type: none"> <li>The Company already has a structure of Guiding Committee of Occupational Safety &amp; Health and has been registered and approved by the Labor Agency of Kotabaru. According to the regulations, the company is reporting every three months. Payment of salaries are in accordance with the applicable District Minimum Wage and in accordance with HRM Memo No. 015 / RSP-i2 / II / 2016 also determined the structure of Monthly Payment Unit employee salaries in 2016 with the classification between Grade G to A with a scale of 1 to 8.</li> <li>The company is committed to implement the best legal practices and runs in accordance with the regulations set by the government</li> <li>In accordance with the company policy, the company does not employ minors and the rights of female workers will be carried out in accordance with the applicable legislation</li> </ul> <p>The Worker Unions are already registered and there is a Collective Labor Agreement and has done a negotiating. Bipartite Cooperation Institution will be done if there are problems between employees and companies.</p>	<p>The company needs to maintain the performance that has been good in the field of employment and Guiding Committee of Occupational Safety &amp; Health, and keep applying the continuous improvement.</p>



Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p><b>Local Environmental Body of Kotabaru District</b></p> <ul style="list-style-type: none"> <li>The company is routinely reported Environmental Management Plan / Environmental Monitoring Plan, Hazardous Waste balance, results of tests from stationary sources. Already have environmental permit.</li> <li>In 2015, occurred fires covering an area of 32 hectares in Minamas company. The Company is not intentionally burned but happened because the fire is spreading from the community estate. Fire report is routinely reported by the company. There is no contamination due to the presence of the company's activities. Environmental Body never received any complaints of environmental pollution from communities around the estate.</li> <li>The company already has the Permit of Hazardous Waste Warehouse, Hazardous Waste Balance Reports are routinely reported. Hazardous Waste Warehouse located in the POM.</li> </ul>	<ul style="list-style-type: none"> <li>For environmental monitoring, the company already conduct regular monitoring, both for effluent management, Hazardous Waste, and air quality. Reporting is done routinely to District Environmental Body, Provincial and Ministry of Environment.</li> <li>The Company has also made standard operating procedures of Environmental Management Plan / Environmental Monitoring Plan Reports Policy No: 730/PSQM.</li> <li>In 2015 fire covering an area of 32 hectares in Minamas area happened in KKPA ASC estate located in Balemea Village, adjacent to PT LMI. The incident is outside the Land Use Title area of PT PSA.</li> <li>For Land fire report, the company is reporting routinely every 6 months to the government, related to the program, facility and infrastructure of fire, water sources map, prone to fire map, simulated of fire and fire monitoring per six months.</li> </ul> <p>For Hazardous Waste Management is in compliance with the applicable regulations. Hazardous Waste management will be performed well and referring to the applicable regulations.</p>	<p>The company needs to maintain the performance that has been good in the field of environmental management, and keep to apply the continuous improvement.</p> <p>Special attention should be given for the prevention of forest and land fires in order to support the government's program for the prevention of forest and land fires.</p>
<p><b>Plantation Agency of Kotabaru District</b></p> <ul style="list-style-type: none"> <li>The Company routinely handed Plantation Business Activity Report (LKUP). However the Plantation Business Activity Report in Semester II Year 2015 Plantation Agency has not</li> </ul>	<ul style="list-style-type: none"> <li>Plantation Business Activity Report in Semester II Year 2015 has been done in January 6, 2016. Letter No. 028/LMR/UM/PSD/II/2016</li> </ul>	<p>The company needs to maintain the performance that has been good in the field of the plantation legality and continue to implement the continuous improvement.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>yet received the report.</p> <ul style="list-style-type: none"> <li>• There is no water and air pollution caused by the company's activities. There is no land dispute, there is no customary rights or customary land and no mining activities in the area of the company. Legality of the company is complete, has already implemented OHS.</li> <li>• The company workers have been given training in the use of limited pesticides.</li> <li>• Plantation Agency already implementing Plantation Business Assessment in September to December 2015, the value is Grade 2.</li> <li>• Local Government of Kotabaru District providing assistance in the form of certified palm seedlings to the communities every year. There have been complaints from the community that the company does not want to buy the palm fruits from the public with reasons that the company already has a certificate of ISPO and RSPO. The companies that want to receive the palm fruits from the communities.</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically conducted training for sprayers or for plant pests and diseases controllers.</li> <li>• Periodically conducted training for sprayers or for plant pests and diseases controllers.</li> <li>• The company already doing Plantation Business Assessment (PUP). The company is committed to conducting business by prioritizing the regulatory compliance and in accordance with the best practice.</li> </ul> <p>The Company has set the standards of RSPO SCCS that is IP so that the received FFB is come from FFB with RSPO certificate. Currently there is no policy to receive FFB from outside the company (Nucleus and KKPA SC)</p>	<p>Observations will be continued to be made on social relations between estates with surrounding communities.</p> <p>The company needs to consider an increase in the contribution to the local economy as compensation to the model of IP supply which preclude the acceptance of the fruits from communities.</p>
<p><b>Independent Workers Union (SPM) of Sesulung PT PSA</b></p> <ul style="list-style-type: none"> <li>• Independent Workers Union already has baylaws, management, there is a cooperative membership, already registered in the Labor and Transmigration Agency of Kotabaru District.</li> <li>• The Company has granted the rights of employees, wages are in accordance with the District Minimum Wages for 2016, providing adequate infrastructure, providing training to workers and so on.</li> <li>• Ever done meeting between the company and the workers union in September 2015 discussing about compensation</li> </ul>	<ul style="list-style-type: none"> <li>• The company provides space to workers to create workers union.</li> <li>• The Company provides wage in accordance with District Minimum Wage set by local governments.</li> <li>• The company provides appropriate facilities and infrastructure in the business unit.</li> <li>• For communication to workers, the company holds meetings and negotiations in discussing the issues complaint by workers.</li> <li>• Workers have already registered to be a</li> </ul>	<p>The company needs to maintain the performance that has been good in the field of employment, and keep to apply the continuous improvement.</p> <p>Attention needs to be given as an effort for monitoring the complaints of employees through the workers union to maintain the worker productivity and to avoid conflicts.</p> <p>Consideration should be given in human resource development in</p>







Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>due to a power outages in Division III. All workers have been registered to be a participant of Health Social Insurance Agency.</p> <ul style="list-style-type: none"> <li>No child labor, no discrimination against workers, no foreign workers. In order to avoid child labor, the company asks Identity Card and Family Card at the time of admission.</li> <li>First day leave is the right of field workers, while for office workers are not entitled to get first day leave.</li> <li>There are no employee cooperatives. The Company has encouraged the formation of cooperatives, had already been held between the company and the board of Independent Workers Union to discuss the formation of cooperatives, provided the market twice a month in Division III, in every division there is a group of employees that made up the business of selling goods for daily necessities.</li> </ul>	<p>participant in health Social Insurance Agency according to the regulations set by the government</p> <ul style="list-style-type: none"> <li>The company made a scheme in the employee recruitment in accordance with the prevailing legislations. Do not employ minors</li> <li>Granting first day and second day leave in accordance with Law No. 13 year 2003 and the Collective Labor Agreement, the provision of first day leave does not distinguish the field and office employees. To improve the understanding, the company has already provided socialization to the female workers.</li> </ul> <p>The company is still to try and encourage the employees to form cooperatives as a form of the company to support the establishment of employees cooperative and prepared the building for cooperatives.</p>	<p>the field of cooperatives management, so that the employees cooperative can be formed and provide the benefits.</p>
<p><b>Local Contractor for Replanting and EFB Transport</b></p> <ul style="list-style-type: none"> <li>The Making of Work Agreement is already transparent, there is a negotiation process and has been signed by both parties. Timely payment was never late.</li> <li>The existence of the company can create employment and open up new business opportunities. The company is provided guidance to the local contractors.</li> <li>Workers PPE is provided by the contractors, in case of work accidents are borne by the contractor. The contractor does not employ children under 18 years old.</li> <li>The company provides housing for replanting contractors.</li> <li>Replanting contractor is briefed by the company not to do replanting in the area of conservation (HCV), do not hunt the</li> </ul>	<ul style="list-style-type: none"> <li>In working with contractors have been done properly and according to the company's SOP.</li> <li>Empowerment of local contractors is still being done by considering the needs of the company.</li> <li>In doing the work, the company confirmed in the Work Agreement with OHS clause, the contractor must apply the principle of OHS and do not employ minors.</li> <li>To support the work of the contractor from the outside, the company is provided housing for contractors.</li> </ul>	<p>The company needs to maintain the performance that has been good in the field of employment, and keep to apply the continuous improvement.</p> <p>Attention needs to be given as an effort to ensure the obedience of contractors with regulations in the field of employment, safety work, and environment.</p> <p>The company also need to monitor contractor complaints to maintain the productivity of workers and avoid the conflicts.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>protected animals and plants.</p> <ul style="list-style-type: none"> <li>Suggestions from EFB transport contractor: To be improved the loading ramp of EFB which feared to be collapsed.</li> </ul>	<ul style="list-style-type: none"> <li>In carrying out the work of replanting, the company has been socialized to the contractors about the management of HCV areas. The proposal from EFB contractor related to the EFB hopper will be considered by the company.</li> </ul>	
<p><b>Gender Committee of PT PSA</b></p> <ul style="list-style-type: none"> <li>There is a gender committee management, socialization activities conducted every semester (twice a year). The socialization material is about environmental health, prevention and mechanisms of sexual harassment if it occurs. Until the audit occurred there is no incidence of sexual harassment against female workers. Every six months a meeting with the company, but if there is incidence of sexual harassment will be directly coordinated with the company to handle it.</li> <li>All the female workers are gained first day leave, examined by medical personnel and take rest at the clinic.</li> <li>All workers already earn Health and Labor Social Security.</li> <li>Board of gender committees are participated in the Village Development Planning Deliberation in the village around the estate to know and accommodate the village development program that will be synergized with the program of Company CD.</li> </ul>	<ul style="list-style-type: none"> <li>The company has already formed a gender committee in every business unit.</li> <li>Leave entitlements for female workers has been set according to the regulation and contained in the Collective Labor Agreement which has been agreed</li> <li>All workers have got Health Social Security Communication with gender committees remain to be done well</li> </ul>	<p>The company needs to maintain the performance that has been good in the field of employment and gender welfare, and keep to apply the continuous improvement.</p> <p>Attention needs to be given as an effort to prevent sexual harassment and to ensure no gender discrimination.</p>
<p><b>Rampa Village, South Pamukan District, Kotabaru Regency</b></p> <ul style="list-style-type: none"> <li>The population of Rampa village is 2,056 lives, 537 Head of Family, the main livelihood is fishermen of 60%, 30% fish pond and 10% working in the company.</li> <li>Assistance received from the company: Cost for PHBN (National Day), PHBI (Islamic Fest), sacrificial animals, rice</li> </ul>	<ul style="list-style-type: none"> <li>The company is giving donation and assistance to the village chief in the company's CSR program.</li> <li>Request from the village to repair the grave</li> </ul>	<p>The Company needs to maintain the performance that has been good in the management of social relations with the community. Monitoring social conditions need to be continued to ensure there is no social conflict due to plantations management and environmental</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>for the elderly widow.</p> <ul style="list-style-type: none"> <li>Request to the company: hoarding the grave sites, improvement of village roads, prioritizing local employment, improvement of village office, ambulance vehicles for residents who need special help.</li> <li>There is no land dispute, there is no customary rights or customary land and no mining activities in the area of company.</li> <li>The company has helped to empower the local economy through partnerships (empowerment of local contractors) and employ the native people.</li> </ul>	<p>sites, roadwork, local labor recruitment, village offices improvement and transportation assistance for communities will be evaluated by the company</p> <ul style="list-style-type: none"> <li>Companies obedient to the management of land rights according to the applicable regulations</li> <li>Empowerment is conducted in the program of CSR and partnerships with the village will be improved.</li> </ul>	<p>pollution.</p> <p>Strongly recommended to evaluate the contribution to the community welfare during this time so that it can be obtained sustained improvement in the social field.</p> <p>Request for increase in CSR and social contributions are need attention. One major issue that needs serious attention is support for the provision of clean water infrastructure for surrounding communities in a sustainable manner.</p> <p>Observations will be continued to be associated with the social relationship between the company and the community, especially related to the perception of land ownership after replanting.</p>
<p><b>Sesulung Village, South Pamukan District, Kotabaru regency</b></p> <ul style="list-style-type: none"> <li>Assistance received from the company: lending grader heavy equipment, spraying in the cemetery.</li> <li>The company's relationship with the community is harmonious, there is no friction. The company and community is respect each other.</li> <li>Some of the villagers become the company's partners (local contractors) for stone procurement job, development of</li> </ul>	<ul style="list-style-type: none"> <li>Cooperation with local communities will be continued to be scouted by prioritizing partnerships to the communities.</li> </ul> <p>Sesulung village office building is a CSR program.</p>	<p>Observations will be continued to be associated with the social relationship between the company and the community, especially related to the perception of land ownership after replanting.</p>



Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>infrastructure and so on. There are villagers who work in the company.</p> <ul style="list-style-type: none"> <li>• There is no dispute area within the Land Use Title of the company, no environmental pollution.</li> <li>• Request: To be further enhanced the realization of CSR.</li> </ul>		
<p><b>Desa Binturung, Kec. Pamukan Utara, Kab. Kota Baru</b></p> <ul style="list-style-type: none"> <li>• Binturung village did not receive assistance of CSR program from Sungai Cengal Estate, because Binturung Village is scouted by Bunturung Estate. In 2013 will be built reservoirs and will be realized in 2016. The reservoir is built in order to meet the needs of toilet waters and drinking in the dry season.</li> <li>• Sungai Cengal Estate is invited in the Village Development Planning Deliberation held every end of the year.</li> <li>• Assistance received by the community from Sungai Cengal Estate: Transportation Unit for community activities, sports.</li> </ul> <p>Request: To be further enhanced the realization of CSR.</p>	<ul style="list-style-type: none"> <li>• Binturung village is the scouted village of Binturung Estate, but because it is bordered by Sungai Cengal Estate and Bebunga Estate. Unit BBE and SCE are also involved in providing the assistance to the village. In 2016 reservoir development in Binturung Village has been realized by the company carried out by Bebunga Estate.</li> <li>• Participation in the Village Development Planning Deliberation will be performed</li> </ul> <p>Assistance provided to the village is still being performed and CSR program will be held on schedule.</p>	<p>Observations will be continued to be associated with the social relationship between the company and the community, especially related to the perception of land ownership after replanting.</p>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>		
4.1	<b>Formal Sign-off of Assessment Findings</b>		
	<p>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.</p> <p style="text-align: center;">Signed on behalf of:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>Company Name Management Representative (Position)</p>  <p><b><u>Mohammad Pirabaharan</u></b> Tuesday, 5/4/2016</p> </td> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Bukti Bagja</u></b> Tuesday, 5/4/2016</p> </td> </tr> </table>	<p>Company Name Management Representative (Position)</p>  <p><b><u>Mohammad Pirabaharan</u></b> Tuesday, 5/4/2016</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Bukti Bagja</u></b> Tuesday, 5/4/2016</p>
<p>Company Name Management Representative (Position)</p>  <p><b><u>Mohammad Pirabaharan</u></b> Tuesday, 5/4/2016</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Bukti Bagja</u></b> Tuesday, 5/4/2016</p>		

**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	Environmental Agency of Kotabaru District	District of. Kotabaru	-	Interview	16 February 2016	√	
2	Plantation Agency of Kotabaru District	District of Kotabaru	-	Interview	16 Februari 2016	√	
3	Labor & Transmigration Agency of Kotabaru District	District of Kotabaru	-	Interview	16 Februari 2016	√	
4	Sawit Watch	Jakarta	info@sawitwatch.or.id	Email	10 February 2016		√
5	Village of Binturung	Pamukan Selatan, Kotabaru, Kalsel	-	Interview	23 February 2016	√	
6	Village of Sesulung	Pamukan Selatan, Kotabaru, Kalsel	-	Interview	23 February 2016	√	
7	Village of Rampa	Pamukan Selatan, Kotabaru, Kalsel	-	Interview	23 February 2016	√	
8	Gender committee	Pamukan Selatan, Kotabaru, Kalsel	-	Interview	23 February 2016	√	
9	Local contractor for replanting & EFB transport	Pamukan Selatan, Kotabaru, Kalsel	-	Interview	23 February 2016	√	
10	Independent workers union of Sesulung, PT PSA	PT PSA	-	Interview	23 February 2016	√	

**Appendix 2. Assessment Program**

DATE		15 – 24 February 2016	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 15 February 2016</b>			
06.00 – 08.00 08.00 – ...	06.00 – 08.00 08.00 – ...	JAKARTA → BALIKPAPAN → PT LMR. Jakarta → Banjarmasin → Kotabaru	<ul style="list-style-type: none"> <li>• BB / RR / MR</li> <li>• DN</li> </ul>
<b>Friday, 19 February 2016</b>			
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> <li>• Trip from PT LMR to PT PSA.</li> <li>• Opening meeting at PT PSA.</li> </ul>	<ul style="list-style-type: none"> <li>• BB / RR / MR / DN</li> </ul>
<b>Saturday, 20 February 2016</b>			
08.00 – 12.00	08.00 – 12.00	<ul style="list-style-type: none"> <li>• Field observation to Pondok Labu POM : <ul style="list-style-type: none"> <li>✓ Operational.</li> <li>✓ WWTP, hazardous material &amp; hazardous waste management.</li> <li>✓ Supply Chain.</li> </ul> </li> <li>• Public consultation with surrounding village</li> </ul>	<ul style="list-style-type: none"> <li>• BB / RR / MR</li> <li>• DN</li> </ul>
12.00 - ...	12.00 - ...	<b>BREAK.</b>	<ul style="list-style-type: none"> <li>• BB / RR / MR / DN</li> </ul>
<b>Sunday, 21 February 2016</b>			
08.00 – ...		<b>Document review.</b>	<ul style="list-style-type: none"> <li>• BB / RR / MR / DN</li> </ul>
<b>Monday, 22 February 2016</b>			
08.00 – 12.00	08.00 – 12.00	<b>Field visit to Rampa Estate :</b> <ul style="list-style-type: none"> <li>• Manuring, spraying, implementation of IPM, harvesting.</li> <li>• Housing facility and others facility, management of hazardous material &amp; hazardous waste, workshop and land fire facilities.</li> <li>• Legal operational and conservation area, monitoring of erosion.</li> </ul>	<ul style="list-style-type: none"> <li>• RR</li> <li>• MR / DN</li> <li>• BB</li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>BREAK.</b>	<ul style="list-style-type: none"> <li>• BB / RR / MR / DN</li> </ul>
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> <li>• Review of previous non conformance.</li> <li>• Document review of RSPO PT PSA : <ul style="list-style-type: none"> <li>✓ Legal requirement.</li> <li>✓ Best management Practice.</li> <li>✓ Environmental monitoring &amp; management.</li> <li>✓ Responsibility to workers.</li> <li>✓ Social responsibility &amp; community.</li> <li>✓ SCCS.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• BB / RR / MR / DN</li> </ul>
<b>Tuesday, 23 February 2016</b>			
08.00 – 12.00	08.00 – 12.00	<b>Field visit to Sesulung Estate :</b> <ul style="list-style-type: none"> <li>• Manuring, spraying, implementation of IPM, harvesting.</li> <li>• Housing facility and others facility, management of hazardous material &amp; hazardous waste, workshop and land fire facilities.</li> <li>• Legal operational and conservation area, monitoring of erosion.</li> <li>• Public consultation to village &amp; labor union.</li> </ul>	<ul style="list-style-type: none"> <li>• RR</li> <li>• MR</li> <li>• BB</li> <li>• DN</li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>BREAK.</b>	<ul style="list-style-type: none"> <li>• BB / RR / MR / DN</li> </ul>
14.00 – 16.00 16.00- 17.00	14.00 – 16.00 16.00- 17.00	<ul style="list-style-type: none"> <li>• Preparing of closing meeting.</li> <li>• Closing Meeting PT PSA.</li> </ul>	<ul style="list-style-type: none"> <li>• BB / RR / MR / DN</li> </ul>
<b>Wednesday, 24 February 2016</b>			
07.00 - ...	07.00 - ...	PT PSA → BALIKPAPAN → JAKARTA	<ul style="list-style-type: none"> <li>• BB / RR / MR / DN</li> </ul>

