

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

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 : Binturung Estate, Sesulung Estate, Pondok Labu Estate, & Rampa Estate  
 Location : Village of Pondok Labu, Sub District of Pamukan Selatan, District of Kotabaru, Province of Kalimantan Selatan, Indonesia  
 Certificate Code : **MUTU-RSPO/016**  
 Date of Certificate Issue : 20 July 2017                      Date of License Issue : 20 July 2017  
 Date of Certificate Expiry : 19 July 2022                      Date of License Expiry : 19 July 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
RC	2 – 5 May 2017	Ardiansyah (Lead Auditor), M. Amarullah, Rudi Ramdani, Asystasya Aishah Silalahi, I Wayan Sudiantara	Octo H. P. N. Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
RC	20 July 2017

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### FIGURE

Figure 1. Location Map of PT. Paripurna Swakarsa

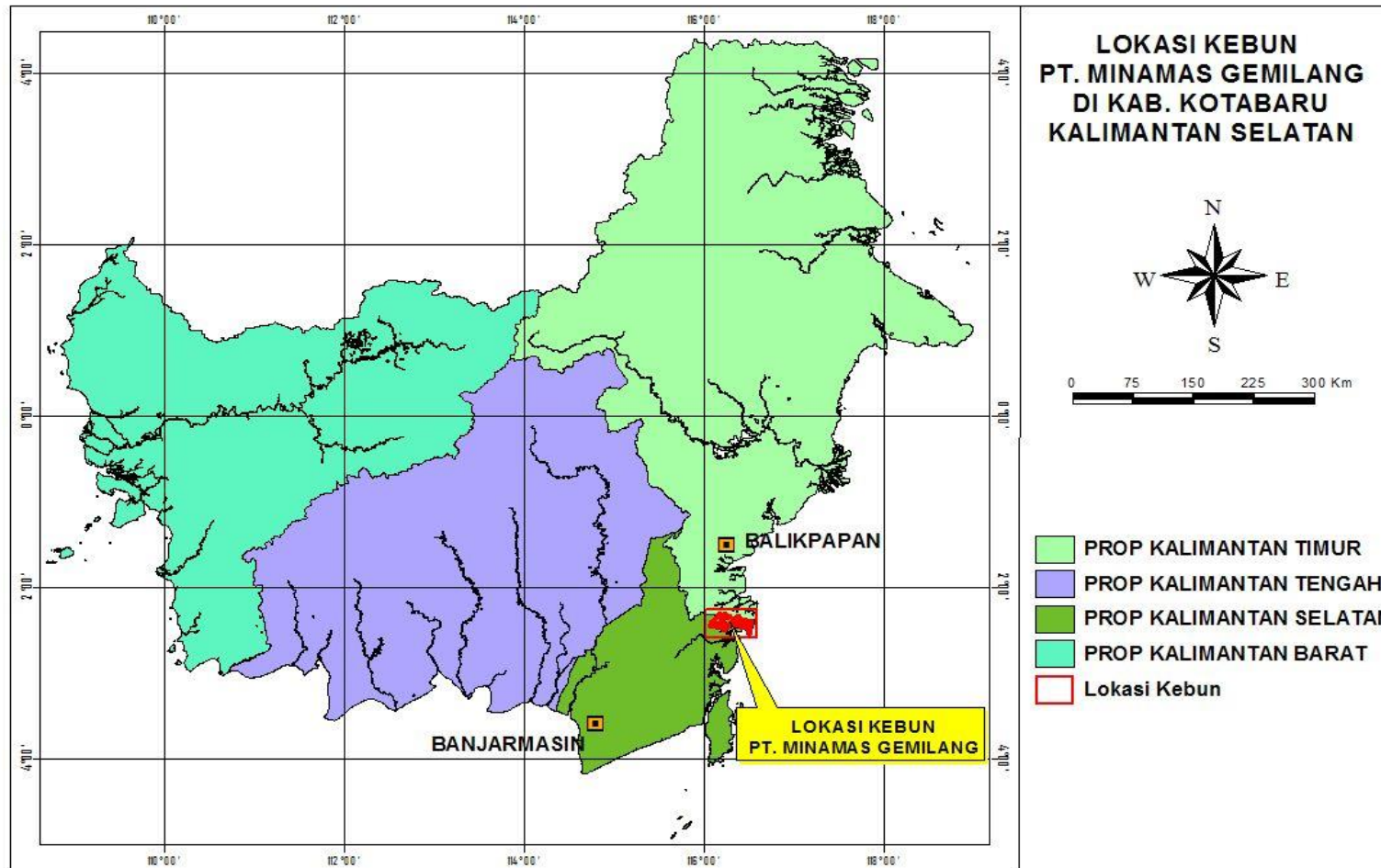
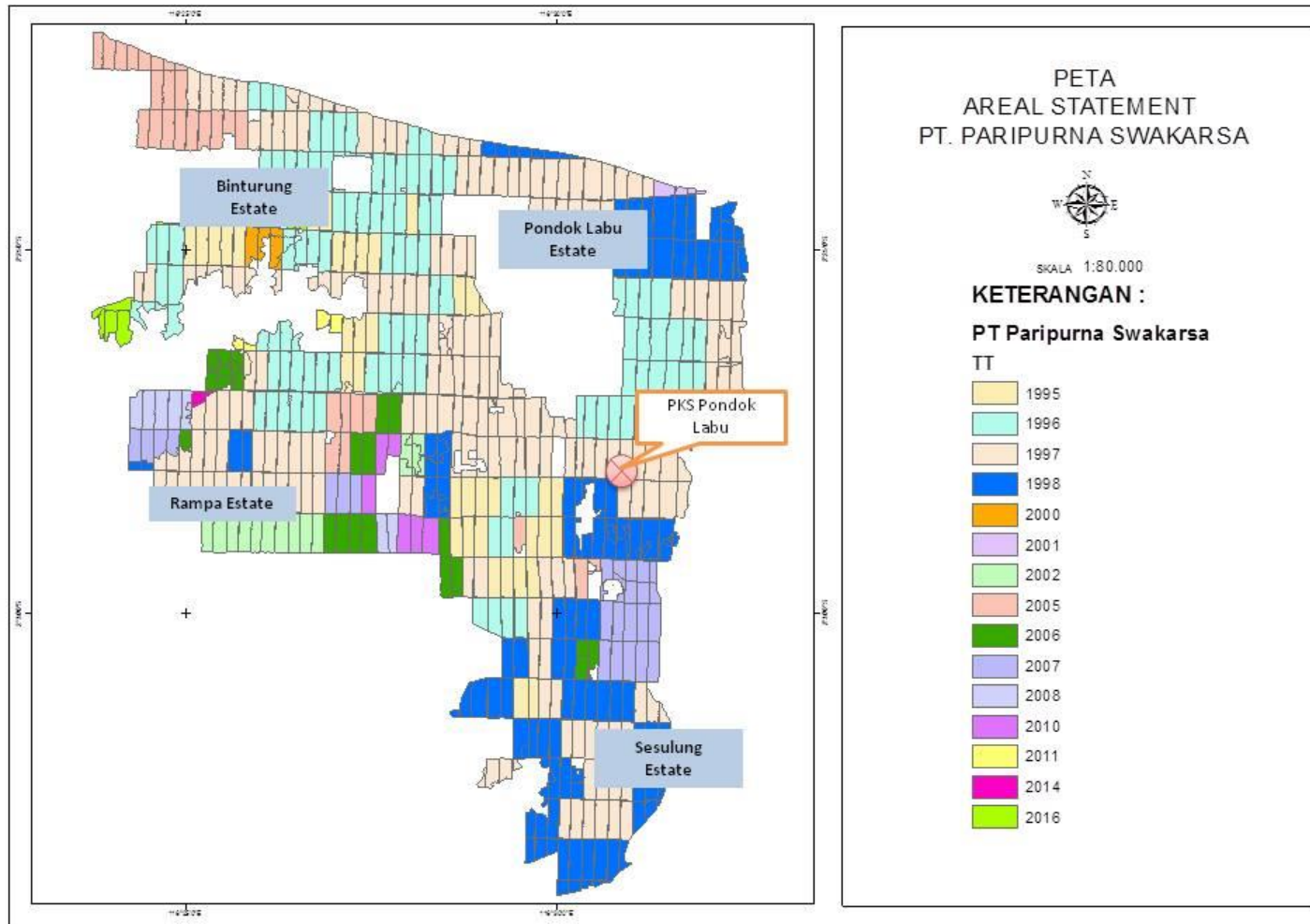


Figure 2. Operational Map of PT. Paripurna Swakarsa



**Glossary**

ARM	: Agricultural Reference Manual	MRC	: Minamas Research Center
ASA	: Annual Surveillance Assessment	MSDS	: Material Safety Data Sheet
BNE	: Binturung Estate	NGO	: Non Government Organization
BPJS	: <i>Badan Penyelenggara Jaminan Sosial</i> (Social Assurance of Labor)	OHS	: Occupational Health and Safety
BPKH	: <i>Balai Pemantapan Kawasan Hutan</i> (Forest Area Designation Bureau)	P&D	: Pests & diseases
BSS	: Block Spraying System	PIC	: Person In Charge
CB	: Certification Body	PK	: Palm Kernel
CH	: Certificate Holder	PKB	: <i>Perjanjian Kerja Bersama</i> (Collective labor agreement)
CPO	: Crude palm oil	PLE	: Pondok Labu Estate
CSR	: Corporate Social Responsibility	PLF	: Pondok Labu Factory
EFB	: Empty Fruit Bunch	POM	: Palm Oil Mill
EHS	: Environmental Health and Safety	POME	: Palm Oil Mill Effluent
ENT	: Ear, Nose, Throat	PPE	: Personal Protective Equipment
FFB	: Fresh Fruit Bunch	PSA	: Paripurna Swakarsa
GCA	: Group Corporation Audit	PSD	: Plantation Services Departement
GHG	: Green House Gas	PSQM	: Plantation Sustainability and Quality Management
GM	: General Manager	RC	: Recertification
HCV	: High Conservation Value	RKL	: <i>Rencana Pengelolaan Lingkungan</i> (Environment Management Plan)
HGU	: <i>Hak Guna Usaha</i> (Land Title)	RPL	: <i>Rencana Pemantauan Lingkungan</i> (Environment Monitoring Plan)
HIRAC	: Hazard identification Risk Assessment Risk and Control	RSPO	: Roundtable Sustainable Palm Oil
HRM	: Human Resource Management	SCCS	: Supply Chain Certification Standard
IP	: Identity Preserved	SDP	: Sime Darby Plantation
IPM	: Integrated Pest Management	SIA	: Social Impact Assessment
LCC	: Legume Cover Crop	SKT	: <i>Surat Keterangan Tanah</i>
LMI	: Laguna Mandiri	SOP	: Standard Operational Procedure
LMR	: Langgeng Muara Makmur	SOU	: Strategic Operation Unit
LTA	: Lost Time Accident	WHO	: World Health Organization
LUCA	: Land Use Change Analysis	WWTP	: Waste Water Treatment Plant
MCM	: Management committee meeting		

<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT</b>			
<b>1.1 Assessment Standard Used</b>			
	<ul style="list-style-type: none"> <li>• <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016)</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 Organisation Information</b>			
1.2.1	Organisation name listed in the certificate	<b>PT PARIPURNA SWAKARSA subsidiary of Sime Darby Plantation Sdn Bhd</b>	
1.2.2	Contact person	Mohamad Pirabaharan	
1.2.3	Organisation address and site address	RSPO Registered Company : No 2, Plantation Tower Jalan PJU 1A/7 Petaling Jaya, Malaysia 47301  Liaison Office : The Plaza Office Tower, 36 <sup>th</sup> Floor. Jl. MH Thamrin kav. 28 – 30, Jakarta – 10350	
1.2.4	Telephone	+6221 - 29926000	
1.2.5	Fax	+6221 – 29922686	
1.2.6	E-mail	<a href="mailto:Mohamad.pirabaharan@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 – 7 September 2004	
<b>1.3 Type of Assessment</b>			
1.3.1	Scope of Assessment and Number of Management Unit	Pondok Labu Mill, Binturung Estate, Sesulung Estate, Pondok Labu Estate and Rampa Estate	
1.3.2	Type of certificate	<b>Single</b>	
<b>1.4 Locations of Mill and Plantation</b>			
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude                      Longitude</b>
	Pondok Labu	Village of Pondok Labu, Subdistrict of South Pamukan, District of Kotabaru, Province of South Kalimantan	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, Subdistrict of Pamukan Utara, District of Kotabaru, Province of Kalimantan	S 2°26'17"                      E 116°26'32"

	Selatan		
Pondok Labu Estate	Village of Pondok Labu, Subdistrict of Pamukan Selatan, District of Kotabaru, Province Kalimantan Selatan	S 2°24'45"	E 116°30'36"
Rampa Estate	Village of Rampa Cengal, Subdistrict of Pamukan Selatan, District of Kotabaru, Province of Kalimantan Selatan	S 2°27'09"	E 116°26'11"
Sesulung Estate	Village of Sesulung, Subdistrict of Pamukan Selatan, District of Kotabaru, Province of Kalimantan Selatan	S 2°29'40"	E 116°30'38"

**1.5 Description of Area Statement**

1.5.1	Tenure		
	• State		16,012.00 Ha
	Based on HGU Certificate No. 14,892 Ha and HGU on process ± 1,120 Ha		
	• Community		- Ha
1.5.2	<b>Area Statement</b>		
	• Total area		16,011.98 Ha
	• Mature area		13,627.93 Ha
	• Immature area		1,064.18 Ha
	• Mill		55.23 Ha
	• Emplasmnt		70.70 Ha
	1. Infrastructure (Housing, Offices, Road)		673.13 Ha
	2. Nursery		38.00 Ha
	3. Occupation		65.14 Ha
	4. Others area (river, swamp)		21.16 Ha
	5. HCV		396.51 Ha

**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 Estae	Total
1995	399.57	94.08	121.18	170.03	784.86
1996	1,209.58	1,097.83	252.98	193.70	2,754.08
1997	765.84	1,599.03	1,319.41	1,331.47	5,015.75
1998	-	671.36	254.16	1,521.46	2,446.98
2000	74.88	-	-	-	74.88
2001		27.70	-	-	27.70
2002	-	-	419.65	-	419.65
2005	465.62	-	173.85	62.93	702.40
2006	44.81	-	244.43	131.01	420.25
2007	-	-	153.37	411.09	564.46

	<b>2008</b>	-	-	193.64	-	193.64	
	<b>2010</b>	-	-	177.27	-	177.27	
	<b>2011</b>	46	-	-	-	46.00	
	<b>2015</b>	-	-	15.66	-	15.66	
	<b>2016</b>	333.44	-	-	216.39	549.83	
	<b>2017</b>	241.40	-	-	257.29	498.69	
	<b>TOTAL</b>	3,581.14	3,490.00	3,325.60	4,295.37	14,692.11	
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 <sup>nd</sup> Cycle				
<b>1.7 Description of Mill and Supply Base</b>							
1.7.1	Description of Mill						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFBProcessed (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	60	129,166.87	26,381.32	20.42	5,728.65	4.44
	<i>* Source: Production data from May 2016 – April 2017</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	4,072.01	3,581.14	46,687.13	15.53	25,265.56	54.12
	Pondok Labu Estate	3,672.72	3,490.00	41,247.94	11.82	30,394.24	73.69
	Rampa Estate	3,658.62	3,325.60	43,711.53	13.21	32,717.09	74.85
	Sesulung Estate	4,608.63	4,295.37	51,788.25	13.55	36,720.33	70.90
	<b>TOTAL</b>	16,011.98	14,692.11	183,434.85	13.46	125,097.22	68.20
	<i>* Source: Production data from May 2016 – April 2017</i>						
1.7.3	FFB description from other source						
	<b>Name of sources</b>	<b>Organisation</b>	<b>Location</b>		<b>Supplied to Mill</b>		
					<b>FFB (tonnes/year)</b>		
	KKPA Sungai Cengal (Certified)	PT LMR	District of Kotabaru, Province of Kalimantan Selatan		4,204.99		
	<b>TOTAL</b>				4,204.99		
	<i>* Source: Production data from May 2016 – April 2017</i>						
1.7.4	Product categories			<b>FFB, CPO, PK</b>			
<b>1.8 Estimate Tonnage of Certified Product</b>							
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 16 May 2016 to 15 May 2017 (tonnes/year)		Actual certified product 16 May 2016 to 30 April 2017 (tonnes/year)		
	• FFB Production		257,983.48		128,372.550		
	• CPO Production		60,626.12		26,247.467		



	• Palm Kernel (PK) Production		12,899.17		5.691.869		
1.8.2	Estimate of Certified FFB Claim						
	<b>Name of Estates</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/ year)</b>	<b>Yield (tonnes/ha/year)</b>		
	Binturung Estate	4,072.01	3,581.14	48,101	16.0		
	Pondok Labu Estate	3,672.72	3,490.00	41,880	12.0		
	Rampa Estate	3,658.62	3,325.60	46,339	14.0		
	Sesulung Estate	4,608.63	4,295.37	53,504	14.0		
	<b>TOTAL</b>	<b>16,011.98</b>	<b>14,692.11</b>	<b>189,824</b>	<b>14.0</b>		
	<i>*Projected FFB production for 20 July 2017 – 19 July 2018</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	60	189,824	39.863	21.0	9,491	5.0
	<i>*Projected CSPO and CSPK production for 20 July 2017 – 19 July 2018</i>						
<b>1.9</b>	<b>Other Certifications</b>						
	ISPO from Mutuagung Lestari period 2013 – 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>Supply Base</b>	<b>Time Bound Plan</b>	<b>Location</b>	<b>Status</b>	
	<b>Mill</b>	<b>Time Bound Plan</b>					
	<b>INDONESIA</b>						
	Sekunzir. PT. Indotruba Tengah	2010	Sekunzir	2010	Seruyan and West Kotawaringin District – Central Kalimantan	Certified	
			Seruyan	2010		Certified	
	Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010	Rokan Hilir District – Riau	Certified	
			Manggala 2	2010		Certified	
			Manggala 3	2010		Certified	
	Bukit Ajong PT. Sime Indo Agro	2010	West	2010	Sanggau District – West Kalimantan	Certified	
			East	2010		Certified	
			Sei Mawang	2018		-	
			East Plasma	2010		Certified	
			West Plasma	2010		Certified	
	Teluk Siak. PT Aneka Inti Persada	2011	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 Dist rict – 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	Mustika		Tanah Bumbu District – South Kalimantan	Certified
		KKPA-2 PT.SHE	2013		Certified
		KKPA-3 PT.SHE	2013		Certified
		KKPA-5 PT.SHE	2013		Certified
		SAP 1	2020		ST-2
Gunung Aru. PT Bersama Sejahtea Sakti	2011	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
		Gunung Kemasan	2011		Certified
		Laut Timur	2011		Certified
		Pantai Timur	2011		Certified
		KKPA BSS	2020		-
Bebunga. PT. Langgeng Muaramakmur	2011	Sungai Cengal	2011	Kotabaru District – South Kalimantan	Certified
		Bebunga	2011		Certified
		KKPA Sungai Cengal	2014		Certified
Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011	Seruyan and East Kotawaringin Dist rict – 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	2020		-
Rantau Panjang. PT Guthrie Pecconina 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 and GPI KKPA	2017		-
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	2018	Sanggau District – West Kalimantan	-
		MAS 1	2018		-
		MAS 1	2018		-
		Plasma MAS	2020		-
Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014	Ketapang District – West Kalimantan	Certified
		Awatan	2014		Certified
		Karya Palma	2018		-
		KKPA SNP	2020		-
		Pelanjau (PT BAL)	2018		-
		Sungai Putih (PT BAL)	2018		-
		Baturus (PT BAL)	2018		-
		KKPA BAL	2020		-
<p>Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation SdnBhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia.</p> <p>A new mill will be set up in Liberia and planned for commissioning in Feb 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.</p>					

	<p>There was change of the Time Bound Plan under Sime Darby on 15 April 2016 cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still unresolved from the <i>Serikat Petani Kelapa Sawit</i> (SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTUAGUNG has consider that Sime Darby still comply with the RSPO requirement for partial certification.</p>
1.10.2	<p><b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b></p>
	<p>Pondok Labu Factory of PT PSA does not receive FFB from outgrower, however Pondok Labu Factory received FFB from Scheme Smallholder that has been RSPO certified scope i.e KKPA Sungai Cengal.</p>

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1 Assessment Team</b>	
<b>RC</b>	<ol style="list-style-type: none"> <li><b>Ardiansyah (Lead Auditor).</b> Bachelor of Forest Resources Conservation, Department of Forestry, Bogor Agricultural University. He has followed several activities for identified environmental impact such as preparing EIA document for plantation and plantation forest. He has followed several trainings namely: Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), Training Lead Auditor ISO 9001:2008, Training ISO 14001:2004, SMK3 based on OHSAS, RSPO Lead Auditors Training Course endorsed by Proforest and Daemeter, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and mapping for land cover analysis. During this audit, he assigned to verify legal, SCCS, social and land conflict.</li> <li><b>M. Amarullah.</b> Indonesian Citizen. Master of Wood Science and Technology and Bachelor of Forestry, majoring in Forest Product Technology. Has experiences as an Agronomist and Research Assistant in Indonesia and Malaysia from 2008 to 2014. Has been attended several trainings such as Lead Auditor of ISPO, RSPO, ISO 17021, ISO 17065, ISO 9001, ISO 19001, ISO 14001, HCV, etc. Has been conducted several ISPO audit scheme as an Auditor since 2014 in BMP, environment, conservation and OHS aspect. Fluent in Bahasa, Malay and English. During this audit, he assigned to verify Legal and Best Management Practices.</li> <li><b>Rudi Ramdani.</b> Indonesian citizen with bachelor degree majoring in Agronomy. Experience as assistant manager in private oil palm company for ±3 years. He has followed training in several aspects as of: ISO 9001, ISO 14001, In house training of OHSAS, ISPO &amp; RSPO. He rules as lead auditor of ISPO since April 2016. He had involved many audit in scheme of ISPO and RSPO certification since 2012, with aspect audit of : best management practice in oil palm plantation &amp; mill, legal, environment, social, worker welfare. During this audit, he assigned to verify OHS and transparency aspect.</li> <li><b>Asystasya Aishah Silalahi (auditor trainee).</b>Indonesia citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, and several in house training related to environmental, BMP, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering Worker Welfare aspect. During this assessment the auditor verified worker welfare aspect.</li> <li><b>I Wayan Sudiantara.</b>Bachelor of Agricultural Engineering, Institut Pertanian Bogor. Experienced in preparation of EIA since 1990 (having a certificate of competency Chairman of the Drafting Team EIA), involved as auditor performance assessment of Sustainable Forest Management both schemes Indonesian Ecolabel Institute / LEI since 1997 and the scheme of the Ministry of Forestry since 2002 (a certified Auditor of LEI) , worked in a forestry consultant, experienced in assessment ISPO and ISPOdi some company as auditor as auditor (have passed the training ISPO). During this assessment the auditor verified environmental assessment, soil and water conservation.</li> </ol>
<b>2.2 Assessment Methodology, Assessment Process and Locations of Assessment</b>	
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>RC</b>	Number of auditors : 4 auditor and 1 auditor trainee Number of days for <b>RC</b> at site : 4 days Number of working days for <b>RC</b> at site : 16 Working days
<b>2.2.2</b>	<b>Assessment Process</b>
<b>RC</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Paripurna Swakarsato the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D for CPO Mill).</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.</p>

Some opportunities for improvement of the results **RC** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-1.1**).  
Improvement of findings from main assesment findings were observed by auditors at this **RC** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **RC**.

The assessment program please find Appendix 2

**2.2.3 Location of Assessment**

**RC** Number of units in this certification activity is 4 estates, which supply the raw material (FFB) to Pondok Labu palm oil mill. In conducting the assessment, the team of auditors used the 0.8√y formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are 1 palm oil mill (Pondok Labu Factory) and 2 estates (Pondok Labu estate and Binturung estate)

**Pondok Labu Estate**

1. **Block I51 Divisi 4.** Observation to watersprinkle installation which aims to anticipate consecutive drought seasons to avoid water stress on palms. Applied for 40 litre of water per palm per application, twice a month.
2. **Block F30 Divisi 3.** Observation to beneficial plants planting (*Turnera subulata* dan *Antigononleptopus*) and drainagesystem drainase on the lowlying or prone flood areas.
3. **Block D18 Divisi 2.** Observation and interview with Foreman and Harvester towards technical work, explanation on C1R2 harvesting system, OHS, manpower and conservation aspects.
4. **Block 31 Divisi 1.** Observation and interview with Foreman and Pesticide Applicators towards technical work, OHS, special medical check up, manpower and conservation aspects.
5. **Block 33 Divisi 2.** Observation and interview with Foreman and Manual Upkeep Workers towards technical work, OHS, manpower and conservation aspects.
6. **Block C11 Divisi 2.** Observation and interview with Foreman and Fertilizer Applicators towards technical work, OHS, special medical check up, manpower and conservation aspects.
7. **Block C34 Divisi 2.** Observation to barn owl box.
8. **Block D/E54 (Field E22).** Observation the conditions and position of legal boundary PSA 8.
9. **Block E57 (Field E22).** Observation the conditions and position of legal boundary PSA 9.
10. **Block F48 (Field F19).** Observation the conditions and position of legal boundary PSA 26.
11. **Block F50-51 (Field F20).** Observation the implementation of management in HCV area in form of natural trench.
12. **Block E48 (Field E19).** Observation the areas that are still in process of HGU and once claimed by the community.
13. **Block H50 (Field H19) dan H51 (Field H20).** Observation the application of POME
14. **Workshop.** Observation and interview related to environmental aspect, OHS implementation, training, and workers' knowledge about work procedure.
15. **Housing complex, Division III.** Observation related to worker facilities, management of domestic waste from housing, and child day care facilities.
16. **Child Day Care.** Observation related to facilities and interview related to employment aspect and grievance mechanism.
17. **Generator set room.** Observation and interview related to environmental aspect, OHS implementation, worker training, and workers' knowledge about work procedure.
18. **Chemical Warehouse.** Observation and interview related to environmental aspect, OHS implementation, medical check up, and worker knowledge about work procedure
19. **Hazardous Waste Warehouse.** Observation related to hazardous waste management and OHS implementation.
20. **Clinic.** Observation about mechanism of first aid, medical waste management, work accident monitoring, and the health facility for workers
21. **Block Spraying System House.** Observation related to environmental aspect and work procedure

**Binturung Estate**

22. **Nursery.** Observation and interview with Foreman and Nursery Workers towards technical work, OHS, manpower and conservation aspects.
23. **Block E23/24 Division 2.** Observation to replanting areas and legume cover crops such as *Pueraria javanica* and *Calopogonium mucunoides* condition.
24. **Block E28 Division 2 (Field E010).** Observation and interview with Foreman and Contractor Replanting Workers from PT Borneo Agro Lestari towards zero burning technique, OHS, manpower and conservation.
25. **Block G23/24 Division 3.** Observation and interview with Foreman and Harvester towards technical work, explanation on C1R2 harvesting system, OHS, manpower and conservation aspects.
26. **Block H26.** Observation to barn owl box.
27. **Office of Binturung Estate.** Interview with Foreman, Fertilizer Applicators and Pesticide Applicators towards technical work, OHS, special medical check up, manpower and conservation aspects.
28. **Block F/G10 (Field F003/G002).** Observation the conditions and position of legal boundary PSA 18.
29. **Block G10 (Field G002).** Observation the conditions and position of legal boundary PSA 72.
30. **Block B14/15 (Field GB003/004).** Observation the conditions and position of legal boundary PSA 28.
31. **Block I19-20 (Field I005/006).** Observation the implementation of management in HCV area in form of swamp.
32. **Central workshop.** Observation and interview related to environmental aspect, OHS implementation, training, and workers' knowledge about work procedure.
33. **Child Day Care.** Observation related to facilities and interview related to employment aspect and grievance mechanism.
34. **Chemical Warehouse.** Observation and interview related to environmental aspect, OHS implementation, medical check up, and worker knowledge about work procedure.
35. **Hazardous Waste Warehouse.** Observation related to hazardous waste management and OHS implementation.
36. **Workshop.** Observation and interview related to environmental aspect, OHS implementation, training, and workers' knowledge about work procedure.
37. **Clinic.** Observation about mechanism of first aid, medical waste management, work accident monitoring, and the health facility for workers
38. **Block Spraying System House Division II.** Observation related to environmental aspect and work procedure.

**Sesulung Estate**

39. **Block T/U41 (Field U/T001).** Observation the conditions and position of legal boundary PSA14.

**Pondok Labu Factory**

40. **Security Post.** Observation and interview with Security Guard (*Satpam*) towards FFB reception, emergency situation handling, OHS and manpower aspects.
41. **Weigh Bridge.** Observation and interview with Weigh Bridge Operator towards FFB reception, administration of FFB from Inti and non-Inti, weigh device calibration, OHS and manpower aspects.
42. **Grading station.** Observation and interview with Foreman and FFB Grader towards technical work of FFB grading, administration, OHS and manpower aspects.
43. **Loading Ramp and Sterilizer Station.** Observation and interview with Foreman and Operator towards technical work, OHS, emergency handling, special medical check up and manpower aspects.
44. **Press Station.** Observation and interview with Foreman and Operator towards technical work, OHS, emergency handling, special medical check up and manpower aspects.
45. **Nut and Kernel Station.** Observation and interview with Foreman and Operators towards technical work, OHS, emergency handling, special medical check up and manpower aspects.
46. **Engine Room Station.** Observation and interview with Foreman and Operators towards technical work, OHS, emergency handling, electricity installation and maintenance, special medical check up, as well as manpower aspects.
47. **Boiler Station.** Observation and interview with Foreman and Operators towards technical work, OHS, emergency handling, special medical check up and manpower aspects.
48. **Mill Sanitation System.** Observation towards mill water sanitary management.

	<p>49. <b>Central Housing complex.</b> Observation related to worker facilities, management of domestic waste from housing, and child day care facilities.</p> <p>50. <b>Water Treatment Plant.</b> Observation the management of waste, handling chemical and monitoring of water usage.</p> <p>51. <b>Workshop.</b> Observation and interview related to environmental aspect, OHS implementation, training, and workers' knowledge about work procedure.</p> <p>52. <b>Hazardous Waste Warehouse.</b> Observation related to hazardous waste management and OHS implementation.</p> <p>53. <b>Stacking Place of EFB, fiber and shell.</b> Observation the management of waste.</p> <p>54. <b>Wastewater Treatment Plant (WWTP).</b> Observation and interview related to environmental aspect</p> <p><b>Stakeholder</b></p> <p>55. Surrounding communities (Rampa Cengal Village, Sesulung Village). Interviews related to the issue of environmental pollution, fire issue, land conflict issue, the company's contribution to society and the impact of corporate activities</p>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>RC</b>	<p>Consultation of stakeholders for PT. Paripurna Swakarsa was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on 30<sup>th</sup> March 2017 at PT Mutuagung Lestari Website (<a href="http://mutucertification.com/wp-content/uploads/2017/04/Notification-of-RSPO-Recertification-Pondok-Labu-POM-PT-Paripurna-Swakarsa-English.pdf">http://mutucertification.com/wp-content/uploads/2017/04/Notification-of-RSPO-Recertification-Pondok-Labu-POM-PT-Paripurna-Swakarsa-English.pdf</a>)</li> <li>• Public consultation with government of Kotabaru Regency conducted by email on 26<sup>th</sup> April 2017</li> <li>• Public consultation meeting with local stakeholder conducted by interview on 3<sup>rd</sup>&amp;4<sup>th</sup> May 2017</li> <li>• Public consultation meeting with internal stakeholder on 2<sup>nd</sup> May 2017</li> <li>• Public consultation with NGO by email conducted on 26<sup>th</sup> April 2017</li> </ul>
<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 ( <b>ASA-1</b> ) will be determined one year after this <b>RC (May -2018)</b> .



**3.0 ASSESSMENT FINDINGS**

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

MUTUAGUNG LESTARI has conducted an assessment of Pondok LabuFactory – 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 three (3) Nonconformities were assigned against Major Compliance Indicators; five (5) nonconformities were assigned against Minor Compliance Indicators; one (1) nonconformity against supply chain requirement for CPO mill and eight (8) oportunites 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 actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record/photographic). Those corrective actions taken that consist of four (4) Major non-conformities and three (3) Minor non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Pondok Labu Factory – PT Paripurna Swakarsa, Sime Darby Plantation Sdn, Bhd complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Issued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>	
<b>1.1</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>
<b>1.1.1</b>	<p>The certificate holder kept stakeholder list. The list is updated once in a year. It consist of government stakeholder, nongovernment organization, public figure, land ownership, along with its address and contact number. Record of communication from external stakeholder is also available at Estate Office.</p> <p>Public accessible document has been stated in information request procedure. Based on the procedure, request of information can be addressed to operation manager, then will be delivered to its personal in charge not more than 14 days from the receiving date of document. The answer for its request will be given at least in 1 month after the date of the receiving letter.</p> <p>Based on public interview with village head of Sesulung and Rampa known that request for information can be addresses to section head or operation manager.</p> <p>There is book of incoming letter from external stakeholder, where for 2017. All of the letter was a request of assistance. None of them was request for information.</p> <p>The certificate holder has also gave annual reporting to government agency at Kotabaru District, as of:</p>

- Report of environment management (RKL-RPL) semester 2 of 2016 which was reported on 1 January 2017.
- Plantation report semester 2 2016 which was reported on 1 January 2017.
- Etc.

However, Binturung Estate has not able to show prove of manpower report for period of 2016-2017. This is raised as **nonconformity No.2017.01 with minor**.

Based on interview with surrounding stakeholder obtained information that the stakeholder already understood the mechanism of request for information and the PIC of the company.

**1.1.2**

The certificate holder has procedure of information request (SOP No.012/PSA-INF/10 dated 20February 2016) which explain the mechanism of communication and handling of complaint. The PIC in site is operation manager, in coordination with other department head. The time limit for responding request for information is 1 moth prior to the receiving of incoming letter.

Record of communication from external stakeholder is also available in record book of stakeholder aspiration at Estate. For 2017, there is 11 incoming letter but none of them was asking of information, but ask for assistance.

<b>1.1.1</b>	<b>Status: Nonconformity no.2017.01 with minor category</b>	
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**1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.**

**1.2.1**

The certificate holder has procedure of information request (SOP No.012/PSA-INF/10 dated 20February 2016) which explain the mechanism of communication and handling of complaint which explain about document that could be accessed by stakeholder and its mechanism. It is also consist of kind of information that could be accessed by the stakeholder by following its procedure, such as area statement, worker insurance payment, and medical payment, public facility data, IPM, vehicle information, machinery, CSR, fertilizer used, agrochemical used, manpower, OHSAS plan, SIA, HCV, GHG plan, complaint information, procedure of negotiation, certification report, continous improvement, Human Right Policy, hazardous waste management.

Based on interview with surrounding village obtained information that the procedure of information request and communication has been communicated with surrounding village stakeholder.

	<b>Status: Comply</b>	
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**1.3 Growers and millers commit to ethical conduct in all business operations and transactions.**

**1.3.1**

There is no change or updating of etic code policy. It is still same with the previous surveillance. It was stated in code of conduct (policy number 440/HRM-COC/07, rev.00 dated May 24 2007) which explain of integrity and ethical code in all company operation and transaction. The certificate holder has socialization of the etic code through morning meeting. Based on interview with worker in Pondok Labu Estate, Binturung Estate, Pondok Labu Factory obtained information that they knew of prohibition to bring any chemical (such as fertilizer or pesticide, etc) back home. Based on interview with replanting contractor informed that certificate holder has communicated its policy and ethical code. Contract agreement has been clear explaining of fairly business relation.

	<b>Status: Comply</b>	
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**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

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

**2.1.1**

Several evidence of laws and regulations pursuance is presented as follows:

- The CH has conducts zero burning method during land clearing activities, as shows in agreement letter between company and land clearing contractor No. 010/Replanting/PSA-BNE/XI/2015 tanggal 2 November 2015 and field observation to replanting areas in Block E23, E24 and E28 Divisi 2 BNE.
- The CH has only plants seeds which produced from government recognised seeds producers such as DxP Lonsum from Bah Lias Research Station Sumatra Bioscience, DxP Dami Super Family from New Britain Oil Palm Ltd., DxP Socfin from PT Socfin Indonesia and DxP Marihat from Indonesia Oil Palm Reseach Institute (PPKS) in Medan.
- The CH has adopts integrated pest management which consist of early warning system, census, biological control, chemical control, monitoring and evaluation.
- The CH has only used pesticides listed in Pesticides Commission of Department of Agriculture on period 2016.
- Implementation of minimum salary of 2017, which was based on governor of South Kalimantan Province decree in 2017.
- Company has registered the workers to BPJS Employment. This is in accordance with the Government Regulation No. 44 2016 on Implementation Program of Work Accident and Life Insurance; No 45 2016 on Implementation Program of Retirement Insurance, and No 46 on Pension Plan.
- Document of Environmental Impact Analysis, Environment Management Plan, Environment Monitoring Plan (compliance with PP 27/1999 on Document of Environmental Impact Analysis)
- Permit for Land Application (compliance with Government Regulation No. 82/2001 on water quality management and water pollution control)
- Temporary Storage Permit Hazardous And Toxic Materials Waste (compliance with PP 101 of 2014 concerning Hazardous And Toxic Materials waste processing)
- Permit for Surface Water Utilization (compliance with Regulation of Minister of Public Works and Public Housing No. 37 / PRT / M / 2015 on Water and / or Water Resources Permit)
- Plantaion Act no.39 of 2014 for : approval of r-registration of Plantation Permit No. 188/45/388/KUM/2009for palm oil plantation of 16.011,97 hectare and mill with capacity of 60 ton TBS/hour. It was stated by Kotabaru District Head in October 15 2009.
- Law No.5 of 1960 on Main Agrarian Regulation in form of: Land Use Tittle certificate number 14 of 1997 for 14,892 hectare (valid till November 22 2032) and Land Use Tittle process of 1,119.97 hectare.
- Has 6 licensed welders both in the factory and in the estate, this is in accordance with Permenakertrans no. 02 Year 1982.
- Has Electrical OHS Certificate in accordance with Decree of Director General of Binawas Number 311 Year 2002.
- Has 6 license for boiler men in accordance with Minister of Manpower Regulation no. 01 of 1988 PT PSA
- Has a License of operator of heavy equipment (lifting & hauling) in accordance with Permenakertrans No. 09 Year 2010 with a total of 3 operators in SSE, 2 operators in RPE.

**2.1.2 and 2.1.4**

The CH has shown document of regulation evaluation for 2017, where there was 6 new regulation of 2016 and had been evaluated for its implementation, such as:

- Regulation of Agricultrue minstry number 18 of 2016 artice 1 about replanting guidance (zero burning).
- Regulation of man power minstry numbr 6 of 2016 article 2 paragraph 1 about religious holiday allowance for worker who work 1 month constantly.

**2.1.3**

The CH has revise the procedure of law regulation (No. Polciy 301/PSQM-ESH/11) at February 1 2016. The procedure explain of updating new regulation every once in a year by the EHS manager along with PSQM staff. The implementaion of updated regulation was documented in devaluation document of regulation, which explain kind of rules/regulation, monitoring/implementing aspect, status of fullfilment and documented rules/regulation.

**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.**

**2.2.1**

The company has had the land rights in the form of Land Use Title (HGU) for an area of 14,892 hectares which consist of one certificate. Based in document review and field visit known that management unit has manage a area of 16,011.19 Ha consist of 14,592.11 Ha planted area; 1,319.86 Ha others area. There is still an area of  $\pm$  1,120 were still in the process of HGU. The HGU process has been conducted since 2008, but until now have not been issued. Following the progress of the HGU made by the PSA after the ASA-4:

- PT PSA sent a letters to the BPKH Kalimantan Selatan Province to obtain information on the status of the area in the HGU process area on Feb 2017. PT PSA also sends forest release permits which issued by Ministry of Forestry on 1994.
- Letter from the Mining and Energy Office of South Kalimantan in March 2017 explaining that the HGU process area is in Non Forest Area (based on letter from the Kotabaru District Forestry Agency No. 522/147 / TGH / 2014, dated March 4, 2014) and does not overlap with the area of Mining Business License
- On February 24, 2017 PT PSA sent a letter to the Plantation Agency of South Kalimantan regarding the proposal for the proposed plan of oil palm plantation and processing activities of PT PSA covering an area of  $\pm$ 1,120 Ha. The South Kalimantan Plantation Agency has conducted a field visit by 4 officers conducted on March 9 - 11, 2017.

The HGU process of PT PSA for an area of 1.120 Ha will be observed again at the next visit.

**2.2.2**

Management unit have conducted monitoring of boundary pole every 6 months. The monitoring results for semester I of 2017 showed that not all pole in PT PSA are in good condition and found in the field. Field visit in Pondok Labu Estate (PSA 8, PSA 9, PSA 26) and Binturung Estate (PSA 18, PSA 28, PSA 72) shows that boundary pole are found in the field and the pole position is meet with the coordinate (see picture).The identity of the pole is not visible and the CH is plan to perform maintenance the pole in semester I 2017. The maintenance of boundary pole will be observed in the next surveillance. Besides that,CH also maintaining road along as part of boundary marker (see picture).



**2.2.3; 2.2.5**

The results of document review and interview with management revealed that there was a dispute with Pondok Labu Village that occurred in 2016. CH may show the compensation record on the claimed area, which was compensated on June 2, 1997. The compensation document is signed by the landowner, the head of the Pondok Labu Village and head of Pamukan Selatan Subdistrict. The compensation map can also be shown by CH. All documents are stored by PSD.

**2.2.4**

CH has had a Conflict Resolution SOP authorized by the SOU Chairman. The dispute with Pondok Labu Village has been resolve in accordance with the procedure. The last meeting was held on 12 April 2017 at South Kalimantan Plantation Office by involving related stakeholders, namely claimer, plantation agency, sub-district, community, sector police and PT PSA. Since the last meeting until the audit process took place, no more land claims made by the community.

**2.2.6**

PT PSA has a prohibition on the use of paramilitary officers in the company's operations inaccordance with letter from SOU Chairman.

**Status: Comply**

<b>2.3</b>	
<b>Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.</b>	
<b>2.3.1; 2.3.2; 2.3.3 &amp; 2.3.4</b>	
<p>Results of interviews with village chief and community leaders in Rampa Cengal Village and Sesulung Village is 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 certificate, SKT, deed of purchase and inheritance. So that there is no handing over land from the customary rights.</p> <p>CH already has a land compensation procedure that is conducted by involving relevant stakeholders. The land compensation process has been completed with maps signed by village authority and landowners. The land compensation process has been conducted since 1995 - 2008.</p> <p>Document review, field visit and interview shows that since the ASA-4until RC, the company does not perform land expansion.</p>	
	<b>Status: Comply</b>
<b>PRINCIPLE #3 Commitment to long-term economic and financial viability</b>	
<b>3.1</b>	
<b>There is an implemented management plan that aims to achieve long term economic and financial viability.</b>	
<b>3.1.1</b>	
<p>The company long term management program which documented on business plan of PT paripurna Swakarsa (PT PSA) for period 2016/2017 to 2020/2021. The plan has covers projection on production cost on estates and mill, nursery, replanting, production (FFB, CPO and PK), extraction rate (OER and KER), transportation, products price (FFB and CPO), revenue, etc. This longterm budget plan has made by the respective estates and mill Manager, proposed to the General Manager (GM), evaluated by Senior GM and approved by the Head of Plantation Sustainability Quality Management (PSQM). The longterm plan has extracted more details in annual budget plan which prepared by the Estate Manager. Management unit stated that the business plan are subjected to changed and reviewed annually by the respective management through considering actual trends and dynamic situation which predicted could be changed in the future. Furthermore, based on soil map (scale 1:50,000) which derived from soil survey semi detail and land suitability study of PT PSA for period 2016-2021 report, conducted by Minamas Reasearch Centre (MRC) team, it was informed that there is no presence of peat soil within company operational areas. Hence, there is no plan related to peat management.</p>	
<b>3.1.2</b>	
<p>The company has shows replanting program as well as its maps (scale 1:50,000). In general, replanting program for the next five year periods (2016/2017 to 2020/2021) were projected for 703 ha; 1,033 ha; 1,004 ha; 1,037 ha and 1,008 ha, respectively. According to document review and information estate from management unit, it was informed that there was no replanting plan in PLE in the near future, while BNE has been conducted since 2015/2016. The replanting realization has in line with the schedule, approved by PSQM. Furthermore, replanting plan for period 2017/2018 in BNE was about 345.08 ha which will be conducted in Block F006-F011.</p>	
	<b>Status: Comply</b>
<b>PRINCIPLE #4 Use of appropriate best practices by growers and millers</b>	
<b>4.1</b>	
<b>Operating procedures are appropriately documented and consistently implemented and monitored.</b>	
<b>4.1.1</b>	
<p>The company has procedure (SOP) of oil palm Agronomy for Minamas Plantation Group which presented in document of Agricultural Reference Manual Policy No. 110/EST-ARM/13 dated September 1<sup>st</sup>, 2013, signed by the Head of Plantation Upstream Indonesia. The SOP describes techniques on palm material preparation, nursery, planting and replanting, land preparation, harvesting management, field upkeep, manuring, by-product application (EFB and POME), canopy</p>	

management, water management and management in peat soil, standard of ripeness, ablation, palm protections, weeds control, LCC planting and rainfall recording. Based on Agronomy SOP's document reviews, field observation and interview with harvester in Block D18 Divisi 2 PLE and Block G23/24 Divisi 3 BNE, it could be concluded that the harvester was able to explain and demonstrate the harvesting process in accordance with SOP, such as ripeness criteria, frond stacking and the use of personal protection equipment (PPE). Furthermore, based on field observation and interview with pesticide applicators in Block 31 Divisi 1 PLE and BNE office, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as considering wind flows during spraying process, pesticides and weeds target, prohibited areas to be sprayed (for example conservation area and riparian zone, which were marked with yellow poles and yellow mark on the palm trunks), PPE's to be used as well as its management.

Procedure of safe working practices towards pesticides application is presented in the following documents:

- No. LF/SOP.ESH/04 dated January 11<sup>th</sup> 2011 about agrochemicals handling.
- ARM Policy No. 110/EST-ARM/13 Chapter 15 dated September 1<sup>st</sup> 2013 about plant protection.
- Material Safety Data Sheet (MSDS) of pesticide products.
- Hazard Identification Risk Assessment Determining Control (HIRADC) for estate.

Moreover, procedure for oil palm processing from FFB acceptance to dispatch of CPO and PK were presented in document of Minamas Plantation palm oil mill guidelines Part I and Part II, policy No. 130/POD-FAC/07 and No. 110/POD-FAC/07 Chapter I, Sub-chapter 1.1 which describes POM technical guidelines, such as stations processing, stocking, waste control and management, water treatment and laboratory analysis. There were also another policies related with oil palm processing, for example: Policy No. 14x/PTK-TRP/2004, No. SOP-SLF-01/2010 and No. 721/TQEM-PKA/08 Sub-chapter 6.2 which describes about FFB transportation, FFB acceptance and FFB grading on the mill, respectively. Based on Pondok labu POM observation to loading ramp station, processing stations, workshop, WTP and WWTP, it could be concluded that all activity applied has comply with the procedures. All procedures mentioned above were still relevant with current situation and covers all main aspects from the field to the mill. All SOP's were available in Bahasa. Furthermore, based on observation to estate and mill office, it could be concluded that the respective SOP's were well distributed by PSQM officers.

According to field observation to estate and mill, as well as interview with the respective workers, it could be concluded that in general the workers has understood the basic of safe working practices such as using a set of personal protection equipment (PPE), meaning of risk symbols, agrochemicals and hazardous materials handling, etc.

**4.1.2, 4.1.3**

The Company has a master list of best management practices (Best Management Practices) as well as inspection documents for the implementation of such procedures as set forth in the Inspection Conclusion Paper Worksheet (LK3P) which contains Root cause, Corrective Action; Plantation advisory report related to PQR and GCA Report. The Company also carries out internal controls as stated in the Inter-office Mail document dated February 1, 2017 regarding the follow up finding Binturung Estate which contains the Opinion Review.

**4.1.4**

According to the result of document review and interview with the management, there is no FFB sourced from external/third party, FFB received only from the own estate and estate of sister company.

**Status: Comply**

**4.2**

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

**4.2.1**

Procedure of soil fertility management was presented in document policy No. 110/EST-ARM/13 part 8 about manuring. SOP mentioned that manuring recommendation must be based on leaf and soil sampling analysis. Leaf sampling and soil sampling analysis should be carried out once and every five years, respectively. The former analysis has carried out by Minamas Research Centre (MRC) in Pekanbaru, Riau, while the latter was carried by Research Institute of University of Lambung Mangkurat in Banjarmasin, Kalimantan Selatan. Parameter measured on leaf analysis are macronutrient (N, P, K, Ca, Mg and Mn) and micronutrient (Fe, B, Zn and Cu) content (in %) while in soil analysis are nutrient retention (pH, %

organic-C, CEC), available nutrient (N-total, P-total, available-P, K-dd and Mg-dd), soil properties (texture, drainage class, rooting depth), etc. Visual assessment of palm vigour land field condition by Agronomist was also carried out every 6 months to monitoring nutrient status change. Records of leaf and soil sampling are available (presented in Indicator 4.2.3). According to manuring recommendation program in 2017/2018, it could be concluded that calculation of fertilizer rates were derived from leaf and soil analysis. Furthermore, actual time of application has follows the schedule recommended by MRC Agronomist team.

According to soil survey semi detail report 2016, it was informed that soil limitation in PT PSA were mainly due to hilly terrain which mainly located on Binturung Estate and soil toxicity which mainly located on Rampa and sesulung Estate. To overcome this situation several strategy has been implemented based on field observation such as to conduct terrace planting pattern and installing filed drain in prone flood areas for smooth flushing purposes. For extra nutrient supply, the estate has also adopting by-products application (EFB and POME land application).

**4.2.2**

Uses of fertilizers were recorded on Manuring Recapitulation Report of Estates 2017-2018 and monthly management committee meeting (MCM) which prepared by Estate Manager. Fertilizer recommended in 2017/2018 are NK Blend, Rock Phosphate (RP), Kieserite and HGF Borate. For example, application of NK Blend in Divisi 1 PLE and Divisi 2 BNE were 139,625 mt and 43,591 mt, respectively. Furthermore, based on interview with fertilizer applicators in Block C11 Divisi 2 PLE and BNE Office, it was stated applicators has trained periodically by Foreman and Assistant Manager. The applicators has also able to explain and demonstrate technical aspects such as fertilizer placement, time of application, correct dosage, PPE used and areas where prohibited to be applied.

**4.2.3**

Procedure of soil fertility management was presented in document policy No. 110/EST-ARM/13 part 8 about manuring. SOP mentioned that manuring recommendation must be based on leaf and soil sampling analysis. Leaf sampling and soil sampling analysis should be carried out once and every five years, respectively. Leaf and soil sampling were not conducted on the projected replanting areas (about 2 years before replanting). The company has able to shows PLE and BNE leaf sampling nutrient records, while soil analysis results was recorded in letter No. 030-LHU/UN8.2.1/PL/2017 dated 27 February 2017. The former analysis has carried out by Minamas Research Centre (MRC) in Pekanbaru, Riau, while the latter was carried by Research Institute of University of Lambung Mangkurat in Banjarmasin, Kalimantan Selatan. Parameter measured on leaf analysis are macronutrient (N, P, K, Ca, Mg and Mn) and micronutrient (Fe, B, Zn and Cu) content (in %) while in soil analysis are nutrient retention (pH, % organic-C, CEC), available nutrient (N-total, P-total, available-P, K-dd and Mg-dd), soil properties (texture, drainage class, rooting depth), etc. For nutrient status monitoring and additional correction-manuring program purposes, visual assessment of palm vigour land field condition by MRC Agronomist has also carried out every 6 months.

**4.2.4**

Apart from chemical fertilizers, organic fertilizers which came from by-products (EFB and POME) has also applied for nutrient cycle purposes. By-products application was documented in monthly Estate Manager report chapter monthly work realization, realization of manuring report and by-product realization report. EFB dosage recommended were varies 40 ton/ha, which depends on field condition.

**Status: Comply**

**4.3**

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

**4.3.1, 4.3.2 and 4.3.6**

Based on soil map (scale 1:50,000) which derived from soil survey semi detail and land suitability study of PT PSA for period 2016-2021 report, conducted by Minamas Research Centre (MRC) team, it was informed that there is no presence of peat soil within company operational areas. Furthermore in term of slope class, about 83.69 % area were classified as flat to rolling (0-24 %) while 15.20 % and 1.11 % were classified as hilly (24-38 %) to somewhat steep (38-50 %), respectively. according to soil map verification, it was informed that the somewhat steep areas were all located on Binturung Estate where scattered in Block A001-002, B002-003, C002-003, C005-008, D006-007, E004-005 and F004-F005. Based

on land suitability analysis, those identified areas has classified as S3 (marginal to fragile). To overcome slope limitation mentioned above, several strategy has been implemented by BNE management as verified during field observation to replanting Blocks, i.e. maintaining LCC (*Pueraria javanica* and *Collopogonium mucunoides*), soft grasses, selective weeding, terraces planting system, siltpit installation and frond stacking parallel to the slope.

Policy No. II-04/MRC-SOP/10 dated may 25<sup>th</sup>, 2010 about soil erosion measurement guidelines contended that to measure the effectiveness of minimizing level of erosion through frond stacking, EFB mulching application and terraces, monitoing of erosion pole in Block F11 and F12 Divisi 4 BNE should be carried out every month. Moreover, policy No. 110/EST-ARM13 chapter 5 explained that planting density in hilly slope area was 148 palm/ha and planted using voile lining method. Record of soil and water conservation monitoring was documented in Plantation Advisor report. Based on erosion monitoring record 2016, it was informed that erosion level in Block F11 and F12 Divisi 4 was 0 mm/year. Estate management unit reported that level of erosion were usually increase during wet season or when rainfall was more than 250 mm/month. Moreover, based on field observation on hilly area in PLE and BNE, it could be concluded that all recommendation mentioned in soil survey report and procedure were satisfactory implemented.

Furthermore, several management strategy recommended for low fertility soil are:

- To enhance organic matters towards by-products application such as EFB mulching and land application by POME.
- Manuring management through nutrient balance which recommended by Agronomist team, maximizing fertilizer use efficiency (to choose suitable fertilizers type, time of application and placement), minimizing soil erosion and leaching/nutrient run-off as well as conducting water conservation (U-shape fronds heap on flat area and parallel to contour on terraces area).

As for areas where prone to flood which affected by marine soils as well, field drains with 1:4 and 1:8 patterns and water gate connected to the nearby river has been installed. This is conformed during field observation to Block F30 Divisi 3 in Pondok Labu Estate. Moreover, the company has also got a policy to maintain water table on 60 cm. soil acidic and water salinity were carried out as well.

#### **4.3.3**

Program of road maintenance has found on annual budget plan which is included on Budget of transportation cost. Road maintenance activities were consist of manual maintenance such as cover crop clearance, surface reparation through gravels and road compaction. The company shows records on program and realization of road maintenance in 2017, as follows:

- Map and data of road maintenance in BNE has identified that during 2016 about 51,044 m of main road and 124,526 m of collection road has classified as good and no need to be maintained. However, 2,440 m of main road and 8,510 m of collection road condition was considered fair and need to be further maintained through road grader and compaction by road roller.
- During January 2017, it was reported that about 6.355 m of collection road in PLE has been maintained through supply of gravels and compaction. Furthermore, map maintenance area, heavy machinery works record and Foreman work book were also available.

Based on field observation to Block C34 Divisi 2 PLE, it was found road maintenance through road grader was still on going to repair the collection road in the respective Block. However in general, road conditions in PLE and BNE were satisfactory maintained and easily passable by FFB transportation unit (mostly dump truck).

#### **4.3.4**

As mentioned in Indicator 4.3.1, it was state there were no presence of peat soils within PT PSA operational areas. Hence, there is no water management on the particular areas. However, for mineral areas with poor drainability properties and prone to flooded, the estate has installed filed drain with 1:8 patterns which aims to avoid flooded during wet seasons.

#### **4.3.5**

As no presence of peat soil within PT PSA operational areas, drainability study for replanting program is not applicable.



Status: Comply

4.4

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

4.4.1

The company has a document on the implementation of the water management plan contained in the RKL and RPL documents (containing river water management and monitoring); LA permit (containing wastewater monitoring obligation) and HCV Identification (containing water source identification).

The Company has not been able to demonstrate the plans and implementation of water management (including water quality monitoring, evaluation and follow-up) aimed at ensuring access to local communities, workers and their families with adequate access to clean water for drinking water and clean water use. **Nonconformity No 2017. 02 with minor category.**

4.4.2

The company has procedures for the management and maintenance of water sources and quality including River Sempadan, Reservoir Reservoir, Fountain Eyes and Left-Right Area of the main ditch. And has a recording of the implementation of water management include: Testing of surface water quality; Wastewater quality testing; Monitoring of water consumption (data in Mill); Water source security (spray bans at water source border) and Water quality testing of reservoirs.

4.4.3 & 4.4.4

The Company has WWTP and conducts effluent quality testing before it is sent to the Land Application on a monthly basis at the Sucofindo laboratory. Test results for the year 2016 still meet the quality standard KEPMEN LH. 28 Year 2003 on Technical Guidelines for Assessing the Utilization of Wastewater in the Oil Palm Industry on Land in Oil Palm Company. Available Permit Regent Kotabaru no. 503/05 / IPAL-BPPTPM / 2016 About Permit for Wastewater Water Utilization shall be valid for 5 years.

4.4.1 Status: Nonconformity No 2017.02 with Minor Category

4.5

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

4.5.1

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

- Census of *Setothosea asigna* (leaf eating caterpillar) on March 2017 in PLE informed that the incidence which over economic threshold were noted in Block G19-22 and F20-21 Divisi 3 and covers about 95.63 ha. Hence, trunk injection by Lancer (Acephate) for 127 kg was recommended and carried out immediately in April 2017. The monitoring census has continued in April as shows that the incidence were under threshold, then injection program has stopped in May.
- Census of *Setothosea asigna* on April in BNE informed that the rate of attack was 1.71 larvae per frond which covers about 1,021 ha. Chemical control by 32 litre Kencepat 75 SP (Acephate) has carried out as response to overcome this situation.
- For biological control, the company has conducting beneficial plants (*Turnera subulata* and *Antigonon leptopus*) for leaf eating caterpillar control, adopting barn owl (*Tyto alba*) for rats control and pheromone trap for rhino-beetle (*Oryctes rhinoceros*) control. Those biological control application has confirmed during field observation to Block F30 Divisi 3 PLE for beneficial plants planting, Block C34 Divisi 2 PLE and Block H36 BNE for barn owl box.
- In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micranta*, the use of Metafuron 20 WG (Methyl metsulfuron) could be substitute with Kenlon or Dalopir 480 EC (Triclophyr butiksi ester). Moreover, biological control has also adopted as mentioned above.

4.5.2

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

- Training on leaf eating caterpillar management, conducted on January 25<sup>th</sup> 2017 in Block F51 PLE, attended by 6 IPM team.
- Training on safety work for upkeep team, conducted on June 6<sup>th</sup> 2016, attended by 10 Pesticide Applicators.
- Training on PPE and safety pesticide application, conducted on December 5<sup>th</sup> 2016 in Divisi 2 BNE, attended by 25 pesticide applicators.
- Training on safety work for upkeep team, conducted on April 2016, attended by 25 Pesticide Applicators.

Based on field observation and interview with pesticide applicators in Block 31 Divisi 1 PLE and in BNE office, it could be concluded that the interviewee were able to explained and demonstrate several technical skills such as PPE used, spraying techniques and prohibited application areas such as HCV and riparian areas which marked with yellow paint on palm trunks or yellow poles.

**Status: Comply**

**4.6**

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

**4.6.1; 4.6.2; 4.6.3**

Procedure ARM Policy No. 110/EST-ARM/13 Chapter 15 about plant protection mentioned that the use of agrochemical should be based on census analysis evaluation when the level of incidence is more than threshold limits. In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micranta*, the use of Metafuron 20 WG (Methyl metsulfuron) could be substitute with Kenlon or Dalopir 480 EC (Triclophyr butoksi ester). Moreover, biological control has also adopted such as planting of beneficial plants (*Turnera subulata* and *Antigonon leptopus*) for leaf eating caterpillar population control, where easily found on the main and collection roads during filed observation, pheromone trap for rhino-beetle (*Oryctes rhinoceros*) control and conducting barn owl (*Tyto alba*) for rat's population control. Based on field observation to Block C34 Divisi 2 PLE, Block E46 Divisi 2PLE and Block H26 Divisi 3 BNE, it was found the presence of barn owl signed with rat's bones and barn owl feathers.

All pesticides used by PT PSA are listed in the book of pesticide commission 2016 issued by Department of Agriculture, Republic of Indonesia. Record of pesticide used is presented in document of pesticide uses record and monthly manager report or monthly committee meeting.

**4.6.4**

Based on pesticide used records in 2016/2017 which presented in Indicator 4.6.1 and 4.6.2, it could be concluded that there is no pesticides listed in WHO Appendix 1A and/or listed in Stockholm or Rotterdam Convention as well as paraquat. However it was noted stock of Racumin (coumatetralyl) which classified into Appendix 1B WHO. The dosage of active substance used was very low which is about 0.0375 % of coumtetralyl and there are no use of racumin during 2016 and up to April 2017. To reduce rat bait uses, estate management has adopting barn owl application.

Field observation to chemical storage (warehouse) in PondokLabu Estate and Binturung Estate has carried out to make sure that pesticide listed was matchs with the stock on the warehouse. The company has Memorandum of MRC No. MRC/Controller/HPO/698/X/2008 dated October 16<sup>th</sup> 2008 which mentioned the company has commits for zero Paraquat application.

**4.6.5**

According to document verification, statement from estate managert, interview with pesticide applicators and field observation to agrochemicals warehouse, it could be concluded that the company has no use of pesticides which required a special training for its applicators (ex. Paraquat) as arranged by Ministry of Agriculture Regulation (Permentan) No. 24 year 2011. Procedure of pesticides handling were presented in MSDS document which stick to every specific product. MSDS has covers guideline of storage and handling of pesticides, handling of accident and first aid, risk identification, pesticides spills and leaks handling, PPE, physical and chemical properties, reactivity and material stability, toxicology and ecology information, perticide wastes handling and transportation.

The CH has conducting several trainings which aims to maintain workers knowledge and skills towards pesticide uses management, for example training on PPE and safety pesticide application, conducted on December 5<sup>th</sup> 2016 in Divisi 2 BNE, attended by 25 pesticide applicators and training on safety work for upkeep team, conducted on April 2016, attended by 25 Pesticide Applicators.

Based on field observation and interview with pesticide applicators in Block 31 Divisi 1 PLE and in BNE office, it could be concluded that the interviewee were able to explained and demonstrate several technical skills such as PPE used, spraying techniques and prohibited application areas such as HCV and riparian areas which marked with yellow paint on palm trunks or yellow poles. Furthermore, based on field observation to pesticides warehouse in PLE and BNE, it could be concluded that all MSDS were available and match with pesticide stocks, symbols of risk and hazardous level, instruction and PPE used were displayed properly. Furthermore there are block spraying system (BSS) House as pesticide mixing and PPE's place.

#### **4.6.6, 4.6.7, 4.6.9, 4.6.10**

The Company has a Chemical Handling procedure containing Personal Protective Equipment, MSDS as well as chemical container handling & residual materials after use. Chemical packaging is washed, does not dispose of the cleaning solution to the environment, the chemical packing is stacked on the space provided, the used container should not be used as a food and beverage-related place. Based on field visits at Pondok Labu Estate and Binturung Estate, there is a separate hazardous warehouse with other warehouses. Banguanan is equipped with MSDS, fire extinguisher, First Aid Box and hazardous symbol. Former container of pesticide is delivered to warehouse of hazardous waste and forwarded to Temporary Storage Permit Hazardous And Toxic Waste Materials.

The company has demonstrated the best practice spraying training documentation which describes the following: Employee spray procedure, buffer zone, BSS team work discipline, use of PPE and field first aid equipment. Based on the results of interviews with warehouse officers in PLE and BNE has conducted chemical sampling training according to recommendation dosage and liability of use of PPE.

Interview with worker, supervisor and manager is known that pesticide container is manage by placing in BSS before sent to hazardous waste warehouse. Based on visits at BSS at Pondok Labu Estate and Binturung Estate, water pipes to leaked traps and water are removed to the environment and based on visits at Hazardous waste warehouse at Pondok Labu Factory, the pesticide container is not drilled. This is not in accordance with the SOP for Handling Chemicals (PLF / SOP.ESH / 04) which contains not removing the cleaning solution to the environment and the hollow chemical container.  
**Nonconformity No 2017. 03 with minor category.**

#### **4.6.8**

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

#### **4.6.11**

Company has a list of pesticide operators as many as 25 operators in Binturung Estate and 22 spraying workers in Pondok Labu Estate, consist of male and female. Based on document review and interview with the management, the company has conducted medical check up to pesticide operators for Cholinesterase, Spirometry and Auditometry for the period of 2016 in February 2016 and the period of 2017 in February 2017. The company already has health examination results, however it just stated the name of the spraying workers and the results of the health examination. The document does not specify the threshold to state that the worker is experiencing health problems due to spraying work or not. The company only evaluates the results of physical examinations / diseases common to workers, such as diabetes, hypertension, caries, ENT, and so on.

Based on this, the company has not been able to show evidence of evaluation / follow up of medical examinations for chemicals-related workers for the period 2016 and 2017. This is became **Nonconformity No 2017. 03 with major category.**

#### **4.6.12**

Based on interview with women worker, they know that they are restricted for working with chemical material when pregnant or lactating. The company has identified the pregnant worker by monitoring of menstruation leave. Besides, they also have monitoring for pregnant leave for 3 months.

**4.6.10 Status: Non Conformity No 2017. 03 with Minor Category**

**4.6.11 Status: Non Conformity No 2017. 04 with Major Category**

**4.7**

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

**4.7.1**

The Company has a Health and Safety Policy, signed by Head Plantation Upstream Indonesia since December 2011. The company also showed the procedures relating to occupational safety and health, including guidelines OHS, identification and assessment of hazards and risks, how to work safe and provision of PPE. The CH has program of Occupational Health and Safety for period of January-March 2017, which was signed by SOU Chairman. The Program in 2017 was an attempt to minimize the Lost Time Accident (LTA).

**4.7.2**

The Company has HIRAC (Hazard Identification, Risk Assessment and Control) document for estate and factory operations period of 2016. The document was prepared by a team of companies to identify potential hazards and risks, then proceed to assess the level of risk and risk control until the risk can be tolerated. If an accident occurs in the field, it will be considered in the risk control to prevent accidents in the future. However, based on the results of verification of documents HIRAC Plantation Activities in the period 2016/2017, known certification unit has done a risk assessment for all activities, such as applications of palm oil mill effluent.

**4.7.3**

The CH has shown list of socialization of Occupation, Health and Safety at Binturung Estate in 24-25 February 2017, Pondok Labu Factory for emergency response drill in February 24 2017 and socialization of emergency procedure in April 8 2016. Besides that, the OHS socialization conducted regularly every morning in the muster morning activities. The workers who work in the high noise levels area was checked regularly through health examination. There were also signboard to wear the ear protection sighted by the auditor during the field observation in the mill processing area

The CH has a sample document certification procedures Personal Protective Equipment (PPE) and its handover to the workers of estate and factory. However, based on field visits in the circle weeding manual at block D33 and manual weeding at blocks C11 Division 2 Pondok Labu Estate, Division 2 was known that the workers is not given PPE by the company. The CH has not able to show that both of the workers was given PPE accordance to its risk. This become **Nonconformity No. 2017.05 with Major category.**

**4.7.4**

The CH has established a Guiding Committee of Occupational Health & Safety which prepares and is responsible for the implementation of occupational health and safety (OHS) programs and evaluate the implementation of OHS programs in the field. The Committee also conducts regular monthly meetings that discuss related to the implementation of OHS program, for example, disciplining the use of PPE and health screening plan. Unit certification has been regularly report quarterly report related OHS activities in the company to the relevant agencies.

**4.7.5**

Unit certification has procedures in case of accidents and emergencies along with instructions (No.PSA/SOP.PD, dated December 1 2010) and procedures for fire prevention land (No. SOP 7302/PSQM-ESH/14 dated August 7 2014). Based on interviews with workers, workers known to have been given the socialization and training related to such procedures. The unit also has been paired MSDS (Material Safety Data Sheet) of chemical material and hazardous materials in areas at risk of an accident, for example in the agrochemical warehouses, hazardous waste temporary warehouse and when the spraying work in progress, layout evacuation, evacuation directions and a rallying point.

However, based on filed observation at harvesting activity in block D18, Division 2 and spraying activity block D31 Division 1 Pondok Labu Estate, it was known that supervisor did not bring first aid kit box. Thus is not suitable with OHS management

system of the CH. Observation at office process of Pondok Labu Factory, it was known that there is only 8 items of first aid kit, against 13 item on the checklist (there was no handgloves, handplester, small scissor). Thus is not according with Regulation of Ministry of Worker and trnasmigration number 15 of 2008. This become **Nonconformity No.2017.06 with minor category.**

**4.7.6**

Unit certification provides accident insurance in accordance with the provisions set by the government, namely Workers Social Security Agency Employment. The health of the workers and their families are also covered in Workers Social Security Agency Health. Unit certification pay insurance contributions on a regular basis every month.

**4.7.7**

The CH monitoring of workplace accidents for period of July 2016 to June 2017 and analyze the time lost due to accidents. Unit certification is also investigating the accident. Monitoring work accidents every month and reported to the relevant agencies, is also reported periodically by Guiding Committee of Occupational Safety& Health.

**4.7.3 Status: Nonconformity No 2017. 05 with Major Category**

**4.7.5 Status: Nonconformity No 2017. 06 with Minor Category**

**4.8**

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

**4.8.1**

CHhas list of worker status. The certificate holder has also list of training program for 2017 which include: best management practices (spraying, harvesting, fertilizer, pest and disease, first aid kit, land fire management, and environment emergency respond. The program was based on identification needs.

**4.8.2**

The certificate holder has a list of training for worker in estate and factory, as example:

- Training of health and safety in Binturung Estate dated February 24-25 2017.
- Training of SCCS RSPO in Sesulung Estate dated February 1 2017.

**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.**

**5.1.1**

CH had environmental documents:

- Environmental Impact Assessment document (EIA) of Oil Palm Plantations and Plantations on behalf of PT. INDOAGRI INTIPLANTATION (PT Laguna Mandiri, PT Langgeng Muara Makmur, PT Paripurna Swakarsa and PT Swadaya Andika) Year 1994. The scope of acreage for PT. Swakarsa plenary of 22,800 Ha (Survey Result of Land Inspection B No. 04 / RIS-HGU / 1991 dated August 21, 1991) with the capacity of oil palm processing factory installed 60 tons of FFB / hr.
- Environment Management Plan, Environment Monitoring Plan Oil Palm Plantation and Palm Oil Factory PT. Paripurna Swakarsa North Pamukan and Pamukan Selatan, Kab. Kotabaru, Prov. South Kalimantan 1994
- Social Document Environment Impact Assessment Repulsive Activity of Estate and Estate Places of the 2015-2018 period compiled by Aksenta

**5.1.2 & 5.1.3**

CH has a document on the implementation of RKL-RPL of Oil Palm Plantation and Palm Oil Mill in 2016 every semester contains the management of:

1. Air quality (emissions, ambient, noise, vibration and odor)
2. Physical Properties and Soil Chemistry

<ol style="list-style-type: none"> <li>3. The rate of erosion and sedimentation</li> <li>4. Potential Flood Hazards (including water management)</li> <li>5. Physical Quality and Water Chemistry (including liquid waste, solid waste and hazardous waste)</li> <li>6. Vegetation and Satwialiar (including HCV, Fire potential)</li> <li>7. Labor Absorption</li> <li>8. Increased Income and Employees</li> <li>9. Scheme smallholder (Scheme Smallholder Area Sungai Cengal)</li> </ol>
<p style="text-align: center;"><b>Status: Comply</b></p>
<p><b>5.2</b>  <b>The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced</b></p>
<p><b>5.2.1</b>  The Company has identified flora and fauna in the working area based on identification document of Protected Area within the plantation area in 2009 which was carried out in collaboration with <i>Yayasan Berkelanjutan Berkelanjutan Indonesia</i> (YASBI). In the work area of PT. PSA identified protected area of 1,585.97 Ha (10% of 14,892 Ha) for HCV 734.63 ha (4.93% of total working area) consisting of border areas of rivers, swamps and forested areas, springs and Beach border.</p> <p>Based on document of Identification of Protected Area identified 10 species of protected animals in accordance with Government Regulation No. 7 of 1999 for example Kukang bukung (<i>Nycticebus coucang</i>), Trenggiling (<i>Manis javanica</i>), Hedgehog (<i>Hystrix brachyura</i>), Sigung (<i>Mydaus javanensis</i>), Sero Sillung (<i>Aonyx cinerea</i>), Root Roots (<i>Felis bengalensis</i>), Triculus (<i>Tragulus javanensis</i>), Sambar deer (<i>Cervus unicolor</i>) and Kijang (<i>Muntiacus muntjak</i>); 5 species of birds such as golden Pekaka (<i>Pelargopsis capensis</i>), white belly Kangkareng (<i>Anthracoceros albirostris</i>), Kipasan stripes (<i>Rhipidura javanica</i>), Raja honey (<i>Aethopyga siparaja</i>) and small Pajab (<i>Arachnothera longirostra</i>); 2 species of reptile namely monitor lizard (<i>Varanus boorneensis</i>) and Crocodile (<i>Crocodylus</i> spp).</p> <p><b>5.2.2 &amp; 5.2.3</b>  CH has installed signboards and protection of HCV areas (rivers, swamps and forested areas) and socialized protected areas and conservation of flora fauna, among others:</p> <ol style="list-style-type: none"> <li>1. Socialization at the time of Public Consultation in the process of identification of protected area in PT.PSA which was held on Sunday 6 December 2009,</li> <li>2. Socialization to employees and communities through Installation of Name Boards, Plan of Appeal and Poster addressed to: Kepala Desa Sesulung, Head of Pondok Labu Village, Village Head of Binturung and Village Head of Rampa.</li> <li>3. Socialization of protected areas / conservation to rural communities</li> </ol> <p>Based on field visit and interview in worker quarters Division 3 of Pondok Labu Estate didn't found workers capture, harm, and collect RTE species.</p> <p><b>5.2.4 &amp; 5.2.5</b>  The Company has appointed a special officer to oversee the implementation of HCV management in each estate (through the appointment letter Manager) to oversee the plans and activities of species management and HCV. The Company has regular recording of HCV monitoring activities each month in each estate.</p>
<p style="text-align: center;"><b>Status: Comply</b></p>
<p><b>5.3</b>  <b>Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</b></p>
<p><b>5.3.1</b>  CH has identified waste and management sources for gardens and factories containing waste sources, waste types, classification and management. Available Sources of Waste Identification Matrix and its Management informs Source of waste, Waste Name; Type of Waste; Classification (hazardous waste/ Non hazardous waste); Frequency; Unit; Amount /</p>

month; Reuse / Recycle / Disposal; A temporary storage area; Aim; Notes and documented.

**5.3.2**

CH has chemical container management contained in the pesticide packing storage procedure and Working Instruction Handling of pesticide packaging that explains empty packaging is sent to the rinsing site and then carried out the cleaning of the packaging (at least 3x rinsing) and rinse water is accommodated in the reservoir for re-use in spraying. After the condition of the packaging is completely clean then sent to hazardous waste warehouse.

**5.3.3**

CH has a license of hazardous waste warehouse under the Decree of the Regent of Kotabaru no. 188.45 / 254 / KUM / 2016 dated March 29, 2016 (valid 5 years) and has proof of delivery of chemical containers to third parties PT. Balikpapan Environmental Service. Based on observations to the BNE Workshop, it is noted as follows:

- Hazardous waste such as Oil and Filter Used stored behind the workshop.
- Based on the verification of Hazardous waste balance 1<sup>st</sup> Quarter of 2017, it was informed that there has been no delivery of hazardous waste from BNE to hazardous Waste storage in PLF since April 18, 2016.

Related to the above, the company does not have hazardous waste management mechanism from the producer location to the licensed hazardous waste warehouse. This is become **Non conformity no 2017. 07 with minor category**.

The Company has a waste disposal and waste management plan contained in the procedure:

1. SOP Utilization of solid waste Empty length:
2. SOP of Shell Utilization:
3. SOP Utilization of fiber:
4. SOP for Utilization of liquid waste (effluent)

The Company has a record of effluent production and application; record of Solid Waste Result, empty fruit bunch is used as organic fertilizer and applied to oil palm plantation, fiber and shell used as fuel boiler. Based on interview in worker quarters in Division III of Pondok Labu Estate is known that domestic waste has been manage by dumping in landfill.

<b>5.3.3</b>	<b>Status: Nonconformity No 2017. 07 with minor category</b>
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**5.4**

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

**5.4.1**

CH has used renewable energy in the form of shell and fiber utilization as fuel for boiler replacing diesel. Available monitoring data of fuel usage for the plant includes the use of diesel, fiber and shell and calculation of KWH generated generator and turbine. Available calculation of saving of fiber and shell (turbine).

Monitoring data of usage of diesel usage for BNE 2016 covers usage for vehicle, transportation of FFB, heavy equipment, power supply and water supply covering monthly usage data, HM and liter and Liter / Km or Liter / HM calculation.

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

**5.5.1 and 5.5.2**

CH policy on zero burning during land clearing were presented in document of procedure No. 2xx/PTK-LPG/2004 Index No. II/04 dated December 1<sup>st</sup> 2004 and Head Plantation Memorandum letter No. POD-UM-015/IV/2013 dated April 12<sup>th</sup> 2013. There is also memorandum of Head Plantation Operation No. POD-UM-044/III/2010 dated March 9 2010 of replanting programme 2010-2030 of no burning activity. And Manual Agronomy Reference No.110/EST-ARM section 4 of land preparation, clause 3.1 b stated that land clearing have to follow Letter of Plantation Director No.KB.110/SK/DJ BUN/05.95 dated May 30 1995.

Furthermore, based on document letter of agreement for replanting activity with land clearing Contractor in both estates, it was mentioned that land clearing should be carried out by using excavator and bulldozer with no burning method. This is confirmed during field visit to replanting areas in Block E28, field E010, Division 2, Binturung Estate. Burning activity is also not allowed for pest control during land preparation on replanting.

**Status: Comply**

**5.6**

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

**5.6.1**

The CH was able to show identification of pollution source from its operation (estate and factory) and the management plan. Generally, the management plan consists of 4 sources (air, noise, vibration and odor) and its management plan, such as testing every semester to an accredited laboratory and its evaluation. CH has monitoring the quality of pollution and emission every six months in mill area. Based on the monitoring result for semester II of 2016, it is known that the noise level at boiler station is 91.3 dBA and at sterilization station the noise level is 92.3 dBA. To reduce the noise level, the workers have been using ear muffs or ear plugs.

**5.6.2**

The CH has several mitigation programs to manage GHG emissions which describe sources of emissions and its management plan from estates and mills. Mitigation programs consist of zero burning for replanting activities, reduction in the use of urea and application of by-products (EFB) for nutrient supply, fuel efficiency, periodic maintenance of machinery and vehicles, periodic emission monitoring and installation of dust collectors at the factory. The CH also has a program of tree management in HCV areas which aims to reduce GHG emissions. Based on field observations, the CH is also using casuarina as a plant to reduce emissions.

The company has a wastewater treatment plant (WWTP) for pollution reduction of palm oil mill effluent (POME) before transferring it to the flatbed on the selected field. POME monitoring at WWTP has been monitored, recorded and reported to the Environment Agency in Kotabaru District. Monitoring of BOD is carried out every month regularly and reported to the Environment Agency every three months. Based on field observations and interviews with WWTP staff, it was informed that monitoring and recording of land application by POME is conducted by WWTP staff and coordinated with estate staff.

In order to reduce the negative effect of noise levels in the mill, the CH has implemented a plan as follows:

- Use of ear plugs/ear muffs in high noise level stations. There is proof of earplugs/earmuffs handover to workers.
- Regular maintenance of machinery.
- Regular audiometric test (once a year) for operators.
- PPE control during work hours.
- To reduce noise levels at the sterilizer, there was a change in specification of blow-down silencers which was done in February 18, 2012.

**5.6.3**

Annual GHG calculation was conducted by PSQM of Sime Darby Head Quarter in Kuala Lumpur, Malaysia, using RSPO Palm GHG calculator version 2.1.1. The GHG calculation for 2016 is as follows:

**Summary of Net GHG Emissions**

Emissions per product	tCO <sub>2</sub> e/tProduct	Extraction	%	Production	ton/year
CPO	6.42	OER	18.52	FFB Processed	126,000
PK	6.42	KER	3.83	CPO Produced	14,200

Land Use	ha
OP planted area	17,570.4
OP Planted on peat	0



Conservation area	281.16
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**Summary of Field Emissions and Sinks**

	Own Crop			Group		3 <sup>rd</sup> Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/t FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha
<b>Emissions</b>				0	0	0	0	0	0
Land conversion	296,819.78	16.89	2.09	0	0	0	0	0	0
*CO <sub>2</sub> emissions from fertilizer	15,838.25	0.9	0.11	0	0	0	0	0	0
**N <sub>2</sub> O emissions	4,735.52	0.27	0.03	0	0	0	0	0	0
Fuel consumption	7,175.31	0.41	0.05	0	0	0	0	0	0
Peat Oxidation	0	0	0	0	0	0	0	0	0
<b>Sinks</b>									
Crop sequestration	164,489.39	-9.36	-1.16	0	0	0	0	0	0
Conservation Sequestration	-2,577.97	-0.15	-0.02	0	0	0	0	0	0
<b>Total</b>	<b>157,501.5</b>	<b>8.96</b>	<b>1.11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Summary of Mill Emissions and Credits**

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/FFB
<b>Emissions</b>		
POME	44,719.99	0.31
Fuel consumption	1,465.31	0.01
Grid Electricity Utilisation	0	0
<b>Credits</b>		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	<b>46,185.3</b>	<b>0.33</b>

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

Divert to compost	0
Divert to anaerobic digestion	100

**POME Diverted to Anaerobic Digestion:**

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

**Status: Comply**

**PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills**

**6.1**

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

**6.1.1; 6.1.2**

The company has conducted Social Impact Assessment (SIA) on Nov 2009. It assessment gathering all social information from internal stakeholder (workers), external stakeholder (local communities, customary leader, smallholder, village authority). This document has covered all positive and negative social effects that caused and maybe caused by the plantations and mill. Records of participation from local communities and stakeholders during SIA are available.

CH has also conducted a social impact assessment due to replanting activities conducted in 2015. This document has covered all positive and negative social effects that caused and maybe caused by the replanting activities. Based on

interview with communities shows that all issue has been identified by CH.

**6.1.3; 6.1.4**

The company has set SIA mitigation program for periode 2016 – 2017 which involved by communities and workers. Based on document review, the company has realized the SIA mitigation program such as:

1. Arrangement of activities so that the direction to the edge, to the area that is still covered by the garden, toward the border or toward the forest in the plantation area so that no animals are trapped in the middle of the replanting area and not invaded the community or village gardens.
2. Monitor and control the replanting process
3. Socialization of replanting impacts and how to manage them

The results of interviews with communities (Rampa Cengal Village and Sesulung Village) are known that there is no negative impact felt due to the company's operations. The company has reviewed mitigation program of social impact assessment regularly. The latest reviewed on 2015, but for 2017 is not yet done. The review results of the management plan will be observed on next surveillance.

**6.1.5**

CH has had a smallholder partnership with villagers near the company, but the agreement of partnership is under sister company of CH which is PT LMR.

**Status: Comply**

**6.2**

**There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.**

**6.2.1**

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

CH has procedure of communication and consultation (SOP No. PSA/SOP DK, dated April 11 2011) which explain about mechanism of request for information. There is socialization documentation of the procedure at November 1 2016 and was attended by 29 participant of surrounding stakeholder. Communication through direct supervisor or using aspiration box in estate. Based on public consultation with head of Sesulung and Rampavillage informed that they already know of how and to whom to communicate with the company. CH also provide book to record stakeholder aspiration. The book is available in estate office.

**6.2.2**

The PIC for communication and consultation on site is Administration Head which is under the operation manager. It was based on letter number BNE-Int/001/XII/2011 from Chairman of SOU XII. Based on field interview with surrounding stakeholder obtained information on how and who to communicate with the company.

**6.2.3**

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

Record of communication from external stakeholder is also available at estate and factory, which is recorded in public aspiration book. All of the letter was a request of funding and heavy equipment assisting. None of them request for information. The Certification Unit can reevaluate the documentation of incoming letter and responding to incoming letter.

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

**Status: Comply**

**6.3**

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

**6.3.1**

The certificate holder has procedure of handling complaint mechanism for all stakeholder (Number PSA/SOP MPK, rev.1 1) which explain the mechanism of communication and handling of complaint. In section V par 5.5 stated that : the company guarantee security and secrecy the reporter. There is also mechanism scheme of handling complaint from stakeholder.

The PIC in site is Administration Head under operation manager and along coordination with other Division. The time limit for responding request for information is 1 month prior to the incoming letter.

There is sample socialization document of handling complaint mechanism at Binturung village dated January 18 2013 and at November 1 2016 for socialization of communication procedure which was attended by 29 attendant of surrounding stakeholder. Based on public consultation with head of Sesulung village and Rampa village informed that they already knew to who and how to request for help or to communicating complaint. Based on consultation with worker union representation informed that the union can also receive complaint from worker to be handled to the management. For 2016, there is no industrial conflict between worker and the company.

**6.3.2**

Based on stakeholder communication with surrounding village known that there are no conflict of land or other thing. The certificate holder has also monitored request for information and complaint from stakeholder in form of book of stakeholder aspiration. There is also book of internal complaint in estate and factory. It was managed through estate and factory. There is sample of incoming letter asking for assistance of school bus from Pondok Labu kindergaten at February 24 2017 and had been fulfilled.

**Status: Comply**

**6.4**

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

**6.4.1**

CH has had SOP for land compensation which describes identification, calculation and compensation for land release mechanism. In this procedure was explained that the process of land identification is involved the community and the village government.

**6.4.2 and 6.4.3**

The results of document review, field visit and interviews show that the CH does not perform new expansion since ASA-4 until Recertification. The latest land compensation has been conducted in 2008.

**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.**

**6.5.1**

CH has work agreement for permanent worker and temporary daily worker which explain about the wages, work hour, duty and responsibility, and other provisions. The wages is in accordance with Kalimantan Selatan Governor Decree No 188.44/0610/KUM/2016 about minimum wage for Kotabaru Regency as much as Rp 2,381,000 per month. Besides, the company have Intern Office Mail no 007/RSP-i2/I/2017 about Wage for daily permanent worker and monthly permanent worker. It explain that the wage for daily permanent worker is as much as Rp 2,381,500 per month. The wage for contract worker is set in the work agreement. Based on interview with worker in estate, they received the payslip document and the amount is in accordance with the applicable regulation.

**6.5.2**

Work agreement (contract) between worker and company describes about type of work and salary, duty and responsibility, work hour, health and medical, work termination, and others. Contract is written in Indonesian Language and workers are understood the substance of the contract. On the chapter which describes salary system, stated that basic wage for permanent daily worker is above daily minimum wage. The results of the document review indicate that 2 contracts from 5 contracts that have erred on the date of contracting. CH has the opportunity to ensure the date of contract creation in accordance with the date on which the contract is made and this will be observed at the next surveillance.

CH also has collective labour agreement (PKB) between company and labour union for period year 2016 – 2018 which is endorsed by Manpower and Transmigration Agency in Kotabaru Regency. The collective labour agreement is regulated about company and worker responsibilities, recruitment process, promotion and demotion, work time management, payment system, social insurance, contract termination, and so on.

**6.5.3 & 6.5.4**

Based on the results of field visits known that CH has been providing housing facilities, lighting, water, daycare, cooperatives, employee halls, places of worship, school buses, clinics and educational facilities. Company also facilitates all workers to access adequate food supply by held sudden market on payday. Moreover, there are some kiosk in housing complex. Personnel can get the staple food with reasonable price. The Company also provides rice support to all permanent worker.

**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.**

**6.6.1**

There is company's policy related to opportunity for the employee to join the labor union on 2016 – 2018 Collective Work Agreement Chapter II Article 5 about The Recognition on Worker Union. Company facilitates the establishment of labor union to deliver the information from the workers to company and vice versa. The labor union has been registered to Labor Agency of Kotabaru Regency with registration number is 568/095/Dissosnakertrans dated 27<sup>th</sup> September 2012 for Sesulung Worker Union and registration number 568/88/SP/XII/2011/Disosnakertrans dated 12<sup>th</sup> November 2014 for Pondok Labu Factory Worker Union. Based on interview with the committee of worker union, there is no force for the worker to join the labor union.

**6.6.2**

The labor union conducted meeting periodically or where there is an issue with company or the member of union. There are meeting documentation, such as minutes of meeting on 20<sup>th</sup> December 2016, attended by 9 participants. The documentation is available in office unit and available for member if they were asking.

**Status: Comply**

**6.7**

**Children are not employed or exploited.**

**6.7.1**

CH has policy about the minimum age for worker written on Procedure of Employee Recruitment and letter no 110/SSE/int/III/2012/s about the procedure of new employee. It is stated that the minimum age or new worker is 18 years old.

Based on interview with worker in estate and mill, they understand and know that the minimum age for worker in the company is 18 years old. Based on field observation in estate, there auditors did not found any harvester accompanied by their wife or children.

**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.**

**6.8.1 & 6.8.2**

CH has SOP of Sustainable Plantation Management Guidelines No 724/TQEM-SPMS/09 dated 27<sup>th</sup> August 2010. In the SOP stated that the company is giving same opportunity to all worker. All Staff / Employees should be treated fairly and fairly in matters relating to recruitment, progress, conditions and job descriptions, irrespective of race, degree, ethnicity, gender, color, imperfection (defect), sexual orientation, Organizational membership, political views, religion and age. Based on field observation and interview with female worker in day care, it is known that there is no issue or complain from worker regarding discrimination. The workers that has been interviewed is came from various social origin, race, and religion.

**6.8.3**

Company kept the personal file of each worker in HRM Department. Based on interview with management, the recruitment is conducted through the company requirement. Worker promotion, mutation or demotion is done through the employee performance assessment. Company showed documentation of employee performance assessment, it explain about the verification of evaluation indicator whether the worker will be promoted or demoted.

**Status: Comply**

**6.9**

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

**6.9.1, 6.9.2, 6.9.3**

Company has the gender policy on April 2011. It explains how to make a complaint if there are indications of sexual harassment in the workplace, establish gender committee for protection of female worker and other policies related about reproductive rights. The procedure has been socialized to the workers. Based on interview with female workers in Estate, they understood about the complaint mechanism. It is also known that there is no issue or complaint related to sexual harassment on the workplace. Company also form gender committee for handling the harassment issue around female workers. Based on interview with the board of gender committee, the company provides the female worker with pregnant and nursing leave for about 3 months.

Company also has procedure of employee grievance or complaint dated 1<sup>st</sup> January 2016 which explain that the identity of the complainant is not revealed to everyone. Based on interview with the worker, they understand the complaint mechanism and there is no complaint from them.

**Status: Comply**

**6.10**

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

**6.10.1& 6.10.2**

Related to smallholder was associated with the company, the FFB price based on the price monthly price was approved by Plantation Agency of South Kalimantan Province. These price was issued from discussions with the parties (Farmers' Cooperative, Planters and Related Agencies). The company showed the transaction between company and smallholder in form of cash voucher. There are no problem related to FFB pricing and payments from company.

**6.10.3**

It was shown an examples of Cooperation Agreements of Gravel No. BNE/SPK-LKL/XI/2017/024 and Mou between company and Bina Swadaya Karya Cooperative No 001/PK-PSA/X/2008. Before signing the Cooperation Agreements, the companies explain the clauses of the agreement, and the rights and obligations of each party. Letter of Employment Agreement will be revised in accordance with the conditions, such as freight price adjustments to operational costs.

**6.10.4**

There was showsample proof of payment records on 25<sup>th</sup> January 2017 in form of Minutes of Receipt and Payment from PT Paripurna Swakarsa to local contractor (Gravel). Based interview with the local contractor that knows the payment process was routinely as clause in contract and there was no problem related to consistency time of payment in every month.

**Status: Comply**

**6.11**

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

**6.11.1**

CH has owned CSR Program 2017/18 of which consists of:

- Relocation of binturung village market in E / F-21 block to binturung village location
- Creation of reservoirs for drinking water reservoirs of residents RT 04, 02 and 01 Binturung Village
- The construction of road trenches in the Pondok Labu village

The result of stakeholder consultation with Desa Rampa Cengal is known that the company often communicates with the community to ask about CSR activities or programs, but the management unit can not show the recording of the activity. CH has the opportunity to complete the recording / documentation of the communication activities that have been done with the stakeholders. This will be observed during the next surveillance.

For the year 2016/2017, PT PSA has realized CSR activities such as:

- Repair of Binturung Village road
- Rice assistance for the elderly in the village
- Making volly field in RT 04 Binturung Village
- Creation of water reservoirs for Binturung Village
- Create an independent village to prevent fire in the village of Binturung

**6.11.2**

CH manages community plantation with KKPA system where management is done in full by company. To improve the productivity of community plantation, the company performs in accordance with the own estate standards.

**Status: Comply**

**6.12**

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

**6.12.1; 6.12.2; 6.12.3**

Based on document review, field observation, and interviews with worker and stakeholders, it is known that there is no migrant labor, including forced labor and illegal labor. The recruitment is done according to the company's procedure. All workers have work agreement that explain about the obligation and rights of the worker, and other provision. They work based on the contract and work order. Based on field observation and interviews with the workers in Estate and Mill, it is known that there is no discrimination among them. They came from local and nonlocal worker. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children. Based on interview with worker union member, there is no issue related to force labour.

**Status: Comply**

**6.13**

**Growers and millers respect human rights**

**6.13.1**

The company has policy on human rights which explain the kind of human rights for all workers. The policy has been socialized to the workers and they know and understand about the policy. Based on field observation and interview with worker and internal stakeholder (board of labor union and gender committee), it is known that there is no complaint related to human rights violation. If there is a complaint, the complaint can still be resolved by amicable way between employees. The workers also aware about the policy.

**Status: Comply**

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

**7.1**

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

**7.1.1**

<p>Until recertification audit and based on areal statement, there was no new development or new planting carried out by PT Paripurna Swakarsa after the last surveillance on 2016. The youngest year of planting is 2017 which is replanting. Environment analysis document, environmental management and monitoring that has been done by the company can be seen in <b>Criteria 5.1</b></p>	
<p><b>Status: Comply</b></p>	
<p><b>7.2</b>  <b>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.</b></p>	
<p><b>7.2.1 and 7.2.2</b>          According to hectare statement 2017/2018 data and information from estate management unit, it could be concluded that there were no new planting and development areas from the last surveillance on 2016. Hence, information on land suitability for new planting is not applicable. However, land suitability summary is presented in soil survey semi detail and land suitability study of PT PSA for period 2016-2021 report, conducted by Minamas Reasearch Centre (MRC) team.</p>	
<p><b>Status: Comply</b></p>	
<p><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></p>	
<p><b>7.3.1 and 7.3.2</b>          The document review showed that the company is performed land clearing after November 1, 2005 without preceded by the identification of HCV. HCV identification in PT PSA was conducted on 2009. Sime Darby Plantation Sdn Bhd, as the parent of PT PSA has conducted disclouser of liability and LUCA on 4 September 2015 by email. Based on an email from RSPO Compensation on 7 September 2015 is known that the LUCA has been received. But PT PSA has not shown approval from Compensation Panel for LUCA and compensation plan. However, the management unit may demonstrate communication with the RSPO by email on 29 March 2017 stating that <i>“As the approval of SDP’s Concept Note has been granted, RSPO agreed that as long as SDP can show its commitment and active engagement with RSPO, towards revision and completion of LUCA report, the certification/ surveillance process shall not be disrupted. Hence, RSPO will inform the CBs to proceed with the audits. As for the non-conformity related to 7.3.1, the RSPO will issue a formal response to the CBs involved, explaining SDP’s situation. If there are no other identified non-conformity, the units can be continued to be certified.”</i> Approvals regarding the LUCA and / or compensation plan from RSPO Compensation Panel will be observed at the next surveillance.</p> <p><b>7.3.3;</b>          Based on the results of interviews with management is known that the initial activity of land clearing was done in 1994 at Sesulung Estate. Since ASA-4 to RC activities, there has been no new land clearing or expansion of operational areas undertaken by the management unit.</p> <p><b>7.3.4 and 7.3.5</b>          The results of document review, field visits and interviews found that CH did not expand or conduct new planting since ASA-4.</p>	
<p><b>Status: Comply</b></p>	
<p><b>7.4</b>  <b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b></p>	
<p><b>7.4.1 &amp; 7.4.2</b>          According to hectare statement 2017/2018 data and information from estate management unit, it could be concluded that there were no new planting and development areas from from the last surveillance on 2016. Hence, information on land suitability for new planting is not applicable. However, the presence of marginal and fragile soils is presented in soil survey semi detail and land suitability study of PT PSA for period 2016-2021 report, conducted by Minamas Reasearch Centre (MRC) team.</p>	
<p><b>Status: Comply</b></p>	

<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>7.5.1</b>	
Based on documents review, interview and field visits is known that CH did not expand of the operational area and there is no more land clearing activity since ASA-4.	
	<b>Status: Comply</b>
<b>7.6</b>	
<b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>	
<b>7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5; 7.6.6</b>	
Based on documents review, interview and field visits is known that CH did not expand of the operational area and there is no more land clearing activity since ASA-4.	
	<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>7.7.1 and 7.7.2</b>	
According to hectare statement 2016/2017 data and information from estate management unit, it could be concluded that there were no new planting from from the last surveillance on 2016. However, based on field observation to replanting area of Binturung Estate, block E28, Field E010, Division2, it was found that there were no evidence of burning activities for replanting. The CH use excavator to replanting activity (stcking and chipping ex palm oil trees). Furthermore, based on document letter of agreement for replanting activity with land clearing Contractor in both estates (Pondok Labu and Binturung Estate), it was known that land clearing should be carried out with no burning method.	
	<b>Status: Comply</b>
<b>7.8</b>	
<b>New plantationdevelopments aredesigned to minimisenet greenhouse gasemissions.</b>	
<b>7.8.1 and 7.8.2</b>	
According to hectare statement 2016/2017 data and information from estate management unit, it could be concluded that there were no new planting from January 1 <sup>st</sup> 2015 forward. Hence, there is no study of major potential sources of emission identification and estimation for new planting areas, as well as no plan to minimize net GHG emission.	
	<b>Status: Comply</b>
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>	
<b>8.1</b>	
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>	
<b>8.1.1</b>	
Several improvements related to Agronomy practices is presents as follows:	
<ul style="list-style-type: none"> <li>• Installation of sprinkle and artificial basin in Block I51 Divisi 4 PLE which aims to avoid water stress on palms during consecutive drought seasons. It was setted 40 litre of water/palm and applied twice a month when rainfall rate is bellow 100 mm/month.</li> <li>• To conduct mechanical fertilizer (macro nutrient) application on flat to undulating areas.</li> <li>• To adopt C1R2 harvesting system to improve productivity.</li> </ul>	



CH has conduct environmental management to reduce negative impact caused by operation activities. To ensure the management has been success, CH conduct monitoring of environmental quality such as emission, river water and air. Based on the result of monitoring in semester II of 2016 is known that there is indication negative impact to environment caused by operation activities by CH.

Based on the results of non-conformities identified during the Recertification, auditors team assessed that there is systematic failures associated with the recurrence of nonconformity on the results of previous audits (ASA-4) which are indicator 1.1.1; 4.4.1 and 5.3.3. **Nonconformity No. 2017.08 with major category.**

<b>Major 8.1.1</b>	<b>Status: Nonconformity No. 2017.08 with major category</b>	
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**3.2 Summary of Assessment Report of Supply Chain Requirements**

Clause	(Module D) CPO Mills – Identity Preserved Requirements																																																							
<b>D1</b>	<b>Definition</b>																																																							
<p><b>D.1.1</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.</p>																																																								
<p>Pondok Labu Factory is used RSPO supply chain of Identity Preserved module because only received FFB from the estate which has been certified with RSPO.</p>																																																								
<p align="center"><b>Status: Comply</b></p>																																																								
<b>D.2</b>	<b>Explanation</b>																																																							
<p><b>D.2.1</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.</p>																																																								
<p>Estimates of CPO and PK produced by Pondok Labu Factory obtained from the data of 12 months before the audit activities and have been described in this Recertification report. The estimate of CPO and PK is 39,863 ton CPO and 9,491 Ton PK.</p>																																																								
<p align="center"><b>Status: Comply</b></p>																																																								
<p><b>D.2.2</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).</p>																																																								
<ul style="list-style-type: none"> <li>• RSPO IT Platform member registration number: RSPO_PO1000000327</li> <li>• Certified CPO sold to each buyer period of 16 May 2016 to 30 April 2017</li> </ul>																																																								
<table border="1"> <thead> <tr> <th>Date</th> <th>Buyer</th> <th>Volume (Ton)</th> </tr> </thead> <tbody> <tr><td>13/07/2016</td><td>PT Golden Hope Nusantara</td><td>1,062.89</td></tr> <tr><td>7/08/2016</td><td>PT Golden Hope Nusantara</td><td>1,412.87</td></tr> <tr><td>14/08/2016</td><td>PT Golden Hope Nusantara</td><td>1,426.60</td></tr> <tr><td>9/11/2016</td><td>PT Golden Hope Nusantara</td><td>888.01</td></tr> <tr><td>9/11/2016</td><td>PT Golden Hope Nusantara</td><td>899.98</td></tr> <tr><td>9/11/2016</td><td>PT Golden Hope Nusantara</td><td>1,002.65</td></tr> <tr><td>9/11/2016</td><td>PT Golden Hope Nusantara</td><td>1,001.94</td></tr> <tr><td>29/12/2016</td><td>PT Golden Hope Nusantara</td><td>1,111.58</td></tr> <tr><td>31/12/2016</td><td>PT Golden Hope Nusantara</td><td>905.59</td></tr> <tr><td>21/01/2017</td><td>PT Golden Hope Nusantara</td><td>1,552.30</td></tr> <tr><td>25/01/2017</td><td>PT Golden Hope Nusantara</td><td>769.84</td></tr> <tr><td>1/03/2017</td><td>PT Golden Hope Nusantara</td><td>2,503.10</td></tr> <tr><td>1/03/2017</td><td>PT Golden Hope Nusantara</td><td>500.81</td></tr> <tr><td>1/03/2017</td><td>PT Golden Hope Nusantara</td><td>1,254.03</td></tr> <tr><td>1/03/2017</td><td>PT Golden Hope Nusantara</td><td>1,342.09</td></tr> <tr><td>1/03/2017</td><td>PT Golden Hope Nusantara</td><td>35.14</td></tr> <tr><td>1/03/2017</td><td>PT Golden Hope Nusantara</td><td>132</td></tr> </tbody> </table>			Date	Buyer	Volume (Ton)	13/07/2016	PT Golden Hope Nusantara	1,062.89	7/08/2016	PT Golden Hope Nusantara	1,412.87	14/08/2016	PT Golden Hope Nusantara	1,426.60	9/11/2016	PT Golden Hope Nusantara	888.01	9/11/2016	PT Golden Hope Nusantara	899.98	9/11/2016	PT Golden Hope Nusantara	1,002.65	9/11/2016	PT Golden Hope Nusantara	1,001.94	29/12/2016	PT Golden Hope Nusantara	1,111.58	31/12/2016	PT Golden Hope Nusantara	905.59	21/01/2017	PT Golden Hope Nusantara	1,552.30	25/01/2017	PT Golden Hope Nusantara	769.84	1/03/2017	PT Golden Hope Nusantara	2,503.10	1/03/2017	PT Golden Hope Nusantara	500.81	1/03/2017	PT Golden Hope Nusantara	1,254.03	1/03/2017	PT Golden Hope Nusantara	1,342.09	1/03/2017	PT Golden Hope Nusantara	35.14	1/03/2017	PT Golden Hope Nusantara	132
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<b>Total</b>		<b>17,801.42</b>
<ul style="list-style-type: none"> <li><b>Certified Palm Kernel sold to each buyer period of 16 May 2016 to 30 April 2017</b></li> </ul>		
Date	Buyer	Volume
31/05/2016	PT LMI – Rantau KCP	243.18
31/05/2016	PT LMI – Rantau KCP	202.26
31/05/2016	PT LMI – Rantau KCP	282.78
15/07/2016	PT LMI – Rantau KCP	376.06
31/07/2016	PT LMI – Rantau KCP	300.47
30/09/2016	PT LMI – Rantau KCP	131.36
30/09/2016	PT LMI – Rantau KCP	131.36
31/10/2016	PT LMI – Rantau KCP	699.84
30/11/2016	PT LMI – Rantau KCP	903.79
31/12/2016	PT LMI – Rantau KCP	613.14
31/01/2017	PT LMI – Rantau KCP	401.67
28/02/2017	PT LMI – Rantau KCP	615.99
<b>Total</b>		<b>4,901.90</b>
<b>Status: Comply</b>		
<b>D.3</b>	<b>Documented procedures</b>	
<b>D.3.1</b>		
<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a. Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b. The 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.</p>		
<p>Pondok Labu Factory has had procedure for SCCS with IP model in SOP number: RSPO/65/SCPP/PSA on 1June 2015which described the duties and responsibilities of each part; the identification of raw materials and products; and performs supply chain system. The results of interviews with head administration and weighbridge operators in Pondok Labu Factory showed that they understand about granting stamp (RSPO) for delivery document.</p> <p>The result of field visit in Bulking Sekumbang shows that the delivery document of RSPO certified product (CPO and PK) to the buyer is not equipped with the identity supply chain model. This is not in accordance with product identification procedures and product traceability, so this is <b>Nonconformity No. 2017.9</b>.</p>		
<b>Status: Comply</b>		
<b>D.3.2</b>		
<p><b>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</b></p>		
<p>Pondok Labu Factory has the acceptance and processing procedure for certified and non-certified FFB as stated in procedure for SCCS with IP module in SOP number: RSPO/65/SCPP/PSA on 1st June 2015. Based on field visit and interview in Pondok Labu Factory showed that weightbridge ticket and FFB delivery note have stamped “BERSERTIFIKAT RSPO” as a unique code.</p>		
<b>Status: Comply</b>		
<b>D.4</b>	<b>Purchasing and goods in</b>	
<b>D.4.1</b>		
<p><b>The site shall verify and document the volumes of certified and non-certified FFBs received.</b></p>		
<ul style="list-style-type: none"> <li><b>Certified and non-certified FFB received period of 1 June 2016 to 30 April 2017</b></li> </ul>		

Month	FFB (Ton)		
	RSPO Certified	Non Certified	Total
June 16	8,588.79	-	8,588.79
July 16	8,646.96	-	8,646.96
August 16	8,751.22	-	8,751.22
September 16	5,555.03	-	5,555.03
Oct 16	22,003.72	-	22,003.72
November 16	22,327.05	-	22,327.05
December 16	23,284.65	-	23,284.65
Jan 17	6,994.00	-	6,994.00
Feb 17	-	-	-
March 17	6,672.72	-	6,672.72
April 17	8,983.55	-	8,983.55
<b>Total</b>	<b>121,807.69</b>	<b>-</b>	<b>121,807.69</b>

**Status: Comply**

**D.4.2**

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

Pondok Labu Factory has had procedure for SCCS that describes the provision of information to CB if there is excess production of RSPO-certified products. Based on the attachment of RSPO ASA-4 certificate, its known that the projected production of CSPO was 60,626.12 Ton and CSPK was 12,899.17 Ton. Meanwhile CSPO and CSPK production from 16 May 2016 to 30 April 2017 was 26,247.467 Ton CSPO and 5,691.869 Ton CSPK.

**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.**

Pondok Labu Factory has recorded the entire RSPO certified FFB which enter the mill and deliveries of RSPO certified product (CSPO and CSPK). Here the record production and deliveries of RSPO certified product with monthly basis.

No	Period	CPO Production (Ton)			CPO despatch (Ton)		
		Cert	Non-Cert	Total	RSPO	Non-Certified	ISCC
1	June 16	1,825.322	-	1,825.322	1,052.663	-	-
2	July 16	1,754.474	-	1,754.474	4,537.720	-	-
3	August 16	1,705.807	-	1,705.807	2,305.513	-	-
4	Sept 16	1,124.007	-	1,124.007	895.521	-	-
5	Oct 16	4,239.328	-	4,239.328	3,932.786	-	-
6	Nov 16	4,724.864	-	4,724.864	1,025.760	-	-
7	Dec 16	4,799.783	-	4,799.783	5,092.886	-	-
8	Jan 17	1,469.999	-	1,469.999	5,125.768	-	-
9	Feb 17	-	-	-	-	-	-
10	Mar 17	1,318.305	-	1,318.305	-	-	-
11	Apr 17	2,113.386	-	2,113.386	2,080.936	-	-
	<b>Total</b>	<b>25,075.275</b>	<b>-</b>	<b>25,075.275</b>	<b>26,262.183</b>	<b>-</b>	<b>-</b>

No	Period	PK Production (Ton)			PK despatch (Ton)		
		Cert	Non-Cert	Total	RSPO	Non-Certified	ISCC
1	June 16	328.930	-	328.930	375.840	-	-
2	July 16	348.039	-	348.039	299.580	-	-
3	August 16	310.063	-	310.063	331.870	-	-
4	Sept 16	244.088	-	244.088	131.190	-	-
5	Oct 16	1,007.850	-	1,007.850	694.830	-	-
6	Nov 16	1,081.015	-	1,081.015	898.220	-	-

7	Dec 16	1,066.084	-	1,066.084	600.190	-	-
8	Jan 17	330.949	-	330.949	330.790	-	-
9	Feb 17	-	-	-	620.610	-	-
10	Mar 17	280.072	-	280.072	314.990	-	-
11	Apr 17	470.190	-	470.190	540.870	-	-
<b>TOTAL</b>		<b>5,691.869</b>	<b>-</b>	<b>5,691.869</b>	<b>5,382.130</b>	<b>-</b>	<b>-</b>
<b>Status: Comply</b>							
<b>D.6</b>	<b>Processing</b>						
<b>D.6.1</b>							
<b>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</b>							
Pondok Labu Factory, PT PSA only processes FFB from RSPO certified estate, subsequently, the entire product is CSPO and CSPK.							
<b>Status: Comply</b>							
<b>D.6.2</b>							
<b>The objective is for 100 % segregated material to be reached</b>							
Pondok Labu Factory only processes FFB from RSPO certified estate.							
<b>Status: Comply</b>							

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

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>RC</b>	The company does not use RSPO logo.	√
<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>RC</b>	The company does not use RSPO logo.	√
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>RC</b>	The company does not use RSPO logo.	√
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>RC</b>	The company does not use RSPO logo.	√

**3.4 Summary of RSPO Partial Certification**

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

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

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



iv.	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p><b>Company Group/Holding Statement:</b> None noted. No stakeholder comments or complaints received.</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for PT Budidaya Agro Lestari waiting for land title process.</p>
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**3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components**

**3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-4 Assessment**

<b>NCRNo.</b>	: 2016.1	<b>Issued by</b>	: -
<b>Date Issued</b>	: -	<b>Time Limit</b>	: RC
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 4 May 2017
<b>Standard Ref. &amp; Requirement</b>	: <b>1.1.1</b> <b>A list of information relating to criterion 1.2 should be made available to relevant stakeholders.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> The company could not show the socialization evidence of SOP of requests for information to relevant stakeholders.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Do not understand the latest RSPO indicator			
<b>Corrective Action</b> <i>(filled by organization audited):</i> To socialize SOP			
<b>Preventive Action</b> <i>(filled by organization audited):</i> Reviewing the RSPO indicator			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Auditor verification on 4<sup>th</sup> May 2017</b> The Company has disseminated the communication SOP to surrounding villages and government on 1 Nov 2016. Based on the evidence Non-conformity No.2016.1 is closed.			
<b>Verified by</b>	: <b>Rudi Ramdani</b>		

<b>NCRNo.</b>	: <b>2016. 2</b>	<b>Issued by</b>	:
<b>Date Issued</b>	:	<b>Time Limit</b>	:
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 13 May 2016
<b>Standard Ref. &amp; Requirement</b>	: <b>4.4.1</b> <b>A water management plan is to be implemented.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> 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.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> There is no re-testing after the unit (estate) to repair by dredging reservoirs and repair of reservoirs.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> 1. Dredging of reservoir and cleaning the area around reservoir. 2. Report on surface water quality test results dated March 14, 2016 from Succofindo laboratory. 3. Conducting evaluation of water quality test results with reference to Permenkes No. 416 / MENKES / PER / IX / 1990 note that the parameters of Ph and tota coliform in Reservoir II BNE, Division I, II and III of PLE have fulfilled the threshold requirement			

<b>Preventive Action</b> <i>(filled by organization audited):</i> Perform monitoring every year periodically, and ensure maintenance of reservoir conditions. Ensure domestic water flow does not contaminate reservoirs	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Observation May 13, 2016:</b> The Company shows the documentation of corrective actions in the form of: 1. Dredging of reservoir and cleaning the area around reservoir. 2. Report on surface water quality test results dated March 14, 2016 from Succofindo laboratory. 3. Conducting evaluation of water quality test results with reference to Permenkes No. 416 / MENKES / PER / IX / 1990 note that the parameters of Ph and total coliform in Reservoir II BNE, Division I, II and III of PLE have fulfilled the threshold requirement.  Based on the corrective evidence shown, the nonconformity no .2016.02 is closed.	
<b>Verified by</b>	: <b>Bukti Bagja</b>

<b>NCR No.</b>	: <b>2016. 3</b>	<b>Issued by</b>	: -
<b>Date Issued</b>	:	<b>Time Limit</b>	: <b>RC</b>
<b>NC Grade</b>	: <b>Minor</b>	<b>Date of Closing</b>	: <b>30 May 2016</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>5.3.3 A waste management plan should be available that is documented and implemented to avoid and reduce pollution</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Disposal of solid waste (residual of shell, fiber and husks) around WWTP of Pondok Labu Factory has not done well so that creating potential of surface water contamination.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> 1. Shelter and fiber containers in Pondok Labu Factory is over capacity. 2. Shell and fiber waste operator are not aware of solid waste management mechanisms.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> 1. Scrub the waste of the shell, fibre, and husks around the WWTP by heavy equipment, and then evacuate to the specified shell and fiber disposal site. 2. Establish memos related to management of shells and fibre waste and set permanent shell and fiber disposal is in Block L45. 3. Make the flow of the trench as a trap in the shell's shelter area			
<b>Preventive Action</b> <i>(filled by organization audited):</i> 1. Making memos from the management of Pondok Labu Factory to determine the location of shells and fiber disposal in Block L45. 2. Complete with a trap on the shell shelter area.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <b>Observed May 24, 2016</b> The certificate holder has demonstrated solid waste dredging photo documentation from the basin / moat area outside of WWTP. However, the company has not been able to show evidence: - Analyze the root of the problems that occur accurately to ensure permanent improvement - Corrective actions that match the identification of the root cause			

- Precise precautions to ensure similar incidents do not reo

**Observation dated May 26, 2016**

The certificate holder has demonstrated the improvement of NCR compliance with the identification of the root of the problem and the formulation of corrective action.

1. For the main problem of shell shelter in mill which is not sufficient, the company has taken action by making the shelter location in block L45 which is not in the flow of surface flow.
2. For contamination of surface water flows that have occurred, the company has to evacuate solid waste from the water basin
3. To ensure compliance with waste disposal procedures, the company has issued internal memos for solid waste management procedure instructions.

However, to ensure permanent repairs, additional information is needed: an environmental security analysis at a new solid waste landfill site (L45).

This is necessary to ensure that corrective action does not cause new problems arising from the transfer of solid waste landfill sites.

**Observations dated May 30, 2016**

To ensure permanent repairs, the company has provided information on environmental safety analysis at new solid waste dumping sites (M45).

Location of landfill at M45 ± 100 meters from PondokLabu Factory. There is no indication of arising from the transfer of solid waste landfill sites.

Closed with observation

**Verified by** : **Bukti Bagja**

<b>NCRNo.</b>	: 2016. 4	<b>Issued by</b>	:	
<b>Date Issued</b>	:	<b>Time Limit</b>	:	
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:	13 May 2016
<b>Standard Ref. &amp; Requirement</b>	: 5.6.3 There should be regular monitoring plans and results for emissions and pollutants from plantation and palm oil plant activities using appropriate methods.			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Not yet available evidence of greenhouse gas inventory and its report to the RSPO GHG working group by using the relevant device.				
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> The RSPO GHG calculations are performed by the Jakarta PSQM team. So the follow-up and calculation process takes time.				
<b>Corrective Action</b> <i>(filled by organization audited):</i> Already done follow up by sending the required data for RSPO GHG calculation. Report results have been issued by PSQM Jakarta, then send the results of the calculation to the secretariat RSPO via email dated April 26, 2016.				
<b>Preventive Action</b> <i>(filled by organization audited):</i> Monitoring and preparing GHG calculation data periodically.				

<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>	
<b>Observations on May 13, 2016:</b>	
The Company shows evidence of GHG calculation using RSPO Palm GHG Calculator version 2.1.1 and evidence of GHG calculation sent to RSPO secretariat via email dated 26 April 2016.	
Based on the explanation, then Non-Conformity No. 2016.04 is closed.	
<b>Verified by</b>	<b>: Bukti Bagja</b>

<b>NCRNo.</b>	<b>: 2016. 5</b>	<b>Issued by</b>	<b>:</b>
<b>Date Issued</b>	<b>:</b>	<b>Time Limit</b>	<b>:</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 17 March 2016</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: D.4.1 Facility must verify and document the volume of certified and non-certified FFB received.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor)::</i>			
Not yet available a list of the certification status from all fruit suppliers to Pondok Labu Factory. Delivery Order Letter and Weigh Ticket for fruits from non-certified sources (Sungai Cengal Scheme Smallholder) since January 11, 2016 is still using the stamp of "RSPO Certified".			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<ol style="list-style-type: none"> <li>1. FFB supplier data to Pondok Labu POM is already contained in a daily report of Pondok Labu Factory production, but does not yet include supplier identification status updates other than PT PSA, so that officers are still included stamp "RSPO certified".</li> <li>2. Pondok Labu POM not know the freezing RSPO certificate PT LMI with Sungai Cengal Scheme Smallholder 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>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<ol style="list-style-type: none"> <li>1. The management of PT PSA compile and update a list of supplier certification status as an officer guide SCCS.</li> <li>2. 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 SOU to an officer on behalf of Suprapro (PSQM) to be a PIC. PIC responsibility other than to make 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.</li> <li>3. Begin the process of actively monitoring the certification status of each supplier on a regular basis</li> </ol>			
<b>Preventive Action</b> <i>(filled by organization audited):</i>			
<ol style="list-style-type: none"> <li>1. 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>2. Conduct an internal correction so that in the next year, if there is the same problem can immediately be coordinated.</li> </ol>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<ol style="list-style-type: none"> <li>1. The management unit has compiled the root cause analysis and corrective actions based on the roots of the problems identified.</li> <li>2. 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 Sungai Cengal Scheme Smallholder RSPO certificate.</li> <li>3. To ensure a permanent settlement, the company has taken steps to improve the monitoring PIC pointing supplier certification status and clarify the procedures for monitoring by the PIC as well as a follow-up if it is identified suppliers that are certified</li> </ol>			

<b>Verified by</b> :	<b>Bukti Bagja</b>
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<b>NCRNo.</b> :	<b>2016. 6</b>	<b>Issued by</b> :	
<b>Date Issued</b> :		<b>Time Limit</b> :	
<b>NC Grade</b> :	<b>Major</b>	<b>Date of Closing</b> :	<b>17 March 2016</b>
<b>Standard Ref. &amp; Requirement</b> :	<b>D.4.1 Facility must verify and document the volume of certified and non-certified FFB received.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> 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 (Sungai Cengal Scheme Smallholder) that went into the facility.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</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 Factory is RSPO certified. When there is freezing RSPO certificate PT LMI, the Pondok Labu Factory had not been informed so that they include FFB of Sungai Cengal Scheme Smallholder 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 Factory, especially when the period of validity of a certificate from each supplier is approaching exhausted.			
<b>Corrective Action</b> <i>(filled by organization audited):</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 Factory. 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 Factory. Memo 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.</li> <li>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.</li> <li>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.</li> </ol>			
<b>Preventive Action</b> <i>(filled by organization audited):</i> Conducting internal correction so that in the next year, if there is the same problem can immediately be coordinated.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> 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 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 Sungai Cengal Scheme Smallholder certification.			
<b>Verified by</b> :	<b>Bukti Bagja</b>		

**3.5.2 Identification of Findings, Corrective Actions and Observations at Re-Certification Assessment**

<b>NCRNo.</b>	<b>: 2017. 01</b>	<b>Issued by</b>	<b>: Rudi Ramdani</b>
<b>Date Issued</b>	<b>: 5 May 2017</b>	<b>Time Limit</b>	<b>: ASA-1.1</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 27 May 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 1.1.1 A list of information relating to criterion 1.2 should be made available to relevant stakeholders</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b> Binturung Estate has not able to show prove of manpower report for period of 2016-2017.			
<b>Root Cause Analysis (filled by organization audited):</b> Restructuration of Manpower Agency of Kotabaru District and Banjarbaru HRM PIC. BNE had report it to regional office of Banjarbaru c/q HRM Dept. But because of restructuring of HRM Banjarbaru, the report had not been followed up, and then the reporting was given back to unit.			
<b>Corrective Action (filled by organization audited):</b> Reporting PIC by BNE Administration Head and then report it to Manpower Agency of Kotabaru District at 6 May 2017 through letter number 105/Est-ekst/V/2017/s.			
<b>Preventive Action (filled by organization audited):</b> Stated BNE Administration Head as obligatory manpower report PIC regulary (once in a year).			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>27 May 2017</b> CH show proof of letter number 105/Est-ext/V/2017/s dated 6 May 2017 regarding obligatory manpower report of 2017 to Head of Manpower Agency of Kotabaru District. The leeter was accepted by the Agency at 8 May 2017. <b>Nonconformity No.2017.01 is closed.</b>			
<b>Verified by</b>	<b>: Rudi Ramdani</b>		

<b>NCRNo.</b>	<b>: 2017.02</b>	<b>Issued by</b>	<b>: I Wayan Sudiantara</b>
<b>Date Issued</b>	<b>: 5 May 2017</b>	<b>Time Limit</b>	<b>: ASA-1.1</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 8 June 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.4.1 A water management plan is to be implemented.</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b> The Company has not been able to demonstrate the plans and implementation of water management (including water quality monitoring, evaluation and follow-up) aimed at ensuring access to local communities, workers and their families with adequate access to clean water for drinking water and clean water use.			
<b>Root Cause Analysis (filled by organization audited):</b> The result of the analysis has not been evaluated and the follow up has not been made before the PIC to perform the			

evaluation of water analysis of PT PSA.

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

Conduct evaluation and make plans and implementation of drinking water management in PT PSA. The results of the evaluation and the water management program are attached. Follow up in the form of Internal Oil Mail (IOM) related to the ban to consume water reservoir for drinking water in RPE, PLE and SSE.

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

Establish ESH staff as PIC for annual evaluation of water analysis.

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

**28 May 2017**

CH has shown improvement:

- Identify water sources
- Water resources management plan
- Records of water quality monitoring, evaluation and follow-up

However, the water management plan has not yet explained the water testing period. Beside that, CH has not been shown the record of recommendation for the workers not to use water reservoir as drinking water. Based on the above explanation, the **Nonconformity No. 2017. 02 is open.**

**8 June 2017**

CH has demonstrated the inter-office mail from Rampa Manager, Manager Sesulung and Manager Pondok Labu to employees not to consume water from the reservoir. Water management is conducted once a year in the first semester (January – June) of Minamas financial year. Wellsprings are not used as a source of drinking water, so there is no annual analysis. Based on the above explanation, the **Nonconformity No. 2017. 02 is closed.**

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

<b>NCRNo.</b>	: 2017.03	<b>Issued by</b>	: I Wayan Sudiantara
<b>Date Issued</b>	: 5 May 2017	<b>Time Limit</b>	: ASA-1.1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 2 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 4.6.10 It should be shown evidence that pesticide waste has been handled in accordance with prevailing laws and regulations understood by workers and managers.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
Based on visits at BSS at Pondok Labu Estate and Binturung Estate, water pipes to leaked traps and water are removed to the environment and based on visits at Hazardous waste warehouse at Pondok Labu Factory, the pesticide container is not drilled. This is not in accordance with the SOP for Handling Chemicals (PLF / SOP.ESH / 04) which contains not removing the cleaning solution to the environment and the hollow chemical container.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
• There is water seepage due to the damaged trap conditions in BSS. There has been no regular maintenance program.			



<ul style="list-style-type: none"> <li>Pesticide containers are not perforated because the tools to damage / punch in PKS are not working.</li> </ul>
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> <li>Repair the trap at BBS in PLE and BNE (Attached image of trap repair).</li> <li>Damaging the pesticide containers</li> </ul>
<p><b>Preventive Action</b> <i>(filled by organization audited):</i></p> <p>Perform periodic monitoring conducted by safety officer every month and OHS assessment every semester by staff of ESH Pamukan.</p>
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i></p> <p><b>26 July 2017</b></p> <p>The certification unit has shown documentary evidence of a second conainment trap improvement, but there is no evidence that pesticide container has been perforated in accordance with procedures. The <b>Nonconformity No. 2017.03 is not closed.</b></p> <p><b>2 August 2017</b></p> <p>The certification unit has shown record of the destruction of pesticide containers. This has been in accordance with the procedures and the <b>Nonconformity No. 2017.03 is closed.</b></p>
<p><b>Verified by</b> : <b>Ardiansyah</b></p>

<b>NCRNo.</b>	: <b>2017.04</b>	<b>Issued by</b>	: <b>Asystasya Aishah Silalahi</b>
<b>Date Issued</b>	: <b>5 May 2017</b>	<b>Time Limit</b>	: <b>4 May 2018</b>
<b>NC Grade</b>	: <b>Major</b>	<b>Date of Closing</b>	: <b>19 June 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<p><b>4.6.11</b>  <b>A record of annual health examination results for the operator and evidence of follow-up to the results of the examination should be available</b></p>		
<p><b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i></p> <p>Based on document review and interview with the management, the company has conducted medical check up to pesticide operators for Cholinesterase, Spirometry and Audiometry for the period of 2016 in February 2016 and the period of 2017 in February 2017. The company already has health examination results, however it just stated the name of the spraying workers and the results of the health examination. The document does not specify the threshold to state that the worker is experiencing health problems due to spraying work or not. The company only evaluates the results of physical examinations / diseases common to workers, such as diabetes, hypertension, caries, ENT, and so on.</p> <p>Based on this, the company has not been able to show evidence of evaluation / follow up of medical examinations for chemicals-related workers for the period 2016 and 2017.</p>			
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> <li>Medical check up is done by internal and external laboratory (Prodia Balikpapan). Company's internal doctor checked the physical examination, while external laboratory checked the audiometry, cholinesterase, and spirometry examination. After the result of medical examination is out, the company's internal doctor understood that the evaluation has been done by the external laboratory because MCU document has mentioned the recommendation and diagnosis</li> </ul>			

result. But then, company's doctor made a thorough evaluation for both physical examination and laboratory examination (Lab Prodia) from the evaluation of Laboratorium Prodia diagnosis.

- In 2017, the result of medical examination issued by Lab Prodia on April 2017, so at the time of the audit, evaluation and follow up has not been done. Currently, the evaluation and follow up of unit remain to be done.

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

- Make evaluation and follow up of MCU results of PT PSA 2016 and 2017. (Attached document)
- Follow up in the form of referrals for six employees at PT PSA which indicated unfit, among others:

NO	Nama	J/K	Usia	ASAL KEBUN	HASIL PEMERIKSAAN MEDIS	SARAN	RUJUK	KONTROL
1	WINDA ERWANTI	P	29	PT.PSA/ RPE	Tonsilitis T3IT3	Konsul ke Dokter Sp. THT	05/06/2017	12/06/2017
2	SULASMANI	P	33	PT.PSA/BNE	Tonsilitis T3IT3	Konsul ke Dokter Sp. THT	05/06/2017	12/06/2017
3	WELIYANTI	P	34	PT.PSA/PLE	Tonsilitis T3IT3	Konsul ke Dokter Sp. THT	05/06/2017	Tidak ketemu dokter
4	KAWIYAH	P	42	PT.PSA/PLE	STT MAMMAE DEXTRAE	Konsul ke Dokter Sp. Bedah	05/06/2017	Tidak ketemu dokter
5	TINA SUGIARTI	P	41	PT.PSA/PLE PT.PSA/SSE	STT	Konsul ke Dokter Sp. Bedah	05/06/2017	Tidak ketemu dokter
6	RESTIANA SELFI	P	37		Tonsilitis T3IT3	Konsul ke Dokter Sp. THT	05/06/2017	12/06/2017

- The unit did a follow-up for feeding (milk and supplement) for employees who were diagnosed with a healthy record of two BNE employee, namely Hayanid and Yati. (Minutes Attached)
- Provide evidence of medical travel document of SSE Ambulance.

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

- Assigning a doctor for PIC to evaluate the results of MCU either from the doctor or the external laboratory.
- Doctors coordinate with both Estate Manager and Mill Manager to carry out the doctor recommendations from the medical check up evaluations.
- For the consolidation of the annual MCU implementation, PT PSA and LMR set a MCU programs which conducted in the second semester of Minamas Budget Year (Jan - Jun)

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

**28 May 2017**

The company has provided evidence of medical check up examination in 2016, but the document has not yet explained the evaluation of the results of special medical check up (cholinesterase, spirometry and audiometry) which conducted on 348 workers. The document shown is only explained physical examination.

CH has also shown special medical examination results for 2017 and its evaluations. Based on the results of special medical examination (cholinesterase and Spirometri) in 2017 conducted on 251 employees of PT PSA, it is known that 116 workers who checked for cholinesterase is in Fit Working or no significant abnormalities.

Based on explanation above, **the Nonconformity No 2017. 04 is still open.**

**12 June 2017**

CH has shown a referral letter dated 5 April 2017 for 3 workers to an ENT doctor and 1 worker to a surgeon. However, CH has not shown the results of special medical examination and its evaluation for 2016. Based on the explanation,

**nonconformity No. 2017. 04 is still open.**

**19 June 2017**

CH has shown evidence correction in form of evaluation of a special medical examination (cholinesterase, spirometry, and audiometry) in 2016 for 228 workers. From the results of the examination, especially cholinesterase, it is known that all workers who are examined is fit working or no significant abnormality. Based on the explanation, the **non-conformity No. 2017. 04 is closed.**

**Verified by : Asystasya Aishah Silalahi**

<b>NCRNo.</b>	<b>: 2017.05</b>	<b>Issued by</b>	<b>: Rudi Ramdani</b>
<b>Date Issued</b>	<b>: 5 May 2017</b>	<b>Time Limit</b>	<b>: 4 May 2018</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 12 June 2017</b>

**Standard Ref. & Requirement : 4.7.3**  
**Records of Safety and Health (OHS) program training (see 4.8) and Personal Protective Equipment (PPE) in accordance with hazard identification and risk analysis should be available to all workers.**

**Non-Conformance Description & Evidence observed (filled by auditor):**  
 Based on field visits in the circle weeding manual at block D33 and manual weeding at blocks C11 Division 2 Pondok Labu Estate, Division 2 was known that the workers is not given PPE by the company. The CH has not able to show that both of the workers was given PPE accordance to its risk.

**Root Cause Analysis (filled by organization audited):**  
 Difference perception of HIRAC and procedure of pictured safety and health. That upkeep working did not given PPE by the CH. Although in the procedure of pictured safety and health did not describe of PPE, according to HIRAC, then PPE that would be given to upkeep workers are work shoes.

**Corrective Action (filled by organization audited):**  
 Given PPE to manual upkeep workers (document attached).  
 Proving comitment in availability of worker shoes PPE to upkeep workers in PLE, BNE, RPE and SSE.  
 Prove of internal purchasing request.

**Preventive Action (filled by organization audited):**  
 Adding safety budget for upkeep workers in the next upcoming year.

**Assessor Evaluation and Conclusion (filled by auditor):**  
**27 May 2017**  
 CH show documentation list and picture of safety boot handover to upkeep workers at 12 May 2017, which was given to 25 upkeep workers in PLE by Divition Assistant of 4. Nevertheless, it is not enough proof that PPE availability for upkeep workers in other divition and estate has been fullfiled or programmed. **Nonconformity No.2017.05 is open.**

**12 June 2017**  
 Regarding to PPE avaiability to upkeep workers, management unit show proof as:

- Internal purchaing request document for safety boot of Sesulung Estate dated 8 June 2017 for 174 pairs.
- Internal purchaing request document for safety boot of Rampa Estate dated 2 June 2017 for 170 pairs.

- Internal purchaing request document for safety boot of Pondok Labu Estate dated 6 June 2017 for 110 pairs.
- Internal purchaing request document for safety boot of Binturung Estate dated 22 May 2017 for 170 pairs.

**So for Nonconformity No.2017.05 of PPE availability for upkeep workers is closed with observation.**

**Verified by : Rudi Ramdani**

<b>NCRNo.</b>	<b>: 2017.06</b>	<b>Issued by</b>	<b>: Rudi Ramdani</b>
<b>Date Issued</b>	<b>: 5 May 2017</b>	<b>Time Limit</b>	<b>: ASA-1.1</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>:</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.5 There should be emergency and occupational injection procedures available in the Indonesian language as well as available workers who have received First Aid Training in Accidents (P3K) in the work area.</b>		

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

Based on filed observation at harvesting activity in block D18, Division 2 and spraying activity block D31 Division 1 Pondok Labu Estate, it was known that supervisor did not bring first aid kit box. Thus is not suitable with OHS management system of the CH. Observation at office process of Pondok Labu Factory, it was known that there is only 8 items of first aid kit, against 13 item on the checklist (there was no handgloves, handyplester, small scissor). Thus is not according with Regulation of Ministry of Worker and trnasmigration number 15 of 2008

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

- First aid kit has been given but not taken to work site. This is due to the negligence of the supervision.
- Certification units have not completed the first-aid box item according to *Permenakertrans* No. 15 of 2008.

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

- Provide a notification to always bring first-aid boxes in work site
- Provide a letter of reprimand to a negligent supervision
- Completing the first aid kit according to the *Permenakertrans* No. item. 15 year 2008

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

Strengthen monitoring of the use of first aid boxes in work site. The examination will be conducted by safety officer that has had the socialization of *Permenaker* No. 15 of 2008. The examination will be done once a month by safety officer and every six months through the assessment of OHS by ESH assistant of Pamukan Area. Inspection results will be reported to the manager for follow-up improvements.

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

**31 July 2017**

The management unit shows follow-up improvements in the form of:

- Internal Office Mail number 25 / EM / kary-VI / 2017 dated 15 June 2017 from Estate Manager related to implementation of the use of first-aid boxes in the field to all Supervisors that each supervision should carry a first-aid box at the work site. For the undisciplined will be subject to disciplinary sanctions.
- Documentation of the handover of first aid boxes to spray team foreman and foreman of harvesting with content according to *Permenakertrans* No.15 year 2008.
- The minutes of the handover of the first aid box to the supervision of processing on 30 January 2017.

The management unit has not shown disciplinary sanctions for supervision that does not carry a first-aid box at the work site. Based on this **Nonconformity No.2017.06 is not closed.**

8 August 2017

Certification unit showed a letter of reprimand from Senior Assistant PLE to the spray foreman and foreman harvest who did not bring the first aid kit. In addition, the management unit shows an inter-office mail dated 8 August 2017 from Factory Manager to all supervision related to the implementation of the use of first-aid box in work site. Certification unit also shows letters of introspection to the supervision of OHS neglecting. Based on the above, the **Nonconformity No.2017.06 is closed.**

**Verified by** : Rudi Ramdani

<b>NCRNo.</b>	: 2017.07	<b>Issued by</b>	: I Wayan Sudiantara
<b>Date Issued</b>	: 5 May 2017	<b>Time Limit</b>	: ASA-1.1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 28 May 2017
<b>Standard Ref. &amp; Requirement</b>	: 5.3.3 A waste management plan should be available that is documented and implemented to avoid and reduce pollution		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Based on observations to the BNE Workshop, it is noted as follows: <ul style="list-style-type: none"> <li>• Hazardous waste such as Oil and Filter Used stored behind the workshop.</li> <li>• Based on the verification of Hazardous waste balance 1<sup>st</sup>Quarter of 2017, it was informed that there has been no delivery of hazardous waste from BNE to hazardous Waste storage in PLF since April 18, 2016.</li> </ul> <p>Related to the above, the company does not have hazardous waste management mechanism from the producer location to the licensed hazardous waste warehouse.</p>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> BNE traction has a storage tubs for oil filters, batteries and oil from traction operations, although BNE has a hazardous waste warehouse. Related to that the BNE has set a the storage tubs is no longer used. However all hazardous waste from the rest of the BNE traction operations will be stored in the Hazardous Waste Warehouse.  Due to the change of PIC for delivery of hazardous waste at BNE, initially done by Head of Traction replaced to head of warehouse. But the process of hazardous waste sending is not done. For that reason, BNE re-evaluates that the responsibility for hazardous waste delivery is returned to be done by the head of traction and under the direct supervision of Senior Assistant of BNE.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> Delivering the existing hazardous waste to hazardous waste warehouse at the factory.			
<b>Preventive Action</b> <i>(filled by organization audited):</i> BNE also set a mechanism in the form of Internal Office Mail (IOM) related to hazardous waste management which sets every 16 days hazardous waste in BNE will be sent to Pondok Labu Factory.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			

**28 May 2017**

CH has shown evidence of IOM from Binturung Estate Manager dated 9 May 2017 stating that hazardous waste should be stored temporarily for 16 days and after that it must be sent to the licensed hazardous waste warehouse at Pondok Labu Factory. CH has also presented the minutes of the handover of hazardous waste from Binturung Estate to Pondok Labu Factory on 29 April 2017 and 15 May 2017.

CH has also conducted socialization related to IOM management of hazardous waste to traction workers conducted on 19 May 2017. Based on the above explanation, the **Nonconformity No. 2017.07 is closed.**

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

<b>NCRNo.</b>	<b>: 2017.08</b>	<b>Issued by</b>	<b>: Ardiansyah</b>
<b>Date Issued</b>	<b>: 5 May 2017</b>	<b>Time Limit</b>	<b>: 4 May 2018</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 12 June 2017</b>

<b>Standard Ref. &amp; Requirement</b>	<p><b>8.1.1</b>  <b>A monitoring action plan based on considerations of environmental and social impact assessment, and regular evaluation of minimum plantation and mill activities shall be included, including but not limited to:</b></p> <ul style="list-style-type: none"> <li>• Reduction of pesticide use (Criterion 4.6); (Criterion 4.6)</li> <li>• Environmental impact (Criteria 4.3, 5.1 and 5.2)</li> <li>• Waste reduction (Criterion 5.3)</li> <li>• Greenhouse gases (GHG) pollution and emissions (Criteria 5.6 and 7.8)</li> <li>• Social impact (criterion 6.1)</li> <li>• Optimization of supply base results.</li> </ul>
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**Non-Conformance Description & Evidence observed** *(filled by auditor):*  
 The certification unit has not been able to show evidence of continuous improvement related to information transparency, water management and waste management.

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

- Changes in the structure in Kotabaru Manpower Office and changes in HRM structure in Banjarbaru. Previously, BNE management had performed report reporting of employment to HRM Banjarbaru, but the report was not reported to Manpower related to structural changes. Currently, head of administration BNE conduct report of employment directly.
- The result of monitoring of water quality of reservoir of PT PSA has been done on 22 February 2016, but evaluation and follow-up have not been able to be shown to the auditor. This is related to the PIC for the evaluation of water management in PT PSA has not been established. So the results of the analysis issued are not evaluated as a reference in water management in PT PSA. Currently an evaluation has been conducted by Assistant ESH as PIC for water management evaluation.
- BNE traction has a storage tubs for oil filters, batteries and oil from traction operations, although BNE has a hazardous waste warehouse. Related to that the BNE has set a the storage tubs is no longer used. However all hazardous waste from the rest of the BNE traction operations will be stored in the Hazardous Waste Warehouse.
- Follow-up of internal audit not fulfilled 100%

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

- Perform mandatory reporting to the relevant agencies

<ul style="list-style-type: none"> <li>• Conduct evaluation and follow-up from the monitoring result at PT PSA</li> <li>• Delivery the hazardous waste to hazardous waste warehouse at the factory accordance with IOM.</li> </ul>
<p><b>Preventive Action</b> <i>(filled by organization audited):</i>          Perform internal audits regularly related to regulatory compliance, water management evaluation and hazardous waste management. Performing internal audit of RSPO on a regular basis every year and ensuring that the fulfillment of 100% internal audit results is maximized.</p>
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <b>28 May 2017</b>          CH has shown improvement over the recurring findings of nonconformities in each indicator, but it has not yet been explained how the system to avoid such nonconformities does not recur. Based on this, the <b>Nonconformity No. 2017.08 is open.</b></p> <p><b>12 June 2017</b>          CH has provided an explanation regarding the root cause and the preventive action to avoid the same nonconformity. Based on this, <b>Nonconformity No. 2017.08 is closed.</b></p>
<p><b>Verified by</b> : Ardiansyah</p>

<b>NCRNo.</b> :	<b>2017.09</b>	<b>Issued by</b> :	<b>Ardiansyah</b>
<b>Date Issued</b> :	<b>5 May 2017</b>	<b>Time Limit</b> :	<b>4 May 2018</b>
<b>NC Grade</b> :	<b>Major</b>	<b>Date of Closing</b> :	<b>30 May 2017</b>
<b>Standard Ref. &amp; Requirement</b> :	<p><b>D.3.1</b>  <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> <ul style="list-style-type: none"> <li>a. <b>Complete and up to date procedures covering the implementation of all the elements in these requirements;</b></li> <li>b. <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.</b></li> </ul>		
<p><b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>          The result of field visit in Bulking Sekumbang shows that the delivery document of RSPO certified product (CPO and PK) to the buyer is not equipped with the identity supply chain model. This is not in accordance with product identification procedures and product traceability.</p>			
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i>          Do not understand SCCS procedure</p>			
<p><b>Corrective Action</b> <i>(filled by organization audited):</i>          Complete the delivery document of CPO RSPO certification stamp</p>			
<p><b>Preventive Action</b> <i>(filled by organization audited):</i></p>			

Conducting SCCS training in Bulking

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

**28 May 2017**

CH has presented bulking documents of CPO shipment to buyers who have been equipped with RSPO certified product identity, such as Minutes of Delivery of CPO No. 021 / BAP / CPO.PLF / I / 2017 dated 8 January 2017 for the delivery of 765,716 Kg CPO to PT Golden Hope Nusantara. But CH has not shown any training record in Bulking. Based on the above matters, the **Nonconformity No. 2017.09 is open.**

**30 May 2017**

CH has shown evidence of SCCS training to workers in Bulking Sekumbang conducted on 24 May 2017. To ensure that employee understanding is related to SCCS, it will be re-verified at the next assessment (ASA-1.1). Based on these matters, the **Nonconformity No. 2017.19 is closed with observation.**

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



**3.5.3 Opportunity for Improvement**

No	Ref Std	Descriptions
1	2.2.1	Follow up on the accomplishment of HGU
2	2.2.2	Follow up on the results of boundary pole maintenance in accordance with the plan.
3	4.1.2	Evaluate all the procedures
4	5.2.2	Intensify the management of HCV areas
5	5.4.1	Evaluate the results of monitoring of fuel usage and the follow-up plan
6	6.1.4	The company has the opportunity to carry out an evaluation of the SIA management plan.
7	6.5.2	Evaluate the contents of the work agreement or contract, especially those related to the date of the agreement.
8	6.11.1	CH has the opportunity to complete the documentation of the communication activities that have been done with the stakeholders

**3.5.4 Noteworthy Positive Components**

No	Descriptions
1	Installation of sprinkle and reservoir construction to anticipate water shortage during planting during dry season
2	Application of macro fertilizer mechanically in flat area
3	Implementation of C1R2 harvesting system to increase harvest productivity
4	Have got blue proper

**3.6 Summary of Arising Issues from Public and Auditor Verification**

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Rampa Cengal Village (Head of village, Village Board, Public Figure)</b></p> <ul style="list-style-type: none"> <li>- The company has contributed to village development such as assisting the construction of the Junior High School Office and improving access roads to the village. Other contributions from the company include rice for poor families and jobs for the community</li> <li>- Communication between the company and the village is good. The party that usually communicates is the unit head.</li> <li>- No issue of pollution and burning of land conducted by the company.</li> <li>- There are no land disputes between villagers and companies.</li> <li>- The company once attended the village meeting, but for the year 2017 the company was unable to attend. The village is sometimes also invited to discuss with the company for CSR program that will be implemented.</li> <li>- Community from village can attend school of company and provided by shuttle.</li> </ul>	<p>There were no negative issues of community. The management unit has demonstrated evidence of compliance with the RSPO P &amp; C such as Criterion 1.1; 2.2; 5.1; 5.5; 6.1; 6.2; 6.3 and 6.11</p>
<p><b>Sesulung Village (Village Secretary)</b></p> <ul style="list-style-type: none"> <li>- The company has contributed to village development such as assisting the construction of village offices, providing intensive assistance to village administrators and improving access roads to villages. Other assistance from the company such as rice for the elderly.</li> <li>- Communication between the company and the village is good. The party that usually communicates is the unit head and Section Head.</li> <li>- No issue of pollution and burning of land conducted by the company.</li> <li>- There are no land disputes between villagers and companies.</li> <li>- Community from village can attend school of company and provided by shuttle.</li> </ul>	<p>There were no negative issues of community. The management unit has demonstrated evidence of compliance with the RSPO P &amp; C such as Criterion 1.1; 2.2; 5.1; 5.5; 6.1; 6.2; 6.3 and 6.11</p>
<p><b>Sesulung Estate Worker Union (SP Sesulung Mandiri)</b> Interview with Board of SPSI</p> <ul style="list-style-type: none"> <li>• Workers' salary is in accordance with Decree of Governor of Kalimantan Selatan.</li> <li>• Premium pay for harvester will be paid if they achieve more than the target.</li> <li>• Company has registered all workers in Employment and health insurance (BPJS)</li> <li>• Company also recruit local communities as worker.</li> </ul>	<p>The management unit has demonstrated evidence of compliance with the RSPO P &amp; C such as criterion 6.6.1, 6.5.1, 4.7.6.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Pondok Labu Factory Worker Union</b> Interview with Board of SPSI</p> <ul style="list-style-type: none"> <li>Workers' salary is in accordance with Decree of Governor of Kalimantan Selatan.</li> <li>Company has registered all workers in Employment and health insurance (BPJS)</li> <li>Company also recruit local communities as worker</li> <li>All complaint is delivered to the committee of worker union and resolved by discussion between the worker and worker union.</li> </ul>	<p>The management unit has demonstrated evidence of compliance with the RSPO P &amp; C such as criterion 6.6.1, 6.5.1, 4.7.6</p>
<p><b>Gender Committee</b> <b>Interview with Board of Gender Committee</b></p> <ul style="list-style-type: none"> <li>Gender committee has been socialized related to protection on female worker policies</li> <li>Female workers can take the menstruation leave by doctor recommendation letter.</li> <li>There is no issue related to sexual harassment and complaint related to discrimination.</li> </ul>	<p>The management unit has demonstrated evidence of compliance with the RSPO P &amp; C such as criterion 6.9.1, 6.9.2, 6.9.3</p>

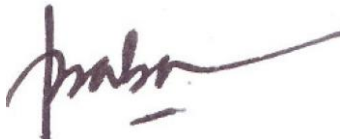
**4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

**4.1 Formal Sign-off of Assessment Findings**

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

Signed on behalf of:

PT. Paripurna Swakarsa  
Management Representative



**Mohamad Pirabaharan**

19 June 2017

Mutuagung Lestari  
Lead Auditor



**Ardiansyah**

19 June 2017

**APPENDICES**

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

No	Institution/NGO/ Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Plantation Agency of Kotabaru District	District of Kotabaru	<a href="mailto:disbut_ktb@yahoo.co.id">disbut_ktb@yahoo.co.id</a>	Email	26 <sup>th</sup> April 2017		√
2	Labor & Transmigration Agency of Kotabaru District	District of Kotabaru	<a href="mailto:washinaker@yahoo.co.id">washinaker@yahoo.co.id</a>	Email	26 <sup>th</sup> April 2017		√
3	Sawit Watch	Indonesia	<a href="mailto:info@sawitwatch.co.id">info@sawitwatch.co.id</a>	Email	26 <sup>th</sup> April 2017		√
4	Wahana Lingkungan Hidup Indonesia	Indonesia	<a href="mailto:informasi@walhi.co.id">informasi@walhi.co.id</a>	Email	26 <sup>th</sup> April 2017		√
5	Forest People Programme	Indonesia	<a href="mailto:info@forestpeoples.org">info@forestpeoples.org</a>	Email	26 <sup>th</sup> April 2017		√
6	Head of Village, Rampa Cengal Village	Rampa Cengal Village, Kotabaru Regency, Province of Kalimantan Selatan	-	Interview	3 <sup>rd</sup> May 2017	√	
7	Village Secretary, Sesulung Village	Sesulung Village, Kotabaru Regency, Province of Kalimantan Selatan	-	Interview	4 <sup>th</sup> May 2017	√	
8	Board of Worker Union, Sesulung Mandiri Worker Union	Pamukan Selatan, Kotabaru, Kalsel	-	Interview	2 <sup>nd</sup> May 2017	√	
9	Board of Worker Union Pondok Labu Factory	Pamukan Selatan, Kotabaru, Kalsel	-	Interview	4 <sup>th</sup> May 2017	√	
10	Board of Gender Committee	Pamukan Selatan, Kotabaru, Kalsel	-	Interview	4 <sup>th</sup> May 2017	√	
11	1 harvester and 1 supervisor	Pondok Labu Estate	-	Interview	2 May 2017	√	
12	8 spraying workers and 1 supervisor	Pondok Labu Estate	-	Interview	2 May 2017	√	
13	5 manual upkeep workers	Pondok Labu Estate	-	Interview	2 May 2017	√	
14	8 manuring workers and 1 supervisor	Pondok Labu Estate	-	Interview	2 May 2017	√	
15	35 nursery workers and 1 supervisor	Binturung Estate	-	Interview	3 May 2017	√	
16	1 harvester and 1 supervisor	Binturung Estate	-	Interview	3 May 2017	√	
17	3 manuring workers and 1 supervisor	Binturung Estate	-	Interview	3 May 2017	√	
18	3 spraying workers and 1 supervisor	Binturung Estate	-	Interview	3 May 2017	√	
19	2 security and 1 WB operator	Pondok Labu Factory	-	Interview	4 May 2017	√	
20	7 processing workers and 1 supervisor	Pondok Labu Factory	-	Interview	4 May 2017	√	

21	6 sortation workers	Pondok Labu Factory	-	Interview	4 May 2017	√	
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<b>Appendix 2. Assessment Program</b>		
<b>DATE</b>	<b>01 – 06 May 2017</b>	
<b>Planned Time</b>	<b>PROCESS / CLAUSES TO BE AUDITED</b>	<b>AUDITOR</b>
<b>Monday, 1 May 2017</b>		
05.20 – 08.35	Jakarta – Airport Balikpapan	MAH / RRI / AAS / WYS / ARD
09:00 – 09.30	Airport – Semayang Port Balikpapan	
09.40 – 18.30	Semayang Port – PT PSA	
<b>Tuesday, 2 May 2017</b>		
08.00 – 09.00	Opening meeting. <b>BPN Pole(s) and HCV areas of PT PSA</b> <b>Field Observation to Estate</b>	MAH ARD / WYS
09.00 – 12.00	<ul style="list-style-type: none"> <li>BMP (harvesting, FFB transportation, field upkeep, manuring, IPM, replanting area, nursery, soil and water management).</li> <li>Worker facility (housing complex, traction or workshop, hazardous and hazardous waste warehouse, Clinique and fire fighter equipments).</li> </ul>	MAH / RRI ASS
12.00 – 14.00	<b>Break</b>	MAH / RRI / AAS / WYS
14.00 – 16.45	<ul style="list-style-type: none"> <li>Public consultation with Labor Union, Gender Committee and Cooperative.</li> <li>Document Verification.</li> </ul>	ASS MAH / RRI / AAS / WYS
16.45 – 17.00	Daily progress audit.	Team Auditor
<b>Wednesday, 3 May 2017</b>		
08.00 – 12.00	<b>BPN Pole(s) and HCV areas of PT PSA</b> <b>Field Observation to Estate</b> <ul style="list-style-type: none"> <li>BMP (harvesting, FFB transportation, field upkeep, manuring, IPM, replanting area, nursery, soil and water management).</li> <li>Worker facility (housing complex, traction or workshop, hazardous and hazardous waste warehouse, Clinique and fire fighter equipments).</li> <li>Public consultation to Villages (decide later)</li> </ul>	ARD MAH / RRI ASS WYS
12.00 – 14.00	<b>Break</b>	Team Auditor
14.00 – 16.45	<ul style="list-style-type: none"> <li>Public consultation with Local Contractor</li> <li>Document Verification</li> </ul>	MAH / RRI Team Auditor
16.45 – 17.00	Daily progress audit	Team Auditor
<b>Thursday, 4 May 2017</b>		
08.00 – 12.00	Document Verification Verification of partial certification and Nonconformities at previous assessment	Team Auditor
12.00 – 14.00	<b>Break</b>	Team Auditor
14.00 – 16.45	<b>Observation to Mill</b> <ul style="list-style-type: none"> <li>Operational (Security gate, weigh bridge, sortation, loading ramp, processing stations, boiler, engine room).</li> <li>WWTP, hazardous and hazardous waste warehouse and management, WTP, workshop, hydrant simulation.</li> <li>Worker facility (housing complex, traction or workshop, hazardous and hazardous waste warehouse, Clinique and fire fighter equipments).</li> <li>SCCS</li> </ul>	MAH / RRI WYS AAS ARD
16.45 – 17.00	Daily progress audit	Team Auditor
<b>Friday, 5 May 2017</b>		
08.00 – 11.30	Document Verification	Team Auditor
11.30 – 14.00	<b>Break</b>	Team Auditor
14.00 – 15.30	Closing meeting preparation	Team Auditor
15.30 – 17.00	Closing meeting	Team Auditor
<b>Saturday, 6 May 2017</b>		

DATE	01 – 06 May 2017	
Planned Time	PROCESS / CLAUSES TO BE AUDITED	AUDITOR
08.00 – 18.00	PT PSA – Balikpapan	Team Auditor
20.00 – 21.00	Balikpapan – Jakarta	Team Auditor



