

RSPO PRINCIPLES & CRITERIA

PUBLIC SUMMARY REPORT

ANNUAL SURVEILLANCE ASSESSMENT 1

Indonesia
PT SARANA PRIMA MULTI NIAGA POM
TSH Resources Berhad
2017

Report prepared by:	Muhd Jamalul Arif	(Lead Assessor)
Certification decision by:	Elzy Ovktafia	(Certifier)
Certifying Office		
Control Union (Malaysia) Sdn. Bhd. B-3-1, Prima Klang Avenue, Jalan Kota KS/1, 41100 Klang, Selangor, Malaysia rspo@controlunion.com Tel: +603-3377 1600 / 1700		

Control Union Certifications	
<p>Control Union Certifications is a member of the Control Union World Group - an international inspection and certification body. CUC performs assessments and certification in many agricultural based fields such as FSC, RSPO, and Organic production, Sustainable Textile Production, Organic Exchange, GLOBALGAP, HACCP, BRC, GMP and GTP.</p> <p>CUC is accredited by the Dutch Council of Accreditation (RVA) on the European quality standard EN 45011 for the inspection and certification of CUC Organic program (according to the EU regulation 2092/91) and GLOBALGAP program. When requested a copy of the accreditation certificate can be obtained from CUC.</p> <p>Control Union (Malaysia) Sdn Bhd is a registered affiliate member of RSPO and is a private limited company owned by the Control Union World Group based in Malaysia. Control Union (Malaysia) Sdn Bhd is authorized to conduct and issue certification on behalf of RSPO and Control Union Certifications.</p>	
RSPO Membership Number	8-0025-06-000-00
RSPO Approval Date	12/01/2006
Affiliate Membership	http://www.rspo.org/en/member/339

Table of Contents

PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT	4
1.1 COMPANY AND CONTACT DETAILS	4
1.2 RSPO MEMBERSHIP & CERTIFICATION DETAILS	4
1.3 ANNUAL SURVEILLANCE ASSESSMENT DETAILS	4
1.4 ASSESSMENT TYPE	4
1.5 LOCATION OF THE PALM OIL MILL	4
1.6 PALM OIL MILL OUTPUT AND APPROXIMATE TONNAGES CERTIFIED	5
1.7 GENERAL DESCRIPTION OF SUPPLY BASE	5
1.7.1 <i>Location of the Supply Base</i>	5
1.7.2 <i>Statistics of the Supply Base and Estimated Tonnes of FFB produced per year</i>	5
1.7.3 <i>Conservation and HCV Area (Ha)</i>	5
1.7.4 <i>Percentage of Planted Oil Palm by different Age Ranges</i>	6
1.7.5 <i>Calculation of the Number of Production Units (N) to Sample for the Mill</i>	6
1.8 PROGRESS OF ASSOCIATED SMALLHOLDERS OR OUT-GROWERS, IF APPLICABLE TO THIS ASSESSMENT	6
1.9 LOCATION MAP FOR THIS CERTIFICATION UNIT (SEE APPENDIX 1)	6
PART 2: PARTIAL CERTIFICATION	7
2.1 MANAGEMENT STRUCTURE	7
2.2 NON-COMPLIANCE IDENTIFIED WITH 2.1 ABOVE	7
2.3 SUMMARY OF THE TIME BOUND PLAN	7
2.4 UN-CERTIFIED UNITS OR HOLDINGS	9
2.5 SUMMARY OF THE FINDINGS FOR PARTIAL CERTIFICATION	11
2.6 PARTIAL CERTIFICATION AUDIT AGENDA	11
PART 3: AUDIT PROCESS.....	12
3.1 ABOUT THE CERTIFICATION BODY	12
3.2 AUDIT TEAM	12
3.2.1 <i>Qualifications of the Lead Auditor</i>	12
3.2.2 <i>Qualifications of the Assessment Team</i>	13
3.3 AUDIT METHODOLOGY.....	15
3.3.1 <i>General Overview</i>	15
3.3.2 <i>Assessment agenda for this Audit</i>	16
PART 4 ASSESSMENT FINDINGS	18
4.1 LEAD ASSESSOR’S SUMMARY AND RECOMMENDATION FOR CERTIFICATION.....	18
4.2 SUMMARY OF THE FINDINGS BY PRINCIPLES AND CRITERIA	19
<i>Principle 1: Commitment to Transparency</i>	19
<i>Principle 2: Compliance with Applicable Laws and Regulations</i>	19
<i>Principle 3: Commitment to Long-Term Economic and Financial Viability</i>	22
<i>Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity</i>	28
<i>Principle 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers</i>	31
<i>Principle 7: Responsible Development of New Plantings</i>	37
<i>Principle 8: Commitment to Continuous Improvement in Key Areas of Activity</i>	37
4.3 NON-CONFORMITY RAISED DURING THIS AUDIT AND ANY FROM THE PREVIOUS YEAR, IF APPLICABLE	39
4.3.1 <i>Non-Conformities Identified during this Audit</i>	39
4.3.2 <i>Non-Conformity Identified during the last ASA, not applicable for MA</i>	48
THE FOLLOWING NC’S WERE RAISED DURING THE LAST AUDIT AND THE STATUS WAS REVIEWED AS INDICATED BELOW. 48	
4.3.3 <i>Observations Raised During this Audit</i>	53
4.4 ISSUES THAT WERE RAISED DURING THE STAKEHOLDER CONSULTATION, IF ANY.....	53
RSPO PRINCIPLE	54

STAKEHOLDER COMMENT	54
CUC RESPONSE	54
PART 5: RSPO SUPPLY CHAIN CERTIFICATION	55
5.1 POM INCLUDED IN THE SCOPE OF THE AUDIT	55
5.2 CONFIRMATION OF THE COMPANY'S SUMMARY OF ANNUAL CERTIFIED VOLUME OF RSPO CERTIFIED PALM OIL AND PALM KERNEL OVER A SPECIFIED PERIOD	55
5.3 SUMMARY REPORT INCLUDING A BRIEF DESCRIPTION OF THE SCOPE OF CERTIFICATION	55
5.4 MONTHLY RECORDS OF CERTIFIED AND UNCERTIFIED FFB RECEIVED SINCE THE LAST AUDIT	56
5.5 MONTHLY RECORDS OF CERTIFIED CPO AND PK SINCE THE LAST AUDIT	56
5.6 RECORDS OF CERTIFIED CPO & PK SOLD UNDER GREENPLAM TO BUYERS SINCE THE LAST AUDIT, IF ANY.....	56
5.7 RECORDS OF CERTIFIED CPO & PK SOLD UNDER UTZ eTRACE TO BUYERS SINCE THE LAST AUDIT, IF ANY	57
5.8 NON-CONFORMITIES IDENTIFIED DURING THIS AUDIT	58
5.9 DESCRIPTION OF THE ORGANIZATIONAL MANAGEMENT SYSTEMS	58
5.10 FINAL CERTIFICATION DECISION BY CONTROL UNION FOR THE RSPO SCCS AUDIT OF THE POM	58
PART 6: CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY	59
6.1 DATE OF NEXT ASA	59
6.2 DATE FOR CLOSURE OF NON-CONFORMITIES	59
6.3 SIGNING BY THE CLIENT	59
6.4 SIGNING BY THE LEAD AUDITOR	59
6.5 SIGNING BY THE CERTIFIER	59
PART 7: APPENDICIES	60
APPENDIX 1: LOCATION MAP FOR THIS CERTIFICATION UNIT	60
APPENDIX 2: SUMMARY OF GHG EMISSIONS.....	63
APPENDIX 3: GHG ASSESSMENT FOR NEW PLANTINGS	64
APPENDIX 4: LIST OF ABBREVIATIONS.....	65

PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT

1.1 Company and Contact Details

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

1.2 RSPO Membership & Certification Details

RSPO Membership Number:	1-0173-14-000-00
Registered Client Name:	TSH Resources Berhad
Certificate Number:	CU-RSPO-839451
Start Date of Certificate:	13 May 2016
End Date of Certificate:	12 May 2021
Date of Original Certification:	13 May 2016
Scope:	Certification of the Palm Oil Mill and Supply Bases
Type of Certification:	Single site <input checked="" type="checkbox"/>
Duration of Certificate:	5 Years from date of certification

1.3 Annual Surveillance Assessment Details

Dates Of This Audit:	28th March – 30th March 2017
Audit Number:	ASA1

1.4 Assessment Type

This is a RSPO Principles & Criteria Compliance assessment of the palm oil mill and its respective supply bases as listed in this report below.

1.5 Location of the Palm Oil Mill

Name Palm Oil Mill (POM)	Mill Capacity MT/Hour	Location Address	GPS Reference	
			Longitude	Latitude
PT Sarana Prima Multi Niaga	45	Subdistrict Cempaga Hulu and Parenggean, Kabupaten Kotawaringin Timur, Kalimantan Tengah, Indonesia.	112°55'41.08"E	1°57'11.50"S

1.6 Palm Oil Mill Output and Approximate Tonnages Certified

Figures below are from:

- Only from certified supply bases (Y/N). **NO**
- Combining certified with uncertified supply bases (Y/N). **YES**
- If the Mill is receiving FFB from uncertified supply bases outside the audit scope, such uncertified sources is highlighted under the following sections as seen applicable:
 - PART 1, Section 1.7 – General Description of Supply Base,
 - PART 2: Partial Certification, Section 2.4 – Uncertified Units or Holdings,
 - PART 5: RSPO Supply Chain Certification of this report

Projected Production from the last 12 Months (MT)			Actual Production for this Audit Year 2016/2017 (MT)			Projected 12 Months (MT) Forecast Volume in this Report		
FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
204,636	45,019	6,139	153,735	34,823.74	5170.59	200,400	43,900	6100

Note: refer to part 5.2 for e-trace certified volume

1.7 General Description of Supply Base

PT Sarana Prima MultiNiaga Palm Oil Mill (SPMN POM) located in Subdistrict Cempaga Hulu and Parenggean, Kabupaten Kotawaringin Timur, Kalimantan Tengah, Indonesia. The mill's main supply base is PT Sarana Prima Multi Niaga Estate (SPMN Estate) which consists 7114.14 hectars of land. SPMN Estate is divided onto two divisions, SPMN Estate I and SPMN Estate II. The mill also receives small amount of FFB from PT Mitra Jaya Cemerlang Estate (MJC), one of TSH Resources Bhd's estate which is located at Desa Tumbang Tanjung, Kabupaten Katingan, and Kalimantan Tengah. According to TSH Resources Bhd's Sustainability Department Head, Assistant General Manager Mr Selwendran, crop received from PT Mitra Jaya Cemerlang Estate is on temporary basis as the estate is located at about 3 hours of drive from the mill and it is not conducive to transport FFB from such long far distance. PT Mitra Jaya Cemerlang which has been listed in TSH Resources Bhd's Time Bound Plan, is planned to go for RSPO P&C Certification in year 2018 forecasted.

1.7.1 Location of the Supply Base

OPP	Oil Palm Plantation	Location	GPS reference		Area Summary (Ha)	
	Name	Address	Longitude	Latitude	Total	Mature
OPP 1	Sarana Prima Multi Niaga	Subdistrict Cempaga Hulu and Parenggean, Kabupaten Kotawaringin Timur, Kalimantan Tengah, Indonesia	112°55'41.08"E	1°57'11.50"S	6989	6921
TOTAL					6989	6921

1.7.2 Statistics of the Supply Base and Estimated Tonnes of FFB produced per year

OPP	Oil Palm Plantation	Estimated FFB/Year (MT)	Planting Years	Cycle (Years)
OPP 1	Sarana Prima Multi Niaga	200,400	2004-2015	1 st (25 years)
TOTAL		200,400		

1.7.3 Conservation and HCV Area (Ha)

OPP	Oil Palm Plantation	Conservation Area (Ha)	HCV Area (Ha)	* HCV part of Conservation
OPP 1	Sarana Prima Multi Niaga	26.624	26.624	Yes
TOTAL		26.624	26.624	

* Indicate if HCV area is part of the Conservation Area. If the HCV area is part of the Conservation Area, then "YES" otherwise, "No"

1.7.4 Percentage of Planted Oil Palm by different Age Ranges					
OPP	Planting Years by 5 year Ranges				
	1996-2000	2001 -2005	2006 – 2010	2011 – 2015	Total (ha)
OPP1	0	987.35	5664.01	337.9	100%

1.7.5 Calculation of the Number of Production Units (N) to Sample for the Mill
 $N = 0.8vY$, where “Y” is the number of units, with the result always to be rounded “up” to the next whole integer. Where only a sample of the supply base is assessed, units not previously assessed, or assessed earlier in the certification program, are to be preferred over those more recently assessed

For the Mill, how many units make up the production base?			
Owned estates (Y)	$N = 0.8vY$	Smallholders (Z)	$N = 0.8vZ$
1	1	-	-

Explanation as to the selection of estates sampled
 $N = 0.8vY$, where “Y” is the number of units, with the result always to be rounded “up” to the next whole integer. Where only a sample of the supply base is assessed, units not previously assessed, or assessed earlier in the certification program, are to be preferred over those more recently assessed.

1.8 Progress of associated Smallholders or Out-growers, if applicable to this assessment
 Progress of associated Smallholders or Out-growers towards Compliance with relevant Standards - should be in accordance to the 3 years implementation plan, if applicable to this assessment
 N/A

1.9 Location Map for this Certification Unit (See Appendix 1)

PART 2: PARTIAL CERTIFICATION

The rules for partial certification allow organizations that have a majority holding in and / or management control of more than one autonomous company growing oil palm to certify individual management units and / or subsidiary companies subject to certain rules.

2.1 Management Structure

Section	Criteria	Yes/No	If "Yes"	If "No"
2.1.1	Is the certified operation (POM and supply base as detailed above) a stand-alone operation and there are no other plantations or mills owned by the same company?	No	Section 2 is N/A	Go to 2.1.2
2.1.2	Is the certified operation part of a simple structure of operations owned by one company?	Yes	Go to 2.1.5	Go to 2.1.3
2.1.3	Are there statements of the ultimate controlling shareholders and directors in the managing agency company/companies: a. Explaining the legal relationship and the management arrangements with the subsidiary companies and / or with any operating groups?	-	Go to 2.1.4	Go to 2.2.1
2.1.4	b. A statement of commitment to complying with the spirit of the RSPO for all companies and subsidiaries involved with the growing of oil palm and for the production of palm oil?	-	Go to 2.4	Go to 2.2.2
2.1.5	Is there a time bound plan in place for all subsidiaries, estates and palm oil mills?	Yes	Go to 2.3	2.2.3
2.1.6	Is the parent company or one of its majority owned and / or managed subsidiaries a member of RSPO?	Yes		

2.2 Non-compliance Identified with 2.1 Above

Section	Non-compliance findings	NC raised	Category
2.2.1	There is no explanation as to the company's structure and therefore it is not possible to conduct an effective audit against the rules for partial certification.	-	Major
2.2.2	There is no statement of commitment to complying with the spirit of the RSPO for all companies within the company structure.	-	Major
2.2.3	There is no time bound plan in place for the certification for all subsidiaries, estates and mills.	-	Major
2.2.4	No applicable membership of the RSPO.	-	Major

2.3 Summary of the Time Bound Plan

Section	Requirement	Findings and any action required	Compliance
2.3.1	Does the plan include all subsidiaries, estates and mills?	The updated time bound plan has included all its mills and estates which under TSH Resources Bhd. on exclusion of six of TSH Resources Bhd's subsidiaries which were not included in the initial time bound plan that noticed during the audit namely PT. Mitra Jaya Cemerlang, PT. Bulungan Citra Agro Persada, PT. Munte Waniq Jaya Perkasa, PT. Perkebunan Sentawar Membangun, PT. Prima Usaha Sukses and PT. Andalas Wahana Sukses were later included in the revised time bound plan established on 19 August 2016.	Yes
2.3.2	Is the time bound plan challenging? ➤ Age of plantations.	Yes. The updated time bound plan has included all estates and mills with the plan to certify all operating units by 2019.	Yes

	<ul style="list-style-type: none"> ➤ Location. ➤ Mill development. ➤ Infrastructure. ➤ Compliance with applicable law. 		
2.3.3	Have there been any changes since the last audit? Are they justified?	<p>There is changes from last time bound plan and able to be justified by TSH:</p> <ol style="list-style-type: none"> 1. PT SPMN, which was targeted 2015 was certified only on 2016. This was despite being audited in 2015 reason was due to delay in getting feedback on the SPMN LUCA report. (certified) 2. PT LIN and PT AAI certification postponed due to pending reply on LUCA (compensation and liability discussion) <ul style="list-style-type: none"> - First LUCA analysis was submitted to RSPO on June 2016. - Subsequently, second communication to RSPO on 14 February 2017 responded by Dillon Sarim to review process on 16/02/2017. No feedback from RSPO yet until the time of audit. - There is liability on PT. LIN land (supply base of PT. LIN POM) therefore TSH pending the concept note on compensation liability plan by RSPO. - For AAI POM, the delay also due to revision of UPL/UKL due to extension of POME pond for purpose of Izin Limbah approval from Environmental Department (BLH) to be accomplish in June 2017. 3. Sabah estate and Mill; TSH Resources Berhad (Ladang Gomantong), TSH Palm Products (Ldg OYH) and TSH Plantation Sdn Bhd (LDPOM Mill) completed their audit with BSI last year 2016 but the certificate is to be issued Mar/Apr 2017. <ul style="list-style-type: none"> - Certification audit done on 1- 3 November 2016 by BSI. However, public summary report still in review process. 4. All other estate and Mill certification timeline adjusted due to pending LUCA final report and liability decision. 	Yes
2.3.4	If there have been changes, what circumstances have occurred?	Since the delay is from on-going LUCA review progress by RSPO. TSH no other option other than to wait until the process accomplish to get certified.	Yes
2.3.5	Have there been any stakeholder comments?	No complaints received from stakeholder public announcement in RSPO website.	Yes
2.3.6	Have there been any newly acquired	The latest unit acquired by the company is PT. Prima Usaha Sukses in year 2014 which is already in the time-bound plan to	Yes

	subsidiaries?	be certified in year 2019.	
2.3.7	Have there been any isolated lapses in the implementation of the plan?	PT Sarana Prima Multi Niaga POM and Estate are the first mill and estate that planned in the time bound plan to be certified. PT. Andalas Agro Industri POM and its supply base PT. Laras Internusa have implemented ISPO and in the processes of implementing RSPO. HCV and SIA have been completed. Public consultation has been scheduled in August / September 2015. The progress of other mills and estates that planned to be certified by 2016 shall be assessed during next surveillance audit.	Yes
2.3.8	Has there been any systematic failure to proceed with the implementation of the plan?	No.	Yes
2.3.9	General statement as to progress made since the last audit?	Since there is bit deviation from last time bound plan, the justification is from on-going LUCA review progress by RSPO. TSH no other option other than to wait until the process accomplish to get certified.	Yes

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

	Procedure.		
2.4.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	The company has established conflict resolution procedure. Land disputes are being resolved through the mechanism.	Yes
2.4.5	Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	There is no evidence labour dispute recorded. The company has mechanism identified Complaint and Dispute procedure.	Yes
2.4.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	There is no legal non-compliance recorded. The company has mechanism for legal compliance.	Yes

TIME BOUND PLAN FORECAST FOR RSPO CERTIFICATION OF ALL PALM OIL MILLS & SUPPLY BASES				
Palm Oil Mill	Country	Supply Bases (estates, plantations, associations)	Targeted RSPO Certification Year	Current Certification Status as per this Audit
PT. Sarana Prima Multi Niaga	Kalimantan Tengah, Indonesia	PT. Sarana Prima Multi Niaga Estate	2015	Completed Audit in July 2015
	Kalimantan Tengah, Indonesia	PT. Mitra Jaya Cemerlang	2018	2018
TSH Plantation Management Sdn. Bhd.	Sabah, Malaysia	TSH Plantation Management Sdn. Bhd. & TSH Plantation Sdn. Bhd.	2015	Certified
PT. Andalas Agro Industri	Sumatera Barat, Indonesia	PT. Laras Internusa	2016	Certified
TSH Plantation Management Sdn. Bhd.	Sabah, Malaysia	TSH Holding Sdn. Bhd., LKSK Sdn. Bhd., & Landquest Sdn. Bhd.	2018	2018
PT. Farinda Bersaudara	Kalimantan Timur, Indonesia	PT. Farinda Bersaudara & PT. Teguh Swakarsa Sejahtera	2018	2018
PT. Andalas Wahana Berjaya	Sumatera Barat, Indonesia	PT. Andalas Wahana Berjaya	2018	2018
NIL	Kalimantan Timur, Indonesia	PT. Munte Waniq Jaya Perkasa	2018	2018
NIL	Kalimantan	PT. Perkebunan Sentawar	2018	2018

	Timur, Indonesia	Membangun		
TSH Plantation Sdn. Bhd.	Sabah, Malaysia	TSH Resources Berhad & TSH Palm Products Sdn. Bhd.	2019	2019
NIL	Kalimantan Utara	PT. Bulungan Citra Agro Persada	2019	2019
NIL	Kalimantan Timur, Indonesia	PT. Andalas Wahana Sukses	2019	2019
NIL	Kalimantan Tengah, Indonesia	PT. Prima Usaha Sukses	2019	2019

With reference to time bound plan, the following issues were reviewed openly with the Control Union audit team during the assessment and which may be in conflict with the rules for partial certification, if applicable

Name of Mill or Plantation	*Area of concern (See examples below)
PT. Mitra Jaya Cemerlang	Media allegation by Amnesty International, human rights issue is one of the main issue discovered by the Amnesty International in their recent report "The Great Palm Oil Standard", the appropriate action and awareness should be taken by management on this issue importantly. See Part 4.3 below, NC were raise related to this issue.
<p>Include any known concerns, media reports and major issues both present and from the past covering, for example:</p> <ul style="list-style-type: none"> • Replacement of primary forest or any area containing HCV's since November 2005. • Evidence of non-compliance with the law • Legal issues • Compensation payments • Social relations • Burning • Labor disputes 	

2.5 Summary of the findings for Partial Certification

The audit team assessed compliance with the above requirements during this audit. Failure to address any non-compliance identified may lead to certification suspension.

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

2.6 Partial Certification Audit Agenda

Date	Location	Agenda
29/03/ 2017	SPMN Office	- Review of Time bound Plan

PART 3: AUDIT PROCESS

3.1 About the Certification Body

Control Union Certifications is a member of the Control Union World Group – an international inspection and certification body. CUC performs Audits and certification in many agricultural based fields such as FSC, RSPO, and Organic production, Sustainable Textile Production, Organic Exchange, GLOBALGAP, HACCP, BRC, GMP and GTP.

CUC is accredited by the Dutch Council of Accreditation (RVA) on the European quality standard EN 45011 for the inspection and certification of CUC Organic program (according to the EU regulation 2092/91) and EUREPGAP program. When requested a copy of the accreditation certificate can be obtained from CUC.

Control Union (Malaysia) Sdn Bhd is a registered affiliate member of RSPO and is a private limited company owned by the Control Union World Group based in Malaysia. Control Union (Malaysia) Sdn Bhd is authorized to conduct and issue certification on behalf of RSPO and Control Union Certifications.

3.2 Audit Team

Lead auditor:	Muhd Jamalul Arif
Team member 1:	Mohd Razaleigh Mohamad
Team member 2:	Muhammad Rasyid
Team member 3:	Shukrina Abd Rahman

3.2.1 Qualifications of the Lead Auditor

Requirement	Qualifications
A minimum of post high school (post-secondary school) training in either agriculture/forestry, environmental science or social sciences;	Graduated in Plantation Management and Cargo Surveying from local university.
At least 5 years professional experience in area of work relevant to the assessment (e.g., palm oil management; agriculture/forestry; ecology; social science);	Experience in auditing since 2011 in RSPO P&C, SCCS, ISCC, GMP B2 & B3, ESCAS Animal Welfare, Global Gap standards and other second party audits. Working experience in handling Q&Q survey for agricultural cargo specifically on palm oil and derivatives products.
Training in the practical application of the RSPO criteria, and RSPO certification systems;	Involved in RSPO assessment since 2011. Member of CUC RSPO audit team. Involved in audits for P&C and SCCS conducted in Malaysia, Indonesia and middle east country.
Successfully completion of an ISO 9000:19011 lead auditors course;	Completed ISO 9001:2008 Lead auditor in 2011 and trained in ISO 19011 & 17021 in 2014.
Training in the practical application of RSPO certification systems.	Involved in RSPO assessment since 2011. Member of CUC RSPO audit team. Involved in audits conducted in Malaysia and Indonesia. Passed RSPO Lead Auditor Course in 2013 and 2016 conducted by Proforest and Wild Asia.
A supervised period of training in practical auditing against the RSPO criteria or similar sustainability standards, with a minimum of 15 days audit experience and at least 3 audits at different organizations.	Involved in RSPO assessment since 2011. Involved in audits conducted in Malaysia and Indonesia for more than 5 company's audits. Passed RSPO Lead Auditor Course in 2013 and 2016 conducted by Proforest and Wild Asia.
RSPO endorsed lead auditors course.	Passed RSPO Lead Auditor Course in 2013 and 2016 conducted by Proforest and Wild Asia. Successful completed the RSPO SCC Endorsed Course by David Ogg & Partners on 2014.
Signed code of conduct.	Yes
General knowledge of:	Yes

• RSPO P&C standards.	Yes
• CUC organizational structure.	Yes
• CUC quality systems.	Yes
• Lead auditor role.	Yes
• Report writing.	Yes
• Stakeholder consultation.	Yes
• Certification decision process.	Yes
• RSPO SCCS program manual.	Yes
• CUC filing systems.	Yes
• Correct use of RSPO trademarks.	Yes
• History and objectives of RSPO.	Yes
• CV available.	Yes
Completion of CUC RSPO lead auditor training.	Yes

3.2.2 Qualifications of the Assessment Team

RSPO Requirement	Team Member Name	Qualifications
Fluent in main local languages and English.	Mohd Razaleigh	Fluent in Bahasa Malaysia/Indonesia and English
	Muhammad Rasyid	Fluent in Bahasa Malaysia/Indonesia and English
	Shukrina Abd Rahman	Fluent in Bahasa Malaysia/Indonesia and English
Field working experience in the palm oil sector, or a demonstrable equivalent.	Mohd Razaleigh	Post graduate qualification in agriculture with more than 6 years working experience in Oil Palm Plantation Industry. Fully trained in similar agriculture certification programs such as RSPO, Organic & Global Gap. Completed and certified ISO 9001:2015, member of CUC RSPO audit team.
	Muhammad Rasyid	Master degree on Seed Technology (Agriculture). Auditing experience in UTZ Certified CoC Auditor for Coffee, Cocoa and Tea Commodities. Organic EU, USDA-NOP and JAS. Common Code for Coffee Community (4C) Textile (GOTS, GRS, OCS, RCS and RDS)
	Shukrina Abd Rahman	Graduated from Universiti Sains Malaysia (USM) year 2005. Bachelor of Technology (Food). 10 years of experience in food manufacturing, involved with dried ingredients and ambient-stable food products.
Good agricultural practices (GAP), integrated pest management (IPM), pesticide and fertilizer use.	Mohd Razaleigh	Post graduate qualification in agriculture with more than 6 years working experience in Oil Palm Plantation Industry. Fully trained in similar agriculture certification programs such as RSPO, Organic & Global Gap. Completed and certified ISO 9001:2015, member of CUC RSPO audit team.
	Muhammad Rasyid	Master degree on Seed Technology (Agriculture). Auditing experience in UTZ Certified CoC Auditor for Coffee, Cocoa and Tea Commodities. Organic EU, USDA-NOP and JAS. Common Code for Coffee Community (4C) Textile (GOTS, GRS, OCS, RCS and RDS)
	Shukrina Abdul Rahman	Food technology background mainly in food manufacturing and Quality Assurance in 5 food companies and implement pest control management system. Completed FSSC 22000 lead auditor course year 2015, ISO 9001:2015 and RSPO SCCS lead auditor course

		year 2017.
Health and Safety auditing on the farm and in processing facilities. (For example OHSAS 18001 or occupational. Health and safety assurance system).	Mohd Razaleigh	Post graduate qualification in agriculture with more than 6 years working experience in Oil Palm Plantation Industry. Fully trained in similar agriculture certification programs such as RSPO, Organic & Global Gap. Completed and certified ISO 9001:2015, member of CUC RSPO audit team.
	Muhammad Rasyid	Master degree on Seed Technology (Agriculture). Auditing experience in UTZ Certified CoC Auditor for Coffee, Cocoa and Tea Commodities. Organic EU, USDA-NOP and JAS. Common Code for Coffee Community (4C) Textile (GOTS, GRS, OCS, RCS and RDS)
	Shukrina Abdul Rahman	10 years of experience in food companies which is OHSAS 18001 certified.
Workers welfare issues and social auditing experience. (For example with SA8000 or related social or ethical accountability codes).	Mohd Razaleigh	Post graduate qualification in agriculture with more than 6 years working experience in Oil Palm Plantation Industry. Fully trained in similar agriculture certification programs such as RSPO, Organic & Global Gap. Completed and certified ISO 9001:2015, member of CUC RSPO audit team.
	Muhammad Rasyid	Master degree on Seed Technology (Agriculture). Auditing experience in UTZ Certified CoC Auditor for Coffee, Cocoa and Tea Commodities. Organic EU, USDA-NOP and JAS. Common Code for Coffee Community (4C) Textile (GOTS, GRS, OCS, RCS and RDS)
	Shukrina Abdul Rahman	Completed the training course and passed the exam of Global Sustainability Tourism Council (GSTC) which is include the social compliance aspect.
Environmental and ecological auditing. (For example experience with organic agriculture, ISO 14001 or environmental management systems).	Mohd Razaleigh	Post graduate qualification in agriculture with more than 6 years working experience in Oil Palm Plantation Industry. Fully trained in similar agriculture certification programs such as RSPO, Organic & Global Gap. Completed and certified ISO 9001:2015, member of CUC RSPO audit team.
	Muhammad Rasyid	Master degree on Seed Technology (Agriculture). Auditing experience in UTZ Certified CoC Auditor for Coffee, Cocoa and Tea Commodities. Organic EU, USDA-NOP and JAS. Common Code for Coffee Community (4C) Textile (GOTS, GRS, OCS, RCS and RDS).
	Shukrina Abdul Rahman	Food technology background mainly in food manufacturing and Quality Assurance. Completed FSSC 22000 lead auditor course year 2015, ISO 9001:2015 and RSPO SCCS lead auditor course year 2017. Completed the training course and passed the exam of Global Sustainability Tourism Council (GSTC).
Economic issues.	Mohd Razaleigh	Post graduate qualification in agriculture with more than 6 years working experience in Oil Palm Plantation Industry. Fully trained in similar agriculture certification programs such as RSPO, Organic & Global Gap.

		Completed and certified ISO 9001:2015, member of CUC RSPO audit team.
	Muhammad Rasyid	Master degree on Seed Technology (Agriculture). Auditing experience in UTZ Certified CoC Auditor for Coffee, Cocoa and Tea Commodities. Organic EU, USDA-NOP and JAS. Common Code for Coffee Community (4C) Textile (GOTS, GRS, OCS, RCS and RDS)
	Shukrina Abdul Rahman	Food technology background mainly in food manufacturing and Quality Assurance. Completed FSSC 22000 lead auditor course year 2015, ISO 9001:2015 and RSPO SCCS lead auditor course year 2017. Completed the training course and passed the exam of Global Sustainability Tourism Council (GSTC).

3.3 Audit Methodology

3.3.1 General Overview

The Audit was carried out in conformity with the procedures as laid down in the CUC Procedure Manual and the RSPO Program Manual for the auditors and Certifier. During the Audit, the qualified CUC auditors used the RSPO standard as endorsed for the country in which the audit took place and recorded their findings.

Workers and local communities were interviewed and evidence sought to confirm ongoing compliance to include:

- **Chemical stores.** Storage, MSDS leaflets, Herbicide mixing areas, PPE, Ventilation, Security.
- **Field inspections.** Herbicide application programs. Harvesting sites and efficiency. Fertilizing operations. SOP's. Soil maps. Land preparation. Ground cover. IPM. First aiders and boxes. Ground cover. Soil erosion. Field observations of all operations.
- **Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts. Child labor. First aid. Awareness.
- **Re-planting sites.** Zero burn.
- **HCV's.** Identification. Management plans. Environmental Impact Assessments. Implementation.
- **Riparian zones.** Width. Current and future management. Non-maintenance regimes.
- **Water management.** Water courses. Water monitoring.
- **Road maintenance.** Run off.
- **Social amenities.** Social Impact Audits.
- **Local communities.** Contributions made. Employment opportunities. Social impacts. Complaints procedures.
- **Workshops.** Oil traps. Safe working environment. PPE. Diesel tanks. Environmental waste management.
- **Line sites.** Interviews with householders. Inspection of water discharge points. Water improvement plans. Waste disposal.
- **Documentation review.**

The Palm Oil Mill audit verification included the following activities:

- **Mill and workshop inspections.** Documentation review & worker interviews.
- **Mill.** SOP's. Safe working environment. Gen sets. Walk ways. Signs. EFB. POME treatment. Emissions. Mass balance. Diesel tanks. PPE. Fire extinguishers. First aiders and boxes. Fuel and water usage.
- **OSH.** Training. Management structure. First aiders.
- **Full document review.** Completion of the checklist. Review and documentation of evidence. All aspects of RSPO P&C's applicable.
- **Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts.
- **Compliance against the RSPO SCCS certification scheme.**

Verification:

Verification of implementation was done through field observations, workshop and chemical store inspections, worker and community interviews and mill inspections as summarized above.

3.3.2 Assessment agenda for this Audit		
Date	Location	Main activities
27th March 2017 (Monday)	Jamal, Razaleigh & Shukrina Rasyid	<ul style="list-style-type: none"> i. Depart KLIA 0840 and Arrive CGK (Jakarta) 0935 (GA819) ii. Depart CGK (Jakarta) 1455 and Arrive PKY (Palangkaraya) 1645 (GA552) i. Depart CGK (Jakarta) 1455 and Arrive PKY (Palangkaraya) 1645 (GA552)
28th March 2017 (Tuesday)	PT Sarana Prima Multi Niaga POM Meeting Room PT Sarana Prima Multi Niaga Estate & POM	<p>08:00 – 09:00 : Opening meeting</p> <ul style="list-style-type: none"> • Introduction by team leader <p>09:00 – 17:00 : Document review (Jamal) Supply Chain Certification Assessment of the POM (RSPO SCCS)</p> <ul style="list-style-type: none"> • Demonstration of legal entity • Roles and responsibility • Procedures/manual/SOP • Record of purchase – RSPO certified product • Record of sales– RSPO certified product • RSPO logo & claims <p>09:00 – 17:00: Document review – RSPO P&C (Razaleigh, Rasyid & Shukrina) – Will continue on Wednesday.</p> <ul style="list-style-type: none"> • Document review [EIA, SIA, CIP, Business Plan] • Complaint mechanism / Request & respond
29th March 2017 (Wednesday)	PT Sarana Prima Multi Niaga Estate	<p>08:30: Estate site verification (Jamal & Razaleigh)</p> <ul style="list-style-type: none"> • Best agricultural practices • Manuring, Spraying, Harvesting, • HCV / Conservation Area • Legal compliance / boundary • Chemical / Pesticide / Fertilizer Stores • Workers interview • Worker’s facilities (housing, pay, etc) • Stakeholder consultation if required. <p>Mill site verification (Jamal & Razaleigh)</p> <ul style="list-style-type: none"> • Mill inspection • Workshops • Stores • POM application • Safety and Health / PPE / Signage • Waste Management / Environment • Workers interview • Stakeholder consultation if required. <p>10:00 – 12:00: Stakeholders Meeting</p> <ul style="list-style-type: none"> • In charge by Rasyid & Shukrina. <p>Continue...</p> <p>14:00 – 17:00: Document review – RSPO P&C (Jamal, Razaleigh, Rasyid & Shukrina)</p> <ul style="list-style-type: none"> • Document review [EIA, SIA, CIP, Business Plan]

		<ul style="list-style-type: none"> Complaint mechanism / Request & respond <p>Partial Certification Review with client representatives (Jamal)</p> <ul style="list-style-type: none"> Audit against the rules for Partial Certification and Time bound plan.
30 th March 2017 (Thursday)	PT Sarana Prima Multi Niaga POM Meeting Room	<p>08:00 – 10:00: Preparation for closing meeting (all auditors) Additional field visits and meetings with managers as Necessary.</p> <p>10:00 : Closing meeting</p> <ul style="list-style-type: none"> Presentation of findings by the audit team NC closure dateline (if any) Questions and answers Final summary by team leader <p>End of assessment</p>
		<p>All auditors travelling to Palangkaraya and overnight at Palangkaraya.</p>

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

The mill and supply base visited (as per the above Tables 1.5 and 1.7.1) and were assessed at field, office, facilities, stores and a document review was carried out in accordance to the RSPO principles and criteria. The subscribed RSPO management system's documentations seen with minor changes that due to internal and external influenced factors that in relation to scope of certification. Specific evidence was recorded for estates and mill.

Interviews with Estate Managers, Mill Manager, members of workers union and committee took place in both formal and informal environments and worker interviews were conducted at the supply base and the mill. The management is highly committed in maintaining the RSPO system by adopting to continuous improvement programs.

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

Summary of Non-Conformance and Current Status

There is 5 Major and 6 Minor non-conformities were raised in this audit. 1 Observation is to be monitored closely by company to avoid standard requirement deviation in future. Please refer part 4.3 below.

It is therefore the recommendation of the lead assessor that:

- A certificate of compliance is maintained.

Signed:



Name: Muhd Jamalul Arif

Date: 22/05/2017

4.2 Summary of the findings by Principles and Criteria

- Over the 5 year period of the life of the certificate, there will be 4 annual surveillance audits
- Identified Non-Conformities and noteworthy Positive and Negative Observations.
- The RSPO require that this report contain findings by each principle and some example criteria. Please see table below.

Principle 1: Commitment to Transparency

Criterion by Audit	Summary	
		The company has established SOP to provide information requested by its stakeholders on issues relevant to them. Requests made by stakeholder were responded to and all these are well documented. Policy for transparency has been established and Information available to public has been adequately identified in the SOP.
ASA1	1.1	The company has established the Transparency Policy, Doc No.: ST-POL01-02 (Rev02) Date Oct 2015 and approved by Managing Director (Tan Aik Sim). The company has established the SOP for Request of Information (ST-SOP07-02) Date April 2015. The record for information request is available and a sample of the information request and respond, e.g.: 062/HRM-Disbun/II/2015 Data Perizinan Perkebunan Besar was requested by government.
ASA1	1.2	Sighted the evidences of publicity of RSPO criteria e.g.: HCV briefing, RSPO/ ISPO Awareness training and the attendance records are available. The briefing is including to POM and Estates workers and Housing Areas (workers' families).
ASA1	1.3	The company has established the SOP for Hak Asasi Manusia and Bisnis Yang Bertanggungjawab, Doc No.: ST-POL-09-02 (Rev01) Date April 2016. Approved by MD (Tan Aik Sim), stated in SOP "Melakukan praktek bisnis secara beretika dan bertanggungjawab". Sighted the record of socialisation for Sarana 1 date 6 March 2017 and 13 March 2017.
		However, no record of socialization for Sarana Estate and POM.

Principle 2: Compliance with Applicable Laws and Regulations

Criterion by Audit	Summary	
		The mill and estates have demonstrated compliance to all applicable local, national and international laws. Legal ownership of land and its land use is clearly demonstrated through the respective land titles. Boundaries have been clearly demarcated. There have been no land disputes or claims involving the mill and estate.
ASA1	2.1	PT. Sarana Prima Multi Niaga has a completed Legal permits list. Sighted Document List "Legal Documentation" PT. SPMN, last updated on 27 January 2017. Evaluation for update purposes are conducted at least once a year based on the internal audit requirement. Sighted such sample of relevant permits at estate and mill: <ul style="list-style-type: none"> - Izin Usaha Perkebunan (IUP) Doc. No. 525.26/253/X1/EKBANG/2004, endorsed by Bupati Kotawaringin Timur, dated on 18 September 2004. - Tanda Daftar Perusahaan (TDP) 09.02.1.46.42423 endorsed by Dinas Koperasi, Usaha Mikro, Kecil dan Menengah, dan Perdagangan DKI Jakarta untuk PT. Sarana Prima Multi niaga, dated on 23 August 2013. - Land User Right. Certificate HGU DI.301 No.01.:877/2006 Kotawaringin Timur. SK BPN No.6/HGU/BPN/2006. For the total area HGU 7,114.14 Ha, issued by BPN dated on 15 May 2006. - Izin Lokasi No. 79.460.42, endorsed by Bupati Kotawaringin Timur dated on 26 January 2004, extended with letter of Izin Lokasi No. 557.460.42. By dated on 9 August 2004.

		<ul style="list-style-type: none"> - Izin Penyimpanan Sementara Limbah B3. PT. Sarana Prima Multi Niaga, No. 118.45/482/HUK-BLH/2013, dated on 31 October 2013. - Izin balai Pengobatan/ Klinik Doc Permit No. 02/IK-BP/KP3M/I/2014 dated on 28 January 2014. Signed by Bupati Kotawaringin Timur. - Izin Pemanfaatan Air Limbah industry minyak Sawit Pada Tanah di perkebunan Kelapa Sawit oleh PT. Sarana Prima Multi Niaga. Doc permit no. 660/821/BLH-Ek.SDA/XI/2014. Endorsed BY Bupati Kotawaringin Timur dated on 24 November 2014. - Perpanjangan Izin Rekomendasi Penggunaan Bahan Kimia dan Pestisida Doc Permit No. 560.566/361/WAS-KK/XII/2016, endorsed by Disnakertras dated on 9 December 2016 valid until 9 December 2017. - Izin Penggunaan listrik Permit no. 566/107/WAS-KK/2010, issued by Disnakertrans Kabupaten Kotawaringin Timur dated on 24 May 2010 <p>All necessary update is managed under Mrs. Iin Hartanti (Documentation System Coordinator). List of legal permits and legal requirements docs are available and maintained by Mrs. Iin Hartanti (Documentation System Coordinator) as a PIC for managing the document system.</p> <p>Documented information "Legal Documentation" PT. SPMN, last updated on 27 January 2017 and "Document Legal List" TSH Group Doc. No. LGL-DLL01-02. Last updated on March 20, 2017. Evaluation for update purposes are conducted once a year.</p> <p>System Procedure and Mechanism to ensuring legal compliance has been documented on Internal Audit Result of Sustainability RSPO in PT SPMN Doc No. BMP-SPMN-IASREP01-01. Last Internal Audit done by TSH Group Head Office Sustainability Team, dated on 10/10/16 until 17/10/16.</p>
ASA1	2.2	<p>Land ownership document: Sertifikat HGU DI.301 No.01.:877/2006 Kotawaringin Timur. It was announced and acknowledged by Kepala Badan Pertanahan Nasional Doc. Permit No.6/HGU/BPN/2006. Right holder: 'PT. Sarana Prima Multi Niaga'. This document containing history of land tenure, such as: Map HGU Scale 1: 25.000 and total area of HGU are 7,114.14 Ha.</p> <p>The history of land tenure ownership and others social issues assessment has been available on SEIA/ AMDAL PT. Sarana Prima Multi Niaga that has been approved by Bupati Kotawaringin Timur Regency on 22 December 2005.</p> <p>Mechanism to control and resolving any land dispute stated on Doc. No. PMA-SOP16-01, Titled: "Prosedur Sengketa Lahan" last updated on June 2015. More conflict solving mechanism has been clearly describes on SOP Doc. No. ST-SOP21-00 titled "Penyelesaian Konflik Eksternal" last updated on April 2016. It's Document SOP describes a mechanism Free, Prior and informed Consent (FPIC)</p> <p>The system and Procedure has been according to related Indonesia Law: Permendagri No. 52 year 2014 and PP BPN No. 5 year 1999. No complaints and grievance found on the POM and estates. All issues are managed under Mr. Agus Prayitno (Legal Manager).</p> <p>The HGU map of PT. Sarana Prima Multi Niaga shows Including the GPS Coordinates and its boundary markers is described explicitly in Certificate HGU DI.301 No.01.:877/2006 Kotawaringin Timur.</p> <p>The map is already including physical boundary and other legend (GPS</p>

		<p>Coordinate, River, Road, Field, and Scale 1: 25.000, Total Area: 7,114.14 Ha etc.).</p> <p>SOP for boundary demarcation and maintenance has been available. Doc No. ST-SOP06-03, Titled “Patok HGU” Third revision, Last updated on November 2015. Boundary inspection report: ‘Sustainability Checklist: HGU boundary Markers. PT. Sarana Prima Multi Niaga - report scheme, checklist No. ST-LOCCCKHLST21-00. Last monitoring report done on 20 March 2017. Every report book describing one Estate, Blocks, Coordinates and Boundary markers conditions.</p> <p>Based on the stakeholder consultation result and checked through record of complaint. There is no conflict and dispute for both own estates and POM. To manage any possible land dispute, stated on Doc. No. PMA-SOP16-01, Titled: “Prosedur Sengketa Lahan” last updated on June 2015. It’s explaining clearly the way to negotiate problem in such a win-win solutions manner.</p> <p>To respect a commitment regarding prohibition extra-judicial interference and intimidation, Company policy to respect human rights has been available and it’s provided by TSH Group. Sighted Doc. TSH Company Policy Titled: Policy of Human Rights and Responsible Business Doc. No. ST –POL09-02, Last Updated on April 2016. Signed by Mr. Dato’ Tan Aik Sim Managing Director of TSH Group. The policy is to clearly denote that TSH Resources Berhad and its subsidiaries will Promote the advancement of fundamental human rights; Eliminate human rights violations within its workforce; and Conduct business practices in an ethical and responsible manner.</p> <p>Specific mechanism for participatory mapping for any possible dispute is stated on SOP No: ST-SOP06-03. Titled “Penyerahan Lahan”, last updated on June 2015. However, there is no land dispute so far.</p> <p>Historical data of land ownership has been mentioned on the Descriptions of Land User Right Permit. Sertifikat HGU DI.301 No.01.:877/2006 Kotawaringin Timur. SK BPN No.6/HGU/BPN/2006. For the total area HGU 7,114.14 Ha, issued by BPN dated on 15 May 2006 and it’s permitted until year 2036.</p>
ASA1	2.3	<p>Appropriate HGU Map of PT. SPMN has been available based on the Land ownership. Map HGU Scale 1: 25.000 for its total area 7.114,14 Ha.</p> <p>The customary or user rights is according to Land User Permit: Doc. Permit No.6/HGU/BPN/2006. For the total area of HGU: 7,114.14 Ha. The history of land tenure ownership and others social issues assessment has been available on SEIA/ AMDAL of PT. SMPN.</p> <p>There is no land dispute so far for current year period. Any dispute and complaint will be handled as per Doc. No. PMA-SOP16-01, Titled: “Prosedur Sengketa Lahan” last updated on June 2015. More conflict solving mechanism has been clearly describes on SOP Doc. No. ST-SOP21-00 titled “Penyelesaian Konflik Eksternal” last updated on April 2016. Its Document SOP describes a mechanism Free, Prior and informed Consent (FPIC).</p> <p>All related documents and/or SOP are available in Bahasa Indonesia in order to ensure the understanding of majority Employee.Awareness raising for all employees regarding SOP, related document training, and related information organized at least once a year.</p>

Principle 3: Commitment to Long-Term Economic and Financial Viability																																		
Criterion by Audit	Summary	A documented business plan for 3 years is available both at mill and estate. The annual budget includes of FFB, OER, CPO, PK and cost of production. Seen the top management able to demonstrate attention to economic and financial viability through long-term management planning.																																
ASA1	3.1	<p>The mill has established 3 year business plan titled “Long term Development and maintenance plan” The plan is reviewed and updated on annual basis to reflect changes to business environment. Following are the details of the plan sighted for the mill.</p> <table border="1"> <thead> <tr> <th>YEAR</th> <th>FFB (MT)</th> <th>CPO (T)</th> <th>KERNEL (T)</th> <th>OER (%)</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>198,818</td> <td>43,739.96</td> <td>5,964.54</td> <td>22</td> </tr> <tr> <td>2016</td> <td>200,000</td> <td>44,000.00</td> <td>6,000.00</td> <td>22</td> </tr> <tr> <td>2017</td> <td>206,805</td> <td>45,497.00</td> <td>6,204.00</td> <td>22</td> </tr> </tbody> </table> <p>Mill management also has price forecast for CPO and PK for 3 years as part of its financial planning as shown below. Mills financial planning is done on annual basis. For the year 2015, an estimated expenditure is IDR 8,648,460,000. Mill’s Total expenditure including salary for year 2015 is INR 16,149,024,757.</p> <table border="1"> <thead> <tr> <th>YEAR</th> <th>CPO</th> <th>PK</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>IDR 8,280,000</td> <td>IDR 5,643,000</td> </tr> <tr> <td>2016</td> <td>IDR 8,280,000</td> <td>IDR 5,643,000</td> </tr> <tr> <td>2017</td> <td>IDR 8,280,000</td> <td>IDR 5,643,000</td> </tr> </tbody> </table> <p>Estates financial planning is done on annual basis. For the year 2017 estimated expenditure is IDR 7,031,120,000. Estate’s total expected expenditure including salary for year 2018 is IDR 35,029,098,778.</p>	YEAR	FFB (MT)	CPO (T)	KERNEL (T)	OER (%)	2015	198,818	43,739.96	5,964.54	22	2016	200,000	44,000.00	6,000.00	22	2017	206,805	45,497.00	6,204.00	22	YEAR	CPO	PK	2015	IDR 8,280,000	IDR 5,643,000	2016	IDR 8,280,000	IDR 5,643,000	2017	IDR 8,280,000	IDR 5,643,000
YEAR	FFB (MT)	CPO (T)	KERNEL (T)	OER (%)																														
2015	198,818	43,739.96	5,964.54	22																														
2016	200,000	44,000.00	6,000.00	22																														
2017	206,805	45,497.00	6,204.00	22																														
YEAR	CPO	PK																																
2015	IDR 8,280,000	IDR 5,643,000																																
2016	IDR 8,280,000	IDR 5,643,000																																
2017	IDR 8,280,000	IDR 5,643,000																																
Principle 4: Use of Appropriate Best Practices by Growers and Millers																																		
ASA1	Summary	Mill and estates have applied SOPs and best agricultural practices to ensure its operations are conducted in safe, effective and environmentally friendly manner. IPM implemented in the estate and the uses of chemicals are in accordance with the regulations. There is a comprehensive OSH policy implemented throughout the estate and mill. Trainings are being planned and carried out by the mill and estate management to educate and create awareness among their workforce on best procedures and practices.																																
ASA1	4.1	<p>Standard Operation Procedure (POM). Works safe procedure included in the works instruction. i.e.</p> <ol style="list-style-type: none"> Loading ramp works instruction-doc no: W1PD01 Boiler Station works instruction-doc no: W1PD04 Horizontal Sterilizer instruction- doc no: W1PD03 <p>In estate, standard operation procedure has been divided into 2, Safety Procedure and Operation Procedure. Operation procedure sighted in the file label with OPE SOP. All the procedure available in English and Bahasa and total 9 title of SOP sighted:</p> <ul style="list-style-type: none"> ❖ Plantation Operation ❖ Ramet Operation ❖ Finance ❖ Plantation Management ❖ Pest and Diseases ❖ Agronomy Operation ❖ Quality Management 																																

		<ul style="list-style-type: none"> ❖ Finance ❖ Sustainability. <p>Safety Procedure sighted in the file label Sustainability SOP's. i.e.</p> <ul style="list-style-type: none"> ❖ Waste Management doc no. ST-SOP01-01 ❖ Wildlife Survey doc no. ST-SOP04-01 ❖ Occupational Safety and Health doc no ST-SOP10-00 ❖ Steep Maintenance Procedure B3-ST-SOP12-00 <p>Master list of works instruction have been documented with total 31 works instruction latest revised in year 2016 i.e. Oil Loss Analysis Work Instruction doc no: W1-LB-04 revised 02, date 4th Augustus 2016. EFB press works instruction revised 01 dated 20th April 2016 approved by Mr. Siew Chee Siong. Training record for Work Instruction sighted for workers latest dated 6th June 2016 trained by Pak Surya Ginting attended by 16 workers. In estate, the latest revised of the procedure is in February 2017:</p> <ul style="list-style-type: none"> ❖ Operation SOP - Planting and Supplies ❖ Pest and Disease - Termites, Oryctes and Leaf pest ❖ Sustainability - Document master list. <p>Training record have been well documented in Training record files. Latest training in 25th March for spraying. Daily monitoring of procedure and quality is carry out by estate team to ensure all workers do their work in good order and according to the SOP. This internal inspection is to ensure that estate comply with the company policy. Each new worker is mandatory to have training in initial before started to work and records for them are kept and will be updated periodically.</p> <p>This company have records and maintain the activities followed their SOP. Monitored by internal audit. The team as per below:</p> <ol style="list-style-type: none"> i. Internal audit- sustainability (HQ) ii. Internal audit- agronomist iii. Internal audit- Quality Management (HQ) iv. Internal audit- Plantation Advisor (HQ)
ASA1	4.2	<p>This company have records and maintain the activities to managing soil fertility as per SOPs below:</p> <ol style="list-style-type: none"> i. AGR-SOP02-01; Rev 01 Leaf Sampling: Date on 04/03/2015- sampling test done every year. ii. AGR-SOP03-01; Rev 01 Soil Sampling: Date on 04/03/2015- sampling test done every year. <p>The SOP`s have been implemented and monitored base on:</p> <ol style="list-style-type: none"> i. Internal audit- agronomist ii. Internal audit- Quality Management (HQ) iii. Internal audit- Plantation Advisor (HQ) iv. Soil Analysis report sighted latest dated 11th June 2016 reference no. 055/RC-EXT/5/JUN/2016 issued out by Research and Development, PT Nusa Pusaka Kencana Analytical and QC laboratory. v. Foliar analysis report latest issued in 25th May 2016 reference no. 108/RD/EXT/L/MEI.16. vi. Soil Analysis report sighted latest dated 11th June 2016 reference no. 055/RC-EXT/5/JUN/2016 issued out by Research and Development, PT Nusa Pusaka Kencana Analytical and QC laboratory.

		<p>Fertiliser programme for year 2017 prepared by the agronomist, Mr. Joe Pang Thau Yin. In the fertilisers programme stated field No, Block, types of fertilisers, date programme and actual applied.</p> <p>Total amount of fertilisers have been applied also can be monitored i.e. Fertilisers List 2017 document no: EST-SPMN-FERT01-01 and signed by Pak David Chong, PT Sarana Prima Niaga General Manager.</p> <p>During the audit, sighted EFB application programme, decanter cake application programme for year 2017. Block and Mt have been applied recorded in the file. POME pumping record from mill to estate also can be sighted. Total 133.57mt of POME have been pumped to estate in February 2017.</p> <p>EFB application also can be monitored from total Mt of EFB despatch from mill issued by the PT Sarana Palm Oil Mill. Total 336.57mt have been despatch to Sarana 1 and 391.24mt have been despatched to Sarana 2 in February 2017.</p>
ASA1	4.3	<p>Soil maps is available as per requirement by their policy. The soil series as per below:</p> <ul style="list-style-type: none"> • Medium texture 3,848.50 Ha (52%) • Ultisols Gray 1,101 Ha (15%) • Ultisols Yellow 445.50 Ha (6%) • Sandy 641 Ha (9%) • Hard Pan 363.40 Ha (5%) • Peat 962.50 Ha (13%) <p>The scale that estate use is 1:50,000. The management have established SOPs on strategy for planting slopes document No OPE-SOP01-13 date 29th March 2016 document name “Pembukaan dan Penyiapan Lahan” in section 6.1.4 stated that area with slope more the 21.8 degrees (for Indonesia) should not be planted. Roads maintenance programme can be sighted in budget 2017, and estimation for 2017 and 2018. Total Rp. 9,423,547,117 have been budgeted for roads maintenance in 2017. Total Rp. 790,725,187 have been spent until February 2017. This included maintenance of Main and Field roads, road side pruning, bridges and fixing culvert.</p> <p>Sighted in document No. OPE-SOP14-03, Water management procedure dated 6th January 2015 stated that water table should be maintained 50cm-70cm below the collection drains and the procedure follows with RSPO BMP practices.</p> <p>Sighted Piezometer setting up plan total 10 piezometers will be setting up and per conversation, total 10 piezometers have been set up last year. Water level assessment record also can be sighted. Evidence of water level monitoring sighted in water level assessments, Piezometer readings which have been carried out by the Research and Development department. Measurement of Piezometer have been carried out monthly. Procedure to monitor water level in peat area sighted by using both Guest Gauge and Piezometer.</p> <p>Refer to the SOPs, stated that water level must be maintain between 50cm to 70cm and estate SPMN have monitored the measurement monthly carried out by the Research and Department unit. Water level assessments record sighted for 2016 until February 2017.</p>

		<p>There is management strategy to handle the fragile and problems soils Company has been establish policy and sop as per below to handle this issue:</p> <ul style="list-style-type: none"> ❖ Plantation Operation: OPE-SOP10-10 - Peat ❖ Plantation Operation: OPE-SOP11-04 - Sandy <p>All step to handle the fragile and problems soils are stated in the Policies and SOP at above. Inspection and monitoring done by agronomist. Seen the agronomist report and the recommendation made by the agronomist.</p>																
ASA1	4.4	<p>Sighted in SOP Water Management “Pengelolaan Air Document No. OPE-SOP14-03 dated 6th January 2015.</p> <ul style="list-style-type: none"> ❖ Standard ❖ Measuring & Water Level Monitoring ❖ Silt Pit ❖ Implementation ❖ Flood Mitigation Strategy ❖ Attachment <p>Sighted water usage analysis dated 5th January 2016 issued by UPTD Labotorium Kesehatan Daerah, Dinas Kesehatan Kabupaten Kotawaringin Timur No: 003/LHU/KA-MA/LABKESDA-KOTIM/I/2016. The result show that the water used is free physically, chemically and microbiologically.</p> <p>Sighted river analysis dated 9th December 2016 serial no: 6165-E/BPPI/BRSBB/12/2016 issued by Kementerian Perindustrian, Badan Penelitian dan Pengembangan Industri. Management plan to protect the water courses and wetland sighted in the standard operating procedure for “Batas Kawasan Riparian dan HCV” document no ST- SOP11-02 (Revised 02) dated in November 2015. In the SOP stated there should not have any activities such as spraying, manuring, intrusion for that particular area. In the SOP also stated person in charge should monitored and inspect that particular once in 3 months.</p> <p>During the site visit, sighted that no activities have been carried out in the HCV area and well maintained. Sighted water bodies analysis report issued by Kementerian Kesehatan RI, Ditjen Pengenfalian Penyakit dan Penyehatan Lingkungan LHU No 116/LHU/BBTKL-BB/III/2016.</p> <p>Effluent test report sighted issued by “Badan Penelitian dan Pengembangan Industri, Balai Riset dan standardasi Industri” dated 2nd February 2017. Effluent test been carried out once a month. Results of the test as per below:</p> <table border="1" data-bbox="837 1556 1165 1825"> <tr><td>Ph</td><td>8.32</td></tr> <tr><td>Cod</td><td>6.98</td></tr> <tr><td>Bod</td><td>1.238</td></tr> <tr><td>ZN</td><td>372</td></tr> <tr><td>CD</td><td>0.094</td></tr> <tr><td>SO4</td><td><0.012</td></tr> <tr><td>OiL Fat</td><td>19</td></tr> <tr><td>Cu</td><td><0.001</td></tr> </table> <p>Summary of flow water meter treatment is sighted for January 2017. Total consumption is 12,036 m3 and 1.67 m3/FFB processed.</p>	Ph	8.32	Cod	6.98	Bod	1.238	ZN	372	CD	0.094	SO4	<0.012	OiL Fat	19	Cu	<0.001
Ph	8.32																	
Cod	6.98																	
Bod	1.238																	
ZN	372																	
CD	0.094																	
SO4	<0.012																	
OiL Fat	19																	
Cu	<0.001																	
ASA1	4.5	<p>Sighted beneficial plant planting programme for year 2017 versus total actual have been planted. Total 87 beneficial have been planted as at February 2017</p>																

		<p>with 3 types of beneficial plant that is Cassia, Antigonan and Turnera Subulata.</p> <p>The programme has been established for every specific field monthly until end of year 2017. Sighted Tyto Alba monitoring form for January 2017 and February 2017. Stated in the form are coordinate point, barn owl condition and status of the Tyto Alba. Total 6 out of 11 barn owl box are occupied. Barn owl construction programmed sighted from 2018 until 2020.</p> <p>Training of Integrated Pest Management have been carried out by the management 22nd February 2017 by the assistant in-charge with attendance of 27 workers that have been allocated of particular works. Attendance list of the participant and picture of the training sighted in file label training records.</p>
ASA1	4.6	<p>List of chemicals used sighted in document Chemical used listing with total 16 chemicals used list down.</p> <p>The list of chemicals stated the brand of the chemical. Active ingredient, unit of measurement and expiry date to used base on the chemical. Chemicals list establish base on “Daftar Pestisida Terbatas Diiijinkan Pertanian dan Kehutanan Tahun 2016” i.e. Brand: Basta 15, Active Ingredient: Glufosinate Ammonium, U.O.M: Liter. Estate management have plan to reduce the chemical used in estate by established natural pest control. Integrated pest management plan for year 2017 is sighted for 3 types for IPM that are Cassia, Antigonan and Turnera Subulata. IPM planted for year 2016 and 2017 February 2017 also sighted. Barn owl Planning 2017 also sighted and total 19 barn owl box was planned to be constructed.</p> <p>Estate already compile the chemical usage in “Data Penggunaan Pestisida PT SPMN 2017”. Estate still using the Paraquat at certain place or area that selected. Sighted their explanation for using the Paraquat. Estate was monitored the paraquat usage. Auditor already did physical verification in “Bin Card”. Sighted also memo from Senior Estate Manager, Entawan AK Indi dated 2nd January 2016 on “Mengurangi Penggunaan Paraquat”.</p> <p>Sighted in the SOP document No. OPE-SOP05-13 Weeding dated 28th February 2017, recommended chemical usage for spraying base on the year of planting and ST-MAN01-01 the SOP for pesticide handling dated 1st March 2017.</p> <p>MSDS is sighted at the chemical store for all the chemical and available both in English and Bahasa. Details of the product can be read from the MSDS. Training record have been well documented in Training record files. Latest training in 25th March for spraying. PPE issued list sighted and been signed both by the estate and the workers.</p> <p>Storage of pesticides are according to recognised best practices. All pesticides containers is properly managed according to the existing regulations. Sighted in document No. ST-MANU01-01 dated 1st March 2017 on “Pengelolaan dan Penanganan Bahan Kimia” procedure for chemical storage base on base practices. In point 19.10 stated the operating procedure for empty pesticides container management.</p> <p>Training on chemical handling have been carried out in 7th January 2017 join by Estate Manager, Assistant Estate Manager, Field Assistant, Store Keeper and Mandore at training centre PT Sarana prima base on “Peraturan Menteri</p>

		<p>Tenaga Kerja dan Transmigrasi No 03 Tahun 1986”.</p> <p>Annual medical records for sprayers sighted and have been carried out twice in year 2016 (13th May 2016 and 2nd December 2016) done by Dinas Kesehatan Kabupaten Kotawaringin Timur, UPTD Laboratorium Kesehatan Daerah- Dr Liza Damayanti. No negative results sighted and all the sprayers are capable to carry out spraying.</p> <p>The management monitor pregnant and breastfeeding women by establishing the pregnant and breastfeeding women list base on the medical check-up that have been carried out. Preventing pregnant & breast-feeding woman from handling pesticide on “Manual K3-Pengelolaan Pestisida and Pelolaan dan Penanganan Bahan Kimia”. List of female workers handling pesticide, available (male & female). Women that are pregnant and breastfeed will be allocate to another type of works that did not relate with chemical.</p>
ASA1	4.7	<p>Health and Safety policy:</p> <ul style="list-style-type: none"> • The company has established Health & Safety Policy dated 13/06/2013 signed by company’s Managing Director Dato Tan Aik Sim. The policy written in Indonesian. • General policy is written under “Manual Keselamatan dan Kesehatan Kerja; K3 (PT-SPMN-MANU01-01); Rev 01. Date on 01/03/2015. <p>Estate monitored the effectiveness of plan by OSH meeting that they done. In meeting, they will discuss everything about safety. The plan is made available by estate in their board. Action plan will be revised in OSH meeting if the plan is not effective. POM have carried out meeting once every 3 months in order to discuss issues related to K3, Safety and Health. The meeting have been attended by both management and workers representative. Risk assessment document sighted in OSHA files document no OSH-SPMN-risk01-02 updated 17th March 2017. OSHA programme have been sighted in OSH document for year 2017. Training expected to start in April 2017 until end of December 2017 including fire drill and Safety Driving.</p> <p>The responsible person(s) for occupational health and safety Pak David Chong Yun Ming have been appointed as chairman of Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) and Pak Aurudy Hasibuan as secretary. The organisation separate into 3 units.</p> <p>Safety team meeting are held once every 3 months and report are send to DINAS Sosial Tenaga Kerja dan Transmigrasi. Seen the latest report on Laporan P2K3. OSH programme sighted name as Program K3 for year 2017 prepared by Pak Aurudy Hasbiaun and Pak Ady Putra G.</p> <p>Estate management have established 2 clinics, 1 for Mill and 1 for estate with attendance of 1 hospital assistant and assist by 3 nurses. The clinic open from 7am to 5pm and on-call for every emergency cases. Any cases that cannot be treated in the estate clinic will be refer to the nearest hospital in Sampit send by own ambulances. All the cost for treatment and medicine will be bear by the management.</p> <p>Occupational injuries have been recorded base on Lost Time Accident (LTA) metrics. Sighted the document for LTA year 2016 monthly and also included Lost Time Injury Frequency and Time Injury Frequency</p>

		<p>Based on RSPO Principles and Criteria indicator stated that adequate and appropriate protective equipment shall be available to all workers at the place of workers to cover all the potentially hazardous operations.</p> <p>Sighted in Work Safe Procedure for Harvester stated harvesters need to wear Personal Protective Equipment as per below,</p> <ol style="list-style-type: none"> Helmet Safety Boots Hand Glove <p>Sighted also in Risk Assessment for Harvesters that the harvesters need to wear hand glove during harvesting and classified. However, during the site visit at SPMN 2 Estate, the harvesters are not wearing hand glove while working and as per interview hand glove are not provided. Personal Protective Equipment (PPE) issuance record to the harvesters also shows that hand gloves are not provided to the harvesters.</p>
ASA1	4.8	<p>Training records related to RSPO Principle and Criteria is sighted. E-Trace RSPO training have been conducted in 16th July 2016 attendance of 7 participants for SPMN POM and estate and been carried out by MR Arvind, Sustainability Manager. The main objective of the training is to ensure all staff is familiar with the E-trace and can fully utilise the functions.</p> <p>Training have been carried out in 4th June 2015 with attendance of 18 participants title Introduction to RSPO have been carried out by MR Arvind, Manager of Sustainability. The main objective to ensure all the staff are familiarize with the Principle and Criteria of the RSPO, K3, ISPO and RSPO training have been carried out in 20th April 2015 with attendance of 8 participants. The training record of each employee is maintained in the individual employee file. Sighted training record, attendance and signature for every training that has been plan by Estate Manager. Every workers have data training and keep very well by estate management.</p>
Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity		
Criterion by Audit	Summary	The company has conducted environmental impact assessment of its operations and reviews are carried out to reflect changes. A comprehensive identification of all waste has been recorded and disposal of scheduled waste has been carried out by government approved and registered waste collector.
ASA1	5.1	<p>Sighted the EIA – Analisis Dampak Lingkungan Hidup (AMDAL) date 9 August 2004 cover ± 8.490 Ha area and POM capacity 45mt/ hour. SPMN Mill 001/AMDAL/2005.</p> <p>Also company has complied with government requirement to submit the 6 monthly report as monitoring to EIA. Sighted Laporan Rencana Pngelolaan Lingkungan Hidup (RKL) & Rencana Pemantauan Lingkungan Hidup (RPL) Semester II (July to December 2016) approved by SPMN POM Senior Mill Manager (Siew Chee Siong).</p> <p>Stated BOD for waste water in AMDAL should be not more than 5000mg/l and result of monitoring test result from Jan to June 2016 (RKL and RPL) is less than 5000mg/l and comply with the standard.</p> <p>Sighted the water analysis for upstream and downstream every 6 months for Estates. The analysis results on 30 March to 6 June 2016 for:</p> <ul style="list-style-type: none"> Hulu Sungai Sei Rahan Hilir Sungai Sei Rahan

		<ul style="list-style-type: none"> • Hulu Sungai Sei Keruh • Hilir Sungai Sei Keruh • Hulu Sungai Sei Lintang Batang • Hilir Sungai Sei Lintang Batang • Sumur bor lama Sarana 1 (housing water supply) • Sumur bor baru Sarana 1 (housing water supply) • Sumur bor lama Sarana 2 (housing water supply) • Sumur bor baru Sarana 2 (housing water supply) <p>Sighted the SOP Pengambilan Sampel Kualitas Air Doc No.: ST-SOP16-00 (Rev00) date May 2015, the frequency of sampling water for quality checking:</p> <table border="1" data-bbox="730 622 1273 891"> <thead> <tr> <th rowspan="2">No.</th> <th rowspan="2">Location</th> <th colspan="2">Water source</th> </tr> <tr> <th>Estate</th> <th>Mill</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>River</td> <td>Every 6 months</td> <td>Every 1 month</td> </tr> <tr> <td>2.</td> <td>Sumur bor</td> <td>Every 6 months</td> <td>Every 6 months</td> </tr> <tr> <td>3.</td> <td>Kolam/ waduk (pond)</td> <td>Every 6 months</td> <td>Every 6 months</td> </tr> </tbody> </table> <p>The company has documented the Environment Management Plan (EMP) Doc No.: ENV-SPMN-EMP01-00 Date 2016. Stated in Management and Monitoring Plan the responsible person and the frequency of monitoring. The company has established the update EMP and revised yearly, the monitoring plan; Greenhouse Management and Monitoring Plan (ENV-SPMN-GHGPLAN01-00) is updated on 26 March 2017 and the meeting has been attended by 14 persons (as record on 24 Feb 2017), the topic in attendance list stated "Sosialisasi HCV & Management Plan".</p> <p>Waste Management and Monitoring Plan (ENV-SPMN-WSTPLAN01-04) is updated on 22 March 2017 and the meeting has been attended by 18 persons (as record on 13 January 2017), the topic in attendance list stated "Waste Management Plan".</p>	No.	Location	Water source		Estate	Mill	1.	River	Every 6 months	Every 1 month	2.	Sumur bor	Every 6 months	Every 6 months	3.	Kolam/ waduk (pond)	Every 6 months	Every 6 months
No.	Location	Water source																		
		Estate	Mill																	
1.	River	Every 6 months	Every 1 month																	
2.	Sumur bor	Every 6 months	Every 6 months																	
3.	Kolam/ waduk (pond)	Every 6 months	Every 6 months																	
ASA1	5.2	<p>The company has established the HCV Assessment on June 2015 by Malaysian Environmental Consultants Sdn. Bhd.</p> <p>The assessment surveys of estate revealed the following:</p> <ul style="list-style-type: none"> • Most of remnant vegetation (peat swamp forest, Kerangas forest and lowland forest) that were present are severely degraded or have been planted over oil palm • Small patches of remnant natural riverine vegetation still present are in adjacent areas outside the estate. • All water ways within the estate had been cleared of their original buffer vegetation and requires some form of management and restoration efforts. • There are some RTE species of plants and animals are found in the estate and hence require some form of management. • Presence of hardpans and loose sands especially in the Kerangas areas require management to prevent soil erosion. <p>The company has established HCV and Biodiversity Management and Monitoring Plan Doc No.: ENV-SPMN-HCVPLAN01-02 updated on 23 Feb 2017. In the HCV assessment report stated that there are some RTE species of</p>																		

		<p>plants and animals are found in the estate and hence require some form of management.</p> <p>SPMN has 26.624Ha of HCV 1 Area: A46 and 94 Ha of secondary forest, and the company has the yearly monitoring of HCV report. Sighted the 2016 report (Laporan Vegetasi dan Fauna di kawasan HCV Perkebunan Kelapa Sawit PT Sarana Prima Multi Niaga) cooperate with Jurusan Kehutanan Fakultas Pertanian Universitas Palangka Raya.</p> <p>The company has established HCV and Biodiversity Management and Monitoring Plan Doc No.: ENV-SPMN-HCVPLAN01-02 updated on 23 Feb 2017. However, no record evidence that the estate has carried out any monitoring activities in river and riparian zone as per define in HCV monitoring plan such monitoring of riparian zone marking, planting of endemic species plants and monitoring of ERT been carried out. Sighted in the SOP for Batas Kawasan Riparian and HCV Doc No.: ST-SOP11-02 (Rev02) date November 2015. Stated clause 6.7, pemantauan area riparian dan HCV; Clause 6.7.1 Sustainability Department will monitor and check riparian zone every 3 months.</p> <p>Therefore, no results of monitoring available to be used to follow-up on the improvement of the management plan.</p>
ASA1	5.3	<p>Sighted the record evidence for handling of scheduled waste (Limbah B3) empty container of pesticides and fertilizer date 24 Feb 2017 from estates to POM for waste handling in POM. Sighted container of lubricants record sent by Workshop personnel in Estate to POM on 18 March 2017, approved the received waste by POM personnel Dzulviana Dewi.</p> <p>The company has established the Waste Management Plan Doc No.: ENV-SPMN-WSTPlan01-04 update on 22 March 2017 and defined the type of waste, target and activities and link to GHG Management Plan Doc. No.: ENV-SPMN-GHGPLAN01-00. Sighted the SOP for Pengelolaan Limbah B3 (Doc No.: ST-SOP12-00) Date October 2014 and SOP for Waste Pit (Doc No: ST-SOP01-01) date October 2015.</p>
ASA1	5.4	<p>The company has turbine generator, and for year 2016, the total of electricity generate is 178,810 KWH and save about 73,312 Liter of diesel. Diesel only use to start the genset for boiler and after that turbine generator will generate the electricity. E.g.: 3 (a) for transportation, to monitor the fossil fuel consumption to achieve the target; record of diesel consumption (Summary Report VRE Mill January 2017 stated the vehicle identification, millage, diesel Liter consumption and Fuel consumption is compare to actual usage and standard limit of usage.</p>
ASA1	5.5	<p>The company has established the environmental policy (Lingkungan) Doc No.: ST-POL08-02 Date Oct 2015 stated 6.2 Commitment; Prohibited to use fire in land development in any condition. Also based on statement SPK Land Clearing Nomor: 147/SPK-SPMN/VII/2013.</p> <p>Sighted the SOP for Pembukaan dan Penyiapan Lahan Doc. No.: OPE-SOP01-13 Date 29 March 2016 stated in clause 6.10.1 also mentioned that no fire would be use for any new development.</p>
ASA1	5.6	<p>The company has established the Pollution Management and Monitoring Plan, Doc No.: ENV-SPMN-POLPLAN01-02 update on 13 Jan 2017 and stated the issue, target, activities and verifier. The Greenhouse Gas (GHG) Management and Monitoring Plan, Doc No.: ENV-SPMN-GHGPLAN01-00</p>

		<p>update on 26 March 2017</p> <p>E.g.: 3 (a) in GHG Management Plan; activity for the transportation, to monitor the fossil fuel consumption to achieve the target; record of diesel consumption (Summary Report VRE Mill January 2017 stated the vehicle identification, millage, diesel Liter consumption and Fuel consumption is compare to actual usage and standard limit of usage. SPMN has the monitoring record to collect all the data of fuel consumption and the accumulation yearly to key in the PalmGHG system, for year 2016 total GHG emission is 1070.11 for fuel consumption.</p> <p>Refer Appendix 2 for Summary of GHG Emissions.</p>
--	--	--

Principle 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers

Criterion by Audit	Summary	
ASA1	6.1	<p>The company has conducted social impact assessment for its operating units. Required policies and procedures are in place and been implemented accordingly. Communication and consultation as well complaints and grievances procedures are well established. There are evidences of workers not been discriminated against in any way and all are being paid their fair wages.</p> <p>Before SIA done, SEIA namely AMDAL (Analisa Mengenai Dampak Lingkungan) PT. Sarana Prima Multi Niaga has been available. It has been approved by Bupati Kotawaringin Timur Regency on 22 December 2005. Followed up SEIA, the Social Impact Assessment (SIA) report for both POM and Estate titled "Penilaian Dampak Sosial" done by qualified Third Parties: Malaysian Environmental Consultants SDN BHD. Conducted on 12-18 March 2015.</p> <p>Sighted the latest socialization to stakeholder on Cempaga Hulu Subdistric Office, dated on 10 June 2015, organized by Sustainability Team of PT. SPMN. The briefing attended by 66 Persons.</p> <p>It's supervised by TSH Head Office, with complete assessment format including introduction, method, result (correspondent, negative & positive impact) result analysis, action plan to improve social improvement & summary.</p> <p>Sighted affected parties: Desa Selucing, Desa Pundu, Desa Bukit Batu, Desa Pelantaran, Desa Bajarau, Desa Karangsari, Desa Karang Tunggal, Desa Sumber Makmur and Desa Jati Waringin. The company has been organized the consultation were made for all local communities nearby POM and Estate. The consultation topics related are regarding to (SIA) Tanggapan Terhadap Dampak Sosial; Ethnical and Cultural Issue, Educations, Religions, Land Use and dispute mechanism and Complaint procedures.</p> <p>Record of meeting conducted in on Cempaga Hulu Subdistric Office, titled: "Publik Konsultansi: Tnggapan Terhadap Dampak Sosial" PT. Sarana Prima Multi Niaga, dated on 10 June 2015, organized by Sustainability Team of PT. SPMN. The briefing attended by 66 Persons. It's conducted by Mr. Mr. Agus Prayitno (Legal Manager). It is including who's attending, what's the suggestion or aspiration.</p> <p>Plan for management and monitoring of social impacts (SIA) has been available titled: "Social Management Plan" Doc No. SOC-SPMN-SMPLAN01-00, Last Updated on 24 March 2017 by TSH Sustainability Team. Time table were included in the report. Last management plant communicated to the</p>

		local communities on 10 June 2015. It's conducted by Mr. Agus Prayitno and Mr. Welly (Legal Manager).
ASA1	6.2	<p>Consultation and communication procedures are available and documented (ST-SOP20-00). There is a procedure for communication and consultation between growers/millers and stakeholders within and surrounding the landholdings. The document dated June 2015. The document specifies procedure to be applied to distribute information for internal and external stakeholders. Complaint and dispute procedure (HR-SOP10-00) to handle dispute and grievances from internal and external.</p> <p>For information inquiry by internal and external stakeholder is described in Standard Operation Procedure – Permintaan Informasi (ST-SOP07-02 Rev-02 dated April 2015). Upon the receiving of the complaints from the stakeholders until the issues resolved either through a direct negotiation, using arbitration or through legal proceedings.</p> <p>In addition, a flowchart describing the steps to be taken from the receiving of complaints until the issues resolve is made available to the auditing team in the same document.</p> <p>Person in charge of PT. Sarana Prima Multi Niaga is Mr. Wely and Mr. Agus Prayitno (Legal Manager). The evidence of understanding were included in the stakeholder communication report</p> <p>Sighted Outcome Discussion:</p> <ul style="list-style-type: none"> - The company has been funded a compensation to the local cooperative as a CSR smallholder substitutions. It has done on 22 February 2009. The total amount of cash funds was IDR 3.000.000.042. At that moment, sighted by Bupati Kotawaringin Timur Regency. - Head of Cempaga Uluh Subdistric has a comments as a recommendation feedback for the company to increase more job vacancy for the local communities. <p>List of stakeholders is available. Last updated on 22 March 2017 as evident in document Doc. No. PT-SPMN-STAKELIST-04, The list covered for the following stakeholders:</p> <ul style="list-style-type: none"> - 1 Local Cooperative Funded by PT.SPMN - 14 Government Department: - 8 Villages, - 3 Camat (Subdistrict) - 2 Demang (Etnical NGO) - 1 Workers Union - 64 Suppliers - 8 Contractors
ASA1	6.3	<p>System and Procedure to deal with complaints and grievances are available, No. ST-SOP07-02 titled: “Permintaan Informasi” last updated on April 2017.</p> <p>All the complaints and grievances in POM were handled under Legal Manager (Mr. Agus Prayitno). Particular document of proposing and handling the complaints and grievances.</p> <p>The stakeholder can directly deliver it to the management through filling the complaints forms or it could be delivered through Suggestion Box.</p> <p>The complaint or grievance will be discussed in the TSH sustainability department. The matrix and time table to resolve the complaint will be made to ensure the complaint were taken care and resolved. If the solution is</p>

		<p>cannot be made in the company scope. The complainants can continue to deliver it to the related organization body, such as NGO or Governmental Specific department related.</p> <p>In the complaint SOP, there is stated that the complainants will be protected and if requested, the identification of whistle blower will be anonymized. Record of complaint system and process are available, based on the SOP No. ST-SOP07-02 titled: "Permintaan Informasi" on April 2017. However, no complaint on the current year. All complaint has been solved through partial stakeholder discussion.</p>
ASA1	6.4	<p>System and Procedure for identifying legal, Land user rights and compensation is clearly described on Doc. No. PMA-SOP16-01, Titled:"Prosedur Sengketa Lahan" last updated on June 2015. More conflict solving mechanism has been clearly describes on SOP Doc. No. ST-SOP21-00 titled "Penyelesaian Konflik Eksternal" last updated on April 2016.</p> <p>The system and Procedure has been according to related Indonesia Law: Permendagri No. 52 year 2014 and PP BPN No. 5 year 1999. No complaints and grievance found on the POM. However, Complaints and grievance form were stored in the Mills office as well as Estate Office. It can be accessed by any stakeholders.</p> <p>The mechanism for calculating and distributing fair compensation is established, implemented and evaluated based on Doc. No. PMA-SOP16-01, Titled:"Prosedur Sengketa Lahan" last updated on June 2015. It's based on the Negotiation between company and community/ user rights. However, no such cases of Land compensation and negotiation in PT. SPMN in the last year 2016.</p> <p>Time table of land dispute solving, it must be known and signed by the company, land owner, head local communities as well as head of village. All the complaints can be delivered directly and discussed during the process.</p> <p>So far, there is no such particular requirement about gender, communities, or ethnic group were mentioned. Thus it is universal.</p>
ASA1	6.5	<p>Company Policy of PT. TSH has been available and it's describes a documentation of pay and conditions for employees based on manpower regulations Kemenakertrans No 13. Tahun 2003. It's Assigned by PT. SPMN Senior Estate Manager on 1 September 2014. It's agreed by local Manpower ministry of Kotawaringin Timur Regency Mr. Ir. Bima Eka Wardhana, dated on 2 October 2015. SOP of employment is in place, Doc. No SOP01-01. Titled: "Rekrutment dan Seleksi Kariawan" Last Updated on March 2016. It is also mentioned in the SOP about the contractual and also the document that need to be signed by both party.</p> <p>The current Kotawaringin Timur Regency minimum wages is IDR 2.347.849. It's decided by the local government, nationally and regionally. During the decision making, it includes the calculation of minimum living cost, and involved many parties within the meeting.</p> <p>Checked on the POM workers salary record and overtime records on last February 2017. All working hours are comply with the National Regulations Kemenakertrans No 13. Tahun 2003. Signed Overtime records for POM both Shift A and Shift B, approved by Senior Mill Manager.</p>

		<p>The sample employment contract from mills worker is provided. There are 89 Employees and 16 Manager and Staffs. Pay and conditions term for each employee were stated in the working agreement and contract. Sighted sample agreement contract of Mr. Nurdin (Boiler Operator), ID No. 6206021612710000, joined on 1 January 2012.</p> <p>The contract of employments were prepared in Bahasa Indonesia. Signed by both parties (company and worker). From the sample of employment contract. Based on the Worker interview, no such breaches found so far. All of the interviewed worker stated that they always receive above the minimum wage standard.</p> <p>PT. SPMN POM has been provided adequate housing including its electricity (provided internally by the company), clean water (provided by water drill) and medical services for both estates. For advanced education, the company provide a kindergarten and primary school as well. They have a shuttle bus to pick up the student every day, and another welfare facilities (sport court, praying building, etc.). There are 60 units of houses provided for mill workers while in Sarana Estate:</p> <ul style="list-style-type: none"> - S1: 20 Kopple (long house) for workers and 1 Kopple Staffs and Managers. - S2: 7 Kopple (long house) for workers. - Each Kopple has 10 house for 1 family. The total houses are: 280. <p>Company has a system to monitor and repair all housing periodically that conducted by the sustainability team. Sighted doc "Sustainability Department Checklists" for mill workers housing No: ST-LOCCHKLST10-00, dated on 08-09-November 2016</p> <p>However, based on the workers interview and Checked through Water test analysis record. The water quality on those houses is not meet the minimum National Health Standard (SNI). Due to previous minor NC on its point, the NC will be upgraded to be Major NC.</p> <p>Separate Minor NC raise in indicator 6.5.3, according to the Internal Audit Result of Sustainability Team PT SPMN Doc No. BMP-SPMN-IASREP01-01 dated on 10/10/16. Its internal audit Report does not cover all the subcontractor worker, confirmed through Subcontractors interview (CV. Kencana Lestari and CV. Rino).</p>
ASA1	6.6	<p>Company has a Policy Freedom of Association, Doc No: ST-POL04-02 REV: 02 Last Updated on October 2015. The document were written in Bahasa Indonesia and it's communicated to all workers through workers Union.</p> <p>Worker association is available: (Lembaga Kerjasama Bipartit), as a Welfare Committee HR-PT. SPMN. Union Committee Organization are formed with 14 persons.</p> <p>It's verified through the interview that all of the worker are able to form or join the worker union. The outcome of the collective bargaining process were implemented together between the union and the company.</p> <p>Company has a mechanism to the collective bargaining process through meeting with Workers Union (Lembaga Kerjasama Bipartit, as per mentioned on the Working Instructions (WI) No. LKS01-00, titled "Registration of Lembaga Kerjasama Bipartit/Welfare Committee HR" and Doc No.</p>

		<p>LKSMOM01-00, titled Minutes of Meeting with Welfare Committee / LKS Bipartit HR.</p> <p>The document stored in management data office as well as stored in the Lembaga Bipartit secretariat. Sighted minutes of meeting record that was held in 26 June 2016. Attended by 14 Persons. The meeting result were:</p> <ul style="list-style-type: none"> - The scholarships of BPJS mechanism for children of workers. - Housing construction and electrical service request for workers residence. - One day Rest for women workers during the menstruation.
ASA1	6.7	<p>Policy of Child Labour is available, Doc No: ST-POL07-02 REV: 02, Last Updated on October 2015.</p> <p>The Policy stated that TSH Resources Berhad is strongly against the use of children for work and is fully committed in eradicating the occurrence of child labour in its workforce, which includes employees, contractors, volunteers and any other comparable form that constitutes as labour. TSH has a commitment to recognizing the importance of eradicating child labour, TSH Resources Berhad will restrict the minimum age of employment to 18 years of age and above, with the exception of work that is part of school curriculum or "light work". Checked through site visit and interviewed workers, no such young worker under age 18 found.</p>
ASA1	6.8	<p>Non-discrimination and equal opportunities has been stated on the TSH Company Policy Titled: Policy of Equal Opportunity & Discrimination, Doc No: ST-POL03-02 REV: 02 Last Updated on October 2015.</p> <p>Specific mechanism regarding the recruitment and Workers evaluation process are clearly described on Detailed Recruitment and promotion Procedure are stated in the SOP Doc. HR-SOP01-01, titled "Rekrutmen dan Seleksi Karyawan" and last updated on March 2015. It's also mentioned on the Workers Recruitment Procedure Doc. SOP No. HR-SOP02-0, Titled "Penilaian Prestasi Kerja" on March 2015 and SOP "Promotion" Doc No HR-SOP04-00, last updated on March 2015. The document were kept in administration office, and already communicated to all workers as well as to affected stakeholders. However, based on the interview there's no such evidence of breaches found so far.</p> <p>No such evidence of discrimination were found during the audit and the interview. No complaints about discrimination were found in SPMN. Should it any complaint both in mill and estate, the procedure to addressing and complaint handling has been described on the SOP, Titled: SOP No. HR-SOP23-00, titled: "Prosedur penanganan Keluh Kesah pekerja" and SOP Doc No. HR-SOP10-00, dated on 20 July 2016.</p> <p>Job vacancies and recruitment information in POM and Estate for the local communities has been documented for the local communities, checked through stakeholder consultation. The equal opportunity and treatment is stated in the company Policy of Transparency, Doc No: ST-POL01-02 REV: 02 Last Updated on October 2015.</p> <p>Detailed Recruitment and promotion Procedure are stated in the SOP Doc. HR-SOP01-01, titled "Rekrutmen dan Seleksi Karyawan" and last updated on March 2015. It's also mentioned on the Workers Recruitment Procedure Doc. SOP No. HR-SOP02-0, Titled "Penilaian Prestasi Kerja" on March 2015 and SOP "Promotion" Doc No HR-SOP04-00, last updated on March 2015.</p>

ASA1	6.9	<p>PT. SPMN has a policy to prevent sexual and all other forms of harassment and violence. Titled “Policy of Sexual Harassment”, Doc No: ST-POL05-02 REV: 02, Last Updated on October 2015. It has been communicated to all of the workers. There is no cases of sexual harassment so far. Should any issues about sexual and all other forms of harassment and violence has been described on the Doc. SOP # HR-SOP18-00. Titled: “Pengaduan Pelecehan Seksual” March 2015.</p> <p>PT. SPMN has a Gender Committee (lead by Mrs. Dharma and Mrs. Mardiyana). It’s consist of several different kind of workers. Sighted the Report of Gender Committee year 2016 and Committee Gender Work Plan year 2017. Sighted the Report of Activities of Gender Committee year 2016 in POM, Sighted an Activity “Senam Pagi” Dated on 14 February 2016, attended by 8 Persons.</p> <p>The policy “Protect the Reproductive Rights” is available Doc No: ST-POL06-02 REV: 02, Last Updated on October 2015. Policy/Point 6 described: TSH Resources Berhad affirms the value of human life and is fully committed in supporting the reproductive rights of its employees. The policies has been communicated to all of the workers as a part of Reproductive right.</p> <p>Training regarding Protect the Reproductive Rights has been Communicated including the awareness raising about 9 policy for the following topics: Policy of Transparency, Policy of Equal Opportunity & Discrimination, Policy Freedom of Association, Policy of Sexual Harassment, Policy of Reproductive Rights, and Policy of Child Labour. It was conducted partially, Sighted “Training records of Training 9 Kebijakan dan Prosedur Keluh Kesah” dated on 6 March 2017, attended by 58 Workers. Conducted by Estate Managers and mill Managers. Based on the female workers interview, they know so well about their rights and they satisfied for the equal opportunities in this company.</p> <p>The workers were provided several way to deliver the complaints. Directly to the HR management through suggestion box or filling the complaint form. Other way, the complaints can be delivered through the worker union. All complaint and grievances are handled by HR Department Mr. Didin Mahdi.</p>
ASA1	6.10	<p>The price of FFB for Estates and POM that owned by TSH Group were determined by Head Office of TSH Group. No Smallholders scheme covered by this scope so far. In this case PP kementan No.14 Permentan/OT.140/2/Tahun 2013 will be not applicable for PT. Sarana Prima Multi Niaga.</p>
ASA1	6.11	<p>PT. SPMN both mill and Estate help to improve the local community development need through the Corporate Social Responsibility (CSR). The program is based on the needs of the local communities and TSH Group Annual Budget. However the contributions to local development has not based on the results of consultation with the local communities</p> <p>Sighted the CSR allocation in 2016 prepared by Sustainability team such as Social (Health service and cooperative), Religion event, Education and Sports Facilities. Total CSR allocation program for the previous 2016 was IDR 110,000,000.00. Sighted The CSR budget and Allocation Plan for the current year 2017 with total allocation of CSR: IDR 160,000,000.</p>
ASA1	6.12	<p>TSH Group company Policy are describes about prohibition of forced or trafficked labour, as stated on the Policy of Equal Opportunity & Discrimination, Doc No: ST-POL03-02 REV: 02 Last Updated on October 2015.</p>

		<p>As stated in the SOP “Company do not use any work from forced or trafficked labour”. Defines as worker who illegally trafficked and work not as their own.</p> <p>Based on the workers interview, No such threat of a penalty and deductions from their salary. No genuine identification card was kept by the company. Genuine identification card (KTP, passport or degrees) were kept by the work themselves.</p> <p>If workers wish to resign from the company, they can resign without penalties. Procedure for resigning stated on the Company Regulation/Peraturan Perusahaan. The resign letter should be proposed at least 1 month before. No evidence of contract substitution were found during the audit. Checked through worker interview, the contract were made in 2 copies. Kept by both company and the workers. Both is exact same document.</p>
ASA1	6.13	<p>Company policy to respect human rights has been available and it’s provided by TSH Group. Sighted Doc. TSH Company Policy Titled: “Policy of Human Rights and Responsible Business” Doc. No. ST –POL09-02, Last Updated on April 2016. Signed by Mr. Dato’ Tan Aik Sim Managing Director of TSH Group. The policy is to clearly denote that TSH Resources Berhad and its subsidiaries will Promote the advancement of fundamental human rights; Eliminate human rights violations within its workforce; and Conduct business practices in an ethical and responsible manner.</p> <p>As a part of to respect the Human Rights in Mill, the company policy has been communicated through the training about Human Rights that included on Company Policy Training. Sighted the Report of Activities of its training including the awareness raising about 9 policy for the following topics: Policy of Transparency, Policy of Equal Opportunity & Discrimination, Policy Freedom of Association, Policy of Sexual Harassment, Policy of Reproductive Rights, and Policy of Child Labour. It was conducted partially, Sighted “Training records of Training 9 Kebijakan dan Prosedur Keluh Kesah” dated on 6 March 2017, attended by 58 Workers. Conducted by Estate Managers and mill Managers. However, no such cases found. Verified through the complaint books and workers interview.</p> <p>No evidence of training record regarding the company policy to protect the human rights has been communicated to all levels of the workforce in Sarana Estate and Mill.</p>

Principle 7: Responsible Development of New Plantings

Criterion by Audit	Summary	
		In response to new planting done after year 2010 without conducting a formal SEIA, the company has conducted LUCCA for PT SPMN and has submitted compensation plan for RSPO approval. There is no liability identified for SPMN and in April 2016, RSPO Compensation Panels has been endorsed the company’s compensation plan. No new planting in past 12 months occurred at PT. SPMN.
ASA1	7.1	Not applicable
ASA1	7.2	Not applicable
ASA1	7.3	Not applicable
ASA1	7.4	Not applicable
ASA1	7.5	Not applicable
ASA1	7.6	Not applicable
ASA1	7.7	Not applicable
ASA1	7.8	Not applicable

Principle 8: Commitment to Continuous Improvement in Key Areas of Activity

Criterion by	Summary	Sighted continuous monitoring, review of activities and development are

Audit		implemented along with action plans that allow demonstrable continual improvement in key operations such as in minimizing environmental impacts, pollution prevention plans and working conditions.
ASA1	8.1	<p>Continuous improvement plan sighted in Continuous Improvement files document NO BMP-SPMN-CONIMPIAN01-00 updated 24th March 2017. Sighted plan for environmental, Social, K3 management plan.</p> <p>The plan among others includes:</p> <ol style="list-style-type: none"> a. Management Issues b. Target c. Activities d. Verifier e. Person in Charge f. Time Scale g. Frequency <p>However, management plan to reduce certain chemical not sighted. Sighted slight reduction of usage for Paraquat Dichloride 280g/l for year 2015 and year 2017. Total 9361L was used in 2015 and 9122L was used in 2016.</p> <p>Estate optimised on yield of FFB production with programme for yield enhancement sighted. POME application and EFB application for year 2017. Continous visit internally sighted as an effort for FFB enhancement sighted from the agronomist reports, quality management report.</p> <p>Estate have some area of peat land where water table have been monitor by using Piezometer and have been carried out monthly sighted from the water level assessment record. Estate will maintain the level no less than 40 cm as per sighted in Standard Operation procedure.</p> <p>Continuous improvement plan for the identified social impacts is available in Social Management Plan Structure (SOC-SPMN-SMPPLAN01-00). The company has identified some activities as Corporate Social Responsibility (CSR) as part of the social impacts improvement. The CSR planned is evidence in CSR Plan PT. Sarana Prima Multi Niaga (SOC-SPMN-CSRPLAN01-00). The plan among others listed:</p> <ol style="list-style-type: none"> a. Pendidikan b. Kesehatan c. Usaha Mikro d. Pertanian e. Keagaamaan f. Olahraga

4.3 Non-conformity Raised During this Audit and Any from the Previous Year, if applicable

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



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

4.3.1 Non-Conformities Identified during this Audit

The following NC's were raised for this audit.

Non-conformity number: 01/2017	
Project No: PRJ839451	
Site: SPMN	
Date: 30/03/2017	
Part of scope: P 1.3.1	
Requirement reference: 1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions along with the documentation of socialisation process of the policy to all levels of the workers and operations.	
Type of Non-conformity:	Verification by Lead Auditor:
Major <input checked="" type="checkbox"/>	Last year Minor lifted to Major due to not sufficient closure evidence provided during this ASA.
Minor <input type="checkbox"/>	
Time Line to Close the Non-conformity	Pre-Conditioned: Main/Re-Assessment:
29 th May 2017	Yes <input type="checkbox"/> No <input type="checkbox"/>
	Annual Surveillance:
	Major (60 days): <input checked="" type="checkbox"/>
	Minor (365 days) : <input type="checkbox"/>
Non-conformance (objective observation and statement of non-conformance):	
The company has established the SOP for Hak Asasi Manusia and Bisnis Yang Bertanggungjawab, Doc No.: ST-POL-09-02 (Rev01) Date April 2016. Approved by Ms (Tan Aik Sim), stated in SOP "Melakukan praktek bisnis secara beretika dan bertanggungjawab".	
However, no record evidence in socialisation to the workers in Sarana 2 and POM available or provided during the audit.	
Root Cause Analysis and extent: (To be filled by Auditee)	
<i>The estate does the socialization of sustainability policies periodically, but in this instance a record was not kept.</i>	
Corrections: Kindly provide the extent (To be filled by Auditee)	
<i>Socialization of all the policies especially the ST-POL09-02 was done during muster at the Sarana 2 and the palm oil mill.</i>	
Corrective/Preventive Actions: (To be filled by Auditee)	
<i>Records of socialization of policies will be filed in the Document control list.</i>	
Review of evidences submitted to CUC:	
Attendance list of Socialization of all the policies especially the ST-POL09-02 was done during muster at the Sarana 2 and the palm oil mill.	
Conclusion by CUC:	
NC Close	

NC Status: Yes (CLOSED) No (OPEN) ON SITE VERIFICATION REQUIRED Yes No

Lead Auditors' Name: Muhd Jamalul Arif Hamid Signature: 	Date: 30 th March 2017
Company's Representative Acceptance: Name: Arvind Devadasan Signature: 	Date: 22/05/2017

Non-conformity number: 02/2017	
Project No: PRJ839451	
Site: SPMN	
Date: 30/03/2017	
Part of scope: P 6.5.3	
Requirement reference: 6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.	
Type of Non-conformity: Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/>	Verification by Lead Auditor: Last year Minor lifted to Major due to not sufficient closure evidence provided during this ASA.
Time Line to Close the Non-conformity 29 th May 2017	Pre-Conditioned: Main/Re-Assessment: Yes <input type="checkbox"/> No <input type="checkbox"/> Annual Surveillance: Major (60 days): <input checked="" type="checkbox"/> Minor (365 days) : <input type="checkbox"/>

Non-conformance (objective observation and statement of non-conformance):

The result for Sumur Bor Housing from Laporan Hasil Uji date 17 Jan 2017:

No	Housing	Location Point	Microb Parameter	Result	RI Standard
1.	Sarana 1	Sumur Bor Old	E.coli Coliform	0 1.1x10 ⁴	n.a 10
2.	Sarana 1	Sumur Bor New	E.coli Coliform	0 4.5x10 ⁴	n.a 10
3.	Sarana 2	Sumur Bor Old	E.coli Coliform	0 4.9x10 ³	n.a 10
4.	Sarana 2	Sumur Bor New	E.coli Coliform	7.0x10 ² 1.0x10 ⁵	n.a 10

The result of water supplies to Housing from Bor resource are found exceed the limit of coliform presence and not comply to Lampiran II Peraturan Menteri Kesehatan RI Nomor: 416/ Menkes/Per/IX/1900 tanggal 3 September 1990 (Daftar Persyaratan Kualitas Air Bersih). No action taken by management to counter act this situation.

Therefore, the status of clean water supply from Bor to workers' housing Sarana 1 and Sarana 2 are not evidence for safe human consumption. Interview with few workers who is resident in the housing found few negative feedbacks on water quality which is not suitable for drinking due to physical water condition.

Root Cause Analysis and extent: (To be filled by Auditee)

The lab results does not conform to conditions found at the linesite.

Corrections: Kindly provide the extent (To be filled by Auditee)

The lab results does not conform to conditions found on the ground.

Corrective/Preventive Actions: (To be filled by Auditee)

Water samples were sent to Sucofindo for testing.

Review of evidences submitted to CUC:

The results still show high total coliform and presence of e-coli albeit in much lower concentrations than the original lab results. Thus the estate has started treating the water in the tanks with chlorine. Water quality testing has been sent but would be some time before the results come back.

Conclusion by CUC:

Major NC close however need to be verify on the result of current analysis in next surveillance audit.

NC Status: Yes (CLOSED) No (OPEN) ON SITE VERIFICATION REQUIRED Yes No

Lead Auditors' Name: Muhd Jamalul Arif Hamid

Date: 30th March 2017

Signature:



Company's Representative Acceptance:

Date: 29/05/2017

Name: Arvind Devadasan

Signature:



Non-conformity number: 03/2017

Project No: PRJ 839451

Site: PT SARANA PRIMA NIAGA ESTATE

Date: 30/03/2017



Part of scope: P 4.7.3

Requirement reference: 4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.



Type of Non-conformity:

Verification by Lead Auditor:

Major	<input checked="" type="checkbox"/>	
Minor	<input type="checkbox"/>	
Time Line to Close the Non-conformity		Pre-Conditioned: Main/Re-Assessment:
29 th May 2017		Yes <input type="checkbox"/> No <input type="checkbox"/>
		Annual Surveillance:
		Major (60 days): <input checked="" type="checkbox"/>
		Minor (365 days): <input type="checkbox"/>
Non-conformance (objective observation and statement of non-conformance):		
<p>a) Based on RSPO Principles and Criteria indicator stated that adequate and appropriate protective equipment shall be available to all workers at the place of workers to cover all the potentially hazardous operations.</p> <p>Sighted in Work Safe Procedure for Harvesters stated harvesters need to wear Personal Protective Equipment as per below,</p> <ul style="list-style-type: none"> d. Helmet e. Safety Boots f. Hand Glove <p>Sighted also in Risk Assessments for Harvesters that the harvesters need to wear hand glove during harvesting and classified</p> <p>However, during the site visit at SPMN 2 Estate, the harvesters are not wearing hand glove while working and as per interview hand glove are not provided to the harvesters.</p> <p>Cross reference with Personal Protective Equipment (PPE) issuance record to the harvesters also shown the hand gloves are not provided to the harvesters.</p> <p>b) Stated in K3 Procedure that it is mandatory to every worker need to wear safety helmet as part of the Personal Protective Equipment (PPE).</p> <p>Sighted in Work Safe procedure for sprayer stated that Personal Protective Equipment (PPE) for sprayer is including safety helmet, goggles, apron, safety boots, hand glove and face masks.</p> <p>However, during the site visit sighted that the sprayers were not wearing safety helmets while working. Cross reference with the PPE issuance records for sprayer's evidence that no helmets have been provided to the sprayers. Practice on field sighted against the above procedure.</p>		
Root Cause Analysis and extent: (To be filled by Auditee)		
<i>Hand gloves were recommended but risk is low and grip of tools is adversely affected, which increases the risk from the usage of the tools. Wearing helmet was an extra safety precaution although not required based on the risk rating.</i>		
Corrections: Kindly provide the extent (To be filled by Auditee)		
<i>Hand gloves were accessed to be not necessary for harvesters. Helmets were deemed necessary tool to educate the spraying workers about safety.</i>		
Corrective/Preventive Actions: (To be filled by Auditee)		
<i>Hand gloves were removed from the risk assessment for harvesters. Red helmets were provided to all spraying workers.</i>		
Review of evidences submitted to CUC:		
Revised risk assessment and issuance records of helmet to the harvesters.		

Conclusion by CUC: Corrective action found sufficient to close the NC.	
NC Status: Yes <input type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input type="checkbox"/>	
Lead Auditors' Name: Muhd Jamalul Arif Hamid Signature: 	Date: 30 th March 2017
Company's Representative Acceptance: Name: Arvind Devadasan Signature: 	Date: 22/05/2017

Non-conformity number: 04/2017	
Project No: PRJ839451	
Site: PT. Sarana Prima Multi Niaga (POM and estate)	
Date: 30 th March 2017	
Part of scope: Principle 6	
Requirement reference: Criterion 6.5 Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages. 6.5.1. Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.	
Type of Non-conformity: Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/>	Verification by Lead Auditor:
Time Line to Close the Non-conformity 29 th May 2017	Pre-Conditioned: Main/Re-Assessment: Yes <input type="checkbox"/> No <input type="checkbox"/> Annual Surveillance: Major (60 days): <input checked="" type="checkbox"/> Minor (364 Days/Next ASA): <input type="checkbox"/>
Non-conformance (objective observation and statement of non-conformance): No evidence of TSH management monitor the pay and condition employees of contractors to ensure the compliance to the applicable Indonesia Regulation as per mentioned in legal list of TSH Group TSH Group Doc. No. LGL-DLL01-02. All operating units not able to shown documentation regarding pay and condition for their respective contractor's workers who carried out work within plantation vicinity. Also, according to the Internal Audit Result of Sustainability Team PT SPMN Doc No. BMP-SPMN-IASREP01-01. dated on 10/10/16. Its internal audit Report does not cover all the subcontractor worker, confirmed through Subcontractors interview (CV. Kencana Lestari and CV. Rino).	

Root Cause Analysis and extent: (To be filled by Auditee) <i>The internal audit does cover contractors but the legalities of the contractors were not subjected to the audit.</i>	
Corrections: Kindly provide the extent (To be filled by Auditee) <i>A brief internal audit was conducted to check the legalities of the contractors.</i>	
Corrective/Preventive Actions: (To be filled by Auditee) <i>Evidence of the contractor legalities was filed.</i>	
Review of evidences submitted to CUC: Internal audit against contractors has been conducted by PT. SPMN including for CV. Kencana Lestari and CV. Rino.	
Conclusion by CUC: Corrective action found sufficient to close the NC.	
NC Status: Yes <input type="checkbox"/> (CLOSED) No <input checked="" type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Lead Auditors' Name: Muhd Jamalul Arif Signature: 	Date: 30 th March 2017
Company's Representative Acceptance: Name: Arvind Devadasan Signature: 	Date: 22/05/2017

Non-conformity number: 05/2017	
Project No: PRJ839451	
Site: PT. Sarana Prima Multi Niaga (POM and estate)	
Date: 30 th March 2017	
Part of scope: Principle 6	
Requirement reference: Criterion 6.13. Growers and millers respect human rights. 6.13.1. A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations	
Type of Non-conformity: Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/>	Verification by Lead Auditor:
Time Line to Close the Non-conformity 29 th May 2017	Pre-Conditioned: Main/Re-Assessment: Yes <input type="checkbox"/> No <input type="checkbox"/>
	Annual Surveillance: Major (60 days): <input checked="" type="checkbox"/> Minor (364 Days/Next ASA): <input type="checkbox"/>
Non-conformance (objective observation and statement of non-conformance): Company policy to respect human rights has been available and it's provided by TSH Group.	

Sighted Doc. TSH Company Policy Titled: "Policy of Human Rights and Responsible Business" Doc. No. ST – POL09-02, Last Updated on April 2016. The policy is to clearly denote that TSH Resources Berhad and its subsidiaries will Promote the advancement of fundamental human rights; Eliminate human rights violations within its workforce; and Conduct business practices in an ethical and responsible manner.

However, there is no evidence of training record regarding the company policy to respect human rights has been communicated to all levels of the workforce in Sarana 2 and Mill. As human rights issue is one of the main issue discovered by the Amnesty International in their recent report "The Great Palm Oil Standard", the appropriate action and awareness should be taken by management on this issue importantly.

Root Cause Analysis and extent: (To be filled by Auditee)

The estate does the socialization of sustainability policies periodically, but in this instance a record was not kept.

Corrections: Kindly provide the extent (To be filled by Auditee)

Socialization of all the policies especially the ST-POL09-02 was done during muster at the Sarana 2 and the palm oil mill.

Corrective/Preventive Actions: (To be filled by Auditee)

Records of socialization of policies will be filed in the Document control list.

Review of evidences submitted to CUC:

Attendance list of Socialization of all the policies especially the ST-POL09-02 was done during muster at the Sarana Estate and the palm oil mill.

Conclusion by CUC:

Corrective action found sufficient to close the NC.

NC Status: Yes (CLOSED) No (OPEN) ON SITE VERIFICATION REQUIRED Yes No

Lead Auditors' Name: Muhd Jamalul Arif

Date:

Signature:



Company's Representative Acceptance:

Date: 22/05/2017

Name: Arvind Devadasan

Signature:



Non-conformity number: 06/2017

Project No: PRJ839451

Site: PT. Sarana Prima Multi Niaga

Date: 30/03/2017


Part of scope: P 5.2.4

Requirement reference: 5.2.4 Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.


Type of Non-conformity:

Major

Verification by Lead Auditor:

Minor	<input checked="" type="checkbox"/>	
Time Line to Close the Non-conformity	Pre-Conditioned: Main/Re-Assessment: Yes <input type="checkbox"/> No <input type="checkbox"/>	
	Annual Surveillance:	
	Major (60 days):	<input type="checkbox"/>
	Minor (365 days) :	<input checked="" type="checkbox"/>
Non-conformance (objective observation and statement of non-conformance):		
<p>No record evidence that the estate has carried out any monitoring activities in river and riparian zone as per define in HCV monitoring plan such monitoring of riparian zone marking, planting of endemic species plants and monitoring of ERT been carried out. Sighted in the SOP for Batas Kawasan Riparian and HCV Doc No.: ST-SOP11-02 (Rev02) date November 2015. Stated clause 6.7, pemantauan area riparian dan HCV; Clause 6.7.1 Sustainability Department will monitor and check riparian zone every 3 months.</p> <p>Therefore, no results of monitoring available to be used to follow-up on the improvement of the management plan.</p>		
Root Cause Analysis and extent: (To be filled by Auditee)		
Corrections: Kindly provide the extent (To be filled by Auditee)		
Corrective/Preventive Actions: (To be filled by Auditee)		
Review of evidences submitted to CUC:		
Conclusion by CUC:		
NC Status: Yes <input type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input type="checkbox"/>		
Lead Auditors' Name: Muhd Jamalul Arif Hamid		Date: 30/03/2017
Signature:		
		
Company's Representative Acceptance:		Date:
Name:		
Signature:		

Non-conformity number: 07/2017
Project No: PRJ39451
Site: PT. Sarana Prima Multi Niaga (POM and estate)
Date: 30 th March 2017
Part of scope: Principle 6

Requirement reference:	
6.1.4. The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties. Plan for management and monitoring of social impacts shall be established to avoid or reduce negative impacts and promote the positive ones, and monitoring of identified impacts shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.	
Type of Non-conformity:	Verification by Lead Auditor:
Major <input type="checkbox"/>	
Minor <input checked="" type="checkbox"/>	
Time Line to Close the Non-conformity	Pre-Conditioned: Main/Re-Assessment:
Next Surveillance Audit	Yes <input type="checkbox"/> No <input type="checkbox"/>
	Annual Surveillance:
	Major (60 days): <input type="checkbox"/>
	Minor (364 Days/Next ASA): <input checked="" type="checkbox"/>
Non-conformance (objective observation and statement of non-conformance):	
There is no evidence that the review process as well as action plan includes participation of all affected parties (local communities), in order to avoid or reduce negative impacts and promote the positive ones. Based on the TSH document Master List, doc No. SOC-(Estate)-SIAREP01-00, the SIA document will be reviewed in every 5 Years which is against the RSPO requirement for SIA shall be review in every 2 years.	
Root Cause Analysis and extent: (To be filled by Auditee)	
Corrections: Kindly provide the extent (To be filled by Auditee)	
Corrective/Preventive Actions: (To be filled by Auditee)	
Review of evidences submitted to CUC:	
Conclusion by CUC:	
NC Status: Yes <input type="checkbox"/> (CLOSED) No <input checked="" type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Lead Auditors' Name: Muhd Jamalul Arif	Date: 30 th March 2017
Signature: 	
Company's Representative Acceptance:	Date:
Name:	
Signature:	

4.3.2 Non-Conformity Identified during the last ASA, not applicable for MA

The following NC's were raised during the last audit and the status was reviewed as indicated below.

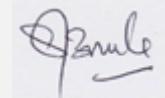
NON CONFORMITY REPORT

NC number:	2015-01
Client name:	TSH Group: PT. Sarana Prima Multi Niaga
Date raised:	29th July 2015
Major or Minor:	Minor
Raised by:	Baskaran

Aspect of standard:
1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.

Evidence of non-conformity:
There is evidence that the company has not established written policy committing to a code of ethical conduct and integrity in all its operations and transactions.

Lead Assessor Signature



Date : 29/07/2015

Proposed corrective action / improvement action by company:

The company has established the SOP for Hak Asasi Manusia and Bisnis Yang Bertanggungjawab, Doc No.: ST-POL-09-02 (Rev01) Date April 2016. Approved by Ms (Tan Aik Sim), stated in SOP "Melakukan praktek bisnis secara beretika dan bertanggungjawab".

Timeline for conformance: next surveillance audit

Closed out evidence:

The company has established the SOP for Hak Asasi Manusia and Bisnis Yang Bertanggungjawab, Doc No.: ST-POL-09-02 (Rev01) Date April 2016. Approved by Ms (Tan Aik Sim), stated in SOP "Melakukan praktek bisnis secara beretika dan bertanggungjawab".

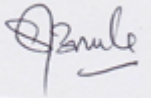

However, no record evidence in socialization to the workers in Sarana 2 Division and POM available or provided during the audit. Interview with few workers during field visit found the knowledge or awareness on Code Ethical Conducts and Integrity is very weak.

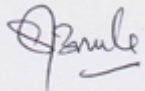

Therefore, last year Minor lifted to Major due to not sufficient closure evidence provided during this ASA.

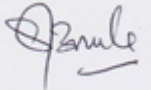

Lead Assessor Signature

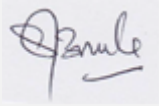
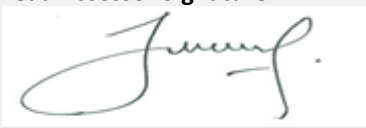


Date: 30/03/2017


NON CONFORMITY REPORT	
NC number:	2015-02
Client name:	TSH Group: PT. Sarana Prima Multi Niaga
Date raised:	29th July 2015
Major or Minor:	Minor
Raised by:	Muhammad Shazaley bin Abdullah
Aspect of standard: 5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.	
Evidence of non-conformity: Although the waste management plan was implemented, site inspection conducted at Field E42 during the audit evidence that waste segregation and recycling program has not been properly done to reduce waste and utilization of landfill.	
Lead Assessor Signature  Date : 29/07/2015	
Proposed corrective action / improvement action by company: The company has established the: 1) Waste Management Plan Doc No.: ENV-SPMN-WSTPlan01-04 update on 22 March 2017 and defined the type of waste, target and activities and link to GHG Management Plan Doc. No.: ENV-SPMN-GHGPLAN01-00 2) Sighted the SOP for Pengelolaan Limbah B3 (Doc No.: ST-SOP12-00) Date October 2014 3) SOP for Tempat Penimbunan Sampah (Doc No: ST-SOP01-01) date October 2015.	
Timeline for conformance: next surveillance audit	
Closed out evidence: The management plan has identified waste products, sources of waste, sources of pollution, plan to reduce pollution, target, PIC and status. Schedule waste and chemical containers were collected by approved licensor contractor while domestics waste generated from linesite are disposed to landfill. Recycling program been enhance by provided additional recycle bin and second waste segregation been made at the landfill. Verified during site visit, landfill is in well condition with appointed workers sighted doing the segregation process. Therefore, the last year NC corrective action taken were found adequate provided by the management on this ASA1.	
Lead Assessor Signature  Date : 30/03/2017	

NON CONFORMITY REPORT	
NC number:	2015-03
Client name:	TSH Group : PT. Sarana Prima Multi Niaga
Date raised:	29 July 2015
Major or Minor:	Minor
Raised by:	Abdul Haye Semail
<p>Aspect of standard: 6.5.3: Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p>	
<p>Evidence of non-conformity: Poor housing condition for estate such as lacks of maintenance, roof leaking and unusable toilet. Inadequate basic amenities such as water supply.</p> <p>Lead Assessor Signature  Date : 29/07/2015</p>	
<p>Proposed corrective action / improvement action by company: PT. SPMN has been provided adequate housing including its electricity (provided internally by the company), clean water (provided by water drill) and medical services for both estates. For advanced education, the company provide a kindergarten and primary school as well. They have a shuttle bus to pick up the student every day, and another welfare facilities (sport court, praying building, etc.). Housing system for estate based on 1 family 1 house.</p> <p>Company has a system to monitor and repair all housing periodically that conducted by the sustainability team. Sighted doc "Sustainability Department Checklists" for mill workers housing No: ST-LOCCHKLST10-00, dated on 08-09-November 2016</p>	
<p>Timeline for conformance: next surveillance audit</p>	
<p>Closed out evidence: However, the result of water supplies to Housing from Bor resource are found exceed the limit of coliform presence and not comply with Lampiran II Peraturan Menteri Kesehatan RI Nomor: 416/ Menkes/Per/IX/1900 tanggal 3 September 1990 (Daftar Persyaratan Kualitas Air Bersih). No action taken by management to counter act this situation.</p> <p>Based on above fact, the status of clean water supply from Bor to workers' housing at Sarana Estate are not evidence for safe human consumption. Interview with few workers who is resident in the housing found few negative feedback on water quality which is not suitable for drinking due to physical water condition.</p> <p>Therefore, last year Minor lifted to Major due to not sufficient closure evidence provided during this ASA1.</p> <p>Lead Assessor Signature  Date : 30/03/2017</p>	

NON CONFORMITY REPORT	
NC number:	2015-04
Client name:	TSH Group : PT. Sarana Prima Multi Niaga
Date raised:	29 July 2015
Major or Minor:	Minor
Raised by:	Abdul Haye Semail
Aspect of standard: 6.6.2: Minutes of meetings with main trade unions or workers representatives shall be documented.	
Evidence of non-conformity: There is no record was kept by the company for the meetings that was held with the worker unions.	
Lead Assessor Signature 	
Date : 29/07/2015	
Proposed corrective action / improvement action by company: Company has a mechanism to the collective bargaining process through meeting with Workers Union (Lembaga Kerjasama Bipartit, as per mentioned on the Working Instructions (WI) No. LKS01-00, titled "Registration of Lembaga Kerjasama Bipartit / Welfare Committee HR" and Doc No. LKSMOM01-00, titled Minutes of Meeting with Welfare Committee / LKS Bipartit HR.	
Timeline for conformance: next surveillance audit	
Closed out evidence: Doc No. LKSMOM01-00, titled Minutes of Meeting with Welfare Committee / LKS Bipartit HR. Sighted minutes of meeting record that was held in 26 June 2016. Attended by 14 Persons. The meeting result were: <ul style="list-style-type: none"> - The scholarships of BPJS mechanism for children of workers. - Housing construction and electrical service request for workers residence. - One day Rest for women workers during the menstruation. <p>Therefore, the last year NC corrective action taken were found adequate provided by the management on this ASA1.</p>	
Lead Assessor Signature 	
Date : 30/03/2017	

NON CONFORMITY REPORT	
NC number:	2015-05
Client name:	TSH Group : PT. Sarana Prima Multi Niaga
Date raised:	29 July 2015
Major or Minor:	Minor
Raised by:	Abdul Haye Semail
<p>Aspect of standard: 6.9.3: A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p>	
<p>Evidence of non-conformity: Based on number of complaint received which is very few, and from the interviews with workers found that they are not aware about this procedure. This means that this procedure was not well communicated to all levels of the workforce. The decision made by Welfare committee was not informed to the complainer due to no name stated in the complaint form. The complaint form is not include decision that will be made by the welfare committee.</p> <p>Lead Assessor Signature  Date : 29/07/2015</p>	
<p>Proposed corrective action / improvement action by company: Complaint and grievance mechanism can be anonymized as per mentioned on SOP No. HR-SOP23-00, titled: "Prosedur penanganan Keluh Kesah Pekerja" and SOP Doc No. HR-SOP10-00, dated on 20 July 2016.</p> <p>The worker were provided several way to deliver the complaints. Directly to the HR management through suggestion box or filling the complaint form. Other way, the complaints can be delivered through the worker union.</p>	
<p>Timeline for conformance: next surveillance audit</p>	
<p>Closed out evidence: The worker were provided several way to deliver the complaints. Directly to the HR management through suggestion box or filling the complaint form. Other way, the complaints can be delivered through the worker union. All complaint and grievances are handled by HR Department Mr. Didin Mahdi.</p> <p>In order to close the last Main Assessment NC, Awareness raising regarding Complaint Procedures has been communicated to all of the Mill as well as to all workers of the estate, sighted doc: "Sosialisasi penanganan Keluh kesah Pekerja" conducted by the sustainability Team, dated on 19 May 2015, 20 May 2015, 27 May 2015 and 2 July 2015, It was totally attended by 142 Persons.</p> <p>The last year NC corrective action taken were found adequate provided by the management on this ASA1.</p> <p>Lead Assessor Signature  Date : 30/03/2017</p>	

4.3.3 Observations Raised During this Audit

Client name:	PT. Sarana Prima Multi Niaga		
Date raised:	30 th March 2017		
Raised by:	Muhd Jamalul Arif		
PT. SPMN both mill and Estate help to improve the local community development need through the Corporate Social Responsibility (CSR). The program is based on the needs of the local communities and TSH Group Annual Budget. However the contributions to local development has not based on the results of consultation with the local communities. Checked through stakeholder consultation, they are not been informed or contact regarding the CSR program. Records of CSR for 2017 is available but not been finalise yet.			
Assessors Signature		Date	30 th March 2017

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

Stakeholders that are likely to have information relevant for the evaluation was identified during the evaluation planning process.

- For Main and Re-Assessments, a 30 day Stakeholder consultation announcement is published on the RSPO website prior to the audit. The same announcement is circulated by the client and independently by the Control Union prior to the audit.
- For subsequent Annual Assessments, it is based on stakeholders reading the approved public summary reports available on the RSPO website, the client's procedures in receiving on-going feedback or if feedback was sent directly to Control Union prior to an audit or thorough RSPO complaints procedures.

Prior to and during all assessments (Main and annual), the audit team will seek to gather evidence about all relevant principles and criteria directly from stakeholders including statutory bodies, indigenous peoples, local communities (including displaced communities, if any), workers and workers' organizations [including migrant workers], smallholders, and local and national NGOs.

During each assessment the audit team will review the company's implemented procedures in receiving feedback and will execute field visits and interviews. Not limited to the following questions, any feedback received is reviewed and summarized in this summary report for either Part 2 – Partial Certification or Part 4 – Assessment Findings above or noted below, if applicable:

1. Do you have any remarks on the RSPO standard?
2. What is your relation with the applicant?
3. Are there any plantation or mill management practices that affect you?
4. Do you consider any management is in conflict with the RSPO principles and criteria?
5. Do you have any suggestions for management?
6. Are you aware of any HCV in the plantations or in adjacent land?
7. Are you aware of any endangered or rare species?
8. Are there any adverse (or positive) effects on local communities?
9. Additional comments?
11. Do you have any comments about the assessment team and would you like to meet with them?
12. Do you have any comments for the client's management of any other plantations?

RSPO Principle	Stakeholder comment	CUC response
1 – Commitment to transparency	PT. Sarana Prima Multi Niaga has been followed all regulations properly. As a part of THH Group commitment, all permits had been completed as well. This information has been obtained from the selected stakeholder from local departments from Kotawaringin Timur Regency, Kalimantan Timur Province, such as: The local department of Agriculture (Dinas Perkebunan) and the local department of Manpower and transmigration describes.	Positive findings
2 - Compliance with applicable laws and regulations		
3 - Commitment to long-term economic and financial viability		
4 - Use of appropriate best practices by growers and millers		
5 - Environmental responsibility and conservation of natural resources and biodiversity	They never found a negative complaint from The Workers Union (Lembaga Kerjasama Bipartit- PT. SPMN). Should they have any complaint, the workers will be communicated the complaints through a complaint procedure and it will be solved as soon as possible. Also, it could be addressed through the collective bargaining process through meeting with Workers Union (Lembaga Kerjasama Bipartit, as per mentioned on the Working Instructions (WI) No. LKS01-00. The company is registering their workers to the Local Manpower Department in Kotawaringin Timur Regency at least once a year based on the Indonesian Regulation. Also, it's to determine the workers minimum wages based on the Kotawaringin Timur Regency minimum wages (UMK) which is IDR 2.347.849.	Positive findings
6 – Responsible consideration of employees, and of individuals and communities affected by growers and mills		
7 - Responsible development of new plantings		
8 - Commitment to continuous improvement in key areas of activities	Based on information that obtained from BPJS Kesehatan Agency, The company has been registered almost all of its workers as well as their family to the BPJS (National Security and Insurance Deductions). They purpose to company to register the outstanding workers registration due to E-ID card civilization outstanding.	Points of Attention
	Based on the workers union interview. All workers are paid above the minimum wages and receive more benefits, such as: Top-up system for workers who has paid below the wages, so all workers will get the salary at least the applicable minimum wages. PT. Sarana Prima Multi Niaga has been provided a comfort housing for the workers. For the house that need to repair, company has a system to monitor and repair all housing periodically that conducted by the sustainability team. Sighted doc "Sustainability Department Checklists" for mill workers housing. The Union describes that there is no accident for the current year. Health and safety system has been settled to ensure a safe working conditions to all workers based on the SOP "Keselamatan dan Kesehatan	Positive findings

	<p>Kerja (K3) Manual” and the Occupational Safety & Health (OSH) Plan.</p> <p>The local communities, such as: Pelantaran Village and Karang Sari Village describes that, the activity of PT. Sarana Prima Multi Niaga has a positive effects for the local communities in Kotawaringin Timur Regency. It could increase their economic opportunities as well as job career opportunities, protection the HCV and support the local school education.</p>	<p>Positive findings</p>
--	--	--------------------------

PART 5: RSPO SUPPLY CHAIN CERTIFICATION

The palm mill mentioned in the scope of the audit was audited against the requirements of the following:
RSPO Supply Chain Certification Systems. November 2014
RSPO Supply Chain Certification Standard. November 2014

5.1 POM Included In The Scope Of The Audit

Name Palm Oil Mill	Mill Capacity	Location	Supply Chain Model
(POM)	MT/Hour	Address	(IP or MB)
PT Sarana Prima Multi Niaga POM	45	Subdistrict Cempaga Hulu and Parenggean, Kabupaten Kotawaringin Timur, Kalimantan Tengah, Indonesia	MB

5.2 Confirmation Of The Company's Summary Of Annual Certified Volume Of RSPO Certified Palm Oil And Palm Kernel Over A Specified Period

Product CU Code	CPO (MT)	PK (MT)	Specified 12 month period
POM 1	43,900	6100	Actual volumes forecasted 2017 - 2018

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

The Mill Manager is the person responsible to implement, manage and verify all the mass balance traceability activities that happens in the mill. It is the responsibility of the department heads to ensure that they and their subordinates comply with the requirements and procedures stated in SOP manual.

The company has established SOP titled “Supply Chain – Mass Balance” document No. ST-SOP19-00 dated June 2015 for the Mass Balance management of the Palm Oil Mill supply chain system. As per the SOP incoming FFB from certified estates into its certified mill supply base are classified and managed as certified FFB while FFB from uncertified plantations are classified as noncertified FFB. The weighbridge operator records FFB received separately as certified FFB and non-certified FFB. The mill clerks will use this data accordingly to produce the Daily FFB Report and Mass Balance Report. The production of certified CPO and PK is based upon the percentage of the certified FFB processed from the total FFB processed.

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

5.4 Monthly Records of Certified and Uncertified FFB Received Since the Last Audit

Figure are actual FFB production on monthly basis

No	MONTH-YEAR	Certified Supply Bases (MT)	Uncertified Supply Bases (MT), if any	Total (MT)
1	January 2016	15640.01	214.17	15845.18
2	February 2016	12338.01	286.92	12624.93
3	March 2016	9219.83	379.18	9599.01
4	April 2016	7570.18	376.09	7946.27
5	May 2016	6987.59	336.57	7324.16
6	June 2016	5490.13	454.51	5944.64
7	July 2016	5026.08	298.91	6324.99
8	August 2016	11814.29	523.86	12338.15
9	September 2016	21112.54	763.05	21875.59
10	October 2016	24637.99	958.56	25596.55
11	November 2016	19935.25	1026.58	20961.83
12	December 2016	11045.55	977.34	12022.89
	TOTAL	150817.45	6595.74	157413.19

5.5 Monthly Records of Certified CPO and PK Since the Last Audit

Figure are actual CPO and PK production on monthly basis

No	MONTH-YEAR	Certified CPO (MT)	Certified PK (MT)
1	January 2016	3611.278	495.788
2	February 2016	2848.847	442.935
3	March 2016	2128.859	406.595
4	April 2016	1747.955	345.200
5	May 2016	1613.435	236.879
6	June 2016	1267.671	192.704
7	July 2016	1160.522	159.327
8	August 2016	2727.920	350.884
9	September 2016	4874.885	669.268
10	October 2016	5688.912	835.228
11	November 2016	4603.049	635.934
12	December 2016	2550.417	399.849
	TOTAL	34823.749	5170.59

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

In case of Main Assessment, it shall be the last 12 months figure.

Figure are actual Certified CPO & PK Sold under GreenPlam to Buyers on monthly basis

No	Buyers Name	GreenPalm Trading No	Certified CPO (MT) Sold	Certified PK (MT) Sold
1	-	-	-	-
2				
3				
4				
5				

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

In case of Main Assessment, it shall be the last 12 months figure.

If this is an Annual Surveillance Assessment, the figures used are since the last audit.

The transactions were sighted from the clients registered UTZ eTrace Account.

No	Buyers Name	UTZ eTrace Trading No	Certified CPO (MT) Sold	Certified PK (MT) Sold
1	PT. Wilmar Nabati Indonesia - Sampit	TR-12b77fec-af74	-	160
2	PT. Wilmar Nabati Indonesia - Sampit	TR-523e363e-f044	-	160
3	PT. Wilmar Nabati Indonesia - Sampit	TR-9e36af92-2c19	-	160
4	PT. Wilmar Nabati Indonesia - Sampit	TR-d69d3e36-f312	-	160
5	PT. Wilmar Nabati Indonesia - Sampit	TR-b16ccb0f-b72a	-	160
6	PT. Wilmar Nabati Indonesia - Sampit	TR-5b6d97f6-c36e	-	125
7	PT. Wilmar Nabati Indonesia - Sampit	TR-288c1255-585d	-	125
8	PT. Wilmar Nabati Indonesia - Sampit	TR-46447b75-2fe8	-	125
9	PT. Wilmar Nabati Indonesia - Sampit	TR-5e551c9e-fa99	-	75
10	PT. Wilmar Nabati Indonesia - Sampit	TR-e77aed19-22a6	-	75
11	PT. Wilmar Nabati Indonesia - Sampit	TR-76308ff6-3910	-	75

5.8 Non-Conformities Identified during this Audit

Timeline for compliance:

1. All non-conformances observed during an audit shall be classified as 'major' since all requirements for Supply Chain certification have to be met before granting certification.
2. For Main Assessments, all non-conformances shall be addressed satisfactorily by the operation before certification may be granted by the certification body. If non-conformances are not addressed within three (3) months of the audit, a full re-audit shall be required. The certification body shall assess the effectiveness of the corrective and/or preventive actions taken before closing out the non-conformances.
3. For Annual Surveillance Assessments, non-conformances raised after the certification are serious (i.e. must be considered as a major) and the integrity of the RSPO Supply Chain Certification is at risk. A maximum of one month is to be given to the certified client to satisfactorily address the non-conformance. The certification body shall assess the effectiveness of the corrective and/or or preventive actions taken. Should the nonconformance not be addressed within the one-month maximum timeframe, a suspension or withdrawal of the certificate and a full re-audit may be necessary.
4. If no non-conformances are observed at an audit or when the corrective action plan has satisfactorily addressed raised non-conformance(s), the client shall be recommended for (re-) certification.

No NC raise in this assessment

5.9 Description of the Organizational Management Systems

Including organizations, management and operational systems to ensure compliance with the RSPO Supply Chain Certification Systems and Standards as detailed above

This palm oil mill and its supply bases were audited against RSPO SCCS. The mill processing capacity is 45 tonne FFB per hour. The mill is capable of handling MB supply chain model.

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

Recommendations made:	Yes
Summary of non-compliances:	N/A
Certification status of client:	<p>The POM included in the scope of this audit demonstrated full compliance with the RSPO SCCS.</p> <p>With effect from the certification date given in the RSPOPC certificate, this POM mentioned in the scope of this report is considered to be certified in accordance with the RSPO SCCS.</p>

PART 6: CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

6.1 Date of next ASA

The provisional date for the next ASA is: March 2018

6.2 Date for Closure of Non-Conformities

See sections above for details of NC's, if any

- All major NCs to be closed by: 29/05/2017
(All has been Closed during finalised this report)
- All minor NCs to be closed by: Before next surveillance audit

6.3 Signing by the Client

I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in this document.

I also confirm:

- Acceptance of liability in execution of the instructions given.
- That this company was made aware that the findings of the audit team are tentative; pending review and decision making by the duly designated representatives of Control Union Certifications.
- That during the closing meeting all agenda items was covered by the Lead Auditor.

Acknowledged by:

Name: Thambirajan Pillai
Position: Head of Sustainability
Date: 03/08/2017



Signature

6.4 Signing by the Lead Auditor

I the undersigned, being the Lead Auditor, confirm that this report is an accurate record of the findings and of the closing meeting. I further confirm that the summary of the findings as presented in this report are a true representation of the actual findings of the audit team.

Acknowledged by:

Name: Muhd Jamalul Arif
Position: Lead Auditor
Date: 22/05/2017



Signature

6.5 Signing by the Certifier

I the undersigned, being the Certifier, confirm that the information and conclusions included in this report have been prepared in good faith and that the certification decision has been based upon this information.

Acknowledged by:

Name: Elzy Ovktafia
Position: Certifier
Date: 03/08/2017



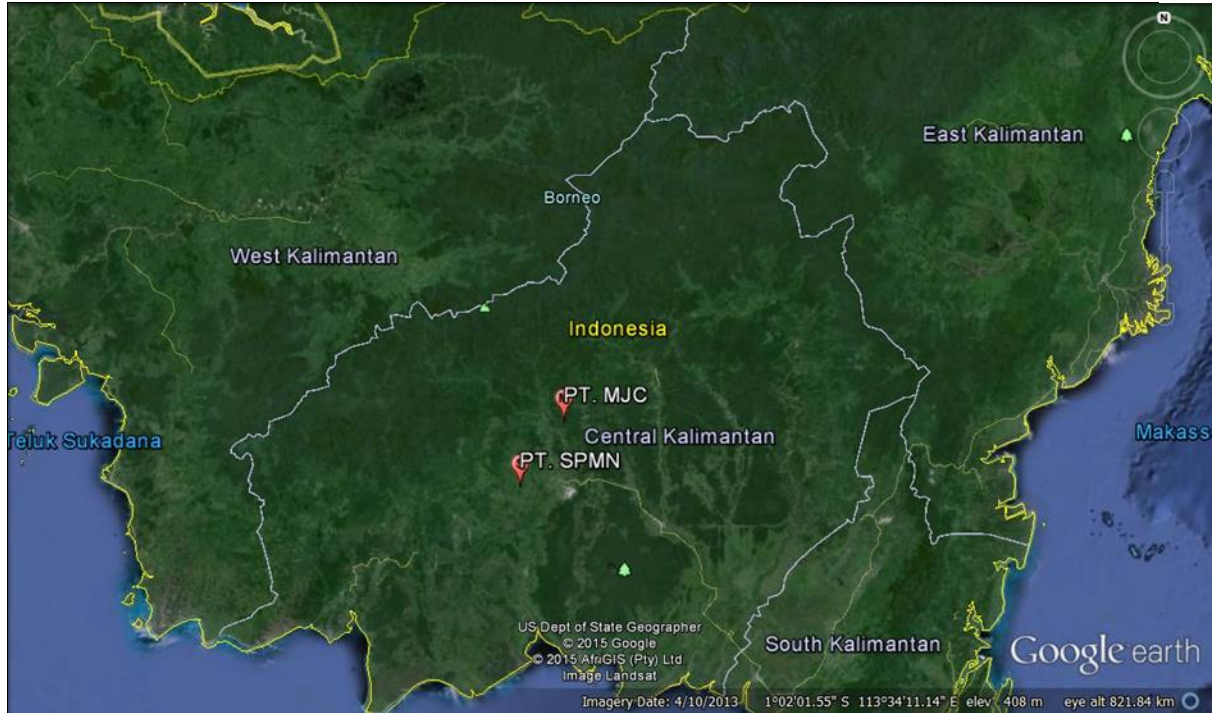
Signature

PART 7: APPENDICIES

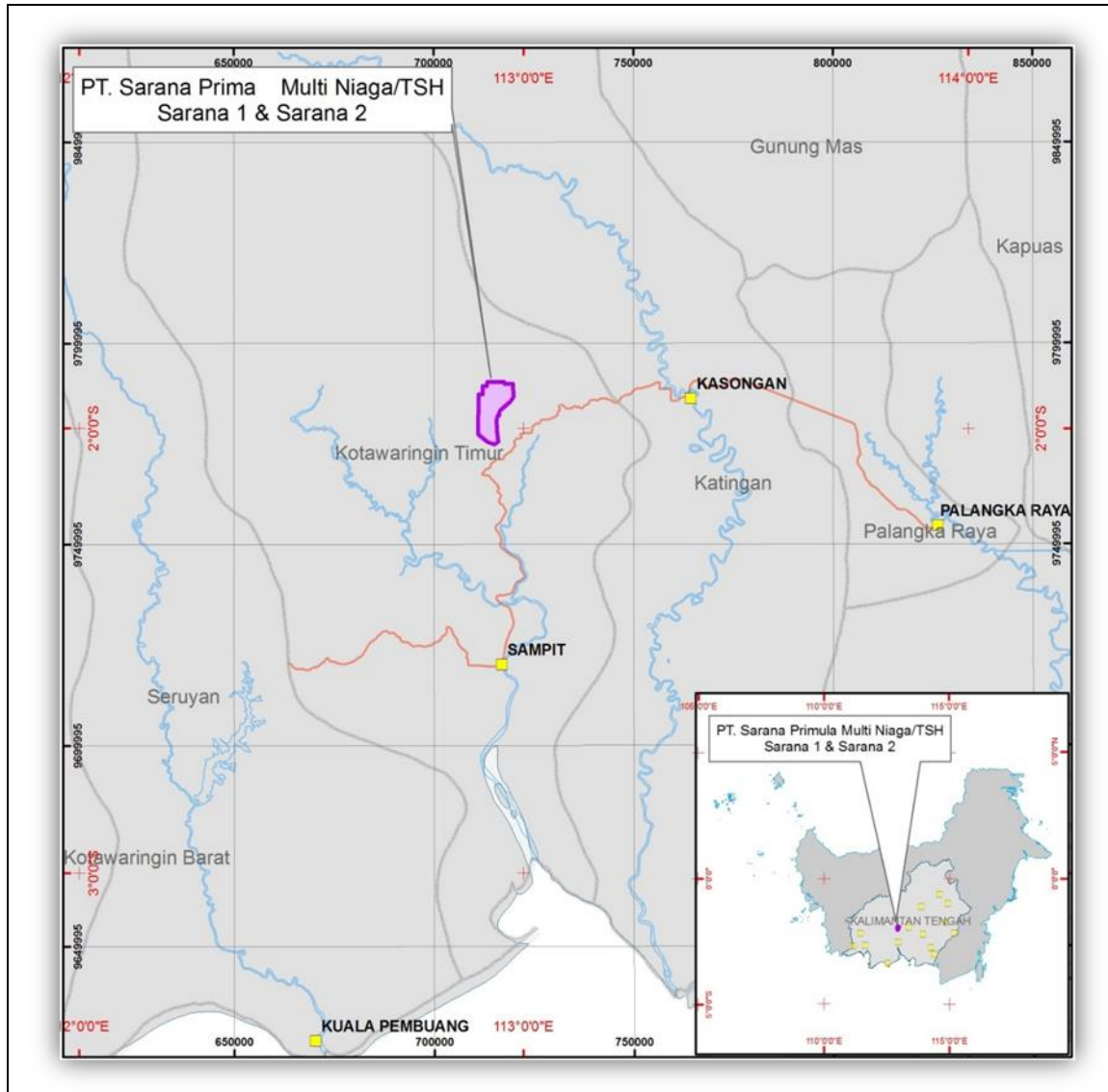
Appendix 1: Location Map for this Certification Unit

From 1.9, the location map(s)

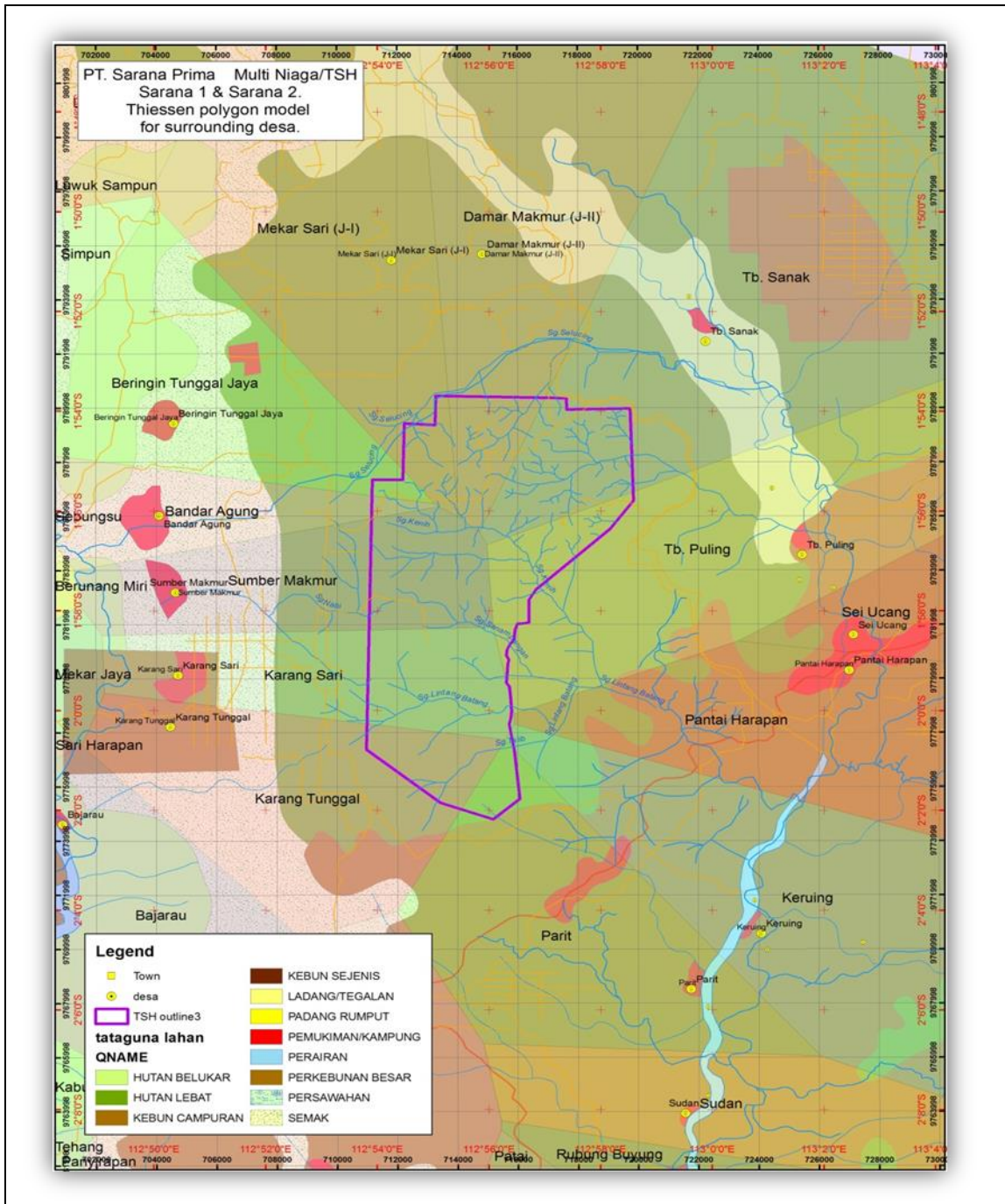
1. Location map of PT Sarana Prima Multi Niaga (PT SPMN) in Central Kalimantan, Kalimantan.



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



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



Appendix 2: Summary of GHG Emissions

All data inputs and the use of RSPO PalmGHG Calculator (include the version number) have been verified with the final summary of the net GHG emissions (tCO₂e/tCPO) figure in relation to C5.6

Calculation option applied for the reporting: Full Version / Apply November 2005 cut off for LUC / Exclude LUC Emission [Select as applicable]

Summary of Net GHG Emissions

Emissions per Product	tCO ₂ e/tProduct
CPO	
PK	

Extraction	%
OER	
KER	

Production	t/yr
FFB processed	
CPO Produced	

Land use	ha
OP planted area	
OP planted on peat	
Conservation (forested)	
Conservation (non forested)	
Total	

Summary of Field Emissions and Sinks

Own Crop	Group	3rd Party	Total				
tCO ₂ e	tCO ₂ e /tFFB	tCO ₂ e	tCO ₂ e /tFFB	tCO ₂ e	tCO ₂ e /tFFB	tCO ₂ e	tCO ₂ e /tFFB
Emissions							
Land Conversion							
*CO ₂ Emissions from Fertiliser							
**N ₂ O Emissions							
Fuel Consumption							
Peat Oxidation							
Sinks							
Crop Sequestration							
Conservation Sequestration							
Total							

Summary of Mill Emissions and Credits

tCO ₂ e	tCo ₂ e/tFFB
Emissions	
POME	
Fuel Consumption	
Grid Electricity Utilisation	
Credits	
Export of Grid Electricity	
Sales of PKS	

Sales of EFB	
Total	

Palm Oil Mill Effluent (POME) Treatment

Divert to compost	%
Divert to anaerobic digestion	%

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	%
Divert to methane capture (flaring)	%
Divert to methane capture (electricity generation)	%

Appendix 3: GHG assessment for new plantings

GHG assessment report for new plantings developed as per 'Chapter 6 – Reporting of GHG assessment for new plantings' within RSPO GHG Assessment Procedure for New Plantings Version 3 was verified by the auditors as part of this evaluation in relation to C7.8

Note: Extract the GHG assessment for new plantings developed by the client under 'Chapter 6 – Reporting of GHG assessment for new plantings' in RSPO GHG Assessment Procedure for New Plantings Version 3 and list below.

Appendix 4: List of Abbreviations	
AMDAL	Analisis Mengenai Dampak Lingkungan
BOD	Biological Oxygen Demand
BRC	British Retail Consortium
CHRA	Chemical Health Risk Assessment
CoC	Chain of Custody
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
CU	Control Union
CUC	Control Union Certifications
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
ERT	Endangered Rare or Threatened species
EU	European Union
FFB	Fresh Fruit Bunch
FSC	Forest Stewardship Council
FSC COC	Forest Stewardship Council Chain of Custody
FSC FM	Forest Stewardship Council Forest Management
GGL	Green Gold Label
GMP	Good Manufacturing Practice
GOTS	Global Organic Textile Standard
GTP	Good Trading Practice
GPS	Global Positioning System
HACCP	Hazard Analysis and Critical Control Point
HCV	High Conservation Value
HCVF	High Conservation Value Forest
HGU	Hak Guna Usaha
IPM	Integrated Pest Management
JAS	Japanese Agricultural Standard
MSDS	Material Safety Data Sheet
NC	Non Conformity
OE	Organic Exchange
OER	Oil Extraction Rate. (CPO as a % of the mass of FFB).
OSH	Occupational Safety and Health
OSHAS	Occupational Safety and Health Assessment Scheme
P&C	Principle and Criteria
PEFC	<i>Programme for the Endorsement of Forest Certification</i>
PET	Polyethylene Terephthalate
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RKL	Rencana Pengelolaan Lingkungan Hidup
RPL	Rencana Pemantauan Lingkungan Hidup
RSPO	Roundtable on Sustainable Palm Oil
RSPO NI	Roundtable on Sustainable Palm Oil National Interpretation
RTE	Rare, Threatened, and Endangered
SA8000	Social Accountability 8000
SEIA	Social Environmental Impact Assessment.
SIA	Social Impact Assessment
SOCISO	Social Security Organisation

SOP	Standard Operating Procedure
UKL/UPL	Upaya Pengelolaan lingkungan (UKL) / Upaya Pemantauan Lingkungan (UPL)
USDA/NOP	United States Department of Agriculture – National Organic Program
MT	Metric Tonnes
WHO	World Health Organization