

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

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management : Pematang Palm Oil Mill
 Organisation : PT Teguh Sempurna Subsidiary of Sime Darby Plantation Sdn Bhd
 Plantation Name : PT Teguh Sempurna - Pematang Estates, Hatantiring Estate, Kawan Batu Estate & Batang Garing Estate
 Location : Village of Sahabu, Sub District of Batu Ampar, District of Seruyan, Province of Kalimantan Tengah, Indonesia
 Certificate Code : **MUTU-RSPO/004**
 Date of Certificate Issue : 09 September 2016 Date of License Issue : 09 September 2017
 Date of Certificate Expiry : 08 September 2021 Date of License Expiry : 08 September 2018

Assessment	Assessment Date	PT Mutuagung Lestari Auditor	Reviewed by	Approved by
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Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.1	18 September 2017

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Figure 1. Location Map of PT Teguh Sempurna

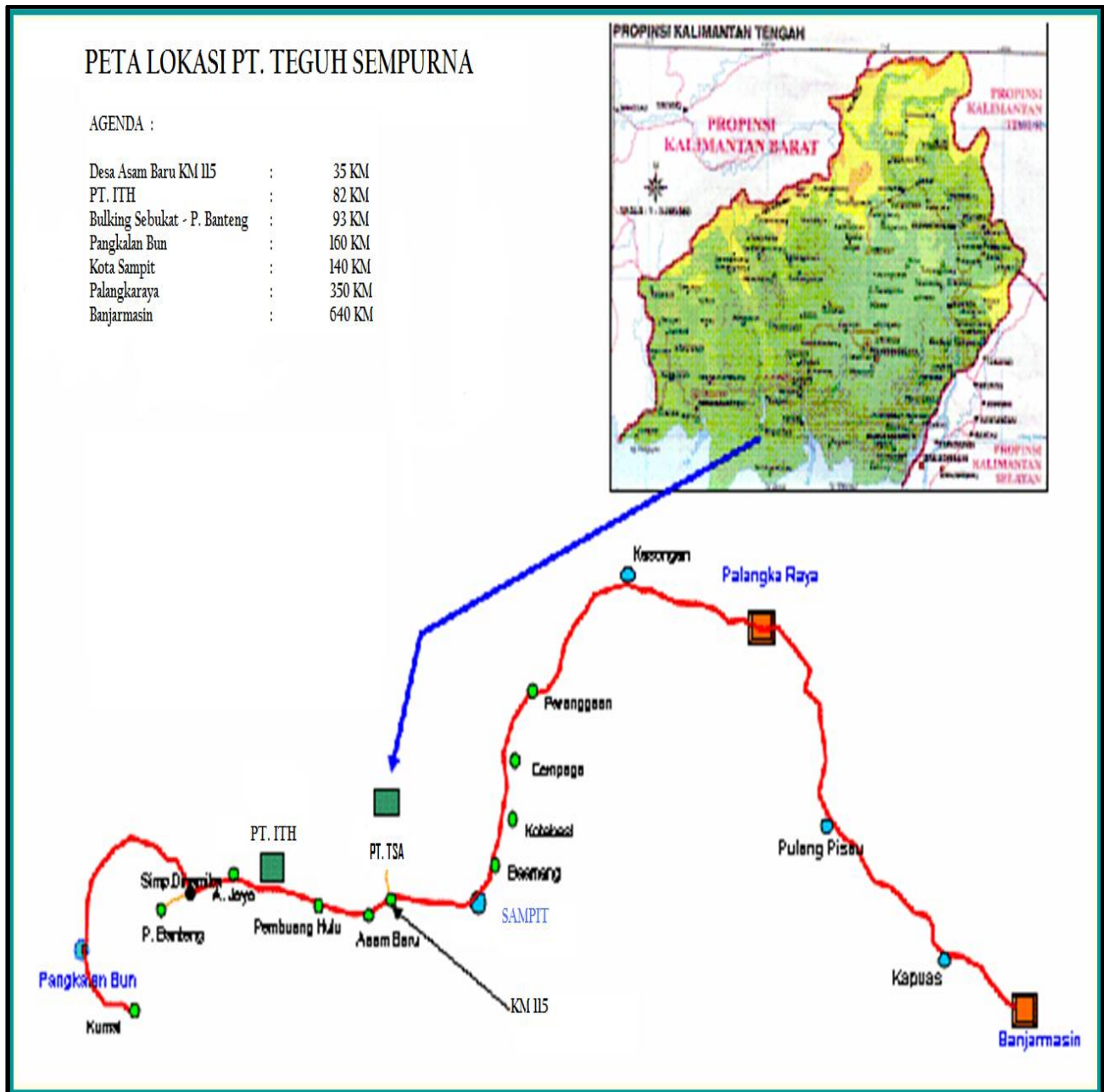
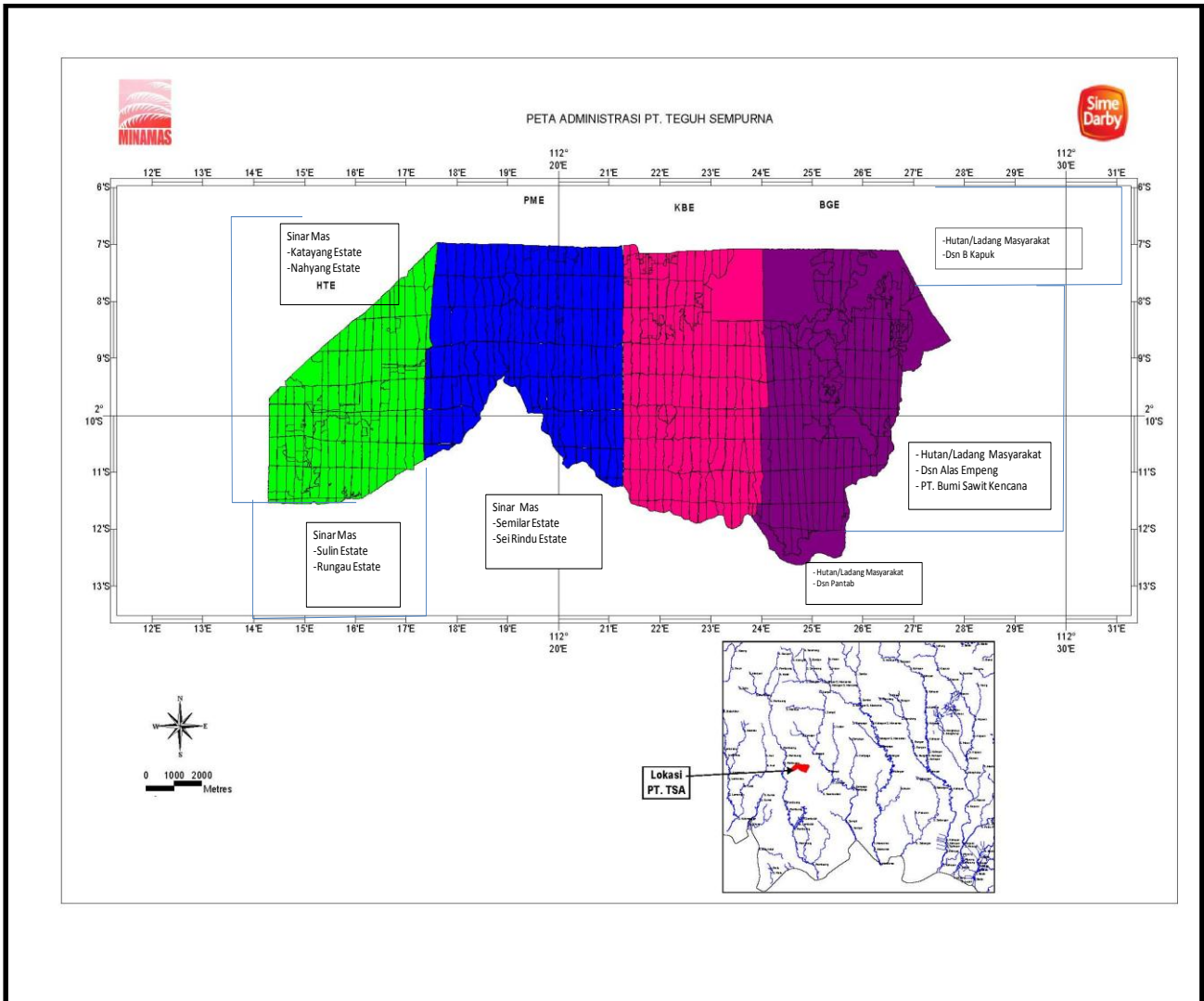


Figure 2. Operational Map of PT Teguh Sempurna



Abbreviations	
AMDAL (SEIA)	: Analisis Mengenai Dampak Lingkungan (Social and Environmental Impact Assessment)
BGE	: Batang Garing Estate
BOB	: Barn Owl Box
BOD	: Biological Oxygen Demand
BPJS	: Social and Health Assurance of Labor
BPLHD	: Badan Pengelolaan Lingkungan Hidup Daerah / Province Environmental Agency
BSS	: Block Spraying System
COD	: Chemical Oxygen Demand
CPO	: Crude Palm Oil
CSR	: Corporate Social Responsibility
EFB	: Empty Fruit Bunch
EIA	: Environment Impact Assessment
FFB	: Fresh Fruit Bunch
FGD	: Forum Group Discussion
GHG	: Green House Gases
HCV	: High Conservation Value
HGU	: Land Use Permit
HIRARC	: Hazard Identification Risk Assessment and Risk Control
HPO	: Head Plantation Office
HTE	: Hatantiring Estate
ISCC	: International Sustainability and Carbon Certification
ISO	: International Organization for Standardization
ISPO	: Indonesia Sustainable Palm Oil
KBE	: Kawan Batu Estate
KER	: Kernel Extraction Rate
LCC	: Land Cover Crop
LKS Bipartite	: Worker Union
LTA	: Lost Time Accident
LUCA	: Land Use Change Analysis
MRC	: Minamas Research Center
MSDS	: Material Safety Data Sheet
NCR	: Non Conformance Report
OER	: Oil Extraction Rate
OHS	: Occupational Health and Safety
OHSAS	: Occupational Health and Safety Assessment Series
IPM	: Integrated Pest Management
PK	: Palm Kernel
PKE	: Palm Kernel Ekstraktion
PKO	: Palm Kernel Oil
PME	: Pematang Estate
PMF	: Pematang Factory / Pematang Palm Oil Mill
POM	: Palm Oil Mill
POME	: Palm Oil Mill Effluent
PPE	: Personal Protective Equipment
PSD	: Plantation Services Department
PSQM	: Plantation Sustainability and Quality Management
RKL/RPL or UKL/UPL	: Rencana Kelola Lingkungan – Rencana Pemantauan Lingkungan (<i>Environmental Management Plan – Environment Monitoring Plan</i>) Usaha Kelola Lingkungan – Usaha Pemantauan Lingkungan (<i>Environment Management Report – Environment Monitoring Report</i>)
RTE	: Rare, Threat, Endangered

RSPO	:	Roundtable on Sustainable Palm Oil
SCCS	:	Supply Chain Certification System
SDP	:	Sime Darby Plantation Sdn Bhd
SIA	:	Social Impact Assessment
SOP	:	Standard Operating Procedure
SOU	:	Strategic Operation Unit
TSA	:	PT Teguh Sempurna
WWF	:	World WideFund for Nature
WWTP	:	Waste Water Treatment Plant

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1 Assessment Standard Used			
<ul style="list-style-type: none"> • Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 30th September 2016. • 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). • RSPO Certification System (Approved by RSPO Executive Board 26 June 2007). 			
1.2 Organisation Information			
1.2.1	Organisation name listed in the certificate	PT Teguh Sempurna Subsidiary of Sime Darby Plantation Sdn Bhd	
1.2.2	Contact person	Men Kon Tang	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> • RSPO registered company: No. 02, Plantation Tower Jalan PJU 1A/7 Petaling Jaya, Malaysia 47301 • Liaison Office: The Plaza Lt. 36 Jl. MH Thamrin Kav. 28 – 30 Jakarta 10350 	
1.2.4	Telephone	(021) 29926000	
1.2.5	Fax	(021) 29922686	
1.2.6	E-mail	mohamad.pirabaharan@simedarby.com	
1.2.7	Web page address	www.simedarby.com	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan (Head of PSQM Minamas Plantation)	
1.2.9	Registered as RSPO member	1-0008-04-000-00, 07 September 2004	
1.3 Type of Assessment			
1.3.1	Scope of Assessment and Number of Management Unit	Pemantang POM, Pemantang Estate, Hatantiring Estate, Kawan Batu Estate and Batang Giring Estate	
1.3.2	Type of certificate	Single	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Pemantang	Village of Sahabu, Sub District of Mentaya Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah	S 2° 08' 54" E 112° 17' 34"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Pemantang Estate	Village of Pemantang, Sub District of Mentaya Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah	S 2° 06' 58" - 2° 11' 14" E 112° 17' 23" - 112° 21' 16"
	Hatantiring Estate	Village of Sahabu, Sub District of Batu	S E

	Ampar, District of Seruyan, Province of Kalimantan Tengah	2° 06' 58" - 2° 11' 32"	112°14'17" - 112° 17' 36"
Kawan Batu Estate	Village of Kawan Batu, Sub District of Mentaya Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah	S 2° 05' 28" - 2° 12' 33"	E 112° 21' 15" - 112° 27' 40"
Batang Garing Estate	Village of Karang Biring Kapuk, Sub District of Mentaya Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah	S 2° 06' 00" - 2° 12' 08"	E 112° 24' 06" - 112° 26' 00"

1.5 Description of Area Statement

1.5.1	Tenure	
	• State	16,601.66 Ha
	• Community	- Ha
1.5.2	Area Statement	
	• Mature area	12,625.05 Ha
	• Immature area	1,427.40 Ha
	• Mill	61.00 Ha
	• Emplishment / Workers Quarter	280.90 Ha
	• Infrastructure (Road, Canal, etc)	492.00 Ha
	• Nursery	15.00 Ha
	• Occupation	1,322.02 Ha
	• Cemetery	0.75 Ha
	• Hill/River	235.80 Ha
	• HCV	141.74 Ha
	Total	16,601.66 Ha

1.6 Planting Year and Cycles

1.6.1	Age profile of planting year	
		Hectarage (Ha)
	Planting Year	PME
		HTE
		KBE
		BGE
		Total
	1995	-
	1996	590.18
	1997	2,027.09
	1998	-
	1999	-
	2000	-
	2001	-
	2002	-
	2003	-
	2004	-
	2005	-
	2006	-

2007	-	492.00	131.00	911.31	1,534.31		
2008	-	-	-	468.00	468.00		
2009	-	-	-	762.00	762.00		
2010	-	-	-	295.00	295.00		
2011	-	-	-	192.00	192.00		
2012	-	-	-	-	-		
2013	-	7.00	-	-	7.00		
2014	-	-	-	-	-		
2015	309.65	-	-	-	309.65		
2016	630.75	-	298.00	-	928.75		
2017	-	-	182.00	-	182.00		
TOTAL	3,557.67	3,419.00	3,755.00	3,320.78	14,052.45		
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 nd Cycle				
1.7 Description of Mill and Supply Base							
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO	Palm Kernel		
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Pematang	60	283,668.24	61,298.98	21.61	13,062.70	4.60
	<i>*Production data source from July 2016 to June 2017</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Pematang Estate	3,857.91	3,557.67	50,429.95	14.17	50,429.95	100
	Hatantring Estate	3,811.00	3,419.00	84,871.62	24.82	84,871.62	100
	Kawan Batu Estate	4,400.00	3,755.00	76,675.56	20.42	76,675.56	100
	Batang Garing Estate	4,532.75	3,320.78	71,691.11	21.59	71,691.11	100
	TOTAL	16,601.66	14,052.45	283,668.24	20.19	283,668.24	100
	<i>*Production data source from July 2016 to June 2017</i>						
1.7.3	FFB description from other source						
	Name of sources	Type of Organisation	Number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	-	-	-	-	-		
	TOTAL				-		
	<i>*Source Production Data from July 2016 to June 2017</i>						
1.7.4	Product categories		FFB, CPO, PK				
1.8 Estimate Tonnage of Certified Product							

1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 09 Sept 2016 to 08 Sept 2017 (tonnes/year)		Actual Certified Product 09 Sept 2016 to 19 July 2017 (tonnes/year)		
	• FFB Production		283,039		262,317		
	• CPO Production		66,514		56,476		
	• Palm Kernel (PK) Production		14,152		12,141		
1.8.2	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Pemantang Estate	3,857.91	3,557.67	50,844	14.29		
	Hatantiring Estate	3,811.00	3,419.00	91,205	26.68		
	Kawan Batu Estate	4,400.00	3,755.00	75,628	20.14		
	Batang Garing Estate	4,532.75	3,320.78	80,153	24.14		
	TOTAL	16,601.66	14,052.45	297,831	21.19		
	<i>*Projected FFB production for 12 months of certificate</i>						
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Pemantang	60	297,831	68,501	23	14,891	5
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>						
1.9	Other Certifications						
	ISO 9001:2008		-				
	ISO 14001: 2004		-				
	OHSAS 18001:2007		-				
	ISCC		-				
	Others		PT Teguh Sempurna have obtained ISPO certificate → MUTU-ISPO/048 → Valid: 11 December 2015 – 10 December 2020				
1.10	Time Bound Plan						
1.10.1	Time Bound Plan for Other Management Units						
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status	
	MILL	Time Bound Plan					
	INDONESIA						
	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 District – Central Kalimantan	Certified
		Kawan Batu	2011		Certified
		Hatantiring	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	2013	Tanah Bumbu District – South Kalimantan	Certified
		KKPA-2 PT SHE	2013		Certified
		KKPA-3 PT SHE	2013		Certified
		KKPA-5 PT SHE	2013		Certified
		SAP 1	2020		ST-2
Gunung Aru. PT Bersama Sejahtera Sakti	2011	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
		Gunung Kemasari	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 District – Central Kalimantan	Certified
		Sapiri	2011		Certified
		Barasdanum	2011		Certified
		Kuala Kuayan	2011		Certified
Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	Kotabaru District – South Kalimantan	Certified
		Pondok Labu	2012		Certified
		Rampa	2012		Certified
		Sesulung	2012		Certified
Selabak. PT Swadaya Andhika	2012	Selabak	2012	Kotabaru District – South Kalimantan	Certified
		Randi	2012		Certified
		Sangkoh	2012		Certified
		Lanting	2012		Certified

Rantau. PT Laguna Mandiri	2012	Rantau	2012	Kotabaru District – South Kalimantan	Certified
		Matalok	2012		Certified
Betung. PT Laguna Mandiri	2014	Betung	2012	Kotabaru District – South Kalimantan	Certified
		Sekayu	2012		Certified
Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012	Morowali District – Central Sulawesi	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
		Napal	2012		Certified
		Karang Ringin	2012		Certified
		Mangun Jaya	2012		Certified
		Sungai Jernih & 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 2	2018		-
		MAS 3	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		-
MALAYSIA					
Sg Dingin. SOU 1	2010	Bukit Hijau	2010	Kerangan, Kedah	Certified
		Padang Buluh	2010		Certified
		Bukit Selangor	2010		Certified
		Sg. Dingin	2010		Certified
		Jentayu	2010		Certified
		Anak Kuli	2010		Certified
		Somme	2010		Certified
Chersonese. SOU 2	2011	Chersonese	2011	Kuala Kurau, Perak	Certified
		Holyrood	2011		Certified
		Kalumpang	2011		Certified
		Tali Ayer	2011		Certified
Elphil. SOU 3	2011	Kinta Kellas	2011	Sg. Siput, Perak	Certified
		Elphil	2011		Certified
		Kamuning	2011		Certified
Flemington. SOU 4	2011	Flemington	2011	Teluk Intan, Perak	Certified
		Bagian Datoh	2011		Certified
		Sabak Bernan	2011		Certified
		Sg. Samak	2011		Certified

Seri Intan. SOU 5	2011	Seri Intan (Main Division)	2011	Teluk Intan, Perak	Certified
		Sabrang	2011		Certified
		Sg. Wangi	2011		Certified
		Sogomana (Main Division)	2011		Certified
Selaba. SOU 5	2011	Seri Intan (Selaba Division)	2011	Teluk Intan, Perak	Certified
		Sogomana (Cashwood & Sg. Beruas Division)	2011		Certified
		Bikam	2011		Certified
		Clumy	2011		Certified
Tennamaram. SOU 6	2011	Tennamaram	2011	Bestari Jaya, Selangor	Certified
		Sungei Buloh	2011		Certified
		Bkt. Talang	2011		Certified
Bkt. Kerayong. SOU 7	2011	Bkt. Kerayong	2011	Kapar, Selangor	Certified
		Bkt. Cherakah	2011		Certified
		Bkt. Rajah	2011		Certified
		Bkt. Lagong	2011		Certified
		Elmina	2011		Certified
East. SOU 8	2010	East	2010	Carey Island, Selangor	Certified
		Dusun Durian	2010		Certified
		Sepang	2010		Certified
West. SOU 9	2010	West	2010	Carey Island, Selangor	Certified
Bukit Putri. SOU 10	2011	Bukit Putri	2011	Raub, Pahang	Certified
Kerdau. SOU 11	2011	Kerdau	2011	Temerloh, Pahang	Certified
		Jentar	2011		Certified
		Mentakab	2011		Certified
		Sg. Mai	2011		Certified
		Chenor	2011		Certified
Jabor. SOU 12	2011	Jabor	2011	Kuantan, Pahang	Certified
Labu. SOU 13	2011	Labu	2011	Nilai, Negeri Sembilan	Certified
		New Labu	2011		Certified
		Bradwall	2011		Certified
Tanah Merah. SOU 14	2010	Tanah Merah	2010	Port Dickson, Negeri Sembilan	Certified
		Sua Betong	2010		Certified
		Bukit Pelandok	2010		Certified
Sua Betong. SOU 15	2014	Salak	2014	Port Dickson, Negeri Sembilan	Certified
		Sengkang	2014		Certified
		Silliau	2014		Certified
		PD. Lukut	2014		Certified
		Sungai Baru	2014		Certified
		Tampin Tinggi	2014		Certified
Kok Foh. SOU 16	2011	Bukit Pilah	2011	Bahau, Negeri Sembilan	Certified
		Kok Foh	2011		Certified
		Muar River	2011		Certified
		St. Helier	2011		Certified
		Pertang	2011		Certified
		Sg. Gemas	2011		Certified
		Sg. Sebalang	2011		Certified

Kempas. SOU 17	2010	Sg. Senarut	2011	Jasin, Melaka	Certified
		Kempas	2010		Certified
		Kemuning	2010		Certified
		Tangkah	2010		Certified
Diamond Jubilee. SOU 18	2011	Bukit Asahan	2011	Jasin, Melaka	Certified
		Diamond Jubilee	2011		Certified
		Serkam	2011		Certified
Pagoh. SOU 19	2014	Pagoh	2014	Muar, Johor	Certified
		Lanadron	2014		Certified
		Pangkalan Bukit	2014		Certified
		Welch	2014		Certified
Cha'ah. SOU 20	2010	North labis	2010	Chaah, Johor	Certified
		Cha'ah	2010		Certified
		Sg. Simpang Kiri	2010		Certified
Gunung Mas. SOU 21	2010	Gunung Mas	2010	Kluang, Johor	Certified
		Kempas Klebang	2010		Certified
		Bukit Paloh	2010		Certified
		Yong Peng	2010		Certified
Bukit Benut. SOU 22	2011	Bukit Benut	2011	Kluang, Johor	Certified
		CEP Niyor	2011		Certified
		Lambak/Elaeis	2011		Certified
Ulu Remis. SOU 23	2011	Pekan	2011	Layang – layang, Johor	Certified
		Sembrong	2011		Certified
		Tun Dr. Ismail	2011		Certified
		Ulu Remis	2011		Certified
		Bukit Badak	2011		Certified
		Cenas	2011		Certified
Hadapan. SOU 24	2011	CEP Rengam	2011	Layang – layang, Johor	Certified
		Kulai	2011		Certified
		Layang	2011		Certified
		Seri Pulai	2011		Certified
Sandakan Bay. SOU 26	2008	Tun Tan Siew Sin	2008	Sandakan, Sabah	Certified
		Tunku	2008		Certified
		Tigowis	2008		Certified
		Sentosa	2008		Certified
		Saguliud	2008		Certified
Melalap. SOU 27	2011	Melalap	2011	Tenom, Sabah	Certified
		Sapong	2011		Certified
Binuang. SOU 28	2009	Tingkayu	2009	Kunak, Sabah	Certified
		Sungang	2009		Certified
		Jelata Bumi	2009		Certified
		Binuang	2009		Certified
Giram. SOU 29	2009	Mostyn	2009	Kunak, Sabah	Certified
		Giram	2009		Certified
Merotai. SOU 30	2009	Imam	2009	Tawau, Sabah	Certified
		Merotai	2009		Certified
		Table	2009		Certified
		Tiger	2009		Certified
Lavang. SOU 31	2011	Belian	2011	Bintulu, Serawak	Certified
		Kelida	2011		Certified
		Lavang	2011		Certified
		Lavang (SE)	2011		Certified

Rajawali. SOU 32	2011	Rasan	2011	Bintulu, Serawak	Certified
		Rajawali	2011		Certified
		Samudera	2011		Certified
		Semarak	2011		Certified
Derawan. SOU 33	2011	Bayu	2011	Bintulu, Serawak	Certified
		Takau	2011		Certified
		Damai	2011		Certified
		Derawan	2011		Certified
Pekaka. SOU 34	2011	Sahua	2011	Bintulu, Serawak	Certified
		Chartquest	2011		Certified
		Dulang	2011		Certified
		Peroh	2011		Certified
		Pekaka	2011		Certified
		Ruai	2011		Certified
<p>Sime Darby has achieved 34 Management Units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia.</p> <p>A new Mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and 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 Serikat Petani Kelapa Sawit (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>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</p> <p><i>PT Teguh Sempurna did not associated with Smallholders and Outgrowers</i></p>				

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-1.1	<p>1. Oktovianus Rusmin (Lead Auditor). Bachelor's Degree in Social & Political Sciences Department of Anthropology. The working experience, consist of: Coastal Project-Department of Anthropology in Indonesian University (Pilot Project of Mangrove Rehabilitation in coastal area of South Sulawesi) as Social Supervisor (1999-2001), Center of Anhtropology-Indonesian University (Research and Publication) as Researcher (2002 – 2014), The Forest Trust-Indonesia (Consultant of Sustainable Forest Management) as Social Advisor (2004 – 2010) and eForest Consultant (HCV Identification and Social Impact Assessment) as staff (2010 – 2011). Already participated in several training, consist of: Forest Management Auditor (FSC Standard), Environmental Management System ISO 14001, ISO 9001:2008, Conflict Resolution, Human Right, Verification System of Wood Legality, Training Lead Auditor of ISPO & RSPO Scheme. Had participate in Sustainable Forest Certification (Eco Labelling Indonesia Standard), Gap Analysis of FSC Standard. He was numerously involved in audit of sustainable palm oil certification since 2011 for Indonesian Sustainable Palm Oil (ISPO) and RSPO Scheme in Indonesia & Malaysia as Auditor and <i>Lead Auditor</i>. The aspect of audited consist of : Social/Conflict Resolution, Land Use Legality, Conservation and Supply Chain Certification System (SCCS). During this audit, he verified Land Use Legality, Social (Conflict & Worker Right), Continuous Improvement, Transparency of Information and Supply Chain Certification System (SCCS).</p> <p>2. Arif Faisal Simatupang (Auditor). Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has attended the RSPO Awareness Training, Indonesian Sustainable Palm Oil (ISPO) Auditor Training, Training of Management System Certification ISO 9001-2008, Training of Environmental Management System, Awareness of ISO 17021 and ISO 17065, and training of Management High Conservation Value (HCV). He has been 4 years of working experience as a Field Assistant on oil palm plantation companies in Indonesia. During this audit, he verified Planning, Long Term Plan, Health/Safety and Best Management Practices.</p> <p>3. Yohanes Hardian Setyo Nugroho (Auditor). Diploma of Forest Resource Conservation, Faculty of Forestry, Bogor Agricultural University, specialist in the environment aspect and wildlife. Has Worked as Staff Rehabilitattion project at WWF Central Kalimantan region. Had attended training HCV, has been involved in several activity of HCV Identification of Oil Palm Plantation. Has worked as an environmental staff on Oil Palm Plantation. Have been trained as ISPO auditors and have attended training Auditor ISO 9001 and ISO 19011, Legal documents in-house training with the ISPO commission. Training SIA by Remakr Asia 2016, Training Lead Auditor RSPO by Proforest-Daemeter 2016. Experience audit RPO and ISPO since 2014. During this audit, he verified Environment, Conservation, and GHG aspect.</p> <p>4. Rindu Galih Rezza Rachmansyah (Observer). Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 1 year experience as Field Expert in Pesticide Company and 3 years experience in Industrial Forest Management, Forest Rehabilitation and Reklamation on BUMN Indonesia as Assistant. Training which had attended including ISO 9001 : 2015, ISPO awareness, RSPO awareness, RaCP and NPP awareness for RSPO, OHSAS 18001 : 2007.</p>
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1 Figure of person days to implement assessment	
ASA-1.1	<p>Number of auditors: 3 auditor Number of days for ASA-1.1 at site: 5 days Number of working days for ASA-1.1 at site: 15 Working days</p>
2.2.2 Assessment Process	
ASA-1.1	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Teguh Sempurna to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 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 / E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or</p>

substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results **ASA-1.1** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-1.2**). Improvement of findings from main assesment findings were observed by auditors at this **ASA-1.1** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-1.1**.

The assessment program please find Appendix 2

2.2.3 Location of Assessment

ASA-1.1 Number of units in this certification activity is four (4) estates, which supply the raw material (FFB) to Pemantang Factory. In conducting the assessment, the team of auditors used the 0.6√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 one (1) Palm Oil Mill (Pemantang Factory) and two (2) Estates (Pemantang Estate and Hatantiring Estate).

The locations visited are presented in the following:

Pemantang Estate

- **Harvesting and FFB transport, Block 35.** Observation on harvesting, OHS, and welfare aspect.
- **Barn Owl Box, Block 35.** Observation on integrated pest management, biological control of rat infestation.
- **Circle and path spraying, Block O 03.** Observation on weed control by agrochemical, OHS, and worker welfare aspect.
- **Management of Slope Area, and Immature Area Planting Year 2015, Block O 03.** Observation on immature management, and slope management by implemented individual and contour terrace, and planting legume cover crop.
- **EFB mulching application, Block O 25.** Observation on EFB mulching application on sandy area, OHS, and welfare aspect. Interviews with manuring workers who are diverted to EFB application.
- **Conservation areas (HCV 4.1) block O34 – 35.** Observation of water reservoir (there was any sign board was installed, any natural vegetation and several plant was planted by the company).
- **Conservation areas (HCV 4.1) block O36 – 37.** Observation of river buffer zone (there was any sign board any natural vegetation and several plant was planted by the company).
- **Fire Tower Monitor at block R42.** Observation of the facility and interview the related staff.
- **Boundary Poles checking.** Poles sample (number 62, 63, 64, 65, 66, 67 & 68). The boundary poles are in good condition, the reference number is clear and the position is in accordance with the coordinates contained in the book of poles coordinate list of PT Teguh Sempurna.
- **Worker Housing Division I & II.** Observation and interview with residents related to employee facilities, management of domestic waste, emergency response facilities, provision of clean water and electricity.
- **Daycare at Division I & II.** Observation related to given facility, emergency response facilities and interviews with employees in relation to work hours, wages, access to daily needs, policies, protection of reproductive rights for women workers.
- **Health Units.** Observation and interview with paramedic related to first aid mechanism, medical waste management and work accident record monitoring.
- **Block Spraying System (BSS) Warehouse.** Observation and interview with employee related to conditions PPE of warehouse and PPE handling.
- **Workshop.** Observation and interviews with employees related to management of hazardous waste and hazardous material, provision of PPE, training, emergency response facilities.
- **Agrochemicals Warehouse.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- **Hazardous Waste Temporary Warehouse.** Observation related to hazardous waste management, record of hazardous waste, the condition of buildings and supporting facilities.
- **Fuel, Oil, Liquid Warehouse.** Field observations related to the fulfilment of health safety as well as interviews with a warehouse clerk of safety health related to OHS and waste management.
- **Fertilizer Warehouse.** Observations relating to the implementation of storage fertilizer material, Health safety and

labour management.

Hatantiring Estate

- **Harvesting, Block T 22.** Observation on harvesting, OHS, and welfare aspect.
- **Loose Fruits Collection, Block S 22.** Observation on loose fruits collection, OHS, and welfare aspect.
- **EFB mulching application, Block 18.** Observation on EFB mulching application on sandy area, OHS, and welfare aspect
- **Boundary Poles checking.** Poles sample (number 71, 76, 78, 86, 88 & 90). The boundary poles are in good condition, the reference number is clear and the position is in accordance with the coordinates contained in the book of poles coordinate list of PT Teguh Sempurna.
- **Worker Housing Division II & III.** Observation and interview with residents related to employee facilities, management of domestic waste, emergency response facilities, provision of clean water and electricity.
- **Daycare at Division II & III.** Observation related to given facility, emergency response facilities and interviews with employees in relation to work hours, wages, access to daily needs, policies, protection of reproductive rights for women workers.
- **Health Units.** Observation and interview with paramedic about first aid mechanism, medical waste management and work accident record monitoring.
- **Block Spraying System (BSS) Warehouse.** Observation the conditions PPE of warehouse and PPE handling.
- **Fire Extinguishers Warehouse.** Observation on the availability and condition of fire extinguishers and preparedness of fire-fighting team.
- **Chemical storage.** Chemical storage building was well maintained and protected from unauthorized, symbol of chemical material available, all chemical materials neatly organized by category, PPE available for operators and used properly, however first aid box was not complete as it should be, oil trap available and no indication of leakage to environment, MSDS available for all chemical materials.
- **Hazardous Waste Storage.** Hazardous storage was well maintained, specification of storage met the government requirement such as: adequate ventilation, protected from unauthorized, concrete base, symbol and label of hazardous waste available, logbook available, work instruction and PPE available for operators, all materials neatly organized by category, eye wash facility available but some items in first aid box had expired.
- **Land Application Block T17 Division II.** Flat bed available properly. Height of POME surface relatively safe (+ 15 cm). However, sighted that there was no buffer at the end of flat bed, and leakage found at the end of flat bed into natural waterways which potentially contaminating waterways.

Pematang Factory

- **Pematang POM Office.** SCCS Verification (verification of procedure, sample of FFB Delivery Note, FFB Weight Ticket, training recorded, etc.) and interview of related staff to SCCS implementation.
- **Weight bridge station.** Observation of mechanism and process of FFB received, interview the weigh bridge staff.
- **Grading Area.** Observation of grading mechanism and interview of related personnel in charge (Grading Foreman and their staff), understanding about sortation procedure, worker welfare and OHS implementation (medical checkup, PPE).
- **Processing station (Sterilizer, Thresher, Pressing, Digester, Kernel, Clarifier, Boiler, Engine Room).** Observation and interview related to employment aspects, OHS implementation (medical checkup, PPE), and workers' knowledge about work procedure.
- **Empy Bunch Area (EBA).** Observations and interviews related to the management of EFB, worker welfare and OHS implementation (medical checkup, PPE).
- **Waste Water Treatment Plant.** All standard facilities of WWTP available such as: appropriate physical border (fence and bamboo trees) to separate WWTP and outside environment, 9 treatment ponds that works well, pumping system and under flow system for POME transfer. Height of POME surface mostly normal and in safe level. However, sighted slight leakage from buffer pond (after final pond) to surrounding environment, while there was leakage from final pond to buffer pond
- **Water Treatment Plant.** All standard facilities on WTP available such as: maintained piping lines, flow meter works well, work instruction available at the operator room, working area relatively clean and well arrange, PPE available and used properly, MSDS available at chemical area.
- **Chemical storage.** Chemical storage building was well maintained and protected from unauthorized, symbol of chemical material available, all chemical materials neatly organized by category, PPE available for operators and

used properly, however first aid box was not complete as it should be, oil trap available and no indication of leakage to environment, MSDS available for all chemical materials.

- **Hazardous Waste Storage.** Hazardous storage was well maintained, specification of storage met the government requirement such as: adequate ventilation, protected from unauthorized, concrete base, symbol and label of hazardous waste available, logbook available, work instruction and PPE available for operators, all materials neatly organized by category, eye wash facility available but some items in first aid box had expired.
- **Workshop.** Auditor was observed activity at workshop, there are welder working without using PPE's (goggle glass). First aid was provided, but it contain is not full as: there are no available scissor, cotton, and Rivanol was expired.
- **Biogas Power Plant.** Auditor was observed activity biogas power plant at Pemantang Mill with capacity of 1,200 Kwe allocated for power generation at Pemantang KCP. Construction has been started since 2015 and estimated to be finished in year 2017. Refres to project monitoring, progress start commissioning at august 2017.

Stakeholder Consultation

- **Environment Agency Kotawaringin Timur District.** Interviews related to environmental documents, environmental permits, environmental management and monitoring reporting, emission source management and environmental pollution issues, etc.
- **Labour and Transmigration Agency Kotawaringin Timur District.** Interviews related to Occupational Safety and Health, Employment and Industrial Relations.
- **Forestry and Plantation Agency Kotawaringin Timur District.** Interviews related to the assessment of plantation business; Owned business license (capacity and area of the estate), partnership with the community, corporate obligations of existing business licenses, peatland management, regional status, land use change, overlapping areas, land fires, etc.

Other related location to visited

- **Bulking area in Pangkalan Banteng.** Observation and interview of personnel in charge related to process of CPO stored from Pemantang POM and process of CPO dispatch to buyers.
- **Wildlife Refugium at Block R66-65 (Batang Garing Estate).** Observed tree vegetation and structure in relatively good condition and preserved. No indication of degradation and encroachment. HCV protection signboard available and maintained.

2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA-1.1	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Teguh Sempurna was held by:</p> <ul style="list-style-type: none"> • Public Announcement at Mutuagung website www.mutucertification.com and www.rspo.org on 03 July 2017. • Consultation letter send by email to NGO's (WALHI, WWF, Sawit Watch, Save Our Borneo and Aliansi Masyarakat Adat Nusantara) on 12 July 2017. • Consultation with Government Agency (Labor & Transmigration Agency, Forestry & Plantation Agency and Environment Agency) on 18 July 2017. • Consultation with local stakeholders (community surround/village) at Pemantang Village, Pantap Village and Sahabu Village on 19 July 2017. • Consultation with Internal Stakeholders (Labor Union and Gender Comitee) on 19 July 2017. • Consultation with Local Contractor on 19 July 2017.
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4 Determining Next Assessment	
	The next visit (ASA-1.2) will be determined at nine month to one year after this ASA-1.1 .

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of **Pemantang POM – PT Teguh Sempurna Subsidiary of Sime Darby Plantation Sdn Bhd** operation consisting of one (1) mill and four (4) oil palm estates.

During the assessment, there were three (3) Non-Conformities were assigned against Major Compliance Indicators; three (3) Non-Conformities were assigned against Minor Compliance Indicators; and one (1) Non-Conformity against supply chain requirement for CPO mill and three (3) opportunities for improvement were identified.

Further explanation of the Non-Conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation 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 **Pemantang POM – PT Teguh Sempurna Subsidiary of Sime Darby Plantation Sdn Bhd** complied with the requirements of **Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 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 / E for CPO Mill).**

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **Continued**.

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
<p>Indicator 1.1.1 PT Teguh Sempurna has Procedure for Communication (725/PSQM-ESH/2017). These procedures as practical guidance to handle the internal and external communication related to Environment, Health and Safety. Based on these procedure, it is intended to ensure that:</p> <ol style="list-style-type: none"> a. The reference document in effective and precise time b. The effective dialogue among the company, workers and another party c. The process was established and maintained aim to: <ul style="list-style-type: none"> • Showed of company commitment to Health and Safety Work • Increase of awareness to policy, goal and target of Health and Safety Work • Handling the problem related to Environment, Health and Safety • Handling, recorded and follow up the claim from another party • Inform to stakeholder in precise time and to make properly decision related to Environment, Health, Safety and RSPO. <p>These procedures also were contained of communication flow chart with internal and external. The company was stated that the deadline for respond of information request is 15 days if it does not require approval of GM PSD and 30 days if it requires approval of GM PSD. Based on interview with community of villages, if they need information they will submit a letter to the company. According to them, the company always responds each letter submitted.</p>	

Indicator 1.1.2

The company was documented all of incoming and outgoing letter from another party. Based on document verification of incoming letter and the respond by the company, until June 2017 for example there was requested from community surround related aid for MTQ activities, incentive for teacher and aid for domestic waste disposal. The company was respond these requested and the documentation of aid was showed.

Status: Compliance

1.2

Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

Indicator 1.2.1

PT Teguh Sempurna has a list of information that can be accessed by stakeholders in the Procedure for Communication (725/PSQM-ESH/2017). The documents that can be accessed by the public including:

- OHS, Social and Gender Policy
- OHS & RSPO Program
- Working Progress of OHS & RSPO Program
- OHS & RSPO related matters
- EIA analysis
- HCV documents
- Pollution reduction and prevention
- Details of complaints and complaints
- Negotiations documents
- Continuous improvement plan
- Public summary and certification assessment report
- Human Rights Policy

The information was not listed above, categorized as confidential or limited information by the Certificate Holder, for example; business strategic, financial system and workers personnel data.

Based on interviews with informal leader and community (Sahabu, Pemantang and Pantap Village), known that the villagers understand how to obtain information from the company. The company maintains records of request for information and responses under "Buku surat masuk dan surat keluar" on each unit management. Based on document verification, that's known no information request from stakeholders. There are showed sample of request from villagers (relief fund) and the company has been follow up these request.

Status: Compliance

1.3

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

Indicator 1.3.1

The management unit showed a Business Ethics Policy approved by GM, SGM, and Head Plantation Office (HPO) on 24 May 2007. Besides the business ethics, the management unit also makes the work ethic that governs the individual's basic attitudes and the individual's behavior inside and outside the company, besides including the prohibition of corruption, bribery and fraud also arranged on the code of conducts. That document which is available in Indonesian Language, explains fair conduct of business, and provides information in accordance with applicable laws. Dissemination of code of integrity and ethical behavior disseminated by specific socialization or morning briefing to all level of workers. Based on interview with workers, labor union, representatives of gender committees know about code of integrity and ethical behavior.

Status: Compliance

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

Indicator 2.1.1

The certificate holder has the Legal Aspect and Regulatory of 2017. Some of the compliance with these laws covers Land Use Rights and other permits related to the completeness of the operator's permit in the factory and the plantation area. Some of the compliance with the rules consist of:

Land Use Legalities

- Location Permit for PT TSA (17.500 Ha), issued by Land Agency of Kotawaringin (Number 2057.460/BPN/XII, 1993) dated on December 1993
- Decision Letter issued by Indonesian Ministry of Forestry (Number 640.KPTS-II/1996, date on 8 October 1996. These letter was related to extrication of forest area in Semilar River for PT Teguh Sempurna Plantation, on Kotawaringin Timur District, Province of Center Kalimantan (Total 16.300 Ha)
- Land Use Right Certificate Number 10, issued by National Land Agency of Kotawaringin Timur (Estimation Letter Number 03/1999) refers to Decision Letter of Indonesian National Land Agency number 63/HGU/BPPN/1999, for area 16,602 Ha.
- Letter of Plantation Business Registration (SPUP) based on Decision Letter by Indonesian Ministry of Forestry and Plantation Number. 444/Menhutbun-VII/200, dated on 25 April 2000 for area of 16.601,65 Ha and Mill capacity 40 Ton/Hour. There was any Plantation Business Permit (IUP) for mill capacity extension from 40 Ton FFB/Hour to 60 Ton FFB/Hour. These permit based on Decision Letter of Governor of Central Kalimantan Number 188.44/599/2015, dated 7 October 2015.

OHS and Employment

- Has reported the Employment Report for PMF, PME and HTE to the Manpower Office in accordance with Law no. 7 of 1981 concerning Obligatory Report of Employment.
- It has been reported OHS Committee reports and work accidents report according to regulations.
- Have Doctor and Paramedic with “HIPERKES” certificate.
- Decision of Head of District Health Office of Kotawaringin Timur No. 09 / IK-BP / KP3M / VIII / 2015 on Central Sukamandang Medical Clinic Permit with responsible person dr. Charles Bona Managara Hutabarat, set on August 18, 2015 with a validity period of 5 years.
- Have enroll all workers became participants of BPJS Kesehatan and Ketenagakerjaan.
- Has implemented minimum wage for workers in accordance with SK. Central Kalimantan Governor No. 24 years 2016 in 21 November 2016 on District Minimum Wage (UMK) and District / City Minimum Sectorial Wages (UMSK), Kotawaringin Timur District and Seruyan Regency 2017.

Indicator 2.1.2

It has been shown the legal aspect of PT TSA Legal and Regulatory Aspect of 2017, however the document has not been updated related to Employee Wage Standard based on Decree of Governor of Central Kalimantan Province Number 24 year 2016, dated 21 November 2016 regarding Minimum Wage of Regency and Minimum Wages Sector of District/City, District of Kotawaringin Timur and Seruyan District. **Non-Conformity 2017. 01**

Indicator 2.1.3 & 2.1.4

The certificate holder has a mechanism for evaluating regulatory compliance. Evaluation is done periodically at least 6 months and every meeting (monthly) conducted evaluation of progress fulfillment to regulation. In updating the regulations the company conducts consultations with relevant agencies. The Estate Manager is responsible to communicating the regulatory summary and monitoring of implementation.

**2.1.2
Minor**

Status: Non-Conformity 2017.01 with Minor category

2.2

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

Indicator 2.2.1

The PT Teguh Sempurna has document of land use legalities, consist of :

- Location Permit for PT TSA (17.500 Ha), issued by Land Agency of Kotawaringin (Number 2057.460/BPN/XII, 1993) dated on December 1993
- Decision Letter issued by Indonesian Ministry of Forestry (Number 640.KPTS-II/1996, date on 8 October 1996. These letter was related to extrication of forest area in Semilar River for PT Teguh Sempurna Plantation, on Kotawaringin Timur District, Province of Center Kalimantan (Total 16.300 Ha)
- Land Use Right Certificate Number 10 valid until 9 August 2034, issued by National Land Agency of Kotawaringin Timur (Estimation Letter Number 03/1999) refers to Decision Letter of Indonesian National Land Agency number 63/HGU/BPPN/1999, for area 16,602 Ha.

- Letter of Plantation Business Registration (SPUP) based on Decision Letter by Indonesian Ministry of Forestry and Plantation Number. 444/Menhutbun-VII/200, dated on 25 April 2000 for area of 16.601,65 Ha and Mill capacity 40 Ton/Hour. There was any Plantation Business Permit (IUP) for mill capacity extension from 40 Ton TBS/Hour to 60 Ton TBS/Hour. These permit based on Decision Letter of Governor of Central Kalimantan Number 188.44/599/2015, dated 7 October 2015.

Indicator 2.2.2

The certificate holder has procedure of Boundary Stone Maintenance (Dok. LGL/TSA/009), Revisi 02, 4 Juni 2016. These procedures as guidance for maintenance all of boundaries stones periodically. The list of Boundary Stone of PT Teguh Sempurna showed that the number of boundary stone in plantation area was 98 poles. The number of pole in each estate consists of: Batang Garing Estate 12 poles (37 – 54), Kawan Batu Estate 8 poles (55-62), Pemantang Estate 8 poles (63-70), and Hatantiring Estate 28 poles (71-98). Based on field visits for checking the boundary poles in two sample estates; Pemantang Estate (sampling poles number 62, 63, 64, 65, 66, 67 & 68) and Hatantiring Estate (sampling poles number: 71, 76, 78, 86, 88 & 90). The boundary poles are in good condition, the reference number is clear and the position is in accordance with the coordinates contained in the book of poles coordinate list of PT Teguh Sempurna.

However at the Re-Certification in 2016, the result of field observation and checking of the coordinates of boundary poles in Batang Garing Estate (poles number 42, 43, 44) indicates that the position of poles does not match with the coordinates of poles that should be according to National Land Agency data. During the ASA 1.1 the certificate holder has not been able to show evidence of improvement to the **Non-Conformity 2016.02** so that the **Minor Non-Conformity upgrade to Major**.

Indicator 2.2.3, 2.2.4 & 2.2.5

Based on document verification, information from National Land Agency in Kotawaringin Timur and stakeholder consultation with local stakeholder consist of Head of Village, Informal Leader and the communities from Sahabu, Pemantang and Pantap Village was known there is no issue of land conflict among the Certificate Holder with another party in surround of plantation area.

Indicator 2.2.6

The Certificate Holder had policy number 022/SOU-Intern/VI/2015/S, dated on 4 June 2015. These Policy related to Prohibition of Contractually Army using, The main point the policy was explained:

- In the operation of plantation and mill, the company was refer to Indonesian regulation
- The company will not using of Contractually Army in conflict resolution
- The company will not tolerance of anarchism in conflict resolution process

Based on field visit observation during the audit process, stakeholder consultation with village head, informal leader and community from Sahabu, Pemantang and Pantap Village, there is no indication of Contractually Army using in operation of plantation and mill of the PT Teguh Sempurna.

2.2.2 Minor	Status: Non-Conformity 2016.02 with Minor category upgrade to Major
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**2.3
Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.**

Indicator 2.3.1

Based on document verification of High Conservation Value Identification and Social Impact Assessment in PT Teguh Sempurna, stakeholder consultation with National Land Agency of Kotawaringin Timur and stakeholder consultation with the head of village, informal leader and community representation from several village surround (Sahabu, Pemantang & Pantap Village) that know there is no area of the company was under of customary right. During the ASA 1.1, there is no land compensation process, the compensation process has been done in the early period of plantation development. The land acquisition or compensation documentation process was filled in each estate.

Indicator 2.3.2

Based on document verification and information from Plantation Service Department staff of Minamas Plantation, which knew since Re-Certification till ASA 1.1 in July 2017 there was no more compensation process in PT Teguh Sempurna plantation area. The documentation sample of land compensation was documented in each estate. The documentation consists of Letter of Land Right Release by the owner, Official Report for estimation the land compensation, agreement was signed by all of parties and Receive of Compensation.

Indicator 2.3.3

Since Re-Certification till ASA 1.1 process on July 2017, there was no more land compensation processed by Certificate Holder to another party. The documentation of land compensation process was filled in related estate and all information (Land location map, Land Compensation Agreement, Negotiation Result of Compensation Value Agreement, Compensation Standards, Minutes and Evidence / Receipt of Compensation Payment) is available in Indonesian language and the format that can be understood by the related parties.

Indicator 2.3.4

The process of land compensation was begun from identification and inventory of land, mapping of land location, negotiation of compensation amount, Letter of Land Right Release, Official Report Land Compensation, Payment of Compensation was witnessed by Village and Sub District Head. There was showed Official Report of Land Compensation process has been signed by related party both of land owner and the company representation and witnessed by Village and Sub District Head.

Status: Compliance

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

3.1

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

Indicator 3.1.1

Certificate holder has conducted an analysis of annually budget and the long term plan for years 2018 to 2021. The annually budget describes fixed cost analysis and general cost analysis, operational cost such as harvesting, manuring, IPM, upkeep road, weeding, boundaries, soil conservation, sanitation & pruning, labour, salary, capital non planted, field transport and salary cost. Meanwhile the long term plan describes of costs, the price of CPO, areal statement, replanting programme production of FFB, CPO and PK, capacity, and profitability. Evaluation of achievement conducted annually, changes will be made if necessary. One of the control function is conduct annual financial audit by public accountants.

Indicator 3.1.2

The certificate holder has compiled a long term replanting plan for each Estate. PME replanting plan is available for the period 2014/2015 to 2029/2030, for HTE starting in 2019/2020 to 2037/2038. Replanting activities that have been realized in PT Teguh Sempurna in year of 2015 at PME covered 309.65 ha area, in year of 2016 at PME covered 254.10 ha and in KBE covered 298 ha area. The total area that has been replanted is 861.75 ha. The replanting plan will be evaluated annually and updated as necessary, if there are changes in determining factors for replanting such as productivity factors and plant density per ha.

Status: Full Compliance

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

Indicator 4.1.1

Mechanism of operational well documented on site and in an appropriate language "in bahasa". SOPs available on site covering all key process of plantation and mill process, below:

- Agricultural Reference Manual (No. Document 110/EST-ARM/13), which is authorized on September 16, 2013 covered key process, material planting, nursery, replanting, land preparation, census of production, harvesting, land upkeep, manuring, manuring in immature, EFB application, mill effluent application, pruning/canopy management, water monitoring in peat land, ablation, ripeness, harvesting interval, loose fruit collection, proteksi tanaman, weeding, legume cover crop and monitoring of rain fall.
- Procedures of Mill Process (Doc No.110/POD-FAC/07) which is authorized on July 26, 2010 by Head Plantation Operations. SOPs regarding FFB receiving, sterilizing, striping, digesting, pressing, clarify, Kernel station, storage of PKO and kernel, storage of CPO, management laboratory, boiler, engine room, occupational safety and health.

Field observations of procedures implementation in estate operational activities, such as harvesting (PME Block 35, HTE

Block T 22), spraying (PME, Block O 03), planting on the slope area (PME Block O 03), it is known that the implementations are in accordance with existing procedures . The workers have understood the best practices includes OHS aspect.

Indicator 4.1.2 & 4.1.3

Certificate holder has conducted annually internal monitoring to ensure implementation of procedures. The monitoring conducted through operational internal audit, RSPO internal audit, and OHS audit for each management unit (mill and estate). The records of those audits has been well documented. The last RSPO internal audit conducted in April 10 2017 for Pematang Mill and its supply base. There are 5 NCR that has been closed by management.

Indicator 4.1.4

Until ASA 1.1, the PT Teguh Sempurna did not receive FFB from outsider. The FFBs was process on Pematang Factory was supplied from own estate consist of Pematang, Hatantiring, Kawan Batu and Batang Garing Estate.

Status: Compliance

4.2

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

Indicator 4.2.1 & 4.2.3

Certificate holder has conducted efforts to maintain soil fertility through the implementation of a controlled fertilization, maintenance of cover crops, empty bunch of applications and also land application. Certificate holder has had several procedures related to maintain soil fertility. During the assessment there was no manuring activity, related the manuring program of 2016/2017 has been implemented. But based on document review and interview with manuring workers, the strategy has been implemented among others conducted soil sampling (SSU) and leaf sampling (LSU) periodically, organic and anorganic fertilizing in accordance with recommendation, as well as POME land application, and planting legume cover crops. Furthermore, certificate holder implemented selective weeding on interrow to minimize run off and erosion.

Indicator 4.2.2

Implementation of manuring activity has been well documented. It available in each estate and shown compare budget or recommendation against realization. Based on document review of PME and HTE, it shows that the manuring activity (time, location, dose, amount) year of 2016/2017 has been implemented in accordance with the recommendation. The anorganic fertilizer used by certificate holder are HGF Borate, RP, and NPK.

Indicator 4.2.4

Nutrient recycling strategy as a part for incresing soil fertility has been conducted, such as EFB mulching application and POME land application. Field observation in Pematang Estate (PME) Block O 25 and Hatantiring Estate (THE) Block 18, it is known that EFB mulching application has been implemented especially in sandy area with dosage 40 tonnes/ha/year. Whereas in HTE Block T17, POME land application with dose 750 tonnes/ha/year in three rotation (250 tonnes/ha/rotation) has been implemented. The record off EFB and POME application has been well documented.

Status: Compliance

4.3

Practices minimize and control erosion and degradation of soils.

Indicator 4.3.1

Certificate holder has had map of soil survei within PT Teguh Sempurna for each Estate. Based on map and the results of the survey, it is known that PME soil type is an ultisol order (99.6%) and entisol (0.4%) (there is no peat soil), with flat slope class (0.4%), rolling (65.9%), hilly 32.8%), and mountanious (0.9%). While the land suitability class in general is S3 (moderatly suitable) of 99.6%, and N1 (currently unsuitable) due to slope factor of 0.4%. Whereas in HTE, it is known that soil type is ultisol order (57.5%) and entisol (42.5%) (there is no peat soil). The slope class includes flat (42.5%), undulating (17.6%), rolling (37.6%), and mountanious (2.3%). While the land suitability class in general is S2 (suitable) of 17.6%, and S3 (moderatly suitable) of 82.4%.

Indicator 4.3.2 & 4.3.6

The certificate holder's procedure regulate some strategies for planting on slopes, among others implementing individual and contour terrace, LCC planting, EFB mulching application, and selective weed control. Field observation on immature area planting year 2015 at PME Block O 03, the company has been managing slope area by making contour terrace and planting of legume cover crops. Meanwhile the very steep is not planted, but used as a conservation area.

Indicator 4.3.3

Certificate holder has had document of road maintenance program and realization. Based on document review and field observation, road maintenance has been conducting well, allowing to be used well for operational activities. Road maintenance conducted manually or by heavy equipment. Field observations on the slopes of PME Block O 03, it is known that road maintenance has been done well by application of laterite soil and rocks in certain areas.

Indicator 4.3.4 & 4.3.5

Based on the results of the soil survey and soil type map in indicator 4.3.1, in PME and HTE there is no peat soil type.

Status: Compliance

4.4

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

Indicator 4.4.1

Observed that CH has had water management plan for estate and mill under several documents, such as:

1. Environmental Management and Monitoring Plan, as integrated part of EIA document of PT TSA.
2. Annual HCV management plan, as seen in latest management plan which covers protection of natural waterways.
3. Annual Mill management plan that has incorporated water use plan and evaluation of water use efficiency
4. Water bodies construction plan in all estate area as anticipation of dry season. E.g. at Kawan Batu Estate, planned one water bodies with capacity 207.200 m³, and improvement of water body in Batang Garing Estate to become 10.956 m³.

Those water management plans have covered the standard items: identification of water sources in entire plantation area, water uses and efficiency plan in mill, renewability and protection of water resources, monitoring dan effort to avoid contamination. There has been no additional realization until ASA-1 for the manufacture of waterbodies,

Indicator 4.4.2

According to environmental and HCV document, there are several natural waterways found in estates of PT TSA namely Sahabu River (with its sub watershed), Simpang River (with its sub watershed), Sub of Silar River, Sub of Manggis River, Rungau River, Beringin River, Bijuku River which have been determined as object of management and monitoring. According to soil map, there is no peat soil found in the plantation area.

River buffer zone of those waterways have been determined as protected area according to SOP and regulation. Procedure of buffer zone protection available under document "SOP of Buffer Zone protection SOP" number RSPO/B.5.3 and "SOP of Conservation Area Protection" number RSPO/B.5.4. Base on field visit at sahabu river (HCV 4.1) block O34 – 35 dan block and blok O36 – 37: observation of water reservoir (there was any sign board was installed, any natural vegetation and several plant was planted by the company)

Indicator 4.4.3

Sighted that POME from Pemantang Mill has been managed properly before discharged to land application in aWaste Water Treatment Plant (WWTP) with total capacity of 96.292 m³. SOP of POME treatment and application available under document "SOP of Effluent Application" which contains complete procedure of land application.

Observed during field visit in WWTP of Pemantang Mill that all facilities works properly. POME surface height in all pond were normal, and flowmeter works well. However, The result of BOD liquid wastewater quality analysis in the period of 1 year 2017 is as follows

Bulan	BOD (Mg/L)	Debit (m3)	Standart (Mg/L)
January	243	21940	5000
February	322	17479	5000
March	222	24740	5000

A periodic records of POME quality monitoring available, carried out by accredited external laboratory. Result of lates monitoring shows that BOD value and debit of application has met requirement (< 5000 mg/l). Result of monitoring has been reported regularly to local authorities

Indicator 4.4.4

Procedure of water use monitoring in mill available under document "SOP of Water Treatment Plant". Water consumption monitored by using flowmeters installed in piping system of WTP. According to water use data in last one year, average of water use for processing still below the determined budget (1,36- 1,61 m3/ton FFB while budget is 1.5). Overall use of water under the budget but there in certain months above the budget due to leakage of suply pipe to the housing.

Status: Compliance

4.5

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

Indicator 4.5.1 and 4.5.2

An integrated strategy for pest and disease management has been established in agronomy procedures on pest and disease control. The strategies include the planting of beneficial plants (*Turnera subulata*, *Cassia cobanensis*, and *Antigonon leptosus*) and selective weeding to establish soft weeds to suppress leaf eater pests. In addition, the installation and monitoring of the barn owl boxes to suppress infestation of rats.

Early warning system is conducted in the form of census regularly to monitor the infestation of potential pests and diseases such as leaf eater caterpillar, rats, ganoderma, and oryctes. Appointed cencus workers in PME and HTE have been trained on 6 and 8 March 2017. Based on data and summary of cencus of PME and HTE period of January to June 2017, it is known that there are no pest and disease infestation that exceed the economic threshold. So there is no usage of pesticides for pest and disease control.

This is strengthened by field observation on harvesting activity in PME Blok 35 and HTE Block T 22, it is known that visually there is no symptoms of leaf eater caterpillar infestation on the canopy, or the rats infestation on the FFB collected in the FFB platform. The pesticide monitoring for the period of January to June 2017 also shows there is no usage for pest and disease control, but only for routine weed control in the circle and harvesting path. The barn owl boxes indicates the occupation of barn owl. In main roads and collection roads are also known that beneficial plants such as *Turnera subulata* and *Antigonons leptosus* have been planted.

Status: Compliance

4.6

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

Indicator 4.6.1 & 4.6.4

Certificate holder was developing a mechanism to handle agrochemical, which is stored agrochemical according to recognized best practices. Based on document review and verification in chemical storage in PME and HTE, certificate holder used *Fluroxyphyr*, *Glyphosate*, *Metyl metsulfuron*, and *Triklopir* in 10 trade mark, that have been registred in Pesticide Committee, Ministry of Agriculture. Certificate holder no longer uses agrochemicals categorized WHO 1A or 1B included in the list of the Stockholm and Rotterdam Conventions, or *Paraquat*. *Paraquat* forbidden to use since the issuing of Head Plantation Operation Memo POD-UM-127 / X / 2008 dated 4 November 2008.

Indicator 4.6.2

Certificate holder has documentation of monitoring of pesticide toxicity that describes product name, active ingredients, LD50, percentage of active ingredients, total application, total active ingredients, hectare application and active ingredients per ha application. In HTE, in the one year period (July 2016 to June 2017) *Glyfosat* toxicity is 0.94 kg a.i / ha and *Metyl metsulfuoron* is 0.023 kg a.i / ha.

Indicator 4.6.3

Related to reduce the usage of pesticides, monitoring conducted daily, monthly, and anually. Furthermore conducted regularly pest and disease census as an early warning system, aims to prevent outbreak of pest and disease, so it is expected to minimize the use of pesticides. Pesticides are only used if the infestation has exceeded the economic threshold. Based on pest and disease census data in the period of January to June 2017, it is observed that there is no infestation exeedeed the economic threshold, so there is no usage of pesticides for pest and disease control.

Pesticides are used regularly for weed control in the circle and harvesting path with interval every 4 months. The usage of pesticides has been monitored in monthly of each type of pesticide in per division and block. The certificate holder does not use pesticides propylactically. If the conditions of circle and harvesting path are still quite standard, the weed control will be postponed.

Indicator 4.6.5, 4.6.7 & 4.6.9

Based on interview with spraying worker in PME Block O 03, they have received internal training about handling pesticide, spraying technic in 21 January 2017. The workers has implemented safe working practices accordance with the existing procedures. Knapsack sprayers are in good condition, personal protective equipment has been used according to MSDS and HIRAC such as boots, apron, rubber gloves, mask, safety goggles. They can demonstrated the safe working practices, including prohibition of spraying on river or water bodies, and understanding emergency response in the event of an accident. Pesticide solutions are mixed in pesticide warehouses and transported by special vehicles. After work, knapsack sprayer and PPE are stored in a special storehouse at the Estate.

Indicator 4.6.6

Certificate holder has procedure related to storage of pesticides and ex-pesticides container. The procedures describes that pesticides must be kept in a special storage and its ex-container must be put in hazardous waste temporary storage. Based on field observation to agrochemical storage in PME and HTE,, it is known that pesticides is kept in special storage and the mixing place is provide with water trap. The MSDS for all pesticides is available and in Indonesian language.

Ex-pesticides container is kept in hazardous waste temporary storage. Both agrochemical storage and hazardous waste temporary storage provided with emergency response facilities. Based on field observation in housing complex, unidentified ex-pesticides container used for another purposes.

Indicator 4.6.8

Based on a review of documents and interviews with management staff, certificate holder did not perform the application of pesticides from the air.

Indicator 4.6.10

The company has a mechanism for disposal of waste material on SOP RA 012, date April, 1 2010, which is Ex-agrochemical container stored in temporary waste storage and then released to licensed collector (PT Maju Asri Jaya Utama).

The Company has conducted socialization activities on the introduction of LB3 type

- Monday 23 January 2017 is followed by 50 employees at HTE
- Monday 18 February 2017 followed by 32 employees at PME
- Monday 26 January 2017 followed by 27 employees at Pematang Mill

Ex-agrochemical container stored in temporary storage, then released to PT Maju Asri Jaya Utama. Handover document and manifest for HTE is available (may 3, 2017) ex agrochemical 4 drum and for PME Handover document and manifest at may 9, 2017 is available, there are ex glyphosate 1 drum and ex pesticide 13 drum.

Indicator 4.6.11

List of pesticide operators recorded in employee data documents, there is a recent update of employee data on June 2017, including:

- PME: 23 worker
- HTE: 23 worker
- BGE: 23 worker
- KBE: 31 worker

The company shows health checks for pesticide operators by checking the blood chemistry conducted by the Company Doctor. The last implementation was conducted in 09 March 2017 for Hatantiring Estate worker with the result that all spray workers are still in normal condition and fit to work. For another health check for worker at PME, BGE and KBE will be conduct in August 2017. Based on interviews with spray workers and paramedics, explained that health checks are always done 2 times a year and so far there are no spray workers are sick because pesticides exposure.

Indicator 4.6.12

Certificate holder has a prohibition policy for pregnant and lactating female to work which are related to agrochemical. Certificate holder delivers periodic examination for female personnel in order to ensure that they are not working with agrochemical when they are pregnant or lactating. Based on interview with female spraying worker in PME Block O 03, it is known the workers have known if pregnant or nursing are not allowed to work related to the chemicals because they are harmful to their babies or their fetuses.

Status: Compliance
4.7 An occupational health and safety plan is documented, effectively communicated and implemented.
<p>Indicator 4.7.1 Certificate holder has the occupational health and safety policy, which has been approved by Head Plantation Upstream Indonesia in December 2011. The policy states that company is highly commit to provide and protect a safe and health work environment in order to prevent work accident toward personnel, contractor and visitors, this policy available on Bahasa language to make light of all workers and contractors.</p> <p>Certificate holder has yearly OHS program, such as socialization of company's policy, OHS committee reporting, medical examination, etc and the documentation for implementation for yearly OHS program, among others reporting of work accident, result of regular medical examination, etc. Based on interview with the workers in PMF, PME and HTE they understand the OHS policy through socialization when muster morning and through OHS signs. The effectiveness of the program will be monitored through OHS team regular meeting.</p> <p>Indicator 4.7.2 Certificate holder has composed Hazard Identification Risk Assessment and Control (HIRAC) for the Estate and Mill. It has been evaluated yearly. The document explains about type of work, potential hazard/risk that would arise, the effect and risk category, and risk control. This assessment including all hazard and risk in units of Estate and Mill. Certificate holder also has documented the work accidents. Based on interview with worker in agrochemical storage PME and HTE, they were understands the potential occupational risk and how to minimize the risk.</p> <p>Indicator 4.7.3 Based on document review, it is known that certificate holder has given internal training for safety work. Certificate holder also provided PPE for every worker in accordance with the risk identification and documented the handover. They also provided with PPE exchange if it broken with the requirements that the employee can showed the broken PPE before exchanged for a new one. Based on interview with worker in PMF (processing units), PME and HTE (harvesting, spraying,etc), it is known that employees have been given regular training, personal protective equipment has been given and used in accordance with HIRAC.</p> <p>Indicator 4.7.4 Certificate holder has OHS committee as personnel in charge on implementing the occupational health and safety program for Estate and Mill. The secretary of this committee is the OHS General Expert. In order to ensure that the OHS program has been implemented effectively, the board of Guiding Committee of Occupational Safety & Health performs a monthly meeting with workers. Besides, the OHS Committee also has OHS report which its content is about OHS implementation, OHS programme, minutes of meeting of monthly meeting, and attachment related to OHS.</p> <p>Indicator 4.7.5 The management unit shows the procedures related to emergency response (No. 712/TQEM-KRKD/10), procedure related to land fire prevention (716/TQEM-PK/10), and procedure related to diesel leakage (No. 717/TQEM-PK/10). The procedures is described on the understood language by the workers. The reporting of work accident has been documented and monitored by PSQM unit regularly. There are trained first aid officer in each Estate and Mill. Based on field observation in boiler station and workshop station was available first aid boxes. Field observation in harvesting activity (PME Block 35, HTE Block T 22), spraying activity (PME Block O 03), it is known that all foreman were available first aid kit boxes.</p> <p>Indicator 4.7.6 PT Teguh Sempurna is able to show the evidence of payment of contributions for health and accident insurance period June 2017 that were included in the BPJS Kesehatan and Ketenagakerjaan for all workers. Based on interviews with workers, explained that the workers have a BPJS Kesehatan and Ketenagakerjaan membership card. For medical care of workers, the company has a clinic equipped with the company doctor and paramedic.</p> <p>Indicator 4.7.7 The management unit shows the record of Accident Statistic for period of July 2016 to June 2017 for each POM and estate work unit. The data of Safety Performance Indicators Incident Rate, Frequent Rate, Lost Time Incident-Frequent Rate and Severity Rate are described on the statistic. There are 72 lost time accident during last year on estate (PME:</p>

14, HTE: 15, KBE: 15 & BGE: 29), while there is 57 lost time accident for PMF.

Status: Compliance

4.8

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

Indicator 4.8.1

The company shows the training program 2016-2017 to improve the employees competence in term of the RSPO P&C. for example: OSH Regulations, HSE policy, Company policy, HIRAC, harvest procedures, spraying and fertilization procedures, first aid and simulations, safe driving techniques, pesticide handling, emergency response, MSDS, use of fire extinguishers, health and hygiene, spray treatment and calibration, PPE training, vehicle maintenance, TBS transport procedures, mill processing training, SCCS and maintenance tool factory. Based on interview with spraying workers and harvesting worker; and also interview with boiler operator, kernel and nut operator, they can explaining about job description, responsibilities and has trained by company. In addition, worker also mentioned that they have attended safe work training and are always reminded / socialized again by the supervisor/assistant during the morning meeting.

Indicator 4.8.2

PT Teguh Sempurna has demonstrated the Human Resources Training and Development Program for the scope of estate and mill. Some evidence of training implementation has been shown, for example Block Spraying System Training, Block Manuring System, Use of APAR, First Aid and General Safety Training. However, there is some evidence that training cannot be shown, such as:

- SCCS Training
- Processing Training at Mill
- Maintenance Training at Mill
- Analysis/QC

Non-Conformity 2017.02

**4.8.2
Minor**

Status: Non-Conformity No. 2017.02 with Minor Category

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

5.1

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

Indicator 5.1.1

Management unit has prepared Environmental and Social Impact Assessment of Mills and Estate under document:

1. EIA / Analisis Dampak Lingkungan (AMDAL) year 1998 of PT Kridatama Lancar (15.500 hectare) and PT Teguh Sempurna (16.000 hectare) and Mill with capacity of 2 X 40 tonnes/hour.
2. Social Impact Assessment "Analisis Dampak Sosial (SIA)" which was carried out in January 2010 through cooperation with competent third party "Aksenta"..
3. Social and Environmental Impact Analysis of Replanting in PT TSA for period 2014 – 2017. Carried out by third party "Aksenta" on November 2014 – January 2015.

Those environmental and social impact analysis has covered analysis on impact of plantation and mill operation on environment and surrounding communities, including: impact of transportation on air pollution, impact on biological component (vegetation, habitat, and fauna), disturbance on biodiversity, impact in the form of pest and disease, community health, and safety in work place. EIA document (AMDAL) of PT TSA had been approved by Minister of Agriculture on October 9th 1998 . Up grading of mill capacity into 60 tonnes/ hour had also been approved by Environmental Office of Central Kalimantan Province on August 10, 2012.

Prior to approval by Minister of Agriculture, EIA had been approved by inter ministerial commission on EIA and has been consulted to relevant stakeholder including community. The EIA report and Replanting Report provide evidence of community participation in the study, particularly community surround the plantation.

Indicator 5.1.2

An Environmental Management Plan has been determined as intergrated part of EIA document, covering:

- Erosion management through cover crops and terracing. The plan has been impelemented well as observed by auditor in the replanting area.
- Decrease of River Water (Sahabu River) which is managed through WWTP operation at mill. The plan has been implemented as observed in Pemantang Mill.
- Decrease of air quality and noise, managed through maintenance of machinery and equipment and implementation of safety and health standard. The plan has been implemented as seen in PPE distribution record and observasion at Mill..
- Disturbancen on flora biodiversity, managed through conservation area development and outreach of conservation effort to community and relevant institution. The plan has been implemented through determination of conservation area and coordination with relevant authorities.
- Disturbance on wildlife habitat, managed through establishment of conservation are, control of pest and disease, and outreach to relevant community.
- Disturbance on aquatic biota, managed through WWTP, cover crops, and best terrace practice
- Social and cultural impact, community health, managed through assistant on social infrastructure: education, health, religion, sport. The plan has been implemented as seen in CSR evidence.
- Fire risk, managed through readiness to fire and emergency situation. The plan has been realized as seen by structure and equipment of land fire fighting at estate and mill.

The above mentioned RKL and RPL document has properly determined environmental management protocol, which covers: parameters of impact, location and period of monitoring of impact, relevant / realted units, and related authorities to be reported.

Accordinging impact analysis of replanting, a management plan has been developed which covering the following impact:

- Soil and water conservation, has been implemented with best practice of terracing, cover crops, EFB application.
- Stacking management to avoid inundation
- Oil palam tree cutting management to minimize disturbance on comunitty and environemntal
- Recruitment of local workforce. Has been implemented through recruitment of local worker.
- Negative perception o community managed through dialogue and outreach programme to community. The plan has been realized through socialization and meeting with surrounding community.

Indicator 5.1.3

Consistent with environmental management plan (RKL), An integrated Environmental Monitoring Plan has been determined as intergrated part of EIA document, covering:

- Erosion monitoring through installing erosion measurement sick in replanting and estate. The plan has been impelemented well as observed by 12 erosion measurement sticks in the replanting area and Estate.
- Decrease of Sahabu River which is monitored through periodic test on river water quality and periodic POME quality test by accredited laboratory. The plan has been implemented well as seen in the report of river water test (semester) and monthly POME measurement.
- Decrease of air quality and noise, monitored through periodic test on air quality (emission an ambien). The plan has been implemented as seen in periodic (twice a year) report of emission and ambient air qaulity
- Disturbancen on habitat and biodiversity, monitored through mesurement on structure and composition of vegetation, abundance and numbers of vegetation species. Monitoring records not available yet
- Disturbance on aquatic biota, monitored through measurement on structure and compositsin, and abundant of aquaitc species.,
- Social and cultural impact, community health, monintored through direct observation on social perception and situation
- Fire risk, monitored through preparedness and readiness on fire risk such as patrol.

Observation on latest monitoring report (second half of year 2016) reveals that the periodic monitoring report has covered: 1) evidence of community health and community perception; 2) Evaluation and analysis on result of vegetation and habitat monitoring. Periodic review on mill and estate operation and relevant impacts to be managed done through analysis of impact in RKL-RPL document. So far, no significant change in mill and estate operation as well as relevant impact to be managed. The Company has submitted RKL and RPL report 2nd semester of 2016. The document was sent on April 22,

2017 to the Environment Department of East Kotawaringin District and BPLHD of Central Kalimantan.

Status: Compliance

5.2

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

Indicator 5.2.1

CH has identified existence of habitat with high conservation value and rare and protected flora and fauna. The identification was carried out on August 2009 through cooperation with competent third party "Aksenta". The HCV assessment used standard method refers RSPO endorsed HCV assessment toolkit year 2008. It covers identification of conservation value in individual biodiversity, population biodiversity, ecosystem biodiversity, environmental service, and socio-cultural value. Assessment carried out by competent team: and has RSPO approved HCV Assessor

Identification of HCV has been carried out through participatory ways. Community was involved as responder and resources in the social survey. Public consultation was done on August 12, 2009 involving the stakeholder from surrounding village: youth organization, village head, religious leader, local scholar, etc.

The boundary / scope of HCV assessment was land title boundary of PT TSA and its surrounding ecosystem. The assessment covered: identification of protected areas, flora and fauna and its protection status (see indicator 5.2.2), and identification of habitat with HCV area. Total identified HCV area is 1,045.69 hectares, distributed into four estates as follows: KBE – 88,13 ha; BGE – 391,58 ha; SME - 60,30 ha; HTE – 80,5 ha and PME – 88,08 ha. Map of HCV area available appropriately in the form of digital and printed version. Copy of map available in each estate as guidance for protection. Area 1,045.69 Ha is potential HCV who identified by HCV Assessors. But management unit has assign HCV area is 141.74 ha.

Indicator 5.2.2

HCV assessment identified existence of RTE species in the area of PT TSA are as follows: 26 species of mammal, 26 species of bird, 11 species of reptili. Amongst important mammals are: Pongo pygmaeus (EN, App I), Hylobates albarbarbis (EN, App I), Helarctos malayanus (VU, App I), Nycticebus menagensis (VU, App I), Manis javanica (EN, App I), Orilitia borneensis (EN, App II), Heosemys spinosa (EN, App II), Tarsius bancanus (Vu, App II), Aonyx cynerea (Vu, Aoo II). Some of species was identified as protect by Regulation No. 5 year 1990 about Natural Resources Conservation and its ecosystems and Government Regulation No. 7 year 1999 about Conservation of Flora and Fauna Species. Total area of identified HCV is 783,54 hectare HCV, categorized as follows:

- HCV 1 (1.2 – threatened species; 1.3 – wildlife refugium) found in KBE, BGE, HTE, and PME;
- HCV 4 (4.1 – water supply for daily needs ; 4.2 – buffer zone; 4.4 - water for agriculture and fisheries) found in KBE, BGE, HTE, and PME;
- HCV 5 – (area needed for basic needs of community, found in BGE)

Based on recommendation of HCV identification report, a management plan has been determined and updated annually. For year 2016-2017, the management plan covers: signboard installment and maintenance maintenance boundary marker of HCV area, periodic monitoring of flora & fauna, outreach to community and employee, enrichment of conservation area with tree species/ vertifer grass, water quality analysis.

Observation has been done in buffer zone at sahabu river (HCV 4.1) block O34 – 35 dan block and blok O36 – 37: observation of water reservoir (there was any sign board was installed, any natural vegetation and several plant was planted by the company)

Parameters of biodiversity and HCV has been monitored periodically through monitoring survey of vegetation and wildlife. Result of monitoring available as described in indicator 5.2.3. HCV officer in each estate responsible for implementing HCV management plan under supervision of estate manager and sustainability division.

Indicator 5.2.3

Policy to protect RTE species has been determined as captured in Standard Operating Procedure of Wildlife Protection (RSPO/B.5.6) dated May 1, 2009 and SOP number RSPO/B.5.4 regarding Management of Conservation Forest, dated

Juni 1, 2009. HCV management plan of 2016 – 2017 has covered HCV outreach programme to employee and communities. Socialization including the following topics: HCV protection, wildlife and RTE species protection, and discipline / punishment for those who capture or kill RTE species.

The Company has shown HCV socialization to employees conducted on 23 January 2017 in PME followed by 48 employees and in HTE followed by 50 employees. Interviews with communities and employees confirm an understanding of HCV protection. There were no indications of violations of wildlife protection SOPs by employees and communities. Available signboards of flora and fauna protection as well as hunting bans.

Indicator 5.2.4

In accordance with SOP of HCV and RTE management, a monitoring plan has been incorporated in HCV management plan. Example monitoring in the PME and based on observations in June 2017 with the observation point on block Q 23, Q 34, O34 type encountered is lizards (*Varanus salvator*), The pink-necked green pigeon (*Treron vernans*), Long-tailed Shrike (*Lanius schach*), greater coucal or crow pheasant (*Centropus sinensis*), leopard cat (*Prionailurus bengalensis*).

Indicator 5.2.5

Refers to indicator 2.2.3, all concession area originated from conversion of state forest area. For any areas identified as important to the surrounding community, PT TSA has determined it as HCV and excluded them from productive area. E.g. HCV 5 in Tabion (BGE) excluded from productive area. Any maintenance or management activities in the HCV 5 and 6 sites are always communicated to the local customary chief. Public consultation with surrounding community confirmed that there is no violence of customary right or traditional right in determination of HCV area.

Status: Compliance

5.3

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

Indicator 5.3.1

Observed that list of waste and pollution sources resulting from mill and plantation activities under document:

1. Environmental Impact Assessment (EIA) in 1998 which identifies the main pollutants from waste and mill activity, mainly: POME, Solid waste from mill, and Emissions from static sources in mill.
2. Document "Identification of Sources of Waste" resulted from of activity in estate and mill. Document contains list of all activities and potential waste and pollution.
3. Document "Emission Source Identification and Reduction of Greenhouse Gas Emissions PT TSA containing information sources of emissions and air pollution from mill and plantation activities sert efforts to overcome: Land clearing / replanting, fertilization organic and inorganic, Pesticide, transportation, plant operations, residential organic waste (domestic)
4. Based on field visit in landfill Blok S59 is known that to minimize the impact of domestic waste, the company has been provide a landfill at this block for all estate.

Indicator 5.3.2

All chemicals material stored in chemical warehouse in the mill and estate, while for hazardous waste, company has provided five units of hazardous waste storage (mill and 4 estates), inaccordance with storage permit number 399 year 2013 dated 7 October 2013. Sighted during field obervation in mill and estate that storage of chemical and hazardous material are in good condition. All requirements were available such as: waste shelves, placement of material by category, symbols, labels, proper ventilation, eye shower and bath, emergency tools, work instructions and safety instruction, logbook, trapping of liquid waste, etc

Consistent with SOP of Hazardous Waste Handing, all hazardous waste transported and disposed by authorized third party "CV Maju Jaya Asri" (permit from Minister of the Environment number 144 / 2012, waste transportation permit from the Ministry of Transportation in 2015, ocean freight transportation permit from the Minister of Transportation (2015). Manifest (delivery notes) showed that most recent delivery was on may 3, 2015 from Pemantang Estate and may 9, 2017 from Hatan Triring Estates, for all Hazardous Waste type

Indicator 5.3.3

The company has documents identification and monitoring of disposal and pollution source, increase of efficiency and recycling of waste, through the use of solid and liquid wastes, and hazardous waste handling. Waste management steps according to those documents are:

- Hazardous wastes are disposed through third party.
- Domestic wastes are disposed at each housing's landfill waste disposal .
- pesticide containers are handed over to third party collectors.
- Liquid waste from processing are used for land application.
- Solid waste in the form of (shell and fiber) used for the substitution of diesel fuel

Records was available for hazardous waste handling: Logbook of hazardous waste, monthly balance of hazardous waste and reported every 3 months, manifest of hazardous waste delivery to authorized third party. The hazardous waste balance was reported on 20 July 2017 at Evironment Department Kotawaringin Distric. Manifest (delivery notes) to CV Maju Jaya Asri showed that most recent delivery was on may 3, 2015 from Pemantang Estate and may 9,2017 from Hatan Triring Estates, for all Hazardous Waste type. Utilization of wastewater january-juni year 2017 as much as 131,455 m3. Utilization of shell and fiber for CPO processing period July 2016 – June 2017 are Fiber 39,737.48 tons and Shell 15,910.12 tons.

Based on field visits was showed:

- There is hazardous waste (ex fuel / lubricant container) in the back yard of PME employees' housing (Division II) and in HTE (Division II & III) used as a water reservoir and placed behind the house. This is not in accordance with SOP of Waste Management hazardous waste and non hazardous waste (PLB3 & BB3, 04 June 2009).
- In the housing area of HTE Division II and III seen a trash burning incident. This is not in accordance with the SOP of Domestic Waste Management (SOP / TSA / 073, July 1, 2014).

Non-Conformity No. 2017.03

5.3.3 Minor	Status: Non-Conformity No. 2017.03 with Minor Category
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5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.

Indicator 5.4.1

The plan to increase the efficiency of fossil fuel available in several document such as identification and Reduction of greenhouse gases (GHG) and SOPs regarding waste management. Some of the plans that have been implemented are:

1. The use and monitoring of renewable energy such as fiber, shell, and local wood from surrounding villages. Monitoring data on renewabe energy fertilizer use available in Pemantang Mill.
2. Based on the monitoring data, company has calculated and analyzed efficiency of renewable energy use in term of energy / ton product of CPO. E.g
 - Average of renewable energy production is 19.61 ton fiber and shell/ ton FFB process.
 - Average use fosil energy production is 0,61 liter / ton FFB process
3. The use of organic fertilizer to save anorganic fertilizer. Monitoring data on anorganic fertilizer use available in each estate.

PT TSA was constructing biogas power plant at Pemantang Mill with capacity of 1,200 Kwe allocated for power generation at Pemantang KCP. Construction has been started since 2015 and estimated to be finished in year 2017. Refres to project monitoring, progress start commissioning at august 2017.

	Status: Compliance
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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.

Indicator 5.5.1 & 5.5.2

Certificate holder has develop a mechanism related to zero burning in guidance of sustainable plantation management. The policy edescribes that the land clearing for plantation conducted by mechanical process. Based on field observation in PME and HTE, there was no activity or indication of land burning.

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

Indicator 5.6.1

Sighted that all sources of pollution has been identified including green house gas emission, as seen in the following document:

- Environmental Impact Assessment (EIA) which identifies the main pollutants from estate and mill activities: .
- Documents “Identification of Sources of Waste” from estate and mill activities.
- Document of “Inventory of Emission Source and Reduction of Greenhouse Gas Emissions” in PT TSA containing information of emissions and air pollution.

Indicator 5.6.2

All documents related to emission calculation have been identified and maintained, such as: fertilizer use, fossil fuel use, renewable energy use, land cover change analysis, soil type map, and tree planting for greening. Tree planting for GHG absorption carried out in several locations such as in river buffer zone at Batang Garing (2,462 trees) since year 2013. The other GHG emission reduction steps are:

- Tree planting at housing complex and offices
- Regulating minimum distance of 500-1000 m from housing to mill to reduce impact of emission on people's health.
- Periodic maintenance on machinery, equipment, and vehicle to avoid inefficiency of fossil fuel use and electricity.
- Periodic reporting on ambient air quality and emission from static sources to local environmental quality. Emission and air quality testing conducted by accredited third party laboratory, by using standard method and equipment.

Indicator 5.6.3

Actual emission from mill and estate activities has been calculated using standard method and tools provided by RSPO (Palm GHG calculator). Available evidence of emission calculation for year 2016 -2017

Summary of emissions was description in table below

Product	tCO ₂ e/t Product
CPO	333,74
PK	333,74
PKO	142,17
PKE	142,17

Description	Unit	Value
Total Planted Area	Ha	13745,66
Total planted area on peat	Ha	257,51
Conservation area	Ha	384,12
OER	%	22,09
KER	%	4,8

Mill Emissions and Credit

Description	tCO ₂	tCO ₂ e/ t FFB
Emission Source		
POME	31701.88	1.2
Fuel Consumption	492.39	0
Grid Electricity Utilisation	0	0
Credit		
Export of Excess electricity to housing & grid	0	0
Sale of PKS	0	0
Sale of EFB	0	0
Total	32194,27	0.12

Plantation/ field emission and sinks

Description	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/ t FFB
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Emission Source			
Land conversion	92461,15	7,12	0,35
CO ² Emission from fertilizer	20874090,,52	1689,96	84,07
N ² O emission	2620814,2	202,2	10.06
Fuel consumption	4254,37	0,33	0.02
Peat oxidation	13898,96	1,02	0.05
Sink			
Crop Sequestration	-119929,32	-9,24	-0.46
Sequestration in conservation area	-3212,27	-0,26	-0.01
Total	23482377,61	1891,14	94.08

Emission from Palm Kernel Crusher

Emission Source	tCO ² e
PK from own mill	4200146.56
PK from other source	1811.53
Fuel consumption	2438,76
Total crusher emissions	4220796.86

Status: Compliance

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

6.1

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

Indicator 6.1.1

The Certificate Holder has document of Social Impact Assessment. The assessment process was done on October 2009 and the scopes of study are impact of plantation and mill operation to workers and community adjacent of plantation area. The assessment and reported was carry out by AKSENTA Consultant on 14 to 22 August 2009. This document was explained of negative and positive impact of plantation and mill operation to social aspect and the recommendation for negative impact reduction and increasing of positive impact. There was showed also the minutes meeting of consultation process with community surround. The evidence was consisting of Attendant List of village member on Focus Group Discussion as phase of data gathering for Social Impact Assessment Report.

Based on interview with related stakeholder from Pemantang Village and Tabion Hamlet (the head of village, informal leader and villager representation) that known, there is no significant issue was not raised in Social Impact Assessment.

The company also has document of Social and Environment Impact of Replanting period 2015 till 2018 in PT Teguh Sempurna, Period of 2014 till 2017 in Pemantang Estate (899,9 Ha) and Period of 2015 till 2018 in Kawan Batu Estate (303 Ha), Kotawaringin Timur District, Province of Kalimantan Tengah. The assessment process was done by AKSENTA Consultant on 2014 and aim to knowing of environment and social impact of replanting.

Indicator 6.1.2

The Social Impact Assessment has been done with involve of related party, consist of community surround, head of village and informal leader (customary leader). There was showed documentation of assessment process, for instance the Attendant List of data gathering in Sahabu Village, Suka Mulya Village and Tabion Hamlet on 14 to 22 August 2009.

Indicator 6.1.3

Has been shown the Participative Management Plan of Social Impact Assessment 2016/2017, for example the documentation of the discussion in Pantap Village, Tabion Hamlet, Pangayuh Hamlet, Kapuk Village, Tumbang Baru Village, and Sahabu Village. There was also showed the Inter Office Email No.021/SOU3-est.mill/VII/2016 on Participatory Impact Mechanisms. This will be done every 6 months in the surrounding villages. It has also been shown a questionnaire

for the collection of economic and social data, dated July 17, 2016 with villages around Pantap Village, Tabion Hamlet, Hamlet Pangayuh Hamlet, Kapuk Village, New Tumbang Village, and Sahabu Village.

Indicator 6.1.4

There was showed document Realization Report of Environment Management Plan & Monitoring (RKL/RPL) of PT Teguh Sempurna. These reports were submitted to Environment Agency in District of Kotawaringin Timur for every 6 month (semester). These document was also includes of social aspect consist of monitoring and evaluation based on community input in surround plantation area. There was showed examples of documentation of meetings with communities in the villages of Sahabu and Dusun Tabion

Indicator 6.1.5

Until ASA 1.1, the Certificate Holder not yet has Smallholder Scheme

Status: Compliance

6.2

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

Indicator 6.2.1

PT Teguh Sempurna has procedure of communication and consultation with the communities the estate described in SOP Communications (Policy No. 725/PSQM-ESH/2017). The procedure explained If there is something that would communicate with the unit management. Unit management should record the incoming mail in the Communications Register or logbook consultation with the community or another stakeholder. Based on interview with stakeholder from village known that they already knew how to communicate with the company (via mail) and company will respond at least 15 days after mail is received.

Indicator 6.2.2

PT Teguh Sempurna has a special officer responsible for consultation with local communities and governments are Tonni Manurung. There are other officer responsible for complaint in every estate and mill such as:

- Happy Setya Pambudi responsible for Pemantang Factory,
- Irijik Muhammad Maki responsible for Kantor Pemantang Estate,
- Joko Wiyono responsible for Hatantiring Estate.

Based on stakeholder consultation with village government, informal leader and several communities indicated that the related stakeholder was knew the responsible staff based on their intense social interaction in several event and meeting.

Indicator 6.2.3

PT Teguh Sempurna has a list of stakeholder that consists of Relevant agencies/institutions at the National level, Provincial level institution, District Government Offices, Sub-District and Village Government, Local Communities, Other Plantation Companies and Foundation/NGO.

Status: Compliance

6.3

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

Indicator 6.3.1

The Certificate Holder has system for dealing the dispute and complaint received. These systems were referring to Communication Procedure (Number: 725/PSQM-ESH/2016). These procedures were explained that the company will protect the whistleblower and there are no sanctions for them. When the cases did not handled enough in estate unit, the cases will continue to next level of management, including to jurisdiction level or another way (including RSPO Grievance), based on the agreement each parties. These procedures were completed with flow chart of Form of Complaint Handling Data.

Indicator 6.3.2

Based on the Complaint Book in two estate sampling (Pemantang & Hatantiring Estate), it is known that during 2016 to July 2017 there are only complaints related to housing facilities, such as the repair of housing facilities of employees and have been followed up by the company. Based on Result of stakeholder consultation with Village Government, Community

Leader, Village Representative (Pematang, Sahabu & Pantap), there is no indication of complaint related to plantation and factory operation by the PT Teguh Sempurna.

Status: Compliance

6.4

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

Indicator 6.4.1 & 6.4.2

The Certificate Holder has Procedure of Land Occupation Compensation (Policy No. 343/PSD-OKUP/11) was revised based on from related parties. These procedure explained that the process of land occupation compensation will begun by identification process of land. The measuring result with GPS identification and Technical Feasibility Survey by the Department of Minamas Research Centre (MRC) will follow up with negotiation for land release by the owner. The Manager of Plantation Services-Region and Estate Manager will handle these process and witnessed by the head of village and related parties.

The Procedure of Land Occupation Compensation as guidance for land compensation process. The documents requirement in land compensation shall signed by land owner, management unit representative, Head of sub District, Notary and Head of Village. These documents shall included of photograph, Map, Letter of land release by the owner, Official Report was signed by related parties consist of land owner and management unit representative, witnessed by Head of Village and Sub District. The process of payment for land or land compensation shall complete with receive and photograph as documentation evidence.

Indicator 6.4.3

The Certificate Holder has been documented all of land compensation process. The documentation consists of of Map, Negotiation result (minutes of meeting), Land Release Letter, Payment Receive was filled in estate office based on land location. Based on Communication Procedure (No. Policy 349/TSA-KOM-01/11), the documentation of land compensation process are limited access and should approved by Plantation Service Department and Manager of Estate if any related parties will access this document. Theses document can access with letter of Information Request from another parties to the company.

Based on document verification, information from management representation and stakeholder consultation with community representation from several village surround (Pematang, Sahabu and Pantap), there was no information of land compensation processed by the PT Teguh Sempurna since period of Re-Certification till ASA 1.1.

Status: Compliance

6.5

Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

Indicator 6.5.1

Certificate holder has implemented decree of Kalimantan Tengah Governor related to minimum wage and sectoral minimum wage in 2017. The decree was reaffirmed for implementation in the form of Internal Memorandum of Head of HRD. Furthermore, the basic salary for worker is explain in appointment decree. Review of documents also show an example of pay slip which explain the details of income (basic salary, premium pay) and deduction such as employment insurance payment and other deductions.

Indicator 6.5.2.

Certificate holder has Company Regulation period of 2016 – 2018 that has been ratified by Manpower Agency in August 2016. The Company Regulation describes related to company and workers duty and rights, such as wage system, assessment of worker performance, promotion, demotion, leave rights, etc. Certificate holder also has work agreement with worker in form of appointment decree for daily and monthly permanent worker.

Indicator 6.5.3

PT Teguh Sempurna provides facility and infrastructure for personnel welfare, such as housing, polyclinic, clean water, education facilities, worship venue, and access to electricity. Field observation at housing complex in Pematang Estate and Hatantiring Estate show that the facilities and infrastructures are available. Based on the interview with employees mentioned that the infrastructures provided by company.

Indicator 6.5.4

PT Teguh Sempurna facilitates employees to access adequate food supply by establishing market during the payment day. Moreover, there are some markets in surrounding villages. Personnel have an issue to access good food with

reasonable price. Based on field visit and interview with Employees, company does not prohibited personnel to be a vendor, like selling staple food. Subsequently, there is no difficulty to access food.

Status: Compliance

6.6

The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

Indicator 6.6.1

In the social policy signed by Head Plantation Upstream Indonesia in December 2011 on points 5 described that Plantation Upstream Indonesia is respected the rights of every staff / employees to form and join the workers union of their choice and to negotiate collectively. This document formatted in Indonesian Language, so it is easy to understand for all workers. Based on interview with workers representatives known that the company already have freedom of association for workers (LKS Bipartite). Based on interview with estate workers, it could be concluded that company has facilitate freedom of association (LKS Bipartite) according to worker aspiration.

Indicator 6.6.2

Records of Worker Union (LKS Bipartite) meetings have been documented for example, meeting and discussion of ratification for Company Regulation “Peraturan Perusahaan 2016-2018” by LKS Bipartite with the management of PT Teguh Sempurna on 26 July 2016. The results of interviews with workers known that the worker has known the policy on freedom of association and workers also have known about the functioning of the worker union. The meeting between the company and the workers is conducted whenever there is a problem that must be discussed.

Status: Compliance

6.7

Children are not employed or exploited.

Indicator 6.7.1

PT Teguh Sempurna has had a social policy which stated that Plantation Upstream Indonesia is not allowed to use forced labor (force labor) or minors labor (children). Based on interviews with worker union (LKS Bipartite), explained that in the company does not workers who are under 18 years and recruitment for worker must be complement with national identity cards (KTP). Based on the results of field observations on the operational activities of the PMF, PME and HTE, it was not found workers aged less than 18 years. Furthermore worker also understands that minimum age for worker to be hired is 18 years old. Results of the interview with internal stakeholder (Worker Union, Gender Committee and workers) it was mentioned that there are no issues related to child labor working in the company.

Status: Compliance

6.8

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

Indicator 6.8.1

PT Teguh Sempurna has a social policy which stated that every staff / employees should be handled fairly in everything relating to the recruitment, promotions, restrictions and conditions of employment without regard to personal issues such as race, degrees, ethnicity, gender, skin color (defects/imperfect), a membership organization, and political views, religious and/or age. It is revealed that the hired employees have diverse educational, ethnic and religious backgrounds. Interview with worker in Pemantang Estate, Hatantiring Estate and Pemantang Factory revealed that company opens work opportunity for local communities (in mill and estate) and worker from another Province. This can be considered as positive impact over company’s existence for local communities. There is no complaint related to discrimination from local communities.

Indicator 6.8.2

Document verification and interview with management, recruitment is based on company requirement without considering ethnic, religious, and racial and religion. All prospective workers have rights for employment opportunity according with their educational background and company requirement. Moreover, result of interview with worker also reveals that there is no indication of discrimination against employees.

Indicator 6.8.3

Document verification and interview with unit management submitted that the selection process and recruitment of candidates is done in accordance with the applicable procedures in the company, starting from the signing of the agreements, the evaluation of the performance, until the appointment becomes permanent workers. In process there are

not discrimination about race, degrees, ethnicity, gender, skin color (defects/imperfect), a membership organization, and political views, religious and/or age.

Status: Compliance

6.9

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

Indicator 6.9.1

PT Teguh Sempurna has a policy to protect reproductive rights and prevent all forms of sexual harassment and violence. Policy regarding sexual harassment is still the same as the previous assessment that listed social policy. The policy stated that the development and implementation of policies to protect female workers from crime and sexual harassment as well as protecting the rights associated with female reproduction. The company has had a Gender Committee as a forum to ensure the policies of female workers protection are implemented. The results of interviews with gender committee and other female workers (daycare staff and sprayers) known that the company has formed a gender committee to handle the issues of female workers. In addition, also delivered that the company is given the reproductive rights, such as menstruation and pregnant leave in accordance with the applicable procedures.

Indicator 6.9.2

Based on the results of interviews with Gender Committees and female workers (daycare staff and sprayers), it was found that policies on Gender Committees had been socialized during the monthly Posyandu activities and every female worker understand about Gender policy.

Indicator 6.9.3

Complaints and response mechanism is not change from previous assessment that listed on the SOP of Employee Complaints Handling. Based on document verification of Complaints Book and interview with Gender Committee, there are no complaints related to sexual harassment and violence. Based on information from gender committee, that the handling of issues about sexual harassment and violence will be resolved together with gender committee and the identity of reporter will be protected.

Status: Compliance

6.10

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

Indicator 6.10.1 & 6.10.2

Until Recertification process, the PT Teguh Sempurna did not buy and received FFB from outsider, all of FFB was supplied from four own estates (Pemantang, Hatantiring, Kawan Batu and Batang Garing Estate)

Indicator 6.10.3

Based on verification of sample Letter of Work Agreement(No.PME/SPK-LKL/XII/2016,December 31,2016) between PT Teguh Sempurna with Local Contractor Mardi Suprpto (Work Agreement Letter (No.HTE/SPK-LKL/V/2017,006-TBS,May 1, 2017), for FFB transport services from the area of the Pemantang Estate to Pemantang Factory area. The document contains a description of the Rights and Obligations of the Parties, including the obligation of the contractor to provide PPE for their employee. The Payment System is signed by both the Estate Manager and the Local Contractor, and approved by the General Manager Estate of Central Kalimantan. The contract document was kept by each party. There was also showed the Transportation Service Agreement (No.018/JasaTransportasi/TSA-BH/XII/2013) was issued on December 31, 2013. These documents were explained about agreement between PT Teguh Sempurna and CV Bakau Huni for CPO transportation services from Pemantang Palm Oil Mill to Bulking Sebukat-Pangkalan Banteng. The document contains description of the Rights and Responsibilities of the parties, including the obligation of the contractor to provide PPE to their employees and the Payment System. These documents was signed by both of parties and approved by the General Manager of Central Kalimantan and with a stamped IDR 6,000. Based on interview with two local contractors that knew that they were understood of contract clause before signed. Both of parties, the company and the local contractor was kept the contract documents

Indicator 6.10.4

The payment process by the PT Teguh Sempurna to local contractor was transfer to Bank Account, it based on clause of contract on chapter 5. Before payment will process, the company will verification and preparing several document comprise with: issued of Official Report of Work Checking by PT Teguh Sempurna, Invoice from the contractor, issued of Bank Voucher by the PT TSA and Receive from PT TSA to local contractor as payment evidence.

Based on interview with two local contractors for CPO and FFB transportation service that knew of payment process was carry out consistently every end of month.

Status: Compliance

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

Indicator 6.11.1

It has been shown the CSR Program Plan 2016/2017 of PT Teguh Sempurna. These programs were prepared in consultation with the community and government of several village surround of plantation area. The document was signed by management representative of PT TSA and Village Government representatives. The program consist aspects of Education, Community Empowerment, Environment and Sports, Social & Culture. There was also showed several sample of CSR programs was implemented by the company:

Pemantang POM

There was shown the Recapitulation data of local contractor involvement in CPO transport from the Pemantang Factory to Bulking Sebuka-Pangkalan Banteng (data from January to June 2017, there was any 17 local contractors)

Hatantiring Estate

The Realization of CSR 2016/2017 : Funds for the inauguration ceremony of the Sahabu Village Head on 13 January 2017, fund for treatment of the community in Sandul Village, 10 May 2017

Pemantang Estate

The realization of CSR 2016/2017; Salary for Primary School Teacher in Pantap Village, Truck for trash loading, Operational cost of Village Head and aid for road maintenance.

Indicator 6.11.2

Until the ASA 1.1 , the PT Teguh Sempurna did not has smallholder scheme

Status: Compliance

6.12

No forms of forced or trafficked labour are used.

Indicator 6.12.1

The certificate holder has Social Policy signed by Head of Plantation Upstream Indonesia, December 2011. These policies not allowed using forced labor or underage labor (children). Based on a review of documents of Workers List at Pemantang Estate, Hatantiring Estate and Pemantang Factory, there was no foreign workers/migrants work in the field or in the office. Similarly, from interviews with managers in both of unit of estate and mill, it is known that there are no foreign workers and outsourcing in PT Teguh Sempurna.

Based on interviews with harvesters obtained information that the harvester can get the base output under 7 hours of work. If the harvester wants to increase the output base over work hours, it is voluntary and the payment is set in the mechanism of the over base.

Indicator 6.12.2

Based on document verification and interviews with several employees (harvest, pesticide application and factory worker) there is no indication of a change of contract. It has been shown an example of a Working Letter of harvester (3 months trial period, 1 February to 30 April 2016) and has been appointed permanent as permanent worker on 1 May 2016 (No.12/PME-SKM/V/2016, issued by Pemantang Estate Manager. Also based on interviews with the related workers, he was informed that currently working as a harvester in accordance with the Work Agreement Letter was signed.

Status: Compliance

6.13

Growers and millers respect human rights

Indicator 6.13.1

The Certificate Holder has the Human Rights Policy, signed by SOU 3 Pematang, January 2016. There was also shown documentation of Human Rights Policy Socialization for several levels of workers in each division on year of 2017. Based on consultation with internal stakeholder (workers representation and Gender Committee) and the external stakeholder from several village surround (Pematang, Sahabu and Pantap Village), there was no information related to Human Right abuse cause by the plantation and mill operation.

Status: Compliance

PRINCIPLE #7 Responsible development of new plantings

7.1

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

Indicator 7.1.1

Referring to the statement area, there were new planting area after November 2005 at Hatantiring Estate, Kawan Batu Estate, and Batang Garing Estate. All of the new planting area are located within the land title (HGU) boundaries, so that the whole area of new plantings are still included in the scope of the Environmental Impact Assessment (EIA) prepared in 1998 (see indicator 5.1.1). In addition to the EIA, the whole area has been covered in the Social Impact Assessment (SIA) which is conducted in August 9 to 13, 2009.

Environmental impact analysis and Social Impact Analysis has been prepared by certified experts and has been approved by local authorities. Identification of HCV and potential areas of greenhouse gas emissions are prepared in a separate document and covers the entire plantation and mill

All impacts have been analyzed adequately including the impact on erosion, water quality Mangosteen, decrease in air quality and noise, interference diversity of natural vegetation, disturbance of wildlife habitat, habitat of aquatic biota, social impact of the economic and cultural, environmental and public health, and land fires.

SEIA has been carried out through participative way as shown by the results of consultation with the community during the survey and reporting process.

Indicator 7.1.2

SEIA includes identification of positive and negative impacts of plantation and mill operations as well as in new plantings. To overcome the negative impacts, EIA and SEIA study has included management recommendations to reduce negative impacts.

Example of the plan that have been implemented are: CSR for surrounding village including education and health, infrastructure development mainly road access, employment for surrounding labor, etc.

Indicator 7.1.3

No new planting program in the smallholder area. Areal Statement and field verification showed that whole new planting since year 2005 located at the owned estate.

Status: Compliance

7.2

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

Indicator 7.2.1 & 7.2.2

Certificate holder has had documents of soil survei within PT Teguh Sempurna for each Estate. Based on map and the results of the survey, it is known that PME soil type is an ultisol order (99.6%) and entisol (0.4%) (there is no peat soil), with flat slope class (0.4%), rolling (65.9%), hilly 32.8%), and mountanious (0.9%). While the land suitability class in general is S3 (moderately suitable) of 99.6%, and N1 (currently unsuitable) due to slope factor of 0.4%. Whereas in HTE, it is known that soil type is ultisol order (57.5%) and entisol (42.5%) (there is no peat soil). The slope class includes flat (42.5%), undulating (17.6%), rolling (37.6%), and mountanious (2.3%). While the land suitability class in general is S2 (suitable) of 17.6%, and S3 (moderately suitable) of 82.4%. The certificate holder also has procedure related to strategies for planting on slopes, among others implementing individual and contour terrace, LCC planting, EFB mulching

application, and selective weed control.

Status: Compliance

7.3

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

Indicator 7.3.1 & 7.3.2

Sighted report of identification of protected species and habitats with high conservation value (HCV) which was conducted in 2009 in collaboration with third parties (Aksenta). In addition to the HCV identification, there is another study of land cover change from 2005 to 2015 to identify the presence of HCV areas or primary forests cleared for plantations. Analysis of Changes in land cover and land cover coefficient calculation is made using historical data Landsat 7 TM 2005, 2009 and 2014. The study showed that all new planting area after 2005 has coefficient of "0" meaning no indications of primary forest or HCV replacement.

NPP audit is not applicable as there is no planting after year 2010. All new planting comes from year 2005-2009. However Sime Darby Sdn Bhd (include PT TSA) has report LUCA to RSPO dated 28th of August 2015. Based on Remediation and Compensation Liabilities Report (submission phase 2) that known: there are 1,508 ha in Batang Garing Estate since December 2007 – December 2009.

Based on document verification, there is no evidence related to LUCA (*Land Use Change Analysis*) document submission from Sime Darby related to PT Teguh Sempurna plantation area which opened since November 2005 without HCV Assessment. Based on email from RSPO Secretariat, it is known that until now, Sime Darby Plantations has not yet submitted the LUCA (*Land Use Change Analysis*) document. **Non-Conformity 2017.04**

Indicator 7.3.3

Starting date of land clearing in year 2005 are well recorded in the records of "Land Clearing and Stacking. Initial date of land clearing at Hatan Tiring Estate was March 23, 2007, initial date at Kawan Batu Estate was on June 1, 2005 (SPK No.005/LC/TSA-KBE/ VII /05), at Batang Garing Estate on June 1, 2005 (SPK No.005/LC/TSA-KBE/ VII /05).

Indicator 7.3.4 & 7.3.5

For areas identified as HCV, the company has drafted a management plan as described in indicator 5.2.2. such as: protection by signboard installment, maintenance of boundary marker of HCV area, periodic monitoring of flora & fauna, outreach to community and employee, enrichment of conservation area with tree species/ vertifer grass, and water quality monitoring.

7.3.1 Major

Status: Non-Conformity 2017.04 with Major Category

7.4

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

Indicator 7.4.1 & 7.4.2

Certificate holder has had documents of soil survei within PT Teguh Sempurna for each Estate. Based on map and the results of the survey, it is known that PME soil type is an ultisol order (99.6%) and entisol (0.4%) (there is no peat soil), with flat slope class (0.4%), rolling (65.9%), hilly 32.8%), and mountanious (0.9%). While the land suitability class in general is S3 (moderately suitable) of 99.6%, and N1 (currently unsuitable) due to slope factor of 0.4%. Whereas in HTE, it is known that soil type is ultisol order (57.5%) and entisol (42.5%) (there is no peat soil). The slope class includes flat (42.5%), undulating (17.6%), rolling (37.6%), and mountanious (2.3%). While the land suitability class in general is S2 (suitable) of 17.6%, and S3 (moderately suitable) of 82.4%. Based on document review and field observation, the unsuitable area in PME related to slope factor has been defined as a conservation area.

Status: Compliance

7.5

No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

Indicator 7.5.1	
Until ASA 1.1, the PT Teguh Sempurna did not extend their area for new plantation. The company just was carrying out replanting for Period of 2014 till 2017 di Pematang Estate and Period 2015 – 2018 in Kawan Batu Estate.	
Status: Full Compliance	
7.6	
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	
Indicator 7.6.1, 7.6.2, 7.6.3, 7.6.4, 7.6.5 & 7.6.6	
Until ASA 1.1, the PT Teguh Sempurna did not extend their area for new plantation. The company just was carrying out replanting for Period of 2014 till 2017 di Pematang Estate and Period 2015 – 2018 in Kawan Batu Estate.	
Status: Compliance	
7.7	
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.	
Indicator 7.7.1 & 7.7.2	
Certificate holder has develop a mechanism related to zero burning in guidance of sustainable plantation management. The policy describes that the land clearing for plantation conducted by mechanical process. Based on field observation in PME and HTE, there was no activity or sign of land burning.	
Status: Compliance	
7.8	
New plantation developments are designed to minimise net greenhouse gas emissions.	
Indicator 7.8.1	
There is no specific assessment on areas with high carbon stocks at PT TSA because there is no new plantings after 2013. Analysis of land cover change from 2005 to 2015 indicates that all new planting area between years 2005-2008 carried out side of HCV area, shrub, or secondary forests with lower carbon stocks. In addition to that, the company has identified and calculated emissions sources from plantation and mill operations (see indicator 5.6.2) by using standard methods in Palm GHG calculator.	
Indicator 7.8.2	
Plans to mitigation of greenhouse gas emissions have been developed such as: efficient use of inorganic fertilizers, the use of alternative fuels (fiber and shell), and planting trees greening. To increase carbon sequestration and reduce greenhouse gas emissions, there are number of mitigation measures including:	
<ul style="list-style-type: none"> • Planting trees in the area of conservation, housing, and the area around the dam / water bodies. • Establish provisions for settlement within the employees and staff of at least 500-1000 m from the plant site, it aims to reduce the impact caused by exposure of emissions and pollution sources • Perform maintenance of machines and source of emissions and pollution such as transport vehicles and operational, generators, and boilers. 	
Status: Compliance	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity	
8.1	
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	
The Certificate Holder has done several activities that are part of continuous improvement, comprising of:	
<ul style="list-style-type: none"> • Reduction in use of pesticides Monitoring conducted daily, monthly, and annually. The pesticides are only used if any the infestation has exceeded the economic threshold • Environmental impacts Has conducted continuous improvement in environmental action aspect, such as: mill effluent test periodically, water 	

river test periodically, smoke emissions test periodically, stored hazardous waste storage approved by government, etc.

•Waste reduction

The final dump has been repaired and looks have been created a new hole. This is to anticipate the amount of domestic waste from each estate and factory housing

•Pollution and greenhouse gas (GHG) emissions

The methane capture installation was developed by the PT Teguh Sempurna and it wil commissioning on 2018.

•Social impacts

The Social and Environment Impact Assessment of Replanting of Period 2014 till 2017 in Pematang Estate (899.9 Ha) and Period of 2015 till 2018 in Kawan Batu Estate (303 Ha), Kotawaringin Timur District, Center Kalimantan Province. The assessment was executed by AKSENTA Consultant. It was aim to know of social and environment impact of *replanting*.

•Optimising the yield of the supply base.

- Conducting regular census to determine the level of pest/disease attack, application of pesticides used when the attack rate has exceeded the economic threshold.
- Conducting pest/diseases handling by biological ways, for example, the use of owls (*Tyto alba*) to control rat and planting the beneficial plant with a type of *Turnera Sp.*, *Antigonon Sp.*, dan *Casia Sp.*

Based on Non-Conformities identified at Re-Certification in 2016, the Auditor team considers that there is a recurrent Non-compliance ASA 1.1 as a result of the incomplete implementation of continuous improvement. The Non-Conformity are: Indicator 5.3.3:

A documented waste management plan to avoid or reduce pollution and its implementation shall be available.

Non-Conformity 2017.05

8.1.1 Major	Status: Non-Conformity 2017.05 with Major category	
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3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module D) CPO Mills – Identity Preserved Requirements													
D1	Definition													
<p>D.1.1 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&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>Until ASA 1.1, the Pemantang POM only received and processed FFB from certified plantation. The FFB supplied from own estate; consist of Pemantang Estate, Hatantiring Estate, Kawan Batu Estate and Batang Garing Estate. The volume of FFB accepted from 09 September 2016 to 19th July 2017 was described on table below :</p> <table border="1"> <thead> <tr> <th>FFB Sources</th> <th>Volume (Ton)</th> </tr> </thead> <tbody> <tr> <td>Pemantang Estate</td> <td>46,226</td> </tr> <tr> <td>Hatantiring Estate</td> <td>77,387</td> </tr> <tr> <td>Kawan Batu Estate</td> <td>70,987</td> </tr> <tr> <td>Batang Garing Estate</td> <td>67,717</td> </tr> <tr> <td>Total</td> <td>262,317</td> </tr> </tbody> </table>			FFB Sources	Volume (Ton)	Pemantang Estate	46,226	Hatantiring Estate	77,387	Kawan Batu Estate	70,987	Batang Garing Estate	67,717	Total	262,317
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Total	262,317													
Status: Compliance														
D.2	Explanation													
<p>D.2.1 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&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>Until ASA 1.1, Pemantang POM only received and processed FFB from four own estates (Pemantang Estate, Hatantiring Estate, Kawan Batu Estate and Batang Garing Estate). The CPO and PK products of Pemantang POM from September 2016 to 19 July 2017 (the implementation of ASA 1.1) described on table below:</p> <table border="1"> <thead> <tr> <th>Products</th> <th>Actual certified products Period of Sept 2016 to 19 July 2017 (ton/year)</th> <th>Tonnage estimation Of Certified Products Period of 09 Sept 2016 to 08 Sept 2017 (ton/year)</th> </tr> </thead> <tbody> <tr> <td>CPO</td> <td>56,476</td> <td>66,514</td> </tr> <tr> <td>PK</td> <td>12,141</td> <td>14,152</td> </tr> </tbody> </table>			Products	Actual certified products Period of Sept 2016 to 19 July 2017 (ton/year)	Tonnage estimation Of Certified Products Period of 09 Sept 2016 to 08 Sept 2017 (ton/year)	CPO	56,476	66,514	PK	12,141	14,152			
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CPO	56,476	66,514												
PK	12,141	14,152												
Status: Compliance														
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <p>The Pemantang POM – PT Teguh Sempurna (Minamas Plantation) has been registered of certified products of RSPO (CSPO and CSPK) with e-trace- UTZ, Member ID: RSPO_ PO100000314 (will end on 08/09/2017). Based on eTrace data as of July 17, 2017 it is known that from Quota volume of Certificate Product of Pemantang POM period 09 Sept. 2016 to 08 Sept. 2017 are: CPO = 66,514 MT and PK 14,152 MT. From the quota is known there are still stocks (Remaining Stock) CPO = 31.390.56 MT and PK 3,307.74 MT. Based on these data that known any production sold</p>														

(transaction) of Certified Product for CPO = 35.123.44 MT and PK = 10,844.26 MT. The Certificate Holder has not been able to show the data related to Certified Product transaction, which includes the information of Transaction Time, Buyer Name and Transacted Volume.

D.2.2 Major	Status: Non-Conformity 2017.06 with Major category
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D.3	Documented procedures
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D.3.1

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

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

- a) The Certificate Holder has SOP of Product Identification and product traceability (Number Policy: RSPO/65/SCPP/TSA, dated May 1st 2015.), These procedure was explained several point, consist of all FFB sources and product of certified CPO and PK shall physically separate from another non-certified products thus unique and would be possible to identification until mill and their supply base, quality control of FFB and mill products, product traceability, product dispatch from mill to bulking station (sample taking, truck seal and official report), CPO dispatch to buyers (refer to the contract and Delivery Order), CPO loading to ship (ship verification, the hold of ship shall covered and sealed and official report receipt).
- b) Person in charge to ensure the implementation of this requirements, such as:
 - **Factory Manager**
 - Stores and maintains the entire documents and records of raw materials and supporting material utilization on production process and the quality of end product.
 - Performs verification of product, which being sent to buyers, in order to ensure the sent-product is in line with invoice, delivery order, and sales contract and signs minutes of product deliverance.
 - Provides sufficient training on supply chain certification to the entire staff who involve in supply chain stage from raw material acceptance to storage to product deliverance to final buyers.
 - **Plantation Sustainable Quality Management (PSQM) Assistant**
 - Ensures the quality of FFB in mill and makes daily recapitulation.
 - Conducts monitoring over delivery and loading the palm product
 - Conducts the analysis over raw material and product's quality on the entire production stages.
 - Stores, maintains and distributes the analysis result and examines the quality of raw material and product to related agencies.
 - **Assistant/Senior Assistant/ Bulking Manager** were in charge on transportation of CPO and PKO product from mill to bulking station.
 - Production Administration was recorded of FFB received and product dispatch

Based on interview with related staff, comprise of mill manager, administration staff, grading foreman and the weight bridge staff that indicated they was understand Pemantang Palm Oil Mill only received and processed of certified FFB. All the FFB sources and entry to weight bridge area shall showed the FFB Delivery Note was stamp with RSPO code

Status: Compliance

D.3.2

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

The Pemantang POM only received and process the FFB from Certified Product consist of four own estates (Pemantang, Hatantiring, Kawan Batu & Bagan Batu). The management of mill was able to describe and demonstrate the FFB receipt and

process procedure. The company has had the procedure of the FFB receipt as written on the SOP in document number PMF/SOP. PBR dated June 22nd 2010. Each driver must show the FFB Delivery Note from each estate. The FFB letter describes the origin of the FFB and its quantity. For example:

- **Pemantang Estate:** FFB Delivery Note on July 18th 2017 for FFB sent from Pemantang Estate. It informs the vehicle police number (KH 8086 FN); the driver name (Marwoto); net weighing (9,490 kg). The weighbridge ticket has been stamped as RSPO-Certified. The FFB letter informs the afdeling, FFB letter serial number, vehicle police number, and trip number, hour of its outgoing, harvest date, planting year, section, block, FFB quantity and tonnage. The weighbridge ticket and FFB letter have been stamped as RSPO Certified.
- **Hatantiring Estate:** FFB Delivery Note on July 18th 2017 for FFB sent from Hatantiring. It informs the vehicle police number (KH 8306 FD); driver name (Sunarto); net weighing (3,920 kg). The FFB letter informs the afdeling, FFB letter serial number, vehicle police number, and trip number, hour of its outgoing, harvest date, planting year, section, block, FFB quantity and tonnage. The weighbridge ticket and FFB letter have been stamped as RSPO Certified.

Status: Compliance

D.4 Purchasing and goods in

D.4.1

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

Until the ASA 1.1, the Pemantang POM does not receive FFB from other not certified unit. The entire processed FFB in Pemantang POM came from own estate of PT Teguh Sempurna (Pemantang Estate, Hatantiring Estate, Kawan Batu Estate and Batang Garing Estate). The entire processed FFB is 100% **RSPO certified-Identity Preserve**. There is FFB Delivery Note and FFB Weight Bridge receipt (**RSPO certified**) from own estate, for instance:

Pemantang Estate

FFB Delivery Note (SPB)

Division: III

Block: R 014

Delivery date: 18/07/2017

Serial number for fruit delivery note: E403 17031448

Vehicle number: KH 8086 FN

Harvesting date: 16/07/2017

Cultivation year: 1997

Bunches: 532

FFB delivery note is completed with stamp '**RSPO Certified-Identity Preserve**' and was checked by Security in Estate and Mill Gate

FFB Weight Ticket (FFB Receive)

Ticket: 229203

Supplier: E403 Pemantang Estate

Transporter: E403 Pemantang Estate

Product: 003-LOOSE FRUIT

Vehicle No: KH 8086 FN

Driver Name: Marwoto

Driver IC: 79012526075

D.O No: 40317031448

Remarks:

Seal No:

Harvest Date: 16/07/2017

Bunches: 532
 Estate Wt. (Kg): 9,044
 Estate ABW: 16.04
 Mil Wt. (Kg): 9,490
 Act ABW: 16.83

The ticket is completed with stamp 'RSPO Certified-Identity Preserve' and was checked by Security in Mill Gate

Hatantiring Estate

FFB Delivery Note (SPB)

Division: I
 Block: O 02
 Delivery date: 18/07/2017
 Serial number for fruit delivery note: 40517006160
 Vehicle number: KH 8741 FA
 Harvesting date: 17/07/2017
 Cultivation year: 2005

Bunches: loose fruits

FFB delivery note is completed with stamp 'RSPO Certified-Identity Preserve' and was checked by Security in Estate and Mill Gate

FFB Weight Ticket (FFB Receive)

Ticket: 229289
 Supplier: E405 Hatantiring Estate
 Transporter: E405 Hatantiring Estate
 Product: 003-LOOSE FRUIT
 Vehicle No: AA 1943 EF
 Driver Name: Suryono
 Driver IC:
 D.O No: 40517006160

Remarks:

Seal No:

Harvest Date: 17/07/2017

Bunches:

Estate Wt. (Kg): 6,600
 Estate ABW: 00.00
 Mil Wt. (Kg): 5,900
 Act ABW: 00.00

The ticket is completed with stamp 'RSPO Certified-Identity Preserve' and was checked by Security in Mill Gate

Status: Compliance

D.4.2

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

Until ASA 1.1 the Pemantang POM – PT Teguh Sempurna acknowledged and claimed the certified product for a year for CPO product: **CPO: 66,514 ton** and **Palm Kernel: 14,152 ton** for period of 09 September 2016 till 08 September 2017. Based on production date from 09 September 2016 till 19 July 2017 during the ASA 1.1, total generated CPO and Kernel by Pemantang POM was: **CPO = 56,476 ton** and **Palm Kernel = 12,141 ton**.

The data revealed that the production of CPO and Kernel, which can be claimed by Pemantang POM – PT Teguh Sempurna had not exceeded the projected volume. The management of Pemantang POM – PT Teguh Sempurna has a commitment to provide information to PT Mutuagung Lestari in case there is an exceeding production of CPO and Palm Kernel from the projected volume.

Status: Compliance

D.5 Record keeping

D.5.1

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

The Pemantang POM – PT Teguh Sempurna, has a monitoring report for RSPO certified product (FFB, CPO & PK). Below was monthly production in three months basis.

Month	FFB Processed	Production	
		CPO	PK
Sept. to Nov 2016	80,531	17,143	3,725
Dec. 2017 2016 to Feb. 2017	73,933	16,398	3,490
March to May 2017	68,600	14,717	3,102
Jun. to Jul 2017	39,254	8,218	1,824
Total	262,317	56,476	12,141

Status: Compliance

D.6 Processing

D.6.1

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

The entire accepted and processed product in Pemantang POM comes from RSPO certified own estate. Until now, Pemantang POM does not accept and process FFB from not certified sources. Based on the available document within the system, it reveals that the document consists of fruit delivery note, weighing ticket, Sales Contract and SIME Weigh program application, which explain the source of FFB (Division, harvesting block, cultivation year, number of bunches) to product such as CPO and PK that 100 % is a certified product (RSPO Certified). The entire document that related to product acceptance and processing and transportation process have been marked with stamp 'RSPO Certified' with **RSPO CERTIFIED-Identity Preserved**.

Based on document verification and field visit in Pemantang POM to verify the process from FFB received in mill, CPO and PK produced through to loading process of Certified Product (CPO and PK) from Pemantang POM to area of bulking in Sebuka – Pangkalan Banteng, the Certificate Holder can demonstrate the process was kept segregated the Certified Product from non-certified material.

Status: Compliance

D.6.2

The objective is for 100 % segregated material to be reached

According to SOP of RSPO/65/SCCS/TSA of declaration 6, PT TSA is able to produce the product physically for the RSPO certified and for the non-RSPO certified. The separation is conducted since the early process to the storage tank. The company shall not mix the certified product with the non-certified one as written on the clause of Module D.6 SCCS.

Based on documents verification and field visit in Pemantang POM and interview with weigh bridge and grading staff, its known that Pemantang POM processes FFB into CPO and PK, which is 100 % comes from own estate and along with little volume supplied from PT Kridatama Lancar, another certified plantation (under the same Holding Company, Minamas Plantation). Verification over Sales Contract and Invoice document showed that the entire sold CPO and PK product is 100 % RSPO Certified product.

Status: Compliance

3.3 Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or √
ASA-1.1	PT Teguh Sempurna has a logo and a certificate of approval numbers No. MUTU-RSPO/004	√
	Status:	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or √
ASA-1.1	PT Teguh Sempurna does not use the logo both in the on-product and off-product.	√
	Status:	
3.	Implementation of Certificate and Logo is not used on product	X or √
ASA-1.1	PT Teguh Sempurna does not use the logo both in the on-product and off-product.	√
	Status:	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or √
ASA-1.1	PT Teguh Sempurna does not use the logo both in the on-product and off-product.	√
	Status:	

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 complying 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 remains 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

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

		RSPO and according to the CB's correspondency with RSPO Remediation and Compensation.
i.	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company Group/Holding Statement: 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 http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</p> <p>Auditor Verification:</p> <ul style="list-style-type: none"> • Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1st 2010 and due to not conduct NPP. • RSPO NPP process has been completed in 2011 for a new mill in Liberia.
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>Company Group/Holding Statement: Sime Darby (Liberia) Plantation Inc. Status: Box G – Close for Monitoring Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/46 PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd) Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/29</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are land conflict in :</p> <ul style="list-style-type: none"> • PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities • PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.
iii.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company Group/Holding Statement: No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are no labour disputes 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>Company Group/Holding Statement: None noted. No stakeholder comments or complaints received.</p> <p>Auditor Verification: 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 Re-Certification Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2016.1.	2.2.2	<p>Boundary of Land Legality Field visit observation and coordinate check of boundary of land use right (HGU) in Batang Garing Estate (pole 42, 43, 44) was showed that position of boundary poles did not appropriate with coordinate of boundary poles according to national land Agency data (Map).</p>	PT TSA	Minor Upgrade to Major	ASA-1.1	<ul style="list-style-type: none"> • Create a coordinate request letter to BPN • Verify the coordinates of the pole by letter from BPN • Perform routine monitoring (per month) on the condition of the HGU patent and perform regular maintenance for cleanliness and condition of the HGU pole • Each estate unit designates a special officer who conducts periodic monitoring and maintenance of all existing Land Use Right (HGU) pole in each estate unit • Every change officer of maintenance pole Land Use Right (HGU), will be made 	<ul style="list-style-type: none"> • Root cause: Boundary of Land Use Right (HGU) pole 42, 43, 44 which restricts the area of Batang Garing Estate's PT Teguh Sempurna, according to the old coordinate data from BPN is on the edge of the conservation area in the form of sandy area and not planted with palm tree. As time goes by, the change of maintenance officer, and the monitoring that has not been done thoroughly especially in the conservation area, the position of pole number 42, 43, and 44 is not found, so the unit replaces with new stakes, but due to the limited ability possessed, then the position of the stake is placed on the boundary of the cultivated area to facilitate maintenance and monitoring. • Correction: Make a letter to the BPN to request the coordinate data of Land Use Right (HGU) PT TSA updated and then this coordinate data will be the company's reference for correct positioning of the pole. The adjustment of the Land Use 	Closed	18 September 2017

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
						handover news report by ensuring the new officer knows all positions Land Use Right (HGU) pole	<p>Right (HGU) pole will be done by Minamas research team that has the competence and adequate equipment for coordinate tracking, so that the transfer of the pole will be in accordance with the coordinates of the updated HGU stamps from BPN.</p> <ul style="list-style-type: none"> Corrective Action Each plantation unit designates a special officer who conducts periodic monitoring and maintenance of all existing of boundary poles in each estate unit. Every change of boundary poles monitoring officer will be made a official report by ensuring the new officer knows all the position of boundary poles. Verification 18 September 2017 The Certificate Holder has showed the evidence of corrective action, consist of: <ul style="list-style-type: none"> Action Plan of boundary poles maintenance Letter of Application of Geographic Koodinat of boundary poles of PT Teguh Sempurna (No. 334/TSA/UM /PSD/IX/2017) on 15 September 2017 to BPN RI, on HGU no. 10 dated 09 August 1999 with land title map No. D.I.302.04/1999 dated 19 April 1999. <p>Based on corrective action have been</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							shown above, the NCR No. 2016.01 is Closed with Observation.		
2016.2.	3.1.1	<p>Business Plan Long term / Business plan of Batang Garing Estate, Kawan Batu Estate, Pabrik Pematang does not include:</p> <ul style="list-style-type: none"> - Forecast prices - Financial indicators – profitability forecast (income vs cost) 	Mill & Estate	Major	28 June 2017	<p>The business or management plan (minimum 3 years) should contain:</p> <ul style="list-style-type: none"> • FFB yield trends; • OER • Cost of Production • Forecast prices; • Financial indicators. • Attention to quality of planting materials; 	<ul style="list-style-type: none"> • Root cause: The management unit has long term business plan 2016 – 2020, however there are no information of CPO Price projection and income projection. Because this information was confidence, this authority was under control from Business Plan Department (Head Office). • Corrective action (+evidence) The management unit has coordination with Business Plan Department in accordance with CPO Price Projection and Income Projection for 2016 – 2020 periods. • Preventive action: The management unit (Head of SOU 3) will ensure to Head Office associated with confidential data via email • Observation at 13 July 2016 The company has showing leongterm business plan (year 2016-2020). This document was consideration about: <ul style="list-style-type: none"> - FFB Production Projection - Mill Extraction Rates - Production Cost - Forecast Price 	Closed	13 July 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>- Financial Indicator/income vs cost.</p> <p>Auditor Conclusion: This NC was closed</p>		
2016.3.	4.2.4	<p>Monitoring of Land Application Observation on land application data in Hatantiring Estate showed that POME application volume per hectare at several block has exceeded standard dosage according to SOP (250 m³/ha/rotation). Application volume for period of January – Mei 2016 at Block U12 was 8,266 m³/ha, block U16 (2.052 m³/ha), block U14 (869 m³/ha), and block U15 (880 m³/ha). There is no evidence of appropriate monitoring and evaluation on this application over dosage to prevent negative impact of land application.</p>	PT TSA	Minor	ASA-1.1	<p>The company must be able to show the evidence that implementation of POME was in accordance with their procedure of wastewater.</p>	<ul style="list-style-type: none"> • Root cause: There are ineffectiveness of the land application rotation according to SOP, it causes volume of land application in Block U12 exceeds the standard. And also the officer was no understood about SOP land application. • Corrective action <ul style="list-style-type: none"> - HTE management unit was made annual land application program according to standard ARM No. 11x/PTK-PPK/2004. - Re socialization land application procedure to officers. • Preventive action: The management unit will conducting land application monitoring includes location and volume of effluents every day by officer. This monitoring result will be reported to field assistant. • Observation at 20 July 2016 HTE management unit was show effluent application rotation map period July 2016 – 	Closed	16 August 016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>June 2017, this program contained about location and land area.</p> <p>Field observation at 16 August 2016</p> <ul style="list-style-type: none"> - There are no land application activity during field observation, however based on field observation to Block U12 – U 16 and Block T19 HTE that no effluent leakage to the land. - HTE management unit was show land application annual program in Block T18-T21, U12-U18 from July 2016 to June 2017. For example Block T19 was realized on July 2016 with effluent volume 3,146 m³. It's below of program (4,290 m³). - HTE management unit was show land application daily monitoring, for example: pipe No 43 and 44 was opened to block T18 dated 15 August 2016. - The management unit was show minute of meeting land application work instruction socialization to four officers by Senior assistant and head of administration HTE. <p>• Auditor Conclusion:</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							This NC was closed.		
2016.4.	4.3.1	Marginal Land Map. Maps showing presence of fragile and problems soil, with an appropriate scale (1:50,000) is not available	Estate	Major	28 June 2017	Maps showing presence of fragile and problems soil, with an appropriate scale must be available.	<ul style="list-style-type: none"> • Root cause: There are no available documents of SOP/TSA/14/09 to ensure result of soil analysis and soil map. • Corrective action (+evidence) <ol style="list-style-type: none"> 1. The Company was made mechanism (SOP/TSA/14/09) to ensure result of soil analysis and soil map was available. 2. The Company was appoint PIC to monitor all document related to soil analysis result and soil map. 3. All documents were placed in HTE RSPO Secretariat. • Preventive action: <ol style="list-style-type: none"> 1. If not available, the management unit will be Re coordination with MRC who have authority about soil sampling unit. 2. Re Inventaritation document every year by PIC. • Observation at 15 July 2016 BGE has unsuitable land criteria (N1) according to result of semi detail soil analysis year 2010 by Minamas Research Centre. There are 400 ha with Suitable Soil Class N1 with Petroferric 	Closed	16 August 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>Hapluox Soil series and 306 ha of land former gold mining, total soil class N1 on BGE is 706 ha.</p> <ul style="list-style-type: none"> • Major Verification at 16 August 2016 The Company was show fragile soil map (scale 1:50,000) with information of geographical coordinate system, and legend. Based on fragile soil map in KBE, there were 48 ha soil class N1 with Lithic Hapludults soil series. • Auditor Conclusion: This NC was Closed. 		
2016.5.	4.4.2	<p>Monitoring of POME application Field observation in mill and Hatantiring Estate found that:</p> <ol style="list-style-type: none"> 1. POME application at Hatantiring Estate Block T19 Division II does not meet standard and SOP. POME leakage found at the tip of flat bed which flows to natural wateryas and causing pollution. 2. Observation at waste water treatment plant found that there was leakage from final pond which flows to buffer pond, while there is also leakage from buffer pond to environment. 	PT TSA	Major	28 June 2017	<p>The company must be able to show that the implementation of POME has responsibly and consistently carried out, to avoid environmental contamination.</p>	<ul style="list-style-type: none"> • Root cause: <ul style="list-style-type: none"> - Lack of control by land application operator, it cause new operator. There is should be 3 – 4 flat bed for reserve the over flow. - Lack of supervision from Waste Water Treatment Plan Officer. • Corrective action (+evidence) The company has repair the leakage on buffer pool and over flow of effluent at flatbed. • Preventive action: <ol style="list-style-type: none"> 1. Land application operator will checking flatbed condition befotre start the activity. If any leakage on flatbed, operator will be repair it. 	Closed	16 August 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>2. The operator will be checking land application location every six hour.</p> <p>3. The security and operator will be checking Waste Water Treatment Plan and pipe condition every six hour.</p> <ul style="list-style-type: none"> • Observation at 27 July 2016 The company was show repairing documentation of Buffer Pool and Flatbed in Block T19 HTE. • Major Verification 16 August 2016 <ul style="list-style-type: none"> - According to field observation to Block T19, HTE that known flatbed was good condition/no leakage. There also 5 reserve flatbed for overflow condition. - According to field observation to WWTP No.9 and buffer pool; that known all leakage was repaired. In addition, there were effluent pumping from buffer pool to WWTP No. 9. - HTE manangement unit was show land application annual program in Block T18-T21, U12-U18 from July 2016 to June 2017. For example Block T19 was realized on July 2016 with effluent volume 3,146 m³. It's below of program (4,290 m³). 		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>- HTE management unit was show land application daily monitoring, for example: pipe No 43 and 44 was opened to block T18 dated 15 August 2016.</p> <p>Auditor Conclusion: This NC was closed.</p>		
2016.6.	4.5.1	<p>Planting of beneficial plants to provide shelter and supplementary food such as nectar and encouraging the population of predators and parasites. Tyto alba as biologist control for rat attacking.</p> <p>a. Monitoring result of Barn owl boxes does not match the actual. During the visit:</p> <ul style="list-style-type: none"> - 2 (two) BOB is not found in Batang Garing, Block V70 Estate - BOB in Batu Kawan Estate Block U43 and U 45, was damaged <p>b. Census of pests and diseases, not limited to Rat, Nettle caterpillars and Rhinoceros have not been regularly carried out , it is not in accordance with SOP 110 / EST – ARM / 13 , plant protection . Census of Nettle caterpillar and the bagworm is not done regularly 1 month (Batang Garing Estate).</p>	Estate	Major	28 June 2017	Monitoring on Integrated Pest Management which refers to Agriculture References Manual should be conducted by company.	<ul style="list-style-type: none"> • Root cause: <ol style="list-style-type: none"> 1. There were errors realization of installation Barn Owl Boxes (BOB), and also there are lack information about BOB location. 2. Lack of knowledge IPM officer in BGE, it cause new officer. • Corrective action (+evidence) <ol style="list-style-type: none"> 1. The company has creating BOB census program according to SOP No. 110/EST-ARM/13 about Palm Oil Agronomy. BOB census will conduct every 6 month and caterpillar and oryctes census will conduct every month. 2. Management unit will making mark of BOB Location on the outer palm plant using by red paint. • Preventive action: 	Closed	16 August 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		Census of rat is not done regularly (Batang Garing Estate).					<p>1. The management unit creating IPM training program on October 2016 and April 2017 to all IPM officer.</p> <p>2. The company has creating BOB census program according to SOP No. 110/EST-ARM/13 about Palm Oil Agronomy. BOB census will conduct every 6 month and caterpillar and oryctes census will conduct every month.</p> <p>• Observation at 27 July 2016 The management unit has re census of BOB, that known 2 BOB on Block V70 BGE with good condition. And also BOB on Block U43 and U45 was broken.</p> <p>• Major Verification at 16 August 2016 - BGE unit was show census result for bagworm, oryctes, and leaf eating caterpillar on each division. For example: bagworm census result dated 9 July 2016 at Block Q72 Division III, attack average is 0.07%. Average of Oryctes attack at Block O59 Division II is 1.01%, average of rat attack at Block T63 Division III is 1.3%. While there were no leaf eating attack at block T73 Division III.</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<ul style="list-style-type: none"> - BGE unit was create Pest and Diseases chek period 2016/2017, rat attack census will be conduct every 3 month, while other pest will be conduct every month. - BGE Unit was show IPM training program on October 2016 and April 2017 to all IPM officer. <p>• Auditor Conclusion: This NC was closed.</p>		
2016.7.	4.6.5	<p>Pesticide Handling</p> <p>Based on the verification in Kawan Batu Estate Block V44, it is known that applicators pesticide is not yet fully demonstrate the risks and impacts of pesticide use. It is known that Knapsack and Avron were taken and washed in the house.</p> <p>Material Safety Data Sheet of Methyl metsulfuron (Kenlly) and Spontaneous (Dimehippo) is not available in the warehouse of Chemistry in a language easily understood by the operator.</p>	Estate	Major	28 June 2017	<p>The company should be trained its pesticide applicators about risk and hazard.</p> <p>Pesticides should be applied in accordance with the product label. MSDS must be available in "bahasa".</p>	<ul style="list-style-type: none"> • Root cause: <ol style="list-style-type: none"> 1. Lack of knowledge spraying team, it cause they were temporary spraying team from fertilizing team. 2. Lack of control from foreman to spraying team, when they were start working and end working. 3. MSDS of Kenlly and Dimehippo was available on English language, so it was elusive by officer. The original MSDS obtained from suppliers and was no available on Bahasa Language. • Corrective action (+evidence) <ol style="list-style-type: none"> 1. The company has socialized to all spraying team about the dangers of pesticides in the home environment and families. 	Closed	16 August 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>2. Prohibit carrying spraying work tools and PPE's to each home of spraying workers.</p> <p>3. Making all MSDS on Bahasa Language.</p> <ul style="list-style-type: none"> • Preventive action: <ol style="list-style-type: none"> 1. The management unit will monitor all work tools and PPE's before work and after work by Foreman and Field Assistant. 2. Making all new chemical MSDS on Bahasa Language. • Observation at 20 July 2016 KBE unit was shows spraying team socialization documentation and also documentation of Avron placing in Block Spraying System House. • Field Observation at 16 August 2016 <ul style="list-style-type: none"> - KBE unit was shows spraying team socialization documentation on Division III dated 4 July 2016 and 6 August 2016 by foreman. - KBE unit was show spraying team daily attendant list and PPE's checking (apron, masker, shoes and gloves) since July 2016 till 6 August 2016. - Based on field observation and interview with 13 spraying team at 		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>Block T52, Division II at KBE. That known all spraying team has understood about pesticide handling, since starting work to end of working. In addition, based on field observation to KBE BSS House that known bathing place was good condition.</p> <ul style="list-style-type: none"> - According to field observation to chemical warehouse that known all MSDS was accordance to chemical stocks, such as: Agristik (<i>Alkilaril poliglikol eter</i>) and Audit (<i>Glyphosate</i>). <p>• Auditor Conclusion: This NC was closed.</p>		
2016.8.	4.7.1.	<p>Regulation Compliance There are nonconformity related Labor and Transmigration Minister Regulation No. 15 years 2008 about first aid in the workplace, such as:</p> <ul style="list-style-type: none"> - Contents of First Aid in the workshop, kernel station, clarification and schedule waste is not completes. There is no monitoring of first aid usage, and also <i>rivanol</i> was expired. - Harvesting foreman at block U65, Division I BGE were not took first aid. - There is first aid in day's care housing Division IV KBE is not complete. 	Mill & Estate	Major	28 June 2017	The company shall be compliance with all regulations, including Labor regulation.	<ul style="list-style-type: none"> • Root cause: PT TSA has monitor first aid content every month. However there were lack of coordination between officer and estate office, it causes delayed of first aid content refill. • Corrective action (+evidence) Refilling first aid content by OHS expert or first aid officer in each unit. • Preventive action: Safety officer will be monitor first aid content every month in accordance to new format since July 2016. This result will report to Manager and OHS Guiding and Committee to evaluate 	Closed	16 August 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>every monthly meeting.</p> <p>Observation at 20 July 2016</p> <ul style="list-style-type: none"> • The management unit was show documentation of First Aid Boxes contain in Pemantang POM on Engine room, workshop Clarification, and Kernel Station. And also first aid content monitoring result on July 2016. • BGE unit was show documentation of gifting first aid box to all foreman dated 8 December 2015. • The management unit was show documentation of first aid box on daycare, Division IV KBE housing complex. <p>Field Observation at 16 August 2016</p> <ul style="list-style-type: none"> - BGE and KBE unit was show first aid content monitoring result on July 2016 by First Foreman. There were inspection by field assistant to ensure that first aid box were available in work places. - Based on field observation to Schedule waste, workshop, Kernel and Clarification Station in PMF that known all first aid box contain in 		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>accordance to regulation. There were available contain use monitoring.</p> <ul style="list-style-type: none"> - According to field observation to Harvesting activity in KBE, Division IV at Block T56 that known Harvesting foreman was took first aid box with full contain. <p>Auditor Conclusion: Based on corrective evidence and field observation, this NC was closed.</p>		
2016.9.	4.7.2	<p>All operations where health and safety is an issue shall be risk assessed.</p> <p>The management unit has composed Hazard Identification Risk Assessment and Risk Control (HIRAC) for estate and Mill operationals. It has been evaluated on 2016.</p> <p>The HIRAC compilation refers the SOP of OHS identification guidance. The HIRAC (Policy Number 7301/PSQM-ESH/11) was legalized on July 7th 2011. However based on HIRARC 2016 document verification it's not too specific, such as:</p> <ul style="list-style-type: none"> - Spraying will effect to skin irritation and minor body injured, but not explained about effect to eyes irritation. - Risk control for spraying is using gloves, mask, and glasses. But not explained about type of mask and glasses must be used. Where are 	Estate	Major	28 June 2017	The company shall be evaluating of HIRARC with more specific.	<ul style="list-style-type: none"> • Root cause: Chemical Application HIRARC (Hazard Identification, Risk Assessment And Risk Control) was not evaluated associated with respiratory disorders, eyes irritation and PPE's type use in accordance to MSDS and recommendation from a doctor. • Corrective action (+evidence) The company has evaluated HIRARC including to respiratory disorders, eyes irritation and PPE's type use in accordance to MSDS and recommendation from a doctor. • Preventive action: The Safety Expert will be evaluating HIRARC every year and consideration to MSDS and a doctor recommendation. 	Closed	16 August 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		PPE's which used is must be accordance to each of chemical MSDS.					<ul style="list-style-type: none"> Observation at 20 July 2016 The management unit has revise HIRARC document with approval by Safety Expert and Head of SOU 3, this document has include about respiratory disorders, eyes irritation and PPE's type use. Observation at 27 July 2016 The company has show work instruction No. 001/TSA-P2K3/16 explaining about HIRAC Evaluation will conduct every year according to doctor recommendation, MSDS and PPE's Procedure. Field Observation at 16 August 2016 Policy No. 700/TQEM-ESH/10 about HIRAC, point 4 about general information was explain about HIRAC method accoding to MSDS. Accoding to field observation at Block T52, Division 2 that known all spraying team was using PPE's as: helm, face shield, avron, rubber glove, carbon masker and boot shoes. Auditor Conclusion: According to corrective evidence and 		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							field observation, this NC was closed.		
2016.10.	4.7.3	<p>PPE's use According to field observation, it's known that:</p> <ul style="list-style-type: none"> - Generator operator on Mill was worked at high noise (>85 dB) just using ear plug. - Boiler operator are not using earplug or ear muffler. - Welder on workshop was working without using face shield. <p>Based on explanation above is Non-Conformity with HIRARC and OHS Signboard.</p>	Mill	Major	28 June 2017	The company shall be show evidence that all workers are using PPE's according to HIRARC.	<ul style="list-style-type: none"> ● Root cause: The company has socialization to all workers about safety and health. However, there were lacks of understanding from workers. And also there were no punishment policy to deterrent effect. ● Corrective action (+evidence) <ul style="list-style-type: none"> - The company was gift warning letter to workers who not using PPE's. - The company has checking PPE's using before and after working by assistant. - Manager and Senior Assistant will be conduct safety briefing to wokrers every before working. - The company will gift PPE's to workers according to potential risk and work places. ● Preventive action: <ul style="list-style-type: none"> - The company will gift warning letter to all workers who are not using PPE's. - The company will be check PPE's using before and after working by assistant. ● Observation at 20 July 2016 	Closed	16 August 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>The company was show socialization documentation to workers in POM dated 1 June 2016 about importance of PPE's Using and HIRAC by PSQM assistant/OHS Expert.</p> <ul style="list-style-type: none"> • Field Observation at 16 August 2016 <ul style="list-style-type: none"> - The management unit has socialized about importance of PPE's using and punishment if not use to all POM workers dated 8 August 2016 by PSQM Assistant. - According to field observation to each station in Pemantang POM, that known all workers was use PPE's according to Potential Risk. For example: Boiler man was using ear muffler, Genset operator was using ear muffler and welder on workshop was using gloves. <p>Auditor Conclusion: Based on corrective evidence and field observation, this NC was closed.</p>		
2016.11.	4.7.4	OHS Expert License Labor and Transmigration Minister Decree No. KEP.3258/M/DJPPK/X/2012 has expired at 25 October 2015.	Estate	Major	28 June 2017	The company shall be showed that OHS Expert is still valid.	<ul style="list-style-type: none"> • Root cause: There are no mechanisms to checking OHS Expert License validity period. • Corrective action (+evidence) The company was extending OHS Expert License No. 160.166/WAS KK-A3/2016 dated 12 July 2016 valid to 12 	Closed	27 July 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>July 2018.</p> <ul style="list-style-type: none"> Preventive action: The company will monitor expired date of safety officer license in each unit. And also will socialize to all license holders that extend of license process is three month before expired. Observation at 20 July 2016 The management unit was show OHS Expert License No. 160.166/WAS KK-A3/2016 dated 12 July 2016 valid to July 2018. And also appoint letter PIC to controlling validity period of OHS License dated 18 July 2016. <p>Auditor Conclusion: This NC was closed.</p>		
2016.12.	5.2.4	<p>HCV Evaluation</p> <p>In accordance with SOP of HCV and RTE management, a monitoring plan has been incorporated in HCV management plan 2015-2106. For instance, records of implementation of RTE and HCV area monitoring.</p> <p>Observed in Tabion Village, large degeraded area that had been determined previously as HCV 1.2, 5, and 6 turned into settlement</p>	Estate	Minor	ASA-1.1	Monitoring of HCV and RTE should be in accordance with HCV Management Plan of 2015	<ul style="list-style-type: none"> Root Cause Analysis The HCV management program has not been fully developed so it has not included the management evaluation as part of the HCV program management plan. This is due to the absence of careful planning at the beginning of the year in developing comprehensive HCV management plans (planning, monitoring and management evaluation). Correction More systematic evaluation of 	Closed	21 July 2017

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		and agricultural land. Nevertheless, no appropriate evaluation on HCV monitoring result , as input for improvement of management plan. As previously mentioned.					<p>management and management plans related to HCV management in Tabion Village has been made.</p> <ul style="list-style-type: none"> • Corrective Action PT TSA Management has included management evaluation into HCV Management Matrix and as well as the HCV Plan Management 2016-2017 systematically covering all management aspect (Planning, Monitoring and Evaluation) • Observation 18 July 2017 Improved evidence has been shown, including: <ul style="list-style-type: none"> - HCV management evaluation report in Tabion Village. - The results of the Tabion Village perception survey related to the hunting of animals in the HCV area. - Identification of tropical fruits in the HCV area of Tabion Village. - Tabion Village people’s livelihood data. - HCV Coordinator Decree from Mangemen PT TSA to a community representative as a form of collaborative HCV management. - Prohibition Memorandum for hunting activities for all employees. - Documentation of socialization for 		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>wildlife hunting memorandum to all employees.</p> <ul style="list-style-type: none"> - Documentation of HCV socialization to the people of Tabion Hamlet. - Results of monitoring of flora fauna in the HCV area according to the current conditions (update). <p>Based on field observation in BGE Block O60-O65, it was seen that there was a boundary trench between Tabion Village and HCV area of PT Teguh Sempurna.</p> <p>Auditor Conclusion: This NC was closed</p>		
2016.13.	5.3.3	<p>Hazardous Waste Handling</p> <p>During field observation, found:</p> <ol style="list-style-type: none"> Some hazardous wastes dumped outside of hazardous waste storage (at the iron waste collection) Design of lubricant spillage trap at Hazardous Waste Storage did not meet requirement so spillage directly contact with ground without any protection or proper trap. Secondary containment of used lubricant at workshop of KBE did not meet requirement and still contaminate 	KBE & Mill	Minor	ASA-1.1	<p>Hazardous and Hazardous waste material should be managed responsibly to avoid and/or reduce pollution.</p>	<ul style="list-style-type: none"> • Root cause: Lack of awareness in the handling of domestic waste and hazardous waste. • Corrective action (+evidence) Socializing and remove all hazardous waste to the schedule wastes. • Preventive action: Routinely socialization on morning briefing to all workers and contractor. • Observation at 27 July 2016 • The company was show oil used tank in schedule waste KBE, it has available 	Closed	21 July 2017

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		<p>environment.</p> <p>d. Sighted in housing complex of Division IV KBE a lot of organic and anorganic waste dumping at back yard of housing.</p> <p>e. Sighted at final waste disposal (Landfill) in Block S59 that all domestic waste did not managed properly. All waste was disposed by Open Dumping, no separation of organic and An-organic waste. Some of wate was also burned.</p> <p>f. Sighted at Block T59 domestic burning of several sceduled and hazardous waste (TV casing and Oil Filter).</p>					<p>secondary trap to prevent contamination to soil.</p> <ul style="list-style-type: none"> • Field Observation at 16 August 2016 • According to field observation to Schedule Waste, that known available secondary trap and no oil contamination to soil. • According to field observation at Housing Complex, Division IV KBE. There were available trashes on each house. Interview with resident, waste transportation carried out on Monday and Thursday. The surrounding of housing was cleaner. • According to field observation to workshop KBE, there were no oil contaminations to soil from secondary containment. • According to field observation to schedule waste on Pemantang POM. That known all hazardous waste has places and recorded on waste logbook and waste balance. • According to field observation to Block S59, Division IV that known up-to-date four trash holes making by heavy equipment with size 5 m x 5 m x 1 m. However yet to be shown the condition of landfill has been managed according to procedure. 		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<ul style="list-style-type: none"> • Auditor Conclusion: According to field observation to Block S59, Division IV that known up-to-date four trash holes making by heavy equipment with size 5 m x 5 m x 1 m. However yet to be shown the condition of landfill has been managed according to procedure. And also please to reevaluation about root cause and preventive action. • Verification 19 July 2017 There has been improvements evidence for four trash holes making by heavy equipment with size 5 m x 5 m x 1 m. based on the result of field observation visit at ASA 1.1, it can be seen that the trash disposal has been done by discharging to landfill at BGE Block S59. • Audtor Conclusion This NC was closed 		
2016.14.	6.1.3	<p>Plans for avoidance or mitigation of negative impacts and promotion of the positive ones</p> <p>The company has Management Plan of Social Impact Assessment (SIA) 2015/2016. However there was not sufficient evidence that these plans were developed in consultation with the affected parties.</p>	PT TSA	Major	28 June 2017	The company shall show the evidences that these plan for avoidance or mitigation of negative impacts and promotion of the positive ones was developed in consultation with the affected parties	<ul style="list-style-type: none"> • Root cause: The company has SIA management plan with participatory by spoken, however there were no available recording this communication. • Corrective action (+evidence) Documenting the results of consultations and agreement on a program plan, 	Closed	16 August 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>realization and evaluation of the implementation of CSR programs with local communities and signed by representatives of the public and company.</p> <ul style="list-style-type: none"> Preventive action: The Company will document all forms of communication with the village authorities and the local community related CSR program. Communication can be done by the Manager, Head of Administration, or Plantation Services Department Staff. The company also give a questionnaire to be filled community related of CSR program proposal. Observation at 20 July 2016 The Company was show SIA Management Plan with participatory period of 2016/2017. For example: interview with community at Pantap Village, Tabion Sub Village, Gantung Pengayuh Sub Village, Kapuk Village, Tumbang Baru Village, and Sahabu Village. Observation at 27 July 2016 The management unit was show evidence about mechanism of Participatory with Villager Impact Program. Major Verification at 16 August 2016 		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<ul style="list-style-type: none"> - The company was show Inter Office Email No. 021/SOU3-est.mill/VII/2016 about mechanism of Participatory with Villager Impact Program. It will conducting every 6 month to villager such as Pantap Village, Tabion Sub Village, Gantung Pengayuh Sub Village, Kapuk Village, Tumbang Baru Village, and Sahabu Village according to EIA and SIA recommendation. - The company was show economic and social questioner dated 17 July 2016 with villager such as: Tumbang Bai Village, Sahabu Village, Ayawan Village, Rantau Pulut Village, Gantung Pengayuh Village, Pantap Village, Kapuk Village, Tajur Beras Sub Village and Tabion Sub Village. <ul style="list-style-type: none"> • Auditor Conclusion: This NC was closed. 		
2016.15.	6.1.4	<p>The plans shall be reviewed as a minimum once every two years and updated as necessary</p> <p>The company was carry out of CSR program and arrange of Management Plan of Social Impact Assessment (SIA) 2015/2016. However there was no evidence that the plans was implemented has been evaluated</p>	PT TSA	Minor	ASA-1.1	The company shall show the evidences that the plans was implemented has been evaluated includes the participation of affected parties	<ul style="list-style-type: none"> • Root Cause Analysis Programs arranged at the unit level (estate) do not all of program obtain approval from central management. • Correction Communicate and review the social plans of 2015-2016 that have been realized to the affected parties 	Closed	21 July 2017

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		includes the participation of affected parties.					<p>(consultation evidence and documentation attached).</p> <ul style="list-style-type: none"> • Corrective Action Every social plan that is prepared and realized will always be consulted to the affected parties. • Verification 18 July 2017 Management has been shown improvement evidence: Consultation with the local community in the Village Development Discussion. • Auditor Conclusion: This NC was closed 		
2016.16.	6.5.3.	<p>Growers and millers shall provide adequate housing, water supplies, and others facilities.</p> <p>According to field observations, that known:</p> <ul style="list-style-type: none"> • Sanitation in housing complex on Division IV KBE is not hygiene, piles of waste in some place, and also some of septic tank was damages. • Water pump in Water Treatment Plant on housing complex Division I BGE was damage. 	Estate	Minor	ASA-1.1	The company shall be providing adequate housing and others facilities to all workers.	<ul style="list-style-type: none"> • Root cause: Lack of attention to the condition of workers housing facilities. Unbalanced number of personnel for monitoring and evaluating housing and other supporting facilities. • Corrective action (+evidence) The company has repair a damage of septic tank in housing complex of Division IV KBE. • Preventive action: The company will monitor housing complex condition. The Estate Manager has made memos to all assistants for periodic (monthly) monitoring and evaluation of employee housing conditions in each division, including 	Closed	21 July 2017


CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>hygiene, building, and listening to employee complaints or aspirations/feedback.</p> <ul style="list-style-type: none"> Observation at 16 July 2016 The management unit was show corrective evidence, such as: <ul style="list-style-type: none"> - Septic tank repairing in housing complex of Division IV KBE. - Water pump machine was check by mechanic. And also BGE unit was show the submission purchasing of water pump spare parts to GM Kalimantan Tengah Area dated 1 July 2016. Field Observation at 16 August 2016 According to field observation at Housing complex of Division IV KBE that known the septic tank has repaired. However there was no available, evidence that water pump in Division I BGE housing complex was repaired. And also, please to reevaluate about root cause and preventive action. (open) Verification 19 July 2017 Documentation for improvement has been shown, condition of pumping 		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>machine has been repaired, water reservoir has been filled, and faucet condition is functioning properly.</p> <ul style="list-style-type: none"> • Auditor Conclusion This NC was closed 		
2016.17.	6.6.1	<p>The right to freedom of association and collective bargaining. Based on information by responsible staff that the worker union of PT Teguh Sempurna was established. However there was no evidence that the worker union was approved by Labor and Transmigration Agency in Kotawaringin Timur District.</p>	PT TSA	Major	28 June 2017	The company shall show the evidence that the worker union was approved by Labor and Transmigration Agency in Kotawaringin Timur District.	<ul style="list-style-type: none"> • Root cause: Lack of understanding of the mechanism of LKS Bipartite. The company just have Company Regulation who signed by workers, Management Representative, and relevant agency. • Corrective action (+evidence) The company has conducted a meeting between Management Representative and workers to form LKS Bipartite and validate to the relevant agency. • Preventive action: <ul style="list-style-type: none"> - The company will control a validation of LKS Bipartite. - Encouraging and facilitate the establishment of Worker Union. • Observation at 16 July 2016 The company was showing corrective evidence, such as: 	Closed	16 August 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<ul style="list-style-type: none"> - Minute of meeting worker union establishment dated 12 July 2016. - Company Regulation year of 2014. - Legalization of Company Regulation from Labor Agency of Kotawaringin Timur District dated 23 October 2015. <ul style="list-style-type: none"> • Major Verification at 16 August 2016 The company was show Decree Letter from Head of Kotawaringin Timur District Labor Agency No. 560.565/909/KEP/HI-KESJA/VII/2016 dated 26 July 2016 about registration of LKS Bipartite for next 3 years. • Auditor conclusion This NC was closed. 		
2016.18.	6.6.2	Record of Meeting The company not yet able showed the evidence of minutes meeting between the representation of workers with the company	PT TSA	Minor	ASA-1.1	The company shall show the evidence of minutes meeting between the representation of workers with the company	<ul style="list-style-type: none"> • Root Cause Analysis The absence of periodic meetings between LKS Bipartite and management representatives. • Correction Sending documentation of meetings between LKS Bipartite and management representatives. • Corrective Action Schedule periodic meetings and archive documentation at the RSPO secretariat PT Teguh Sempurna. • Verification 19 July 2017 PT TSA shows evidence of improvement 	Closed	21 July 2107

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>as follows:</p> <ul style="list-style-type: none"> - The Company has complied with the provisions of Law No.13 year 2003 article 106 paragraph 1 regarding the obligation of the formation of LKS Bipartite, by indicating the Decree of LKS Bipartite of PT Teguh Sempurna No. 560.565 / 909 / KEP / HI-KESJA / VII / 2016 dated July 25, 2016 (valid for 3 years) from the Labour and Transmigration Agency District of Kotawaringin Timur. - Minutes of LKS Bipartite meeting on 26 July 2016 concerning the discussion of the ratification of Company Regulation for the period 2016 – 2018. - Letter from representatives of workers throughout Estate and Mill to HRM West Kalimantan – Central Kalimantan on 1 August 2016 concerning approval of Company Regulation 2016 – 2018 by workers. <p>• Auditor Conclusion: This NC was closed</p>		
2016.19.	6.11.1	<p>Contributions to local development that are based on the results of consultation with local communities.</p> <p>The PT Teguh Sempurna was showed the plan and realization of CSR program period of 2015/2016. However there was not sufficient evidence that these program was</p>	PT TSA	Minor	ASA-1.1	The company shall show that CSR program was arrange by consultation with local communities.	<p>• Root cause: The program creating was no participatory with villager and absence of a special officer who communicates the CSR program to the surrounding community.</p>	Closed	21 July 2017

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		arrange by consultation with local communities					<ul style="list-style-type: none"> • Corrective action (+evidence) Make a CSR program with participatory method. • Preventive action: Make a CSR program with participatory method and communicate more intensively with the surrounding community for the preparation of corporate social governance plans. • Observation at 16 July 2016 The company was show corrective evidence, such as: <ul style="list-style-type: none"> - KBE and BGE CSR Program period of 2015/2016. This program was signed by community from Pemantang Village and Kapuk Village dated 21 July 2016. • Verification 18 July 2017 Improvement evidence has been shown: <ul style="list-style-type: none"> - CSR Program 2016/2017 for Kawan Batu Estate signed by Estate Manager, Head of Kapuk Village and Community Leader of Tabion Village. 		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<ul style="list-style-type: none"> - CSR Program 2016/2017 for Batang Garing Estate signed by Estate Manager, Head of Kapuk Village and Community Leader of Kapuk Village. - CSR consultation with Local Communities, Village Government and Community Leaders. - Socialization CSR Program at Deliberation Village Development Planning in Kapuk Village. <p>• Auditor conclusion This NC was closed</p>		
2016.20.	RSPO Rules Market Communications	The uses of Logo The incorrect RSPO Logo has stamped on Signboard in Workshop at Kawan Batu Estate”, This is not in appropriate with RSPO Rules Market Communications Claims”	PT TSA	Major	28 June 2017	<p>RSPO members are not allowed to use the “RSPO Logo” (presented as follows). The mentioned logo is only allowed for RSPO Secretariat.</p> 	<ul style="list-style-type: none"> • Root cause: <i>Lack of information about updated RSPO Rules Market Communications.</i> • Corrective action (+evidence) The company has removed all RSPO logo. • Preventive action: Re coordination with Head Office PSQM related to update RSPO Regulation. Re check to all location who has RSPO Logo by RSPO clerk. • Observasi 20 July 2016 The KBE Unit shows a photo of the removal of the RSPO logo on 30 June 	Closed	27 July 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							2016. <ul style="list-style-type: none"> Auditor Conclusion: This NC was closed. 		

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

NCR No.	: 2017. 01	Issued by	: Bukti Bagja
Date Issued	: 29 Juni 2016	Time Limit	: 18 September 2017
NC Grade	: Minor upgrade to Major	Date of Closing	: 18 September 2017
Standard Ref. & Requirement	: 2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained		
Non-Conformance Description & Evidence observed:			
Field visit observation and coordinate check of boundary of land use right (HGU) in Batang Garing Estate (pole 42, 43, 44) was showed that position of boundary poles did not appropriate with coordinate of boundary poles according to national land Agency data (Map).			
Root Cause Analysis:			
Boundary of Land Use Right (HGU) pole 42, 43, 44 which restricts the area of Batang Garing Estate's PT Teguh Sempurna, according to the old coordinate data from BPN is on the edge of the conservation area in the form of sandy area and not planted with palm tree. As time goes by, the change of maintenance officer, and the monitoring that has not been done thoroughly especially in the conservation area, the position of pole number 42, 43, and 44 is not found, so the unit replaces with new stakes, but due to the limited ability possessed, then the position of the stake is placed on the boundary of the cultivated area to facilitate maintenance and monitoring.			
Correction:			
Make a letter to the BPN to request the coordinate data of Land Use Right (HGU) PT TSA updated and then this coordinate data will be the company's reference for correct positioning of the pole. The adjustment of the Land Use Right (HGU) pole will be done by Minamas research team that has the competence and adequate equipment for coordinate tracking, so that the transfer of the pole will be in accordance with the coordinates of the updated HGU stamps from National Land Agency (BPN).			
Corrective Action:			
Each plantation unit designates a special officer who conducts periodic monitoring and maintenance of all existing of boundary poles in each estate unit. Every change of boundary poles monitoring officer will be made a official report by ensuring the new officer knows all the position of boundary poles.			
Assessor Evaluation and Conclusion:			
Verification 18 September 2017			
The Certificate Holder has showed the evidence of corrective action, consist of:			
<ul style="list-style-type: none"> • Action Plan of boundary poles maintenance • Letter of Application of Geographic Koodinat of boundary poles of PT Teguh Sempurna (No. 334/TSA/UM /PSD/IX/2017) on 15 September 201 7 to BPN RI, on HGU no. 10 dated 09 August 1999 with land title map No. D.I.302.04/1999 dated 19 April 1999. 			
Based on corrective action have been shown above, the NCR No. 2016.01 is Closed with Observation.			
Verified by	: Oktovianus Rusmin		

3.5.3 Identification of Findings, Corrective Actions and Observations at ASA-1.1

NCR No.	: 2017. 01	Issued by	: Oktovianus Rusmin
Date Issued	: 21 July 2017	Time Limit	: Next ASA
NC Grade	: Minor	Date of Closing	: 21 August 2017
Standard Ref. & Requirement	: 2.1.2 A documented system, which includes written information on legal requirements, shall be maintained.		
Non-Conformance Description & Evidence observed:			
It has been shown the legal aspect and Regulatory Aspect of 2017 of PT TSA, but the document has not been updated related to Employee Wage Standard based on Decree of Governor of Central Kalimantan Province No.24/2016 on 21 November 2016 regarding Minimum Wage of Regency (UMK) and Wages Minimum of District/City Sectoral (UMSK), District of Kotawaringin Timur and District of Seruyan.			
Root Cause Analysis:			
The process of updates and evaluation of regulatory compliance are made by the Plantation Sustainable Quality Management (PSQM) department once for every 1 year, while information related to the renewal or amendment of regulations is obtained through Plantation Services Department (PSD). This non conformity is caused by a change (mutation) of the staff of PSQM at PT TSA in September 2016 so that information acquisition has not been well coordinated between PSQM and PSD.			
Correction:			
Updating the list of regulation and evaluation of its compliance, especially the regulation concerning employee wages standards, namely the Decree of the Governor of Central Kalimantan Province No. 24 of 2016, dated 21 November 2016 on District Minimum Wage (UMK) and District Minimum Sectorial Wages (UMSK), Kotawaringin Timur and Seruyan districts.			
Corrective Action:			
Coordinate with the PSD staff in area of Central Kalimantan (send reminder email request information to staff of PSD area of Central Kalimantan to always be able to send information related to updating of regulation (National, Regional, and Local) that due to company obligation the company. Regulatory compliance updates will be conducted in conjunction with the RSPO internal audit by PSQM.			
Assessor Evaluation and Conclusion:			
Verification 21 August 2017			
The certificate holder has presented evidence of improvements in the List of Rules and Evaluations of PT Teguh Sempurna Compliance of 2017. The list has been updated by incorporating Decree of the Governor of Central Kalimantan Province No. 24 of 2016, dated 21 November 2016 on District Minimum Wage (UMK) and Sectoral Minimum Wage Regency (UMSK), Kotawaringin Timur District and Seruyan District. Based on the evidence of improvements the Non-Conformity on this indicator is Closed .			
Verified by	: Oktovianus Rusmin		

NCR No.	: 2017.02	Issued by	: Arif Faisal Simatupang
Date Issued	: 21 July 2017	Time Limit	: Next ASA
NC Grade	: Minor	Date of Closing	: 29 August 2017
Standard Ref. & Requirement	: 4.8.2 Records of training for each employee shall be maintained.		
Non-Conformance Description & Evidence observed:			
<p>PT Teguh Sempurna has demonstrated the Human Resources Training and Development Program for the scope of estate and mill. Some evidence of training implementation has been shown, for example Block Spraying System Training, Block Manuring System, Use of APAR, First Aid and General Safety Training. However, there is some evidence that training cannot be shown, such as:</p> <ul style="list-style-type: none"> • SCCS Training • Processing Training at Mill • Maintenance Training at Mill • Analysis/QC 			
Root Cause Analysis:			
<p>The absence of a specific employee appointed as responsible for the RSPO administration and other related documents, so not all training is made minutes and documents archive.</p>			
Correction:			
<p>Collecting all evidence in the form of Minutes and Attendance List of Training Participants that have been done for the documented.</p>			
Corrective Action:			
<p>Appoint Safety Officer of the POM to collect and make minutes of any training carried out as well as to archive them as supporting documents of RSPO audit.</p>			
Assessor Evaluation and Conclusion:			
Verification 29 August 2017			
<p>The certificate holder has presented evidence of improvement, consisting of:</p> <ul style="list-style-type: none"> • Minutes and Attendance List of SCCS Training (Laboratory Staff, Processing Staff, Weight and Security Bridge Staff) at the PMF • Minutes and Attendance List of Training Bunch Analyst (Laboratory) at the PMF • Minutes and Attendance List Training Total Production Maintenance (Maintenance Mechanic & Electrical) at the PMF • Notulensi and Attendance List Training Effecive Processing (Employee Processing) at the PMF • Decision Letter from Factory Manager Challenger (Number: 01/PMF/SKPJ/VIII/2017, dated 31 July 2017) regarding Appointment of Maintenance Officer Maintenance and Safety Officer related to training documentation in PMF <p>Based on the evidence of improvements, the Non-Conformity of this indicator is Closed and will review its implementation and consistency at the next audit visit.</p>			
Verified by	: Oktovianus Rusmin		

NCR No.	: 2017. 03	Issued by	: Yohanes Hardian
Date Issued	: 21 July 2017	Time Limit	: 18 September 2017
NC Grade	: Minor upgrade to Major 8.1	Date of Closing	: 29 August 2017
Standard Ref. & Requirement	: 5.3.3 A documented waste management plan to avoid or reduce pollution and its implementation shall be available.		
Non-Conformance Description & Evidence observed:			
<p>From field visits:</p> <ul style="list-style-type: none"> Hazardous waste (former fuel / lubricant container) in the back area of Pemantang Estate employee housing (Division II) and Hatantiring Estate (Division II & III) is used as a water reservoir and placed behind the house. This is not in accordance with SOP of Hazardous Waste Management and Non Hazardous Waste (PLB3 & BB3, 04 June 2009). In the housing area of Hatantiring Estate Division II and III seen a trash burning incident. This is not in accordance with the SOP of Domestic Waste Management (SOP / TSA / 073, 01 July 2014). 			
Root Cause Analysis:			
Inadequate monitoring systems (no specific evaluation of hazardous waste management and domestic waste per month) and inadequate socialization media (signboards of information on how hazardous waste and domestic waste management are still not available).			
Correction:			
<ul style="list-style-type: none"> Collecting all the existing hazardous waste in housing complex PME (Division II) and HTE (Division II & III) as well saving it in Hazardous Waste Temporary Warehouse licenses at PME and HTE. Clean up domestic waste that is indicated to be burned for disposal in the trash 			
Corrective Action:			
<ul style="list-style-type: none"> Updating Manager's internal policies regarding the prohibition of hazardous waste packaging reuse for anything and zero burning (including burning trash). Hazardous waste packaging shall be collected at licensed Hazardous Waste Temporary Warehouse owned by the company. Re-socialize the Manager's memorandum with the emphasis on aspects of common hazardous waste types encountered in order not to be reused, including socializing government regulations no. 101 of 2014 article 56 that "everyone who will use hazardous waste shall have an hazardous waste management license for hazardous waste utilization activities." socializing the company's hazardous waste Management SOP, that any hazardous waste generated must be stored in licensed Hazardous Waste Temporary Warehouse. Re-socialize the memorandum of managers concerning domestic waste management with emphasis that the company has rules in domestic waste management, so domestic waste should not be burned and must be disposed of in the space provided. Create signboards that contain information: 1) Prohibited to reuse hazardous waste packaging such as paint cans, fuel drums, lubricant drums, etc. for any activity. 2) hazardous waste packaging shall be kept at licensed Hazardous Waste Temporary Warehouse. 3) are prohibited from burning domestic waste. 4) domestic waste must be disposed of in the provided space. Appoint a special officer to conduct monthly monitoring of hazardous waste packaging and disposable trash or waste is not in place and a monthly check form is made. 			
Assessor Evaluation and Conclusion:			
Verification 29 August 2017			
The Certificate holder has undertaken a series of ongoing improvement actions, including:			
<ul style="list-style-type: none"> Socialization of Waste Management of Domestic and Hazardous Waste Moving Hazardous Waste in the housing complex area to Hazardous Waste Temporary Warehouse 			

- Appointment of Monitoring Officers of Domestic and Hazardous Waste Management
- Monitoring of Domestic and Hazardous Waste Management

Based on the evidence of the above improvements, the Non-Conformity on this indicator is declared **Closed** and will be reviewed again its implementation and consistency at the next audit visit.

Verified by : **Oktovianus Rusmin**

NCR No.	: 2017.04	Issued by	: Oktovianus Rusmin
Date Issued	: 21 July 2017	Time Limit	: 18 September 2017
NC Grade	: Major	Date of Closing	: 12 September 2017 Closed with Observation
Standard Ref. & Requirement	7.3.1 There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).		
Non-Conformance Description & Evidence observed:			
<p>Based on document verification, there is no evidence related to the submission of LUCA (Land Use Change Analysis) document from Sime Darby related to some Estate of PT Teguh Sempurna which opened since November 2005 without HCV Assessment. Based on email from RSPO Secretariat, it is known that until now, Sime Darby Plantations has not yet submitted the LUCA (Land Use Change Analysis) document.</p> <p>Here we attach email from RSPO Secretariat</p> <p>From: Dillon Sarim [mailto:dillon.sarim@rspo.org] Sent: 21 Juli 2017 17:20 To: Agri 2 Cc: Eileen Chiang; Octo Nainggolan; Naila Karima; Anindita Basundari; Mahmud Firdaus; Fuji Lestari; Yuniar Mitikauji Subject: Re: PT Teguh Sempurna (District of Seruyan, Province of Kalimantan Tengah, Indonesia) clear liability</p> <p>Dear Anindita.</p> <p>We are waiting for Sime to submit the LUCA to us. You may proceed with the surveillance/recertification audit, but you are to issue a major <u>non-conformity 7.3.1</u> to this unit.</p> <p>Thank you.</p>			
Root Cause Analysis:			
<p>LUCA has been sent to the RSPO secretariat but the RSPO Secretariat requested Sime Darby Plantation (SDP) to change the calculation methodology in the LUCA that initially uses the percentage of the land area so that the SDP takes time to revise the entire LUCA Report.</p>			
Correction:			
<p>Changing the LUCA report methodology as requested by the RSPO Secretariat.</p>			
Corrective Action:			
<p>Sime Darby Plantation (SDP) agreed to change all LUCA reports, but due to changes in the calculation methodology, the SDP takes time to revise the report. The RSPO agrees that as long as the SDP can demonstrate its commitment and active involvement with RSPO.</p>			
Assessor Evaluation and Conclusion:			
<p>Verification 30 August 2017 Improved evidence has been shown, consisting of:</p>			

- Email from Sustainability Unit PSQM Department of Sime Darby Plantation that "WG has agreed this NCR will be closed by RSPO Secretariat, this means growers are given grace period for a year till the next surveillance to close the issue. RSPO Secretariat will inform all CBs soon on this matter".
- Sime Darby Plantation LUCA Re-submission Timeline

Verification 06 September 2017

Email from RSPO:

Following the BHCVWG's decision, you may now lift the major non-conformity 7.3.1 and continue to issue the certificate. Just for your information, this unit's RaCP is still incomplete, therefore you are to note this in the final audit report. The RACP must be completed before the next surveillance audit, the failing which, the risk certificate suspension.

Based on the above, the Non-conformance on this indicator is declared **Closed** with Observation and will be the Auditor's attention on the next Surveillance visit.

Verified by	:	Oktovianus Rusmin
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NCR No.	: 2017.05	Issued by	: Yohanes Hardian
Date Issued	: 21 July 2017	Time Limit	: 18 September 2017
NC Grade	: Major	Date of Closing	: 29 August 2017
Standard Ref. & Requirement	: 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.		
Non-Conformance Description & Evidence observed:			
Based on Non-Conformities identified at the time of the RSPO Re-Certification in 2016, the Auditor team considers that there is a recurrent Non-compliance ASA 1.1 as a result of the incomplete implementation of continuous improvement. Non-Conformity are:			
Indicator 5.3.3			
Waste management is documented and implemented to avoid and reduce pollution.			
Root Cause Analysis:			
Inadequate monitoring systems (no specific evaluation of hazardous waste management and domestic waste per month) and inadequate socialization media (signboards of information on how hazardous waste and domestic waste management are still not available).			
Correction:			
<ul style="list-style-type: none"> Collecting all the existing hazardous waste in housing complex PME (Division II) and HTE (Division II & III) as well saving it in Hazardous Waste Temporary Warehouse licenses at PME and HTE. Clean up domestic waste that is indicated to be burned for disposal in the trash 			
Corrective Action:			
<ul style="list-style-type: none"> Updating Manager's internal policies regarding the prohibition of hazardous waste packaging reuse for anything and zero burning (including burning trash). Hazardous waste packaging shall be collected at licensed Hazardous Waste Temporary Warehouse owned by the company. Re-socialize the Manager's memorandum with the emphasis on aspects of common hazardous waste types encountered in order not to be reused, including socializing government regulations no. 101 of 2014 article 56 that "everyone who will use hazardous waste shall have an hazardous waste management license for hazardous waste utilization activities." socializing the company's hazardous waste Management SOP, that any hazardous waste generated must be stored in licensed Hazardous Waste Temporary Warehouse. Re-socialize the memorandum of managers concerning domestic waste management with emphasis that the company has rules in domestic waste management, so domestic waste should not be burned and must be disposed of in the space provided. Create signboards that contain information: 1) Prohibited to reuse hazardous waste packaging such as paint cans, fuel drums, lubricant drums, etc. for any activity. 2) hazardous waste packaging shall be kept at licensed Hazardous Waste Temporary Warehouse. 3) are prohibited from burning domestic waste. 4) domestic waste must be disposed of in the provided space. Appoint a special officer to conduct monthly monitoring of hazardous waste packaging and disposable trash or waste is not in place and a monthly check form is made. 			
Assessor Evaluation and Conclusion:			
Verification 29 August 2017			
The Certificate holder has undertaken a series of ongoing improvement actions, including:			
<ul style="list-style-type: none"> Socialization of Waste Management of Domestic and Hazardous Waste Moving Hazardous Waste in the housing complex area to Hazardous Waste Temporary Warehouse Appointment of Monitoring Officers of Domestic and Hazardous Waste Management 			

- Monitoring of Domestic and Hazardous Waste Management

Based on the evidence of the above improvements, the Non-Conformity on this indicator is declared **Closed** and will be reviewed again its implementation and consistency at the next audit visit.

Verified by : **Oktovianus Rusmin**

NCR No.	: 2017.06	Issued by	: Oktovianus Rusmin
Date Issued	: 21 July 2017	Time Limit	: 18 September 2017
NC Grade	: Major SCCS	Date of Closing	: 22 August 2017
Standard Ref. & Requirement	D.2.2 (Module D/Identity Preserve) 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).		
Non-Conformance Description & Evidence observed:			
Based on eTrace data as of 17 July 2017 it is known that from Quota volume of Certificate Product of Factory Challenger period 09 September 2016 to 08 September 2017 are: CPO = 66,514 MT and PK 14,152 MT . From the quota is known there are still stocks (Remaining Stock) CPO = 31.390.56 MT and PK 3,307.74 MT . Based on this it is known that has been sold (transaction) Certified Product for CPO = 35.123.44 MT and PK = 10,844.26 MT . The Certificate Holder has not been able to show any data related to the Certified Product transaction, which includes the Transaction Time information, Buyer Name and Transacted Volume.			
Root Cause Analysis:			
Sales information of certified CPO and PK products of PT Teguh Sempurna is fully managed by Marketing Department. Update Information on CPO and PK transactions of PT Teguh Sempurna certified RSPO has not been informed on a monthly basis from the Marketing Department to the Pemantang POM office.			
Correction:			
Submitting transaction data of certified product which includes transaction time information, buyer name, and volume transacted.			
Corrective Action:			
Pemantang POM sends an e-mail request for certified product sales update data every month to Marketing Department.			
Assessor Evaluation and Conclusion:			
Verification 22 August 2017			
The certificate holder has presented evidence of improvement, consisting of: <ul style="list-style-type: none"> • E-mail coordination with Marketing Department of Minamas Plantations Center related to sales of CPO and PK RSPO Certified from Pemanatang Factory • Sales data of CPO and PK RSPO certified from PT Teguh Sempurna 			
Based on the evidences of the above improvements, the Non-Conformity of this Indicator is has been Closed .			
Verified by	: Oktovianus Rusmin		

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	Minor 4.7.7	The certificate holder has the opportunity to evaluate the Severity Rate (SR) and Frequency Rate (FR) in the estate and Mill.
2	Major 4.6.11	Certificate holders have the opportunity to follow up periodic health checks to pesticide operators according to predetermined plans. (Observation)
3	Minor 5.2.4	The certificate holder has the opportunity to ensure the limit of the spray in the river border is well maintained. (Observation)

3.5.4 Noteworthy Positive Components

No	Descriptions
1	Has earned RSPO Certificate in 2011.
2	Award from the Ministry of Environment & Forestry (Corporate Performance Rating Program in Environmental Management – Blue PROPER, 2015 – 2016).
3	The Bio Gas Plant is planned to be operational by August 2017.


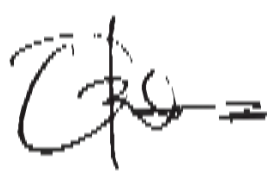
3.6 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Labour and Transmigration Agency of Kotawaringin Timur The company was showed their effort for comply to regulation related to labor aspect, for instance :</p> <ul style="list-style-type: none"> - The routine report of Health and Safety Committee (per three month period I, Mandatory Labor Report) was reported - Mill Operator has operational license - Production machine has license and monthly inspection by related agency has been done - The agrochemical used was registered by related agency - The company regulation was available. - The employee was covered by insurance of health, mortality, work incident and was registered for BPJS program <p>There was no significant issue related to dispute between the company and their workers.</p>	<p>The auditor was observed the report and described in Criteria 2.1 and 4.7</p>
<p>Forestry and Plantation Agency of Kotawaringin Timur The Forest and Plantation Agency has been assessed of plantation management of PT TSA and was decided that the Plantation Class for PT TSA was categorized in Second Class Grade. The Social aspect consist of company contribution to education aspect, scholarship program for the community and road maintenance shall being focus for the company.</p> <p>The company was reported their Report of Plantation Business Development per three month.</p>	<p>There was no significant issues related to negative impact of plantation and mill operation of PT TSA</p> <p>The auditor was observed the report and described in Criteria 2.1</p>
<p>Environment Agency of Kotawaringin Timur</p> <ul style="list-style-type: none"> - The PT Teguh Sempurna was compliance to environment regulation. - The company also report the environment monitoring regularly - For instance POME application/Land application was approved by Head of Seruyan District - No isu about envoronment at PT TSA 	<p>The auditor was observed the report and described in Criteria 2.1 and 5.1</p>
<p>Community Representatives, Community Leaders, Local Government and Local Contractors (Pemantang, Pantap & Sahabu Village) The discussion was conducted by Focus Group Discussion (FGD) method. Some discussion points:</p> <p>Rkh (Village Community Empowerment Institution)</p> <ul style="list-style-type: none"> • The impact of plantation operations; road access and working opportunity for village surround • Some of the aid that has been given by the company: <ol style="list-style-type: none"> 1. Cables for installation of Diesel Power Plant in the local Village 2. Heavy Equipment for road maintenance 	<p>Based on verification on related Indicators: Indicator 2.2.3 to 2.26 and 2.3. Sd 2.3.3 does not indicate a conflict between the company and the surrounding community.</p> <p>Indicator 6.3.1 & 6.3.2, there are no significant complaints from the other parties</p> <p>Indicator 6.11.1 & 6.11.2, the company has implemented/provided assistance to the surrounding community and the opportunity to adapt social governance activities based on community needs and based on more participatory planning</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>3. Payment of honorarium for 2 elementary school teachers</p> <p>4. Cement for the construction of a mosque in the village</p> <p>5. Truck fleet for transporting trash from village to garbage dump</p> <p>SBw (Head of RT 02 Pantap Village)</p> <ul style="list-style-type: none"> • Social interaction between villagers and the company has harmonious • However, the company is still often less prompt in respond to proposal from the public • There are no issues and conflicts of land tenure between the company and the surrounding community • There are also no issues related to the complaints of surrounding communities and factories, and operation of plantation and mill. • During the one year period there are no cases of negative impacts on the operation of plantation and mill (eg, environmental pollution) • There was no cases of land fires during the past year <p>Aspiration:</p> <ul style="list-style-type: none"> • In order for the PR company is more pro-active in interaction with the surrounding community so that it can be better known by the community • Involvement of the company’s representatives in the deliberations of the village development plan to be socialized related to land fire anticipation 	
<p>Rfi (Local Contractor of FFB)</p> <ul style="list-style-type: none"> • Cooperation with the company (PT TSA) has been started since 2011, currently there are 2 truck units used for the transportation of FFB from the plantation area to the location of the Pemantang POM. • Information about partnership opportunities with companies is obtained directly from company staff • At the time of starting in cooperation with PT TSA, there is a contract signed by both parties and each keeps the document • In the contract have been listed : <ol style="list-style-type: none"> 1. Provisions of the company to be followed by the contractor (Driver has a SIM and is well-dressed) 2. Use of Personal Protective Equipment (Helmet & Shoes) 3. Payment time • Timely payment in accordance with clauses describes in the document contract that is at the end of each month and can be taken through Bank Rakyat Indonesia Sampit Branch 	<p>Indicator 6.10.1 & 6.10.4, there was no smallholder scheme and the company has provided employment opportunities to several local contractors for the transportation of FFB and CPO</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>LKS Bipartite (Worker Union) Worker Representative: Gigih and Asep Widodo</p> <ul style="list-style-type: none"> All workers in every estate are permanent workers (no contract workers). For factory workers there is only one contract worker while the other workers have become permanent workers. LKS Bipartite is formed from representatives of each estate (each estate has 2 representatives). The initial activity of the Bipartite LKS is a meeting with the management to approve the Company Regulation. Wages granted in accordance with government regulations (in accordance with minimum wage standards) and there are no complaints regarding wages. Grievance complaints mechanisms have been submitted to workers, reporters can report to the Worker Representative of LKS Bipartite then will be forwarded to the assistant/manager and settlement in a familial way. There is a mechanism for protection of the reporting identity. The recording of employee's complaint is found in the complaint book. If found a damaged PPE, then the workers will report to the assistant then the damaged PPE will soon be replaced with a new one. The company has established cooperative workers to make it easier to complete the basic needs of the workers. Company policy socialization is often done during morning assembly (for field workers) and motivation in the morning (for office workers). 	<p>There were no significant issues related to dispute between the company and their employees. It was described in Criteria 6.2</p> <p>The Company has provided complaint submission facilities and employee complaints and socialized to workers. This has been further explained in criteria 6.3</p> <p>The company gives the right to form an organization to all workers in accordance with the company policy. This has been further explained in criteria 6.6</p>
<p>Gender Committee Representative: Sutariah (Chief) and Rohilda (Secretary)</p> <ul style="list-style-type: none"> Programs that have been implemented: socialization with assistant on domestic violence, sexual harassment, reproductive health, H1 and H2 leave, and Posyandu. There are monthly checks by paramedics to check on workers who are on H1 leave, policies for field workers and office workers. Regular meetings are held every month during posyandu activities, as well as socialization of the company policy. Working with paramedics to check pregnant women on every female worker regularly, especially for female workers who handle chemicals (pesticide operators, fertilizers and other chemicals). For spray and fertilizer workers who are pregnant will be moved to the workplace and may work again in place 	<p>The Company has provided complaint submission facilities and employee complaints and socialized to workers. This has been further explained in criteria 6.3 and 6.9.</p> <p>The Company already has a policy to prevent all forms of sexual harassment and violence. Organizations to protect and implement these policies have been provided by companies by establishing gender committees. This is further explained in criteria 6.9.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>of chemicals after the completion of the breastfeeding period.</p> <ul style="list-style-type: none"> Grievance complaints mechanisms have been submitted to workers, reporters can report to the Chief of the Gender Committee then will be forwarded to the assistant/manager and settlement in a familial way. There is a mechanism for protection of the reporting identity. The recording of a female employee's complaint about sexual harassment is found in the complaint book. Up to the audit activities, there were no complaints regarding violations of sexual harassment / violence against workers. 	

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Teguh Sempurna Management Representative</p>  <p><u>Mohamad Pirabharan</u> 18 September 2017</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Oktovianus Rusmin</u> 18 September 2017</p> </div> </div>

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	Aliansi Masyarakat Adat Nusantara	-	rumahaman@bn.net.id	Questioneir	10 July 2017		✓
2	Save Our Borneo	-	info@saveourborneo.org	Questioneir	10 July 2017		✓
3	Sawit Watch	Jl. Taman Sempur Kaler No.28, Bogor. Jawa Barat. 16129	Telp : 0251-8352171 Fax : 0251-8352047 Email : info@sawitwatch.or.id	Questioneir	10 July 2017		✓
4	Wahana Lingkungan Hidup Indonesia (WALHI)	-	info@walhi.or.id and informasi@walhi.or.id	Questioneir	10 July 2017		✓
5	WWF Indonesia	-	wwf-indonesia@wwf.or.id	Questioneir	10 July 2017		✓
6	Bulking Staff (1 assistant, 2 loading staff)	Sebukat – Pangkalan Banteng	-	Interview	17 July 2017	✓	
7	Labour and Transmigration Agency of Kotawaringin Timur	Jl. Jenderal Sudirman Km. 6 Sampit	0531-24052	Interview	18 July 2017	✓	
8	Forestry and Plantation Agency of Kotawaringin Timur	Jl. Jenderal Sudirman Km. 6,5 Sampit	0531-32057	Interview	18 July 2017	✓	
9	Environment Agency of Kotawaringin Timur	Jl. Jenderal Sudirman Km. 9 Sampit	0531-21430/ blh.kabkotim@gmail.com	Interview	18 July 2017	✓	
10	Labour Union (2 workers representative)	PT TSA	-	Interview	19 July 2017	✓	
11	Gender Comitee (Chief and Secretary)	PT TSA	-	Interview	19 July 2017	✓	
12	Community Empowerment Institution of Pantap Village	Pantap Village	-	FGD	19 July 2017	✓	
13	Head of RT 02 Pantap Village	Pantap Village	-	FGD	19 July 2017	✓	
14	Informal Leader of Sahabu Village	Sahabu Village	-	FGD	19 July 2017	✓	
15	Community Representation of Pemantang Village	Pemantang Village	-	FGD	19 July 2017	✓	
16	Local Contractor	Sahabu Village	-	Interview	19 July 2017	✓	
17	Pemantang Factory Manager & Mill Assistant	PT TSA Housing Area/Pemantang	-	Interview	20 July 2017	✓	
18	Weighbridge staff	PT TSA Housing Area/Pemantang	-	Interview	20 July 2017	✓	
19	Grading staff (1 foreman, 3	PT TSA Housing	-	Interview	20 July 2017	✓	

	workers)	Area/Pemantang					
20	<u>Pemantang Factory:</u> <ul style="list-style-type: none"> • 1 Kernel Station worker • 2 Press Station workers • 2 Boiler Station workers • 1 Engine Room worker • 1 Weight Loader operator 	PT TSA, Pemantang Factory	-	Interview	20 July 2017	✓	
21	<u>Pemantang Estate:</u> <ul style="list-style-type: none"> • 2 Residents at PME Housing Complex • 4 Daycare workers • 1 Paramedic • 1 Workshop worker • 2 Warehouse complex keeper • 9 Spraying workers (8 in fields and 1 in BSS) • 2 Harvester workers • 4 Fertilizer workers 	PT TSA, Pemantang Estate	-	Interview	18 – 20 July 2017	✓	
22	<u>Hatantiring Estate:</u> <ul style="list-style-type: none"> • 1 Resident at HTE Housing Complex • 3 Daycare workers • 1 Paramedic • 2 Harvester workers • 2 Loss Fruit Picker workers • 1 Workshop worker • 1 Warehouse keeper 	PT TSA, Hatantiring Estate	-	Interview	18 – 20 July 2017	✓	

DATE		17 to 21 July 2017	
Planned Time	Actual Duration	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 17 July 2017			
06.40 – 08.00	06.40 – 08.00	JAKARTA → PANGKALANBUN	
09.00 – 11.00	09.00 – 11.30	Traveling from Pangkalanbun to Pangkalan Banteng Bulking	Auditor Team
12.00 – 13.00	12.30 – 14.30	Traveling from Pangkalan Banteng Bulking to Plantation Site	Auditor Team
14.00 – 14.30	15.00 – 15.30	Opening Meeting : - Auditee Speech (Introduction of PIC, Profile of Mill and Estates Management Unit) - Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Determine of Field Visit Audit, Transparency and Confidentiality Clarification)	MR of PT Teguh Sempurna Auditor Team
14.30 – 17.00	15.30 – 17.30	Review of Previous Visit Non-conformance (Re-Certification) Document Verification: - Verification of Time Bound Plan & Partial Certification - Basic Information - Occupational Health & Safety Aspect (PPE Used in Harvest, Manure & Pesticide Application) and Worker Welfare - Agronomy (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) - Environmental/Conservation Aspect (Inspection of HCV Identified Area, Riparian/Waterways Zone, Reservoir, Forest Area, Peat Area (Water management, etc) - Legal Demarcation Aspect (Inspection of Legal Boundary Stones, Community Buffer Area/Enclave) - Worker's Facilities Aspect (Housing, Daycare, Sports Facilities, Employees Meeting Hall, Sanitary Facilities) & (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)	ORN AFS AFS AFS YHR ORN RGZ
Tuesday, 18 July 2017			
08.00 – 15.00	08.00 – 17.00	Stakeholder Consultation to Related Agency in Sampit	YHR
08.00 – 12.00	08.00 – 12.00	Field Observation to Pemantang Estate - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) & Implementation of Occupational Health & Safety Aspect - Implementation of Environmental, Conservation & Waste Management Aspect (Domestic Waste Management, Fire Control Facilities and HCV	AFS ORN

		Area) - Implementation of Legal Aspect (Land Ownership, Legal Boundaries), Stakeholder Consultation to Community Surround - Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance) - Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc).	ORN RGZ RGZ
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	Clarification of Field Observation & Completing of Check List	Auditor Team
Wednesday, 19 July 2017			
08.00 – 12.00	08.00 – 12.00	Field Observation to Hatantiring Estate - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) & Implementation of Occupational Health & Safety Aspect - Implementation of Environmental, Conservation & Waste Management Aspect (Domestic Waste Management, Fire Control Facilities and HCV Area) - Implementation of Legal Aspect (Land Ownership, Legal Boundaries), Stakeholder Consultation to Community Surround - Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance) - Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc)	AFS YHR ORN RGZ RGZ
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	Clarification of Field Observation & Completing of Check List	Auditor Team
Thursday, 20 July 2017			
08.00 – 12.00	08.00 – 12.00	Field Observation to Pematang POM - SCCS Verification - Production/Processing and Health & Safety - Emergency Equipment Check & Emergency Team Interview - Hazardous Waste Storage, POME + Land Application - Management of Environment (Environment monitoring station & GHG, etc) - Worker Facilities (Housing, health clinic, clean water, etc) and Worker Rights (Status, Payment Condition, Gender Aspect, etc) Internal Stakeholder Consultation (Labour Union & Gender Committe Local Contractor Interview	ORN AFS AFS YHR YHR RGZ AFS ORN
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	Clarification of Field Observation & Completing of Check List	Auditor Team
20.00 – 24.00	20.00 – 24.00	Team Auditor Meeting (Preparation for Audit Conclusion)	Auditor Team
Friday, 21 July 2017			
08.00 – 10.00	08.00 – 09.30	Closing Meeting	MR of PT Teguh Sempurna & Auditor

			Team
10.30 – 12.30	09.30 – 11.45	Traveling from Plantation Site to Sampit	Auditor Team
12.35 – 15.00	12.35 – 13.50	SAMPIT → JAKARTA	Auditor Team