



**SGS RSPO PROGRAM**  
(Associated Document)

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Issue:

**03**

## RSPO PRINCIPLES & CRITERIA CERTIFICATION REPORT

### Public Summary Information

<b>Job Number:</b>	ID-6287		
<b>Client:</b>	PT. Hindoli – Mukut Mill	<b>RSPO membership #</b>	2-0215-11-000-00
<b>Country:</b>	Indonesia	<b>RSPO Registered Parent Company name:</b>	Cargil Incorporated
<b>Scope:</b>	Production of Crude Palm Oil and Palm Kernel at Mukut Palm Oil Mill and its supply base with a capacity of 120 MT/hour using Identity Preserved (IP) Module D		
<b>Supply Chain Module:</b>	Module D; CPO Mills-Identity Preserved		
<b>Mill Capacity</b>	120 tonne/hour	<b>Number of Estate</b>	6 (six) Estates
<b>Certificate Number:</b>	<b>SGS-RSPO/PC17-00006</b>	<b>Start Date:</b>	31 May 2016
		<b>End Date:</b>	30 May 2021
		<b>Date of Certificate issue:</b>	10 August 2017
		<b>Date of First Certification</b>	31 May 2016
<b>SGS Accreditation Code</b>	RSPO-ACC-023	<b>Date of accreditation:</b>	5 <sup>th</sup> July 2016
<b>Contacts Job Description:</b>	Group Sustainability Manager		
<b>Name:</b>	Mrs. Yunita Widiastuti		
<b>Address:</b>	<p><u>Physical address:</u>  <b>General Office:</b>                      Jl. Palembang-Jambi, Desa Teluk Kemang, Kecamatan Sungai Lilin, Kabupaten Musi Banyuasin 30755, Provinsi Sumatera Selatan</p> <p><b>Mill Address:</b>                      Desa Mukut, Kecamatan Pulau Rimau, Kabupaten Banyuasin 30959, Provinsi Sumatera Selatan</p>	<u>Postal address:</u>	Jl. Palembang-Jambi, Desa Teluk Kemang, Kecamatan Sungai Lilin, Kabupaten Musi Banyuasin 30755, Provinsi Sumatera Selatan
<b>Street and number:</b>			
<b>Town/City</b>			
<b>State/Country</b>			
<b>Zip/Postal code</b>			
<b>Country</b>			
<b>Tel:</b>	+62 714-321818		
<b>Cell Phone :</b>	-		
<b>Fax:</b>	-		
<b>Web Site Address:</b>	<a href="http://www.cargill.co.id/en/products/palm-oil/hindoli/index.jsp">http://www.cargill.co.id/en/products/palm-oil/hindoli/index.jsp</a>		
<b>Email:</b>	<a href="mailto:Yunita_Widiastuti@cargill.com">Yunita_Widiastuti@cargill.com</a>		
<b>Standard:</b>	<ul style="list-style-type: none"> <li>Indonesian National Interpretation of RSPO P&amp;C 2013 Standard (30 September 2016)</li> <li>RSPO Supply Chain Certification Standard (21 November 2014)</li> </ul>		
<b>Date of last report update</b>	9 August 2017		
<b>Actual Certified FFB Received by the Mill (16/17)</b>	June: 23,952.49 MT July: 17,647.17 MT August: 26,695.32 MT September: 23,757.57 MT October: 29,395.49 MT November: 28,980.31 MT	December: 25,893.76 MT January: 23,139.30 MT February: 18,101.06 MT March: 16,731.68 MT April: 16,131.89 MT May: 10,068.65 MT	

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<b>Actual Annual CSPO Tonnage produced (16/17)</b>	33,421.07 MT
<b>Actual Annual CSPK Tonnage produced (16/17)</b>	5,650.60 MT
<b>Actual Annual CSPO Tonnage Sold (16/17)</b>	24,926.07 MT
<b>Actual Annual CSPK Tonnage Sold (16/17)</b>	4,884.21 MT

**End of Public Summary**

**BASIC EVALUATION INFORMATION**

<b>MAIN EVALUATION</b>			
<b>Evaluation Dates:</b>	23-27 November 2015 (Done by previous CB)		
<b>Team Leader/Team:</b>			
<b>Affiliate Project Manager:</b>		<b>Date:</b>	
<b>Report approved by:</b>	Done by previous CB	<b>Date:</b>	31 May 2016
<b>Certification approved by:</b>	Done by previous CB	<b>Date:</b>	31 May 2016
<b>Database logged by:</b>	Done by previous CB	<b>Date:</b>	-
<b>SURVEILLANCE 1</b>			
<b>Evaluation Dates:</b>	15-19 May 2017 with CAR Closure date on 14 July 2017		
<b>Team Leader/Team:</b>	Zaenal Abidin (Team Leader) / Ahmad Bahruji (Audit team), Dwiyana Hendrata (Audit team), Fourry Meilano (Audit team), Taryanto Wijaya (Audit team).		
<b>Affiliate Project Manager:</b>		<b>Date:</b>	
<b>Report reviewed &amp; approved by:</b>	Aryo Gustomo	<b>Date:</b>	9 Aug 2017
<b>Certification approved by:</b>	Shashibhushan Jogani	<b>Date:</b>	10 Aug 2017
<b>Database logged by:</b>	Lisda Verawati	<b>Date:</b>	10 Aug 2017
<b>SURVEILLANCE 2</b>			
<b>Evaluation Dates:</b>			
<b>Team Leader/Team:</b>			
<b>Affiliate Project Manager:</b>		<b>Date:</b>	
<b>Report reviewed &amp; approved by:</b>		<b>Date:</b>	
<b>Certification approved by:</b>		<b>Date:</b>	
<b>Database logged by:</b>		<b>Date:</b>	
<b>SURVEILLANCE 3</b>			
<b>Evaluation Dates:</b>			
<b>Team Leader/Team:</b>			
<b>Affiliate Project Manager:</b>		<b>Date:</b>	
<b>Report reviewed &amp; approved by:</b>		<b>Date:</b>	
<b>Certification approved by:</b>		<b>Date:</b>	
<b>Database logged by:</b>		<b>Date:</b>	
<b>SURVEILLANCE 4</b>			
<b>Evaluation Dates:</b>			
<b>Team Leader/Team:</b>			
<b>Affiliate Project Manager:</b>		<b>Date:</b>	
<b>Report reviewed &amp; approved by:</b>		<b>Date:</b>	
<b>Certification approved by:</b>		<b>Date:</b>	
<b>Database logged by:</b>		<b>Date:</b>	

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## LIST OF ABBREVIATION

Short Form	Meanings
AMDAL	<i>Analisis Mengenai Dampak Lingkungan</i> (Environmental Impact Assessment-EIA)
ASEAN	Association of South East Asia Nations
B3	<i>Bahan Berbahaya dan Beracun</i> (hazardous material)
BOD	Biological Oxygen Demand
CAR	Corrective Action Request
CPO	Crude Palm Oil
CBD	Convention on Biodiversity
EFB	Empty Fruit Bunches
EMS	Environmental Management System
FFA	Free Fatty Acids
FFB	Fresh Fruit Bunches
Ha	Hectare
HCV	High Conservation Value
HGU	<i>Hak Guna Usaha</i> (Land Use Title)
IPM	Integrated Pest Management
INA-NI	Indonesian National Interpretation
ISO	International Organisation for Standardisation
IUCN	International Union for Conservation of Nature and Natural Resources
IUP	<i>Izin Usaha Perkebunan</i> (Plantation Operation Licence)
K3	<i>Kesehatan dan Keselamatan Kerja</i> (Occupational Health and Safety)
KKPA	<i>Koperasi Kredit Primer Anggota</i> (Smallholder schemes managed by company)
Kw	Kilowatt
LC	Land Clearing
M	Meter
Mg	Magnesium
Mm	Millimeter
MT	Metric ton
N	Nitrogen
NGO	Non Governmental Organisation
OER	Oil Extraction Rate
OSH	Occupational Safety & Health
P	Phosphate
P & C	Principles and Criteria
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RKL/RPL	<i>Rencana Kelola Lingkungan/Rencana Pemantauan Lingkungan</i> (Environmental Management Plan/Environmental Monitoring Plan)
RSPO	Roundtable on Sustainable Palm Oil
SOP	Standard Operating Procedure
UKL/UPL	<i>Upaya Kelola Lingkungan/Upaya Pemantauan Lingkungan</i> (Environmental Management Efforts/Environmental Monitoring Efforts)
WHO	World Health Organisation
Yr	Year

## 1. SCOPE OF CERTIFICATION ASSESSMENT

### 1.1 National Interpretation Used

The operations of the mill and their supply based of FFB were assessed against the **Roundtable on Sustainable Palm Oil (RSPO), Indonesian National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production 2013 (approved by RSPO on 30 September 2016)**.

### 1.2 Certification Scope

The scope of certification includes the production of PT Hindoli-Mukut Mill and its supply base i.e. Mukut Estate, Penuguan Estate, Sungai Nipah Estate, Pulau Berayun Estate, KKPA Mukut and KKPA Penuguan according to the RSPO standard requirement of **Roundtable on Sustainable Palm Oil (RSPO), Indonesian National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production 2013 (approved by RSPO on 30 September 2016)** and **RSPO Supply Chain Certification Standard dated 21 November 2014**.

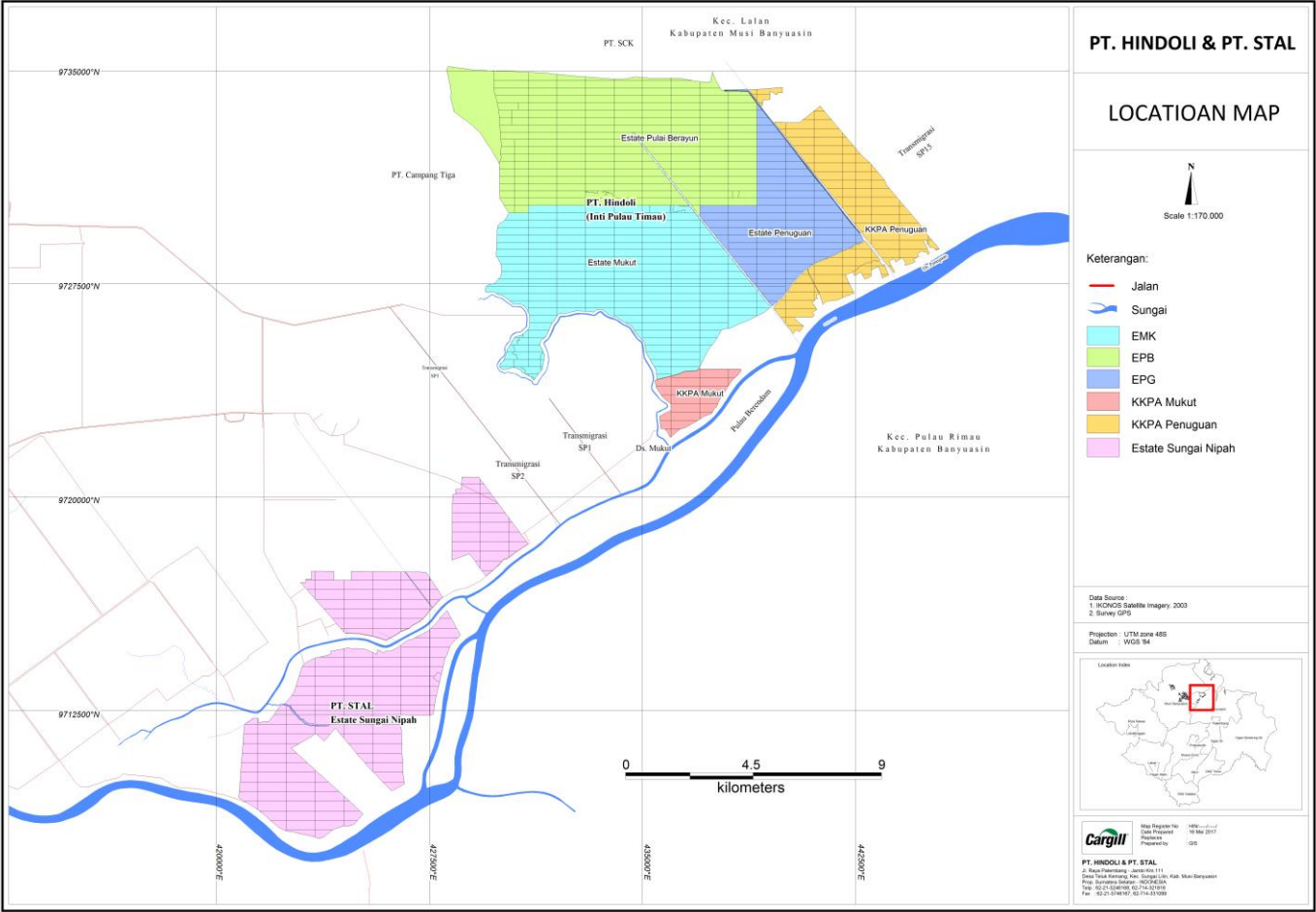
### 1.3 Location and Maps

PT Hindoli - Mukut Mill is located in Desa Mukut, Kecamatan Pulau Rimau, Kabupaten Banyuasin, Provinsi Sumatera Selatan. More detailed information on the estates location and layouts is shown in **Figure 1**. The GPS locations of the mills are shown in Table 1.

**Table 1: Mill and Supply Base GPS Location**

<b>Mill/Supply Base (Estate/smallholder)</b>	<b>Longitude</b>	<b>Latitude</b>
Mukut Mill	104° 25' 41" E	2° 26' 28" S
Mukut Estate	104° 24' 10" E	2° 27' 30" S
Penuguan Estate	104° 27' 25" E	2° 26' 45" S
Pulau Berayun Estate	104° 24' 35" E	2° 25' 00" S
Sungai Nipah Estate	104° 19' 35" E	2° 35' 55" S
Penuguan KKPA (Smallholder schemes)	104° 29' 15" E	2° 26' 20" S
Mukut KKPA (Smallholder schemes)	104° 25' 50" E	2° 30' 00" S

**Figure 1: Estates and Mills Location Map for PT. Hindoli – Mukut Mill**



**1.4 Description of Supply Base and Mill Processing Capacity**

The FFB is sourced only from 4 (four) company owned estates and 2 (two) KKPA smallholder schemes which is directly managed by the company. There is no other external third party supplying FFB to the mill. PT. Hindoli – Mukut Mill has direct management control over the land and operations carried out on the KKPA (associated smallholder)’s land. The KKPA smallholders are land-owners and leased the land to the company that owns a mill and has developed oil palm on the smallholder’s land. The KKPA smallholders receive dividends based on production on their applicable plot of land. The Mukut mill makes decisions on behalf of the KKPA smallholders. The smallholders don’t have capacity and resources for certification, hence according to RSPO Management System Requirements and Guidance for Group Certification of FFB Production documents (7th March 2016) the FFB production from smallholders should be certified under mill’s P&C certificate. Therefore, the Group Certification Standard requirements is not be used during this assessment.

The OER rate is 21.64%. The budgeted crop yields from each estate are listed in Table 2 below.



**Table 2: Actual and Projected FFB from Supply Base (Financial Years)**

Estates/Smallholders	FFBs (Tonnage)		
	Estimation (2016 / 2017)	Actual (2016 / 2017)	Projection (2017 / 2018)
Mukut Estate	95,530	60,196	97,470
Penuguan Estate	35,737	31,140	36,008
Pulai Berayun Estate	76,217	51,265	82,355
Sungai Nipah Estate	3,544	1,717	14,111
Penuguan KKPA (Smallholder schemes)	8,829	4,745	15,901
Mukut KKPA (Smallholder schemes)	6,475	5,610	8,229
<b>Subtotal of own RSPO certified supply base claimed for Certification</b>	<b>226,332</b>	<b>154,674</b>	<b>254,074</b>
Certified FFB received from other RSPO certification scope within adjacent estates	None	None	None
FFB received from Non-Certified parties	None	None	None
<b>Grand Total Claimed for certification</b>	<b>226,332</b>	<b>154,674</b>	<b>254,074</b>

**Table 3: Actual and Projected Mill Processing Data**

Mill Name	Mill Production Figures (MT) Claimed for Certification					
	Estimation (2016/2017)		Actual (2016/2017)		Projection (2017/2018)	
	CPO	PK	CPO	PK	CPO	PK
Mukut POM	52,622.19	10,184.94	33,421.07	5,650.60	59,707.52	11,433.36
Extraction Rate	OER : 23.25%	KER : 4.5%	OER : 21.64%	KER : 3.66 %	OER : 23.5%	KER : 4.5%

### 1.5 Area of Plantation

The areas of supplying estates for this operating unit are listed in Table 4. Details of planted area (mature/immature), total land area, conservation, HCV and others are also listed below.

**Table 4: Area Statement of the Supplying Estates**

Name of Estates	Planted Area		Conservation Area (Ha)	HCV Area (Ha)	Others use	Total Land Lease Area (Ha)
	Immature Area (Ha)	Mature Area (Ha)				
Mukut Estate	20	3,644	-	-	239	3,903
Penuguan Estate	-	1,538	-	-	152	1,690
Pulai Berayun Estate	-	3,731	-	317	338	4,386
Sungai Nipah Estate	2,114	450	-	159	1,575	4,298
Penuguan KKPA (Smallholder schemes)	728	828	-	-	-	1,556
Mukut KKPA (Smallholder schemes)	126	402	-	-	-	528
<b>Total</b>	<b>2,988</b>	<b>10,593</b>	<b>-</b>	<b>476</b>	<b>2,304</b>	<b>16,361</b>

**1.6 Date of Planting and Cycle**

The PT Hindoli-Mukut Mill own estates were planted between 2009 and 2016. The palms were considered matured when approaching 4 years after planting and productive until the age of 25 years. Company has been complied with RSPO New Planting Procedures for those planted area above 2010. The age profiles for all the estates are simplified in Table 5 below.

**Table 5: Planting Age Profiles for all Supply Base Estates**

Name of supplying estate	Planting Age (Ha)			
	Immature	>4 - 14 years	>14 - 25 years	>25 years
Mukut Estate	20	3,644	-	-
Penuguan Estate	-	1,538	-	-
Pulai Berayun Estate	-	3,731	-	-
Sungai Nipah Estate	2,114	450	-	-
Penuguan KKPA (Smallholder schemes)	728	828	-	-
Mukut KKPA (Smallholder schemes)	126	402	-	-
<b>Total</b>	<b>2,988</b>	<b>10,593</b>	<b>-</b>	<b>-</b>

**1.7 Other Certification Held**

PT Hindoli has gained other certificates as follows:

- a) ISO 14001:2004
- b) ISO 9001:2008
- c) ISCC
- d) ISPO.

All certificate are still valid.

**1.8 Organizational Information and Contact Person**

The company contact person details are as follows:

<b>Name:</b>	<b>Yunita Widiastuti</b>
<b>Designation:</b>	Group Sustainability Manager
<b>Address:</b>	Jl. Palembang-Jambi, Desa Teluk Kemang, Kecamatan Sungai Lilin, Kabupaten Musi Banyuasin 30755, Provinsi Sumatera Selatan, Indonesia
<b>Contact No.:</b>	(62) 714-321818
<b>Email address:</b>	<a href="mailto:Yunita.Widiastuti@cargill.com">Yunita.Widiastuti@cargill.com</a>

**1.9 Time-bound Plan for Other Management Units**

Cargill is a member of RSPO and has been involved in the certification since 2004; the membership number with RSPO is 2-0215-11-000-00.

Cargill Incorporated owns and operates 6 mills and 16 oil palm estates including KKPA Smallholder schemes, with 6 management units of subsidiary companies covering approximately 66,117 ha in Indonesia.

In the late 2014, Cargil Incorporated taken over majority shareholder of Alpha Capital Limited (RSPO Membership number: 1-0199-16-000-00). Alpha Capital Limited owns 3 Palm Oil Mills and 13 oil palm estates in Indonesia covering approximately 60,000 Ha operated by 5 management units of subsidiary companies. All management units under Cargill Incorporated have gained RSPO P&C certificates; while from new acquisition of 5 subsidiary companies under Alpha Capital Limited, 1 (one) subsidiary company i.e. PT Poliplant Sejahtera has achieved RSPO certification, where the rest are under process of getting RSPO Certification. Cargill is committed to achieve RSPO certification for all new acquisition subsidiary companies by 2017. The list of Cargill's subsidiary companies are presented in **Appendix C**.

Cargill will use the experience gained from achieving certification of the first few mills and estates to implement the RSPO P&C in parallel with the remainder of its operations. The SGS assessment team considers that Cargill is on the right track which is reasonable and challenging, given the widespread geographic locations of its properties, the resources required and the numbers of smallholders involved.

**Auditor Finding on the Time Bound Plan and Partial Certification against Requirements of Clause 4.2.4 of RSPO Certification System documents.**

Time Bound Plan		
Requirement	Findings and any action required	Compliance
<p>Description of Company's Management Structure being audited in relation to Majority of shareholder (whom ultimately controlling shareholder) and its subsidiaries companies.</p> <p><u>Guidance for Auditor:</u></p> <p><i>Beside interview with company's management representative, these required information should be supported with browsing through Internet search for the company name such as media coverage, legal registration, and RSPO Annual Communication on Progress (ACOP). As addition, if other Certification Body(s) has performing evaluation to this requirements either in the company being audited and/or at other certified companies under same holding, Auditor may request for the summary report through the company and consider it as part of this audit.</i></p> <p><i>The parent organization or one of its majority owned and / or managed subsidiaries are member of RSPO, whether the registered RSPO member is the holding company or one of its subsidiaries;</i></p> <p><i>NOTE 1: For groups with complex management structures the following are required:</i></p> <p><i>i. A statement of the ultimate controlling shareholders and directors in the managing agency company/companies.</i></p> <p><i>ii. Ditto in respect of each of the operating groups.</i></p> <p><i>iii. Application for membership by the top asset owning company/companies.</i></p> <p><i>iv. Application for membership by the managing agency company/companies</i></p> <p><i>NOTE 2 : Majority shareholding: the largest shareholding, where the largest shareholdings are equal (e.g. 50/50) this applies to the organisation that has management control.</i></p>	<p>PT Hindoli has 3 mills in South Sumatera as follows:</p> <ul style="list-style-type: none"> <li>• PT Hindoli-Sungai Lilin Mill</li> <li>• PT Hindoli-Tanjung Dalam Mill</li> <li>• PT Hindoli-Mukut Mill</li> </ul> <p>PT Hindoli is owned and managed by Cargill Tropical Palm Holdings Pte Ltd as a subsidiary of Cargill Incorporated.</p>	Yes
<p>Does the plan include all subsidiaries, estates and mills?</p>	<p>All management units under Cargill have gained RSPO P&amp;C certificates consists of 6 Palm Oil Mills and 16 Estates including KKPA Smallholder schemes.</p> <p>1 (one) subsidiary companies under Alpha Capital Limited, i.e. PT Poliplant Sejahtera consists of 1 Palm Oil Mill and 1 Estate, has achieved RSPO Certificate on 1<sup>st</sup> September 2016.</p> <p>4 (Four) subsidiary companies under</p>	Yes

	<p>Alpha Capital Limited are in the process of getting RSPO Certificates, consists of 2 Palm Oil Mills and 12 Estates. The target is by end of 2017.</p> <p>See Appendix C</p>	
Have there been any newly acquired subsidiaries?	<p>In the late 2014, Cargil Incorporated taken over majority shareholder of Alpha Capital Limited (RSPO Membership number: 1-0199-16-000-00). Alpha Capital Limited owns 3 Palm Oil Mills and 13 oil palm estates in Indonesia covering approximately 60,000 Ha operated by 6 management units of subsidiary companies. All management units under Cargill Incorporated have gained RSPO P&amp;C certificates; while from new acquisition of 6 subsidiary companies under Alpha Capital Limited, 1 (one) subsidiary company i.e. PT Poliplant Sejahtera has achieved RSPO certification on 1<sup>st</sup> September 2016, where the rest are under process of getting RSPO Certification. Cargill is committed to achieve RSPO certification for all new acquisition subsidiary companies by 2017.</p>	Yes
<p>Is the time bound plan challenging?</p> <ul style="list-style-type: none"> <li>• Age of plantations.</li> <li>• Location.</li> <li>• POM development</li> <li>• Infrastructure.</li> <li>• Compliance with applicable law.</li> </ul>	<p>Cargill has high commitment to comply with RSPO requirements for all subsidiary companies by 2017 taking into account for new acquisition land.</p> <p>Cargill has fully support to ensure that other subsidiary companies that still un-certified to fulfil RSPO requirements considering the variety of Palm age, geographical location, Palm Oil Mill development and infrastructures, as well as compliance to national and local regulation.</p> <p>This is a challenging time bound plan has been set up by Cargill Incorporated</p>	Yes
Have there been any changes since the last audit? Are they justified?	<p>See above explanation. The existing 6 Mills and 16 Estates including KKPA smallholder schemes have been certified.</p> <p>Furthermore, Cargill has new acquisition land through took over majority of shareholder from Alpha Capital Limited consists of 3 Mills and 13 Estates. Cargill has set up a time bound to achieve RSPO certification for all subsidiary companies including new acquisition land by 2017</p>	Yes
If there have been changes, what circumstances have occurred?	<p>See explanation above.</p> <p>Cargill has fully committed to achieve RSPO certification for all new acquisition land by 2017, taking</p>	Yes

	into account that the time bound plan is challenging.	
Have there been any isolated lapses in implementation of the plan?	<p>There is no isolated laps. The existing 6 Mills and 16 Estates including KKPA Smallholder scheme have been certified.</p> <p>1 (one) subsidiary companies under Alpha Capital Limited, i.e. PT Poliplant Sejahtera consists of 1 Palm Oil Mill and 1 Estate, has achieved RSPO Certificate on 1<sup>st</sup> September 2016.</p> <p>Cargill has set up time bound plan for all new acquisition land (under Alpha Capital Limited) by 2017.</p> <p>This would be further verified on the next surveillance visits.</p>	Yes
<p>Have there been any stakeholder comments during assessment to the Company's Time Bound Plan, or to other certified companies under same holding?</p> <p><u>Guidance for Auditor:</u></p> <p><i>Targeted stakeholder consultation may be carried out by the SGS audit team either contacting them by email, phone call, meeting, or other methods.</i></p> <p><i>If this has already been conducted by other certification body(s) either in the company being audited and/or at other certified companies under same holding, Auditor may request for the summary report through the company and consider it as part of this audit.</i></p> <p><i>These must be recorded in this audit report i.e. Section 2.4 and Appendix D and should be part of consideration during this verification process.</i></p>	<p>Based on stakeholder consultation process conducted, No comment was received that can affect Time bound Plan set up by Cargill</p>	Yes
<p><b>Un-Certified Units or Holdings</b></p> <p><b>Note for Auditor:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Companies should demonstrate compliance by clear evidences of a self-audit (i.e. an internal audit for all subsidiaries, estates and Palm Oil Mills) against each of the RSPO P&amp;C requirements.</b></li> <li>▪ <b>Auditor should select sample(s) of un-certified units subsequently review/check the Internal audit results. The minimum sample(s) should follow <math>0.8\sqrt{y}</math> where y is number of subsidiaries company. Auditor may increase the number of sample(s) selected if there are some stakeholder inputs received during assessment.</b></li> <li>▪ <b>The Company responsible for the area being audited and shall ensure that any necessary corrections and corrective actions are taken without undue delay to eliminate detected non-conformities and their causes. If not then Auditor should consider to raise Major or Minor non-compliances.</b></li> </ul>		
<b>Requirement</b>	<b>Findings and any action required</b>	<b>Compliance</b>
<p>Did the company conduct an internal audit? If so, has a positive assurance statement been produced?</p> <p><u>Guidance for Auditor:</u></p> <p><i>Positive assurance statement, which is</i></p>	<p>Cargill has conducted Internal audit for all un-certified Units consists of 2 Palm Oil Mills and 12 Estates under Alpha Capital Limited (<i>new acquisition</i>). Internal audit was completed on October 2016.</p> <p>There was positive findings related to implementation of RSPO</p>	Yes

<p><i>based upon self-assessment (i.e. internal audit) by the organisation. This would require evidence of the self-assessment against each RSPO P&amp;C requirement for all un-certified units.</i></p>	<p>requirements, however some gaps are remain exist in particular for un-certified Units. This is due to the previous Holding companies before took over by Cargill was not fully committed to support their management units to be complied with RSPO requirements. Cargill has put big effort and investment to increase the level of RSPO compliance for new acquisition subsidiary companies and fully committed to achieve RSPO certification by end of 2017.</p>	
<p>Are there any stakeholder comments during assessment to the un-certified companies under same holding?</p> <p><u>Guidance for Auditor:</u></p> <p><i>Targeted stakeholder consultation may be carried out by the SGS audit team either contacting them by email, phone call, meeting, or other methods.</i></p> <p><i>If this has already been conducted by other certification body(s) either in the company being audited and/or at other certified companies under same holding, Auditor may request for the summary report through the company and consider it as part of this audit.</i></p> <p><i>These must be recorded in this audit report i.e. Section 2.4 and Appendix D and should be part of consideration during this verification process.</i></p>	<p>Based on interview result with Group Sustainability Manager and internet browsing stated that there are no any stakeholder comments to the un-certified companies.</p>	<p>Yes</p>
<p>No replacement after dates defined in NIs Criterion 7.3:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul> <p><u>Guidance for Auditor:</u></p> <p><i>If this cases occur in one or more of company's un-certified units, the following shall be checked and verified:</i></p> <ul style="list-style-type: none"> <li>- Action Plan (with details steps and time line to fulfill)</li> <li>- Does company follow the latest requirements of LUCA and RaCP procedures?</li> </ul>	<p>Relevant to above explanation (i.e. Internal Audit), Cargill Incorporated through Sustainability Department is aware that there are several cases found to be non-conformances to RSPO requirements in all un-certified Units (new acquisition).</p> <p>Most othe cases are related to non-compliance to New Planting Procedures and LUCA &amp; RaCP process.</p> <p>Cargill has started to proceed corrective action and improvement for those cases for instance: communication to RSPO Secretariat on the NPP sanction rules, Preparing LUCA &amp; RaCP as required by RSPO.</p>	<p>Yes</p>
<p>Any new plantings since January 1<sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.</p>	<p>Cargill Incorporated through Sustainability Department is aware that there are several cases found to be non-conformances to RSPO requirements in all un-certified Units (new acquisition).</p> <p>Most other cases are related to non-</p>	<p>Yes</p>

	<p>compliance to New Planting Procedures for areas planted after 1<sup>st</sup> January 2010.</p> <p>Cargill has started to proceed corrective action and improvement for those cases for instance: communication to RSPO Secretariat on the NPP sanction rules, and committed to follow the requirements.</p> <p>The progress of compliance to NPP requirements will be further checked during next surveillance visits.</p>	
<p>Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.</p> <p><u>Guidance for Auditor:</u></p> <p><i>To check the as to whether this cases found during Internal audit at company's uncertified units.</i></p> <p><i>Auditor should also checked in RSPO Complaint tracker in RSPO website as one of the following links:</i></p> <p><a href="http://www.rspo.org/">http://www.rspo.org/</a></p> <p><a href="http://www.rspo.org/members/status-of-complaints/">http://www.rspo.org/members/status-of-complaints/</a></p> <p><a href="http://www.rspo.org/members/dispute-settlement-facility">http://www.rspo.org/members/dispute-settlement-facility</a></p> <p><a href="http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes">http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes</a></p> <p><i>As addition to check is to search in the public court documents which available online. Some countries may not available due to restriction rules.</i></p>	<p>According to internal audit results for all un-certified units (new acquisition), there are several case of land conflict being in progress and resolved. Cargill has noticed these cases and fully committed to comply with RSPO requirements particularly land conflict resolution process.</p> <p>However, there was no land conflict that being logged in RSPO Grievance procedure or Dispute Settlement Facility processes.</p> <p>The progress of this requirement will be further checked during next surveillance visits.</p>	<p>Yes</p>
<p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p> <p><u>Guidance for Auditor:</u></p> <p><i>To check the as to whether this cases found during Internal audit at company's uncertified units.</i></p> <p><i>Auditor should also checked in RSPO Complaint tracker in RSPO website as one of the following links:</i></p> <p><a href="http://www.rspo.org/">http://www.rspo.org/</a></p> <p><a href="http://www.rspo.org/members/status-of-complaints/">http://www.rspo.org/members/status-of-complaints/</a></p> <p><a href="http://www.rspo.org/members/dispute-settlement-facility">http://www.rspo.org/members/dispute-settlement-facility</a></p> <p><a href="http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes">http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes</a></p> <p><i>As addition to check is to search in the public court documents which available online. Some countries may not available due to restriction rules.</i></p>	<p>No labour dispute cases found to be happened according to internal audit.</p>	<p>Yes</p>



<p>Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p> <p><i>Guidance for Auditor:</i></p> <p>To check the as to whether this cases found during Internal audit at company's uncertified units.</p> <p>Auditor should also checked in RSPO Complaint tracker in RSPO website as one of the following links:</p> <p><a href="http://www.rspo.org/">http://www.rspo.org/</a></p> <p><a href="http://www.rspo.org/members/status-of-complaints/">http://www.rspo.org/members/status-of-complaints/</a></p> <p><a href="http://www.rspo.org/members/dispute-settlement-facility">http://www.rspo.org/members/dispute-settlement-facility</a></p> <p><a href="http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes">http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes</a></p> <p>As addition to check is to search in the public court documents which available online. Some countries may not available due to restriction rules.</p>	<p>According to internal audit results for all un-certified units (new acquisition), there are several cases found related to legal non-compliance such as Health &amp; Safety regulation, land ownership, etc.</p> <p>Cargill has noticed these cases and fully committed to comply with RSPO requirements. They are committed to be RSPO certified by end of 2017 for all un-certified units.</p> <p>The progress of this requirement will be further checked during next surveillance visits.</p>	<p>Yes</p>
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## 2. ASSESSMENT PROCESS

### 2.1 Certification Body

SGS is the world's leading inspection, verification, testing and certification company. SGS is recognized as the global benchmark for quality and integrity. With more than 80,000 employees, SGS operates a network of over 1,650 offices and laboratories around the world.

The RSPO Programme is the SGS Group's RSPO Certification Programme internationally accredited by the ASI to carry out oil palm plantation and supply chain certification for global RSPO certification.

### 2.2 Assessment Methodology, Programme, Site Visits

The assessment was conducted in 5 audit days and involving 3 selected estates including KKPA of PT Hindoli – Mukut Mill. The audit covers documentation review, internal procedures, management system, field inspection as well as identification of any significant issues for both environment or social issues. A sample of stakeholders was consulted during the assessment to get their feedback on the management practices.

The assessment was conducted based on random samples and therefore nonconformities may exist which have not been identified. The methodology for objective evidence collection included physical site inspection, observation of tasks and processes, interview with workers, families and stakeholders, documentation review and monitoring data.

The assessment program is included as shown in Table 6 below.

**Table 6: Assessment Program**

<b>Date</b>	<b>Time</b>	<b>Auditor</b>	<b>Organisational and Functional Units/ Processes and Activities</b>	<b>Key Contact</b>
15-05-17	07.30	All	Travel to Palembang by Garuda	
	08.35	All	Arrival at Palembang and continue to PT Hindoli by Cars	
	12.00	All	Arrival at Guest House and break/lunch	
	14.00	All	Opening meeting at General Office	Management representative and other relevant personnel
	15.00	All	Documents review (legal, land title, HGU, laws, timebound plan, environmental monitoring and measurement, HCV and SOPs for best agriculture practices, health and safety, social aspect, labour and supply chain and time bound plan)	Relevant personnel
	17.00		End of 1 <sup>st</sup> day audit	
16-05-17	08.00	A, B, C, D	Continue 1 <sup>st</sup> day audit  Documents review (legal, land title, HGU, laws, timebound plan, environmental monitoring and measurement, HCV and SOPs for best agriculture practices, health and safety, social aspect, labour and supply chain)	Relevant personnel
	08.00	E	Stakeholder consultation with relevant authorities at Kabupaten Banyuasin (National Land Bureau/BPN and Agricultural and Plantation Agency), and NGOs	Relevant personnel
	12.00	All	Break and Lunch	
	14.00	All	Continue morning agenda	Relevant personnel
	15.30	All	Travelling to Mukut Estate and Sungai Nipah Estate by speedboat and stay overnight at Estates	
	17.00		End of 2 <sup>nd</sup> day audit	
17-05-17	08.00	A, B, E	<b>Mukut Estate and KKPA Mukut:</b>  Field work inspection: IPM, spraying, fertiliser, harvesting, planting, riparian/buffer zone, HCV, boundary, road construction and maintenance, waste disposal, workshop, storage area, line-site, interview with workers and stakeholders and occupational safety and health.	Relevant personnel
	08.00	C, D	<b>Sungai Nipah Estate (PT Sumber Terang Agro Lestari):</b>  Field work inspection: IPM, spraying, fertiliser, harvesting, planting, riparian/buffer zone, HCV, boundary, road construction and maintenance, waste disposal, workshop, storage area, line-site, interview with workers and stakeholders and occupational safety and health.	Same as above
	12.00		Break and Lunch	
	14.00	All	Continue morning agenda	Same as above
	17.00		End of 3 <sup>rd</sup> day audit	
	18-05-17	08.00	A, B	<b>Mukut Mill:</b>  • Palm Oil Mill Supply Chain (procedures,

Date	Time	Auditor	Organisational and Functional Units/ Processes and Activities	Key Contact
			record keeping, training, FFB receiving, processing, sales of RSPO products, registration and claims) <ul style="list-style-type: none"> <li>Site &amp; facilities visit (water usage, production area, workshop, chemical room, bulky storage, waste water pond, hazardous waste storage, environmental management and monitoring, interview with workers and OSH).</li> </ul>	
	08.00	C, D, E	<b>Penuguan Estate and KKPA Penuguan:</b> Field work inspection: IPM, spraying, fertiliser, harvesting, planting, riparian/buffer zone, HCV, boundary, road construction and maintenance, waste disposal, workshop, storage area, line-site, interview with workers and stakeholders and occupational safety and health.	Same as above
	12.00	All	Break and Lunch	
	14.00	All	Continue morning agenda	
	17.00	All	End of 4 <sup>th</sup> day audit	
19-05-17	08.00	All	Travelling back to General Office	
	10.00	All	Outstanding issues	Relevant personnel
	12.00	All	Break and Lunch	
	14.00	All	Report preparation	
	16.00	All	Closing meeting	Management Representative and other relevant personnel
	17.00	All	End of audit and travelling to Palembang and stay overnight in Palembang	
20-05-17	09.30	All	Flight travel to Jakarta by Garuda	

**Note:** Zaenal Abidin (A), Ahmad Bahruji (B), Dwiwana Hendrata (C), Fourry Meilano (D), Taryanto Wijaya (E)

### 2.3 Qualification of Lead Assessor and Assessment Team

PT SGS Indonesia holds copies of educational qualifications, certificates and audit logs for each of the audit team members. SGS has evaluated the qualifications and experience of each audit team member and has registered the following designations for conducting RSPO Assessment. Summary of auditors' educational background and experience are listed in Table 7 below.

**Table 7: Auditors Profile**

Evaluation Team	Notes
<b>Team Leader – Environmental</b>	Zaenal Abidin has a degree in Forestry and CBE Auditor in PT SGS Indonesia, 22 years national experience in forestry sector in Indonesia. Has undergone the necessary ISO 14001, ISO 9001, RSPO and ISPO Lead Auditor course and involved in a number audits on oil palm plantations and forest certification. His specific qualification for RSPO audit is Environmental and Supply Chain.

<b>Auditor 1 – Plantation</b>	Ahmad Bahruji, a Bachelor of Agriculture Science holder and CBE Auditor in PT SGS Indonesia. He has 9 years working experience in oil palm plantation sector in Indonesia. He has undergone ISO 9001, ISCC, RSPO, and ISPO Lead Auditor training and involved in a number of audits on oil palm plantations in Indonesia. His specific qualification for RSPO audit is Good Agriculture Practices and Legal.
<b>Auditor 2 – Plantation</b>	Dwi Yana Hendrata, a Bachelor of Agriculture Science holder. He has 7 years working experience in oil palm plantation sector in Indonesia. He has undergone ISO 9001, ISCC, RSPO, and ISPO Lead Auditor training and involved in a number of audits on oil palm plantations in Indonesia. His specific qualification for RSPO audit is Good Agriculture Practices and Legal.
<b>Auditor 3 – Environmental</b>	Fourry Meilano has a degree in Forestry and CBE Auditor in SGS ID (Indonesia), 15 years national experience in forestry sector in Indonesia. He has undergone FSC COC Lead Auditor, ISCC Lead Auditor, and RSPO Auditor. He has involved in a number of audits on oil palm plantations and forest certification in Indonesia. His specific qualification for RSPO audit is Environment and New planting.
<b>Auditor 4 – Social</b>	Taryanto Wijaya has a degree on Social. More than 17 years experience in forestry sectors. He has undergone FSC Auditor. He has involved in a number of audits on oil palm plantations and forest certification in Indonesia. His specific qualification for RSPO audit is Health and Safety, Social, stakeholder consultation, and Labour aspects.

**2.4 Stakeholder Consultation and List of Stakeholders Contacted**

Public Stakeholder Notification was made on 15-19 May 2017 during surveillance audit. Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone and email to arrange meetings at a location convenient to them to discuss Cargill Certification Unit’s environmental and social performance.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made, These included environmental interest groups, local government agencies and relevant authorities, social groups, and workers’ unions etc. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted with detail comments is included as **Appendix D**.

### 3. ASSESSMENT FINDINGS

#### 3.1 Summary of Findings

##### 3.1.1 Principles & Criteria

As outlined, objective evidence was obtained separately for each of the RSPO Indicators and criterion for the mills and estates. The results for each indicator from each of the operational areas were evaluated to provide an assessment of conformity. A statement is provided for each of the RSPO indicators in order to support the findings of the assessment team.

There is 1 (one) Major Non-conformities and 4 (four) Minor Non-conformities identified during this assessment. Some areas identified with potential areas for improvement has led into 13 (thirteen) Observations raised. Details for each Non-conformities and observations are given in **Appendix A**. Major Non-conformities has been closed out within the period of 60 days after the Surveillance audit. Minor Non-compliances and Observations will be followed up during the next Annual Surveillance Audit which is scheduled to be conducted within the period of twelve months from the Date of First Certification.

Principle 1: Commitment to Transparency						
Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.						
1.1.1	List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available.					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>The company has established procedure for providing information to stakeholders (transparency), as per reflected in the SOP document entitled Communication Procedure (HIN/MGT/04/SOP-Komunikasi) dated 06 July 2007 revised 24/10/2016. The document specifies the objectives of the document that is to manage, mechanism, communicate, (internal and external), participation, health and safety, and environment (SMK3) so that it can be understood by stakeholders effectively.</p> <p>There is a list of information that can be accessed by relevant stakeholders. There are 20 documents listed include authorization who take responsible to give this documents to the public, when requested. These are including:</p> <ul style="list-style-type: none"> <li>a) Land titles / user rights (C 2.2)</li> <li>b) Safety and health plan (C 4.7)</li> <li>c) Plans and impact assessment relating to environmental and social impacts (C 5.1, 6.1, 7.1, 7.8)</li> <li>d) HCV documentation (Criteria 5.2 and 7.3)</li> <li>e) Pollution Prevention and Reduction Plans (C 5.6)</li> <li>f) Details of complaints and Grievances (C 6.3)</li> <li>g) Negotiation procedures (C 6.4)</li> <li>h) Continual improvement plans (C 8.1)</li> <li>i) Public summary of certification assessment report</li> <li>j) Human Rights Policy (C 6.13)</li> </ul>					
1.1.2	Records of requests for information and responses to the information requested shall be available.					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>Record of stakeholder request was available e.g.: letter from Dinas perkebunan Prov Sumsel # 525.04/592-V.3/Bun dated on 24 August 2016 regarding Report Submission of partnership and CSR and revitalisation of palm plantation. The company has submitted the report according to letter # 378/HIN-PA/IX/2016 dated on 8 September 2016.</p> <p>FFB price defined based on meeting in Dinas Perkebunan Provinsi Sumsel twice a month.</p>					

	Communication to KUD by email, for example: April 2017 FFB Price.				
	Requests from the stakeholders are mainly for donation for the villages, for examples road construction and maintenance, agricultural equipment, book package, etc. in addition, other assistance such as assistance in providing fuel/diesel is also observed to be recorded.				
<b>Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</b>					
<b>1.2.1 (a)</b>	<b>Land titles/user rights (Criterion 2.2)</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	There is a land titles/user rights documents that available for public. There are land titles/user rights documents listed include authorization who take responsible to giving this documents to the public, when requested. See Indicator 2.1.1.				
<b>1.2.1 (b)</b>	<b>Occupational health and safety plans (Criterion 4.7);</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	There are Occupational Safety and Health documents that available for public <b><i>Kebijakan Lingkungan, Kesehatan Kerja, Mutu &amp; Keselamatan Pangan (LK3MKP)</i></b> signed by Mr John J. Hartmann). Occupational Safety and Health documents include authorization who take responsible to giving this documents to the public, when requested. The policy has been displayed at the estate office and communicated to all workers through information board and morning briefing. The policy which is available in both Indonesian and English language specifies that the company is committed to comply with all applicable occupational health and safety, process safety, and procedure safety requirements, continually improve performance on criteria relevant to its businesses and operations, and insist that all work, however urgent, be done safely.  The company also had a Cargill Tropical Palm Business Unit 2016/2017 Business Plan including program of safety transformation to zero accident.				
<b>1.2.1 (c)</b>	<b>Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	There is a impact assessment documents that available for public. There are impact assessment documents include authorization who take responsible to giving this documents to the public, when requested.  A documented impact assessment, i.e. <i>Analisis Mengenai Dampak Lingkungan (AMDAL)</i> is available, which consists of the following documents  <ol style="list-style-type: none"> <li>1. The actual environmental impact assessment report, i.e. <i>Analisis Dampak Lingkungan (ANDAL)</i></li> <li>2. Rencana Pemantauan Lingkungan (environmental monitoring plan)</li> <li>3. Rencana Pengelolaan Lingkungan (environmental management plan)</li> </ol> <p>The AMDAL document has been approved by government and the process to get approval has been followed through stakeholders consultation in order to identify impacts and develop any mitigation measures.</p> <p>The AMDAL also cover to both estates and mills. The environmental impacts identified are land erosion, water pollution, wild life disturbance, fire, social economic and culture and health.</p> <p>The regular reports of implementation environmental management plan (RKL) is remains consistently implemented and reported to government authorities twice a year. Verified during surveillance audit the RKL period report on Semester I and Semester II year 2016.</p> <p>The company has conducted periodic social impact assessment tahun 2016 collaborated with Links.</p>				
<b>1.2.1 (d)</b>	<b>HCV documentation (Criteria 5.2 and 7.3);</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	High Conservation Value assessment has been done on 2007, 2011 and 2013 in corporation with the university (Bogor Agricultural University – IPB) and RSPO-approved HCV assessor.				

<b>1.2.1 (e)</b>	<b>Pollution prevention and reduction plans (Criterion 5.6);</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>There is pollution prevention and reduction plans documents that available for public. There are pollution prevention and reduction plans documents include authorization who take responsible to giving this documents to the public, when requested.</p> <p>An assessment of all pollutions and emissions has been conducted periodically through the implementation of the Environmental Management Plan (RKL/RPL) and GHG calculation according to RSPO palm GHG calculator.</p> <p>In term of RKL/RPL specifies the following polluting activities:</p> <ul style="list-style-type: none"> <li>a. Subsidence</li> <li>b. Water pollution</li> <li>c. Fire</li> <li>d. Wild life disturbance</li> <li>e. Air emission from boiler stack, genset and vehicles</li> </ul>					
<b>1.2.1 (f)</b>	<b>Details of complaints and grievances (Criterion 6.3);</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>There are a detail of complaints and grievances documents that available for public. There are details of complaints and grievances documents include authorization who takes responsible to giving these documents to the public, when requested. The company has provided procedure for grievances (<i>keluh kesah</i>) # GO-SOP-HRD-19 revised rev 03 dated on 25 Nov 2016. Records of grievance were available at each estate:</p> <ul style="list-style-type: none"> <li>• Buku Keluh Kesah Mukut Estate: 10 grievances (electricity, road, clean water, fist aid). All grievance were responded by the company</li> <li>• Buku Keluh Kesah Penuguan Estate: 11 grievances. All grievances were responded by the company</li> <li>• Buku Keluh kesah Sungai Nipah: 14 grievances. All grievances were responded by the company.</li> </ul> <p>PT Hindoli has also provided suggestion boxes and all workers can access to Cargill Ethics and Compliance (<a href="http://www.cargillopenlineethicspoint.com">www.cargillopenlineethicspoint.com</a>) to tell complaints.</p>					
<b>1.2.1 (g)</b>	<b>Negotiation procedures (Criterion 6.4);</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>There is a negotiation procedures documents that available for public. There are negotiation procedures documents include authorization who take responsible to giving this documents to the public, when requested.</p> <p>Negotia procedures are as follows:</p> <ol style="list-style-type: none"> <li>1. SOP for Communication Procedure (HIN/MGT/04/SOP-Komunikasi) dated 06 July 2007 revised October 24, 2016</li> <li>2. Procedure for <i>Pembebasan Lahan</i> (Land Acquisition Procedure) (ISO 9001-14001) dated 16 July 2007 and revised on Nov 23, 2016.</li> <li>3. Procedure for <i>Penyelesaian Perselisihan Tanah</i> (Land Dispute Resolution Procedure) (SL-SOP-ADM-07) dated 19 December 2007 and revised on 01 January 2013.</li> </ol>					
<b>1.2.1 (h)</b>	<b>Continual improvement plans (Criterion 8.1);</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>There is a continual improvement plans documents that available for public. There are continual improvement plans documents include authorization who take responsible to giving this documents to the public, when requested.</p> <p>The management regularly monitors and reviews their social and environment program to allow for demonstrable continuous improvements. The company captures the performance and expenditure in social and environmental aspects through their budget which is reviewed and adjusted annually to cope with changes in requirement.</p>					

<b>1.2.1 (i)</b>	<b>Public summary of certification assessment report;</b>	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	There is a public summary of certification assessment report documents that available for public. The public summary of certification assessment report documents (hard copy) include authorization who takes responsible to provide this document to the public, when requested. The public summary is available in head office. It has also available in website RSPO (www.rspo.org).	
<b>1.2.1 (j)</b>	<b>Human Rights Policy (Criterion 6.13)</b>	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	There is a Human Rights Policy documents that available for public. The Human Rights Policy includes authorization who takes responsible to giving this document to the public, when requested.  The company policies according to respecting the human right are available on "Cargill Guiding Principles Handbook" signed by Chairman and Chief Executive Officers David W. Maclellan (CEO) in 2016 is available.	
<b>Criterion 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.</b>		
<b>1.3.1</b>	<b>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.</b>	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	The Company has established policies related to the integrity and ethical behavior in the code of conduct Cargill handbook includes: <ul style="list-style-type: none"> <li>• Conducting business with integrity, fairness and ethical.</li> <li>• Do not offer or accept bribes or receive prizes in doing business</li> <li>• Doing healthy competition and honest.</li> <li>• Committed to compliance laws</li> </ul> The policy has been disseminated to both internal employees as well as to other stakeholders including contractors.	

<b>Principle 2: Compliance with Applicable Laws and Regulation</b>		
<b>Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.</b>		
<b>2.1.1</b>	<b>Evidence of compliance with relevant legal requirements shall be available.</b>	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	The evidence of compliance with relevant regulation are shown by PT. Hindoli – Mukut Mill and verified during the audit by document review and site visit. The evidence of legal requirement, e.g : <ul style="list-style-type: none"> <li>• IUP – B (plantation cultivation permits) for Sungai Nipah Estate based on Bupati Banyuasin Decree #190/2008 for 25,000 ha</li> <li>• Approval of Bupati Banyuasin #525/2467-IV/HUTBUN/2014 regarding the land change of Sungai Nipah Estate (PT. STAL) from 25,000 ha to 5,000 ha.</li> <li>• IUP – B (plantation cultivation permits) PT. Hindoli – Mukut based on Bupati Banyuasin Decree #340/2006 for 11,000 ha</li> <li>• IUP – P (mill permits) PT. HIndoli – Mukut Mill based on Bupati Banyuasin Decree #604/KPTS/HUTBUN/2015 for Mukut Palm Oil Mill with total areas 16.7 ha and 120 ton per hour FFB capacity.</li> <li>• AMDAL (Evironmental permits) for Sungai Nipah Estate (PT. STAL) based on Bupati Banyuasin Decree #189/KPTS/BLH/2013 on March 01, 2013 with 8,265.05 ha oil palm plantation and 60 ton per hour FFB for palm oil mill</li> <li>• AMDAL (Evironmental permits) for PT. HIndoli – Mukut including KKPA (smallholder)</li> </ul>	



	<p>based on Bupati Banyuasin Decree #823/KPTS/BLH/2013 on Sept 19, 2013 with 14,837 ha oil palm plantation, 120 ton per hour FFB for palm oil mill and jetty</p> <ul style="list-style-type: none"> <li>• Sungai Nipah Estate (PT. STAL) hazardous storage permits based on Bupati Banyuasin Decree #970/KPTS/BLH/2015 valid until 21 Dec 2018</li> <li>• PT. Hindoli – Mukut hazardous waste storage permits based on Bupati Banyuain Decree #739/KPTS/BLH/2015 valid until 24 Sep 2018</li> <li>• Waste water (limbah cair) discharge to the rivers permits based on Bupati Banyuasin Decree #465/KPTS/BLH/2016 with 180 m3 per days or 5400 m3 per month valid until 30 May 2019</li> <li>• PT. Hindoli – Mukut Mill hazardous waste storage permits based on Bupati Banyuain Decree #738/KPTS/BLH/2015 valid until 24 Sep 2018</li> <li>• PT. Hindoli – Mukut Mill surface water intake permits (SIPPA) permits based on Bupati Banyuasin Decree #65/PTSP-BP3MD/V/2015 valid until 28 May 2017. During the surveillance audit, process of this permits extention is running based on letter #137/HIN-PA/IV/2017 at 13 April 2017 regarding application for extention on surface water intake permits (perpanjangan izin pengambilan dan pemanfaatan air permukaan) at Mukut Mill that received on 3 May 2017 by related institutions.</li> <li>• Clinic permits are still on process both for PT. Hinfoli – Mukut and Sungai Nipah Estate (PT. STAL), PT. Hindoli already applied for clinic permits based on letter # 138/HIN-PA/IV/2017 and #134/HIN-PA/IV/2017 on 13 April 2017 and received by the relevants institution on 9 May 2017 by Siti Zahra.</li> </ul> <p>Mukut Mill has had a documented Permit for all machines :</p> <ul style="list-style-type: none"> <li>- Sterilizer permit No. ST-01 No.560/4877./BU-65/Nakertrans/3/2015 approved by DINSOSNAKERTRANS Banyuasin Regency with pressure 3.45 bar on 21 December 2015 checking conditioner 2 year.</li> <li>- Daerator permit No 560/4878.A/BU-71/Nakertrans/3/2015 approved by DINSOSNAKERTRANS Banyuasin Regency with pressure 1,2 Bar on 21 December 2015 checking conditioner 2 year.</li> <li>- Electrical installation permit No 560.4881.C/IL-44/Nakertrans/3/2015 by DINSOSNAKERTRANS Banyuasin Regency with PUIL 2000 on 21 December 2015 checking conditioner 2 year.</li> <li>- Hydrant installation permit No 560.4883/IPK-17/Nakertrans/3/2015 by DINSOSNAKERTRANS Banyuasin Regency with 8 bar on 21 December 2015 checking conditioner 2 year.</li> <li>- Forklift permit No.560/4883/PAA.205/Nakertrans/3/2015 by DINSOSNAKERTRANS Banyuasin Regency with maximum weight 3000 Kg on 21 December 2015 checking conditioner 2 year.</li> <li>- whell loader permit No.560/4883.A/PAA.206/Nakertrans/3/2015 by DINSOSNAKERTRANS Banyuasin Regency with maximum weight 9030 Kg on 21 December 2015 conditioner 2 year.</li> </ul> <p>All machines for operating mill have obtained permits from the government but boiler permit was not available in place. Information from MR that the permit was being sent from supplier. <b>See Observation</b></p>	
<b>2.1.2</b>	<b>A documented system, which includes written information on legal requirements, shall be maintained.</b>	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>PT. Hindoli – Mukut Mill has been indentified and evaluate for legal requirement compliances twice a year. Identification conducted with refers to SOP Indentifikasi and Evaluasi Kepatuhan Hukun #HIN/MGT/002 established on June 2007 and will be further reviewed on June 2018. Documented systems to comply with change in related applicable law and regulation and others requirement is available and verified during the audit.</p> <p>Records of updating the regulation available on Daftar dan Evaluasi Persyaratan Hukum dan Persyaratan Lainnya. Lates updated on May 2016.</p>	
<b>2.1.3</b>	<b>A mechanism for ensuring compliance shall be implemented.</b>	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective</b>	PT. Hindoli conducted an internal audit for compliance with relevant regulation and other	

<b>evidence:</b>	<p>requirement every year and updated them with the latest regulation. The latest results of internal audit that conducted on 8 – 10 March 2017 is, founded that the regulation Permenaker #1/2017 are not listed on the Daftar dan Evaluasi Persyaratan Hukum dan Persyaratan Lainnya.</p> <p>The list are already updated and the regulation already implemented during the surveillance audit.</p>				
<b>2.1.4</b>	<b>A system for tracking any changes in the law shall be available and implemented.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>PT. Hindoli SOP for SOP Identifikasi and Evaluasi Kepatuhan Hukum #HIN/MGT/002, describes a method for identifying and updating the regulations by :</p> <ul style="list-style-type: none"> <li>• Access via internet</li> <li>• Send a letter directly to relevant institution</li> <li>• Training to relevant institution</li> </ul> <p>Compliance with the relevant regulation and other requirement method has been carried out by the internal audit including document review, measurements and assessments on the field with frequency twice a year.</p> <p>Resumes of regulation update and compliance evaluation available on Resume and regulatory compliance evaluation #HIN/MGT/002/lamp. The document noted that any revisions to the latest regulation, contains the date of revisions originator and revision history.</p> <p>Records of updating the regulation available on Daftar dan Evaluasi Persyaratan Hukum dan Persyaratan Lainnya. Lates updated on May 2016.</p>				
<b>Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</b>					
<b>2.2.1</b>	<b>Documents showing legal ownership or lease, history of land tenure ownership/control, and the actual legal use of the land shall be available.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>PT. Hindoli – Mukut Mill could show the legal ownership of the land. The legal ownership are :</p> <ul style="list-style-type: none"> <li>• HGU for Mukut location based decree of BPN chief # 95/HGU/BPN RI/2010 with certificate #00028 for 9,979.27 ha and valid until 17 Feb 2046</li> <li>• HGU for Sungai Nipah Estate based on decree of BPN chief #6/HGU/BPN RI/2013, for 4,298 ha with certificate numbers : <ul style="list-style-type: none"> <li>• #039 for 62.75 ha valid until 07 Feb 2047</li> <li>• #040 for 742.50 ha valid until 07 Feb 2047</li> <li>• #41 for 2,931.94 ha valid until 07 Feb 2047</li> <li>• #044 for 560.81 ha valid until 06 Mei 2048</li> </ul> </li> <li>• Land ownership for KKPA Mukut are based on the ownership letter (SHM) for each farmers based on decree of BPN Banyuasin decree #490/HM/BPN-16-07/SMS/2014, e.g.: <ul style="list-style-type: none"> <li>• SHM #212 on behalf A. Kadir Bin Syait for 19,403 m<sup>2</sup>.</li> <li>• SHM #75 on behalf A. Nizar Bin Yasti for 18,705 m<sup>2</sup>.</li> <li>• SHM #164 on behalf Abdullah Bin Ahmat for 19,290 m<sup>2</sup>.</li> </ul> </li> <li>• Land ownership for KKPA Penuguan area are still under process with measurement for each farmer was the latest process, with attendance sheet of measuring process are available on 25 April 2017. PT. Hindoli already paid the administration fee for measurement and mapping to BPN with document # 5754/2017 on 21 April 2017.</li> <li>• The legal ownership of additional areas on KKPA Mukut for 126 ha and KKPA Penuguan for 206 ha are still under process, with latest process are : <ul style="list-style-type: none"> <li>• Releasment of production forest area to oil palm plantation base on Forestry Ministry Decree # SK.735/Menhut-II/2014 for 1,368.18 ha</li> <li>• Decree of Bupati Banyuasin #898/KPTS/HUTBUN/2016 according to The establishment of prospective KKPA famers.</li> </ul> </li> </ul>				

<b>2.2.2</b>	<b>Legal boundaries are demonstrated clearly and maintained.</b>	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>PT. Hindoli has established the SOP for legal boundaries mark inspection (HIN/ISI-IPR/TSD/092/SOP). Legal boundaries inspection carried out twice a year to ensure that the legal boundaries are well maintained.</p> <p>Verification conducted during the surveillance audit to :</p> <p>Sungai Nipah Estate (PT. STAL) :</p> <ul style="list-style-type: none"> <li>Legal boundaries # 39 with coordinate X : 423,501, Y : 9,711,698 (UTM48 – South)</li> <li>Legal boundaries # 26 with coordinate X : 424,195, Y : 9,711,878 (UTM48 – South)</li> </ul> <p>Penuguan Estate :</p> <ul style="list-style-type: none"> <li>Legal boundaries # 35 with coordinate X : 442,251, Y : 9,728,752 (UTM48 – South)</li> </ul> <p>Mukut Estate and KKPA</p> <ul style="list-style-type: none"> <li>Boundary pole # HDL 042 2°28'47.302"S and 104°27'04.486" E</li> <li>Boundary pole # HDL 44 2°28'32.567"S and 104°26'05.387" E</li> </ul> <p>All the legal boundaries visited are clearly available and maintained.</p>	
<b>2.2.3</b>	<b>In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.</b>	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>The company has kept records of conflict resolution such as additional proof of legal acquisition of title and fair compensation, for example: <i>Surat Kesepakatan Bersama antara PT. Sumber Terang Agro Lestari (PT. STAL) dengan Kelompok Tani Mujarebek # 001/SKB/VIII/2014</i> on 14 August 2014. Compensation result was IDR 2,500,000/ha. Official report was available and verified.</p>	
<b>2.2.4</b>	<b>There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</b>	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Records are kept in the legal/Public Affairs including minutes of meeting and negotiations. From 4298 hectare of HGU, 2500 hectares of them had been opened for plantation, meanwhile 18 others still in dispute with local community. In this 1<sup>st</sup> surveillance, the company decided to resolve the land dispute by enclaving them (40 hecatres or 9%), compensation (352.84hecatres or 83%) that has been finished, and 362.08 hectares or 8%) in process for compensation.</p>	
<b>2.2.5</b>	<b>For any conflict or dispute over the land, the evidence of the extent of disputed area is mapped out in a participatory way with involvement of affected parties (including neighboring communities and local government where applicable), shall be available.</b>	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Records of conflict resolution are available included map of conflict resolution scale 1:50,000. This map has been signed by affected parties.</p>	
<b>2.2.6</b>	<b>To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and/or planned operations.</b>	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Based on interview results with stakeholders (affected parties), no evidence that the company has instigated violence in maintaining peace and order in their current and planned operations.</p>	
<b>Criterion 2.3: Use of the land for oil palm does not diminish the legal, customary or users rights of other users without their free, prior and informed consent.</b>		

<b>2.3.1</b>	<b>Maps with appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities).</b>	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Appropriate maps of recognized legal are available with scale 1:70,000 for Sungai Nipah Estate and 1:200,000 for Mukut, Penuguan and Pulau Berayun Estates.	
<b>2.3.2</b>	<b>Copies of negotiated agreements including the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and these include: a. Evidence of consultation b. Statement of transfer of rights c. Evidence of compensation See specific guidance 2.3.2</b>	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	The Company has evidences of a letter agreement between PT.STAL with farmer groups (Mujarabek) # 001/SKB/VIII/2014 regarding land tenure area of 300 hectares. Official report of compensation has been settled IDR 2,500,000, - / Ha, including receipt of payment, handover of land use title and map areas of dispute that have been signed by both parties.	
<b>2.3.3</b>	<b>Relevant information shall be available in appropriate forms and languages, including analysis of impacts, proposed benefit sharing, and legal arrangements.</b>	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	The agreement No.001/SK/VIII/2014 has been signed by both parties of the company and the farmer group. The agreement has used Indonesia language that can be understood by all parties.	
<b>2.3.4</b>	<b>Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</b>	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	The farmer group did not appoint a representative institution or others to help to resolve dispute. However the agreement letter has witnessed by head of sub-district of Pulau Rimau.	

<b>Principle 3: Commitment to Long-Term Economic and Financial Viability</b>						
<b>Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.</b>						
<b>3.1.1</b>	<b>A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders.</b>					<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>					
<b>Objective evidence:</b>	The company has established global business plan for CTP at Cargill Tropical Palm Business unit 2016/2017 business plan and forecast until 2021 as follows:					
	<b>Item</b>	<b>Forecast 2016/17</b>	<b>Forecast 2017/18</b>	<b>Forecast 2018/19</b>	<b>Forecast 2019/20</b>	<b>Forecast 2020/21</b>
	FFB Production (MT) Mukut, Penuguan, Pulaiberayun + KKPA	176.093	239.964	312.164	335.014	343.386
	FFB Production (MT) STAL	1954	14111	34537	53518	71388
	Direct Cost-USD (000) Mukut + KKPA	1310	1523	1959	2057	2160
	Direct Cost-USD (000) STAL	134	235	247	259	272
	Immature Cost-USD	232	351	88	146	-

	(000) Mukut + KKPA					
	Immature Cost-USD (000) STAL	2,789	3,364	2,160	510	-
	OER (%)	21.75	23.75	22.5	22.5	22.5
	KER (%)	4.18	4.7	5	5	5
	Mill Cost-USD (000)	1,578	1,762	1,904	2,056	2,221
<p>The areas will be planted at Sungai Nipah Estate (STAL):</p> <ul style="list-style-type: none"> <li>Year 16/17 : 2,276.11 ha,</li> <li>Year 17/18 : 1,766.09 ha,</li> <li>Year 18/19 : 949.53 ha.</li> </ul> <p>The areas will be planted at Mukut Estate:</p> <ul style="list-style-type: none"> <li>Year 16/17 Inti :20.23 ha and KKPA 206.35 ha</li> <li>Year 17/18 : KKPA 126 ha</li> <li>Year 18/19 : KKPA 126 ha</li> </ul> <p>STAL (Sumber Terang Agro) has Certificate of planting material No. 69632/2014 from Socfindo for 50,000 seeds on 30 July 2014 and No. 38365/2014 from Socfindo for 50,000 seeds on 16 July 2014.</p> <p>PT. HINDOLI (Mukut, Penuguan, Pulau Berayun and KKPA) has Certificate of planting material No. 444/BLRS/HIN Lonsum from Lonsum for 40,800 seed on 10 August 2000.</p>						
3.1.2	<b>An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</b>					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>Not applicable. Mostly plants have included immature so that a replanting program is not required.</p> <p>Planting year is:</p> <ul style="list-style-type: none"> <li>Mukut, Penuguan, and Pulau Berayun Estates are planted in 2009.</li> <li>STAL is planted in 2014</li> <li>KKPA is planted in 2011.</li> </ul>					

<b>Principle 4: Use of Appropriate Best Practices by Growers and Millers</b>						
<b>Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.</b>						
4.1.1	<b>Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available.</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>PT. Hindoli – Mukut Mill and its supply has establish, distributed and documented the relevan SOP for their activities within estate and mill. The SOP established by referring and modify from PT. Hindoli – Sungai Lilin and Tanjung Dalam Mill. The SOP that established, e.g. :</p> <ul style="list-style-type: none"> <li>SOP # HIN/SL-IPR/TSD/028 for Planting</li> <li>SOP #HIN/SL-IPR/TSD/039 for Selective weeding bu chemicals</li> <li>SOP #HIN/SL-IPR/TSD/044 for Manual manuring</li> <li>SOP #HIN/SL-IPR/TSD/060 for Oryctes control</li> <li>SOP #HIN/SL-IPR/TSD/098 for Sanitation</li> <li>SOP #HIN/SL-IPR/TSD/077 for Manual harvesting</li> </ul> <p>During the site visit and interview with the workers, show that all workers has a good knowledge</p>					

	<p>about their activities.</p> <p>Observation from last audit regarding the sanitation activities can not be verified due to no sanitation activities during the surveillance audit.</p> <p>Mukut Mill has established procedures for FFB receipt, processing, supply chain until delivery as follows:</p> <ol style="list-style-type: none"> <li>1. SOP for Grading No.Mukut-PROD-01-SOP</li> <li>2. SOP for Loading Ramp No.Mukut-PROD-02-SOP</li> <li>3. SOP for Sterilizer No.Mukut-PROD-03-SOP</li> <li>4. SOP for Press No.Mukut-PROD-04-SOP</li> <li>5. SOP for Klarifikasi No.Mukut-PROD-05-SOP</li> <li>6. SOP for Kernel No.Mukut-PROD-06-SOP</li> <li>7. SOP for Boiler No.Mukut-PROD-07-SOP</li> <li>8. SOP for Emergency Boiler No.Mukut-PROD-08-SOP</li> <li>9. SOP for Power House No.Mukut-PROD-09-SOP</li> <li>10. SOP for EFB Press No.Mukut-PROD-010-SOP</li> <li>11. SOP for Despatch Logistic No.MK-SOP-LOG-01 (SOP dan ex pengiriman)</li> <li>12. SOP for Supply Chain No. HIN/MGT/016/SOP-RSPO supplay chain –IP Modul D</li> </ol>				
<b>4.1.2</b>	<b>Checking or monitoring of operations procedures is conducted at least once a year.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>Procedure for internal control of the operations has been described at HIN/SL-IPR/TSD/071 regarding Scoring field audit for mature areas. Monitoring is conducted twice a year as per fiscal period. Records of monitoring available on field agronomy appraisal – immature for block AE001 June 2016 and Dec 2016, with result as follows:</p> <ul style="list-style-type: none"> <li>• June 2016 period with results: bad canopy management due to oryctes.</li> <li>• Dec 2016 period with results: bad supply condition.</li> </ul>				
<b>4.1.3</b>	<b>Records of monitoring and any follow-up actions shall be available.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:		No:	X
<b>Objective evidence:</b>	<p>Records of monitoring of operation are available included corrective action tracking. For period June 2016 to April 2017, there were 11 NCs with status 7 NCs were closed and 4 NCs are still open.</p> <p>Based on document review and interview with company's internal auditor, revealed that corrective action request for internal audit in June 2016 at Block AE0001 (Sungai Nipah Estate) was not in place.</p> <p><b>Minor CAR # 01 was raised</b></p>				
<b>4.1.4</b>	<b>Records of the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and outgrower) shall be available.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>Records of FFB supplier for Mukut Mill are available. The FFB suppliers for Mukut Mill are coming from all estates managed by company i.e.:</p> <ul style="list-style-type: none"> <li>• Mukut Estate</li> <li>• Penuguan Estate</li> <li>• Pulau Berayun Estate</li> <li>• Sungai Nipah Estate</li> <li>• KKPA Estates</li> </ul> <p>There was no FFB sources supplied from third party</p>				



<b>Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</b>						
<b>4.2.1</b>	<b>A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available</b>					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	In order to maintain soil fertility PT. Hindoli – Mukut Mill always conduct the soil, foliar and nutrients balance analysis as a base line in fertilizers recommendation. Foliar analysis implementation refers to SOP #HIN/SL-IPR/TSD/067 and SOP #HIN/SL-IPR/TSD/004 for soil analysis. Soil analysis conducts every 5 years and foliar analysis conducts annually.					
<b>4.2.2</b>	<b>Records of fertilizer inputs shall be available.</b>					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	Records of fertilizers application are available according to Estate report fertilizers summary for year 2016/2017 e.g. : <b>Sungai Nipah Estate (PT.STAL) :</b> <ul style="list-style-type: none"> <li>• Urea : 591.2 ton applied vs 640.3 ton recommendation</li> <li>• RP : 239.6 ton applied vs 686.6 ton</li> <li>• ERP : 327.5 applied vs no recommendation (substitution for RP)</li> <li>• KCL : 700.8 ton applied vs 895.1</li> </ul> <b>Mukut Estate :</b> <ul style="list-style-type: none"> <li>• NPK HKay : 264.3 vs 570.8</li> <li>• Urea : 699 vs 1,100</li> <li>• RP : 423.1 vs 882.4</li> <li>• MOP : 1,116.2 vs 1,724.1</li> </ul>					
<b>4.2.3</b>	<b>Records of periodical leaf, soil and visual analysis shall be available.</b>					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	Records of soil and foliar analysis are available, e.g. : <b>Sungai Nipah Estate (PT.STAL) :</b> <ul style="list-style-type: none"> <li>• Leaf sampling unit will start conducted by fiscal 2017/2018</li> <li>• Soil Sampling Unit records # CPS/054/VII/2016 conducted by third party (PT. Cental Alam Resoyrces Lestari).</li> </ul> <b>Mukut Estate :</b> <ul style="list-style-type: none"> <li>• Leaf Sampling Unit records (<i>Sertifikat Hasil pengujian # CPS/434/VI/2016</i>)</li> <li>• Soil Sampling Unit records (<i>Hasil analisa tanah # CPS/314/VII/2016</i>)</li> </ul>					
<b>4.2.4</b>	<b>A nutrient recycling strategy is recorded, including use of Empty Fruit Bunches (EFB), land application, and palm residues after replanting.</b>					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	PT. Hindoli – Mukut Mill has uses EFB and decanter cake as recycling strategy. Records of this activities are available on Fertilizers summary, e.g.: Mukut estate. Records of Fertilizers summary, with Decanter cake used 1,827.7 MT and EFB used 2,781.3 MT until April 2017 for 2016/2017 fiscal years.					
<b>Criterion 4.3: Practices minimize and control erosion and degradation of soils.</b>						
<b>4.3.1</b>	<b>Maps of any fragile/marginal soils shall be available.</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	Maps of soil type is available for every estates, e.g.: <ul style="list-style-type: none"> <li>• Sungai Nipah Estate maps soil available on Peta Penelolaan lingkungan hidup with scale</li> </ul>					

	1:25,000. Based on the maps the soil area : trophemist, tropaquepts, and fluvaquents.	
	<ul style="list-style-type: none"> <li>Mukut, Penuguan and Pulau Berayun maps soil available on soil type with scale 1:50,000. Based on maps, mukut soil types are : marine clay, brackish water deposite, and peat.</li> </ul>	
<b>4.3.2</b>	<b>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).</b>	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Not applicable. No specific management strategy for plantings on slopes above a certain limit , due to slope of the company area are less than 8°. During the field visit shows that the company area are mostly flat.	
<b>4.3.3</b>	<b>A road maintenance programme shall be in place.</b>	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Road maintenance programs available for every estate. Road maintenance programs including : grading, compacting and gravelling, culvert and bridges, and potholes. Records available on maps of road maintenance programs.	
<b>4.3.4</b>	<b>Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</b>	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Based on soil map, there is shallow peat inside HGU concession about 518 ha. The subsidence of peat soil has been monitored and reported toto government periodically according to RKL/RPL document.  Visiting to a peat soil areas at Pulau Berayun estate with total 252.19 ha, the areas have been managed by water management, implemetation of peat subsidence monitoring and measuring the water table (using piezometer methods).  Peat soil monitoring data (subsidence) is done 3 monthly e.g.: <ul style="list-style-type: none"> <li>- Subsidized Benchmark C04 on March 2016 : 2-8 cm, June 2016 : 4-6 cm, September 16 : 9-17 cm, December 16 : 9-19 cm and March 17 : 13-19 cm.</li> <li>- Subsidized Benchmark C10 on March 2016 : 4.5-6.5 cm, June 2016 : 4.5-6.5 cm, September 16 : 12-14 cm, December 16 : 12-19 cm and March 17 : 13-19 cm.</li> </ul> Piezometer monitoring data per monthly, e.g.: <ul style="list-style-type: none"> <li>- Piezo F 10 on January-17 : -61 cm, February-17 : - 58 cm, March-17 : -35 cm and April-17 : -47 cm.</li> <li>- Piezo L 32 on January -17 : -37 cm, February-17 : - 32 cm, March-17 : -23 cm and April-17 : -18 cm.</li> </ul> However, procedure for subsidence monitoring (HIN/ISL-IPR/TSD/065 rev.05) should be defined a critical threshold of subsidence level. <b>See Observation</b>	
<b>4.3.5</b>	<b>Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</b>	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Not applicable. The oldest oil palms are planted on 2009. No replanting programs for next 5 years yet.	
<b>4.3.6</b>	<b>A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).</b>	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	During the field visit shows that, management strategy has been implemented i.e. dolomite and sulphur application, combination of water gate and culvert for water management, main drain construction to control water drainage.	
<b>Criterion 4.4: Practices maintain the quality and availability of surface and ground water.</b>		
<b>4.4.1</b>	<b>An implemented water management plan shall be in place.</b>	<i>Minor</i>



<b>Findings</b>	In compliance:	Yes:	X	No:																																																											
<b>Objective evidence:</b>	<p>In order to maintain the available of water sources. The company has a water management plan, some records are verified, e.g. :</p> <ul style="list-style-type: none"> <li>Permits of deep well water intake #173/PTSP-BP3MD/X/2015 from Gubernur Sumatera Selatan with capacity 2.5 liter per second and valid until 8 Oktober 2018.</li> <li>Records of water use on Sungai Nipah Estate (PT. STAL) available on monitoring of water meter, as per 1 May 2017 is 121.3 m<sup>3</sup> used for chemicals and domestic (243 lifes)</li> <li>Records of water use on Mukut estate available on monitoring of water meter, as per 1 April 2017 is 157.2 m<sup>3</sup> used for chemicals and domestic .</li> </ul> <p>During the field visit, show that :</p> <ul style="list-style-type: none"> <li>The company has a water treatment for water supply to the housing complex</li> <li>Riparian are maintained, in order to maintain the river water condition and availability.</li> </ul> <p>The realization of water management 2016/2017, for instance:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th>(IPR) Inti Pulai Rimau</th> <th>EMK (est. Mukut+KKPA)</th> <th>EPG (Penuguhan+KKPA)</th> <th>EPB (Pulai Berayun)</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>MD (m)</td> <td style="text-align: right;">36,139</td> <td style="text-align: right;">36,767</td> <td style="text-align: right;">36,771</td> <td style="text-align: right;">109,677</td> </tr> <tr> <td>CD (m)</td> <td style="text-align: right;">144,932</td> <td style="text-align: right;">126,816</td> <td style="text-align: right;">148,905</td> <td style="text-align: right;">420,653</td> </tr> <tr> <td>FD (m)</td> <td style="text-align: right;">1,061,195</td> <td style="text-align: right;">683,887</td> <td style="text-align: right;">926,728</td> <td style="text-align: right;">2,671,810</td> </tr> <tr> <td>Water Gate (UoM)</td> <td style="text-align: right;">9</td> <td style="text-align: right;">13</td> <td style="text-align: right;">4</td> <td style="text-align: right;">26</td> </tr> <tr> <td>Box Culvert (UoM)</td> <td style="text-align: right;">111</td> <td style="text-align: right;">4</td> <td style="text-align: right;">67</td> <td style="text-align: right;">182</td> </tr> <tr> <td>Bunding (m)</td> <td style="text-align: right;">25,288.97</td> <td style="text-align: right;">60,216.88</td> <td style="text-align: right;">18,338.17</td> <td style="text-align: right;">103,844.02</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>STAL</th> <th>Sungai Nipah Estatae</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>MD (m)</td> <td style="text-align: right;">22,800</td> <td style="text-align: right;">22,800</td> </tr> <tr> <td>CD (m)</td> <td style="text-align: right;">71,000</td> <td style="text-align: right;">71,000</td> </tr> <tr> <td>FD (m)</td> <td style="text-align: right;">315,200</td> <td style="text-align: right;">315,200</td> </tr> <tr> <td>Water Gate (UoM)</td> <td style="text-align: right;">6</td> <td style="text-align: right;">6</td> </tr> <tr> <td>Box Culvert (UoM)</td> <td style="text-align: right;">70</td> <td style="text-align: right;">70</td> </tr> <tr> <td>Bunding (m)</td> <td style="text-align: right;">8,600</td> <td style="text-align: right;">8,600</td> </tr> </tbody> </table> <p>Implementation of peat land management was preserving of water level (40-60 cm) using water gates and stop ban.</p>							(IPR) Inti Pulai Rimau	EMK (est. Mukut+KKPA)	EPG (Penuguhan+KKPA)	EPB (Pulai Berayun)	Total	MD (m)	36,139	36,767	36,771	109,677	CD (m)	144,932	126,816	148,905	420,653	FD (m)	1,061,195	683,887	926,728	2,671,810	Water Gate (UoM)	9	13	4	26	Box Culvert (UoM)	111	4	67	182	Bunding (m)	25,288.97	60,216.88	18,338.17	103,844.02	STAL	Sungai Nipah Estatae	Total	MD (m)	22,800	22,800	CD (m)	71,000	71,000	FD (m)	315,200	315,200	Water Gate (UoM)	6	6	Box Culvert (UoM)	70	70	Bunding (m)	8,600	8,600
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<b>4.4.2</b>	<b>Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.</b>						<i>Major</i>																																																								
<b>Findings</b>	In compliance:	Yes:	X	No:																																																											
<b>Objective evidence:</b>	Observed during visit to Mukut rivers. Buffer zone around mukut rivers are kept and maintained for (194.60 ha). Records of riparians monitoring are available.																																																														

	<p>Planting program at buffer zone: 120 trees of local species (e.g. <i>Bintaro</i> and <i>Umi Kasiah</i>) are planted during 2014 – 2015 at block C24 – C 30.</p> <p>Visiting to Sungai Nipah Estate riparian are kept and maintained. Records of maintenance of Sungai Nipah riparian available on Rencana dan Realisasi Kegiatan di areal buffer zone, on 7 Sept 2015 planted with local species (e.g. <i>Bintaro</i> tree) for 20 and available on record of Form Pengamatan/Inspeksi Buffer Zone.</p> <p>The production unit is protecting watercourses and wetlands, including maintaining and restoring appropriate riparian buffer zones as per explained in the <b>SOP Pengelolaan Buffer Zone</b> (HIN/SL-IPR/TSD/03). All riparian identified are clearly marked on the ground and marked in the field map to ensure no activities (i.e.: spraying; manuring) being conducted in the area. Protection of river banks will be managed on both sides of the river as large as 100 M and 50 M. For the tributary area has opened it at the time of the next replanting will be managed according to the requirements.</p>																																																																												
<b>4.4.3</b>	<b>Records for monitoring of effluent especially BOD (<i>Biochemical Oxygen Demand</i>) and efforts to comply with legal requirements, shall be available (see criteria 2.1 and 5.6).</b>				<i>Minor</i>																																																																								
<b>Findings</b>	In compliance:	Yes:	X	No:																																																																									
<b>Objective evidence:</b>	<p>Monthly Submission of report on the discharge of effluent for land application is available, for example: Record of <i>Laporan hasil uji limbah cair ke badan air Sungai Mukut dan Sungai Serdang Mill Mukut Periode Bulan February and March 2017</i>.</p> <p>Records show that the BOD of the effluent was within the permitted level.</p> <p>Lab reference :</p> <ul style="list-style-type: none"> <li>- February No. 660/0216/SHU-LAB/II/2017 BOD Outlet 51.2 ml/l, BM 100 ml/l, COD 120 ml/l, BM 350 ml/l and TSS 42 mg/l BM 250 mg/l MT 7,821.</li> <li>- March No. 660/0425/SHU-LAB/III/2017 BOD Outlet 55 ml/l, BM 100 ml/l, COD 109 ml/l, BM 350 ml/l and TSS 65 mg/l BM 250 mg/l, MT 8,788.</li> <li>- April No. 660/0596/SHU-LAB/IV/2017 BOD Outlet 56.7 ml/l, BM 100 ml/l, COD 116 ml/l, BM 350 ml/l and TSS 21.4 mg/l BM 250 mg/l, MT 7,766.</li> </ul> <p>However, flow meter of POME from mill to effluent ponds needs to be repaired because the figure was not clearly visible. <b>See Observation</b></p>																																																																												
<b>4.4.4</b>	<b>Monitoring of mill water use per ton of FFB shall be recorded.</b>				<i>Minor</i>																																																																								
<b>Findings</b>	In compliance:	Yes:	X	No:																																																																									
<b>Objective evidence:</b>	<p>The mill monitors their water usage separately from the estate covering both operational and domestic use (covering workers quarters, mosque and workshop). Observed that the mill compiling the date on a monthly basis within the Summary of Water Consumption; for instance:</p> <table border="1"> <thead> <tr> <th>2016/17</th> <th>TBS Process</th> <th>Process M<sup>3</sup></th> <th>Process MT/FFB</th> <th>Boiler MT</th> <th>Process + Boiler MT/FFB</th> </tr> </thead> <tbody> <tr> <td>June-16</td> <td>4,928.57</td> <td>6,993</td> <td>1.42</td> <td>4,074</td> <td>2.25</td> </tr> <tr> <td>July-16</td> <td>3,407.35</td> <td>4,676</td> <td>1.37</td> <td>2,582</td> <td>2.13</td> </tr> <tr> <td>Augus-16</td> <td>5,748.37</td> <td>4,284</td> <td>0.75</td> <td>6,850</td> <td>1.94</td> </tr> <tr> <td>Sep-16</td> <td>12,276.85</td> <td>12,214</td> <td>0.99</td> <td>9,527</td> <td>1.77</td> </tr> <tr> <td>Oct-16</td> <td>19,485.70</td> <td>16,440</td> <td>0.84</td> <td>16,140</td> <td>1.67</td> </tr> <tr> <td>Nop-16</td> <td>26,046.10</td> <td>18,933</td> <td>0.73</td> <td>17,971</td> <td>1.42</td> </tr> <tr> <td>Dec-16</td> <td>22,752.21</td> <td>11,716</td> <td>0.51</td> <td>17,673</td> <td>1.29</td> </tr> <tr> <td>Jan-17</td> <td>16,411.53</td> <td>7,371</td> <td>0.45</td> <td>15,142</td> <td>1.37</td> </tr> <tr> <td>Feb-17</td> <td>13,341.87</td> <td>5,859</td> <td>0.44</td> <td>11,517</td> <td>1.30</td> </tr> <tr> <td>March-17</td> <td>16,007.81</td> <td>6,752</td> <td>0.42</td> <td>13,347</td> <td>1.26</td> </tr> <tr> <td>April-17</td> <td>14,003.15</td> <td>5,893</td> <td>0.42</td> <td>11,897</td> <td>1.27</td> </tr> </tbody> </table>					2016/17	TBS Process	Process M <sup>3</sup>	Process MT/FFB	Boiler MT	Process + Boiler MT/FFB	June-16	4,928.57	6,993	1.42	4,074	2.25	July-16	3,407.35	4,676	1.37	2,582	2.13	Augus-16	5,748.37	4,284	0.75	6,850	1.94	Sep-16	12,276.85	12,214	0.99	9,527	1.77	Oct-16	19,485.70	16,440	0.84	16,140	1.67	Nop-16	26,046.10	18,933	0.73	17,971	1.42	Dec-16	22,752.21	11,716	0.51	17,673	1.29	Jan-17	16,411.53	7,371	0.45	15,142	1.37	Feb-17	13,341.87	5,859	0.44	11,517	1.30	March-17	16,007.81	6,752	0.42	13,347	1.26	April-17	14,003.15	5,893	0.42	11,897	1.27
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<b>Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</b>																																																																													
<b>4.5.1</b>	<b>Monitoring of Integrated Pest Management (IPM) plan implementation shall be available.</b>				<i>Major</i>																																																																								
<b>Findings</b>	In compliance:	Yes:	X	No:																																																																									
<b>Objective evidence:</b>	<p>PT. Hindoli already has a plan for IPM activities, e.g.:</p> <p>Monitoring activities with : pest monitoring conducted every month for every type pest and block</p>																																																																												

	<p>Prevention activities with : beneficials palnt, natural enemies of pest such as owl.</p> <p>Interferences conducted based on the monitoring results with considering the natural enemies availability and environmental conditions.</p> <p>Plan for Early Warning System (EWS) activities FY : 16/17, available on :</p> <p>Budget for IPM is available with :</p> <ul style="list-style-type: none"> <li>• Immature at KKPA Penuguan Estate and Mukut phase 2 with 10,250 ha per fiscal years</li> <li>• Mature : Penuguan Estate with 18,453. KKPA penuguan 14,762.4 ha per fiscal years</li> <li>• Mature : Mukut Estate 43,732.07 ha per fiscal years</li> <li>• STAL : mature and immature 30,558.48 ha per years</li> </ul>				
<b>4.5.2</b>	<b>Training records of Integrated Pest Management (IPM) shall be available.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>Records of training for IPM is available including :</p> <ul style="list-style-type: none"> <li>• Atandance list</li> <li>• Pre test</li> <li>• Post test</li> <li>• Traning material</li> </ul> <p>Records verified during the surveillance audit, e.g. :</p> <ul style="list-style-type: none"> <li>• Records of training for pest control (rat poison control), Mukut estate has conducted HPT training and application for rat poison implementation date August 18, 2016, presenters from PT. Bayer (Mr Bayu Anggara) with 33 participants.</li> <li>• EWS training on 20 October 2016 with 11 partisipants conducted by Erni Sopiani at Penuguan Estate. Based on the pre test and post test results show that all participant has an increasement on knowledge for EWS activities.</li> <li>• EWS training on 16 sept 2016 with 11 partisipants conducted by Ratna Yulia at Sungai Nipah Estate. Based on the pre test and post test results show that all participant has an increasement on knowledge for EWS activities.</li> </ul>				
<b>Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment.</b>					
<b>4.6.1</b>	<b>Documented evidence shall be available to show that pesticide used based on regulations and the use of pesticide is specific to target species with appropriate dosage which have minimal impact on non-target species.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>PT. Hindoli – Mukut Mill using pesticides that registered on green book of pesticides that published by Ministry of Agriculture. This is stated on SOP #HIN/SL-IPR/TSD/33. Based on site visit shows that all pesticieds used area registered on the green book.</p>				
<b>4.6.2</b>	<b>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be available.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>Records of active ingredients used, are treated, amount of active ingredients applied per ha and number of rotation available on active ingredient by estate, e.g. for year 2017, :</p> <ul style="list-style-type: none"> <li>• Period : April 2017</li> <li>• Basta pesticeds : 121 lt for 155.2 ha.</li> <li>• Active Ingridients : glufosinate ammonium : 16.9 lt/ha</li> <li>• Number of application : 1 application in block AE0009 (MOP-Pesticied applied)</li> <li>• LD50 : 0.079 ml/kg product</li> </ul>				
<b>4.6.3</b>	<b>Any use of pesticides shall be minimized as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in Indonesia Best Practice guidelines.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	

<b>Objective evidence:</b>	No prophylactic use of pesticides. Pesticides used for control the pest are based on the pest monitoring, however the PT. Hindoli – Mukut Mill using the owl for every 25 ha and using beneficials plan such as turnera and cassia tora to control pest population.				
<b>4.6.4</b>	<b>The evidence shall be available to demonstrate that use of Pesticides, categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, and paraquat are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	No pesticides that categorized as class 1A and 1B as per document list, chemicals storage visit, and interview with stakeholder. PT. Hindoli – Mukut Mill has a plan to reduce a paraquat used. Based on monitoring records of paraquat shown a decreasing of paraquat used, with 2015 used 1958 lt, and 2016 used 280 lt.				
<b>4.6.5</b>	<b>Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	Interview conducted to the workers who are using pesticide at blok L26 Penuguan Esatate and B36 Sungai Nipah Estate (PT. STAL). Based on the interview shows that all workers including their supervisor have a good understanding regarding the using pesticides and how to handle if there are a unsafe conditions, and records of training also available.  Record training for spray on October 28, 2016 was available with ASD team participants (27 training participants).				
<b>4.6.6</b>	<b>Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	During the site visit, shows that all pesticides in good handling. Permanent pesticide storage with emergency procedure and facilities such as eye washer, showers, mask, glove, goggles and apron.  Empty pesticide containers are managed well, where the empty containers are kept in registered hazardous waste.				
<b>4.6.7</b>	<b>Application of pesticides shall be by proven methods that minimise rHSL and negative impacts.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	All worker with pesticides are facilitated with appropriate protective equipment such as mask, goggles, glove, and apron. All workers are trained and has a good understanding how to used the pesticides including emergency responds procedure. The application pesticides are based on the target weed and pest controlled with minimum concentration used.				
<b>4.6.8</b>	<b>Pesticides may only be applied aerially where there is a documented justification. Surrounding communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	No aerially pesticides used at PT. Hindoli – Mukut Mill.				
<b>4.6.9</b>	<b>Evidence of training on handling pesticide for workers and scheme smallholder (if any) shall be available.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	Training for pesticides conducted by internal and external with records, e.g. : <ul style="list-style-type: none"> <li>External : 13 october 2016 with 29 participant provide by external vendor i.e. PT. Bayer</li> </ul>				

	• Internal : 7 June 2016 at 7 June with 23 participants.				
<b>4.6.10</b>	<b>Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	No:	X	
<b>Objective evidence:</b>	<p>During the site visit, shows that all pesticides in good handling. Permanent pesticides storage with emergency procedure and facilities such as eye washer, showers, mask, glove, goggles and apron.</p> <p>During visit to the chemical storage at Mukut Estate, there was found pesticide of Starane 290 EC (total 103 ltr) have been expired (February 2017). The company has not stored this pesticide waste at designated location as per regulation (PP101/2014) and SOP for handling expired pesticide (HIN/SL-IPR/TSD/040). <b>Minor CAR # 02 was raised.</b></p> <p>Interview conducted to the workers who are using pesticide at blok L26 Penuguan Estate and B36 Sungai Nipah Estate (PT. STAL). Based on the interview shows that all workers including their supervisor have a good understanding regarding the using pesticides and how to handle if there are a unsafe conditions, and records of training also available.</p> <p>Empty pesticides containers are managed well, where the empty containers are kept in registered hazardous waste with already damaged.</p>				
<b>4.6.11</b>	<b>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>PT. Hindoli – Mukut Mill conducted specific annual medical surveillance to the all pesticides operator. Records of this activity is available, e.g.:</p> <p>Annual medical surveillance periode No 2016 at Penuguan Estate, with results no workers with abnormal cholinesterase conditions.</p>				
<b>4.6.12</b>	<b>No work with pesticides shall be undertaken by pregnant or breast-feeding women.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>Base on interview with the workers, no pregnant and breast feeding women on pesticides application at Penuguan Estate. No women workers on pesticides application at Sungai Nipah Estate.</p> <p>Monitoring of pregnant and breast feeding women conducted every 3 months and every months on pregnancy management for Government (i.e. Keluarga Berencana) programs. Records are available on Urine test monitoring at visited estates.</p>				
<b>Criterion 4.7:</b>					
<b>An occupational health and safety plan is documented, effectively communicated and implemented.</b>					
<b>4.7.1</b>	<b>A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>Health and safety policy available at <i>Kebijakan Lingkungan, Kesehatan Keselamatan Kerja, Mutu dan Keselamatan Pangan (LK3MKP)</i> where its written:</p> <p><i>PT. Hindoli berkomitmen mematuhi semua aturan keselamatan dan kesehatan kerja, keselamatan operasional dan persyaratan keselamatan pangan, terus menerus melakukan perbaikan performa agar sesuai dan relevan dengan bisnis dan operasional. Serta menekankan bahwa semua pekerjaan, betapapun mendesaknya, dilakukan dengan cara aman.</i> (PT. Hindoli is committed to comply with all safety and health regulations, operational safety and food safety requirements, continuously improving its performance to be complied and relevant to business and operations. And emphasize that all work, that is urgent, will be done in safely manner)</p> <p>. The policy has been signed by chief executive officer and president director at 06 – 04 – 2015.</p>				
<b>4.7.2</b>	<b>A documented risk assessment shall be available and its implementation shall be recorded.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>The risk assessment for every kind of job types are established and well documented by the company. documentation of risk assessment available at :</p>				

	<ul style="list-style-type: none"> <li>• Task inventory and analysis ((Jenis kerja di kebun dan analisanya) – Plantations doc #MKE/EHS/05</li> <li>• Mill task inventory doc # 02-EHS Support document\Indonesia\25-critical task procedure.</li> </ul>	
<b>4.7.3</b>	<b>Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.</b>	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Training for safety working practices have been conducted by the company to the workers in 2016-2017. Records of safety training, e.g. :</p> <ul style="list-style-type: none"> <li>• Training: Safety program at all estates,</li> <li>• Training: Blood Borne Pathogen/Life Savers – poin <i>pembelajaran pada keselamatan operasional lori di atas lintasan.</i></li> <li>• Safety induction training for new employees.</li> </ul>	
<b>4.7.4</b>	<b>The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues.</b>	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Responsible persons for safety and health implementation are identified, where :</p> <ul style="list-style-type: none"> <li>• Robert Silaban appointed as a safety officers for Sungai Nipah Estate</li> <li>• Mulyadi appointed as a safety officers for Mukut and Pulai Berayun Estate</li> <li>• Reksa Negara appointed as a safety officers for Penuguan Estate</li> <li>• Novi Hadi appointed as a safety officers for Mukut Mill</li> </ul> <p>Records of meeting available, e.g. :</p> <ul style="list-style-type: none"> <li>• Safety committee meeting on 28 August 2016 with 12 participants regarding of “membahas hasil temuan internal audit RSPO”. For STAL estate.</li> <li>• EHS Committee minutes of meeting doc # SC/MOM/01/FY1314, on 31 August 2016 with 22 participants.</li> </ul>	
<b>4.7.5</b>	<b>A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.</b>	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>The company has established Procedure for emergency action plan (EST/EHS/07), include work instruction to handle emergency condition (accident, fire, flood, etc).</p> <p>There are seven first aiders within penuguan estate.</p>	
<b>4.7.6</b>	<b>All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).</b>	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>All workers and staff were protected by PT Hindoli by the use of the Jamstostek/BPJS Insurance programme followed Government schemes.</p> <p>Since 2015, Jamsostek Insurance is no longer available and replaced by BPJS. As such, any work accident will be covered by the company until BPJS is officially available.</p> <p>The company has also provided clinic at each estate and mill.</p>	
<b>4.7.7</b>	<b>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.</b>	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Based on accident records, Penuguan Estate revealed that it has been 1,126 days since the last accident within the estate.	
<b>Criterion 4.8:</b>		



All staffs, workers, smallholders and contract workers are appropriately trained.						
4.8.1	<b>Records of training program related to the aspects of RSPO Principles and Criteria shall be available.</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>Formal training programs are available at PT. Hindoli Training Calender Fiscal Year 2016 – 2017.</p> <p>The training programme is available that includes:</p> <ul style="list-style-type: none"> <li>a) Kebijakan LK3MKP – Briefing on the ERT Species and HCV (<i>Sosialisasi perlindungan Satwa yang dilindungi dan Area Nilai Konservasi tinggi</i>)</li> <li>b) Kebijakan LK3MKP – Bloodborne pathogen</li> <li>c) Kebijakan LK3MKP – Handling of Hazardous Material (<i>Komunikasi bahaya bahan kimia</i>)</li> <li>d) Kebijakan LK3MKP – Confined Space (<i>Memasuki Ruang Terbatas</i>)</li> <li>e) Kebijakan LK3MKP – PPE and Safety in Noise Activity [<i>Alat Perlindungan diri (APD) dan Konservasi pendengaran</i>]</li> <li>f) Kebijakan LK3MKP – Behavior based Safety harvesting</li> <li>g) Kebijakan LK3MKP – Safe Practice in Harvesting (<i>Teknis keselamatan panen</i>)</li> <li>h) Kebijakan LK3MKP – Emergency Response Procedure (<i>Rencan tindakan saat keadaan darurat</i>)</li> <li>i) Kebijakan LK3MKP – Safety in Motorized Vehicle and Transportation (<i>Keselamatan Berkendaraan sepeda Motor</i>)</li> </ul>					
4.8.2	<b>Records of training for each employee shall be maintained.</b>					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	At the Inti and Mill level, records of training are kept based on the training programme attendance and a competence test is conducted to evaluate the participant achievement.HR has responsibility for maintaining training records using software program.					

Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity						
<b>Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</b>						
5.1.1	<b>Environmental impact assessment document(s) shall be available.</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>PT Hindoli has AMDAL (EIA) for <i>pengembangan Perkebunan Inti Plasma and pembangunan pabrik pengolahan sawit dan jetty</i>. This document has been approved by Bupati Banyuasin # 832/KPTS/BLH/2013 dated 19 Sep 2013 total area 14,837 ha and mill capacity 120 MT FFB/hour.</p> <p>PT. Sumber Terang Agro Lestari (Sungai Nipah Estate) also has AMDAL for <i>rencana pembangunan perkebunan dan pabrik pengolahan kelapa sawit</i> total area 8,265.05 ha and mill capacity 60 ton/hour. This document has been approved Bupati Banyuasin # 189/KPTS/BLH/2013 dated 1 Mar 2013.</p> <p>Furthermore, PT Hindoli maintains the full scope of ISO14000. The documented impact assessment: SOP- <i>Identifikasi &amp; Evaluasi Aspek dan Dampak Lingkungan</i> is remains available during audit 2017. Observed that the above document is made available to all Inti and plasma estates as well as the two processing mills.</p> <p>The impact assessment cover the area: raw water &amp; wastewater treatment plant, logistic, store, maintenance, lab, ramp, sterilizer, kernel, clarification, boiler &amp; power house.</p>					
5.1.2	<b>Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document.</b>					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		

<b>Objective evidence:</b>	<p>The EIA document as described on 5.1.1 above is also accomplished with the environmental management plan document (Rencana Pengelolaan Lingkungan – RPL) where management prescriptions defined to prevent negative environmental impacts of all activities since pre-construction, construction, operations and post operation of the plantation and mills. The RPL document is a document that required under Indonesian regulation and it must be updated should any changes of the scope of operation and activities for instance increasing mill capacity.</p> <p>Since the RPL document established on last 2013, none changes of the management plan document due to no changes of the scope of operation and activities.</p> <p>The sustainable team is responsible to control the compliance of the operations to the implementation of the environmental management plan (RPL).</p> <p>Strongly recommended to ensure that fire fighter tanks at Mukut Estate are always ready to be used when there is emergency condition. During audit, found that the tanks were empty water. <b>See Observation</b></p>				
5.1.3	<b>Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:		No:	X
<b>Objective evidence:</b>	<p>The environmental monitoring plan covering mill, estate and plasma are available for both PT Hindoli Mukut and PT STAL documented on the RKL/RPL document.</p> <p>The implementation of environmental monitoring plan documented on “Laporan Pemantauan Lingkungan”. Reviewed during audit the monitoring reports for period 2016, such monitoring activities were inadequate due to following evidence(s):</p> <ul style="list-style-type: none"> <li>- The environmental monitoring report for PT STAL (Estate Sungai Nipah) is only available once during 2016. According to monitoring plan it must be twice a year. Then monitoring of such parameter of the water river(s) is only performed in August 2016 (the monitoring plan requested twice a year for monitoring this parameter).</li> <li>- No annual monitoring of watershed biota (plankton, benthos etc.) in place at Mukut and Penuguan estate as requested by its environmental monitoring plan.</li> <li>- No permanent sampling plot in place to monitor vegetation at HCV area, particularly in protected peat area at Mukut estate (317 ha). The PSP requested according to the recommendation of the HCV assessment.</li> <li>- The methodology for water table monitoring through piezometer is not clearly described on the procedure. Such monitoring tools for water table monitoring are weak, for instance monitoring stick at water gate K34 is missing, mostly scale in monitoring stick are unreadable. At the time of closing meeting the company presented an updated procedure (SOP-049) – uploaded to the system on 19 May 2018, the effectiveness of the updated procedure must be followed up and monitored in the next audit visit. <b>Minor CAR # 03 was raised.</b></li> </ul>				
<b>Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</b>					
5.2.1	<b>Record(s) on the results of High Conservation Value (HCV assessment) that includes both the planted area and the relevant wider landscape-level considerations (such as wildlife corridors) shall be available.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>Identification and analysis for HCV of Mukut areas is available and up to year 2011.</p> <p>In Penuguan Estate the HCV assessment was conducted in 2007 while for the plasma in Penuguan, the HCV Assessment was conducted in 2011.</p> <p>All HCV Assessments have been conducted by RSPO-approved HCV Assessor (Jarwadi B Hernowo).</p> <p>Identification and analysis of existing HCV at PT STAL (Sungai Nipah Estate) has been conducted with Fahutan IPB for year 2013.</p>				
5.2.2	<b>Where rare, threatened or endangered (RTE) species and or other HCVs are present or affected by the plantation and mill operations, an appropriate measures that are expected to maintain or enhance them shall be implemented through a management plan.</b>				<i>Major</i>



<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>Management and monitoring plan HCV PT STAL has been established for HCV 1.3 (<i>kawasan yang merupakan habitat bagi populasi spesies yang terancam, penyebaran terbatas atau dilindungi yang mampu bertahan hidup</i>) and HCV 4.1 (<i>Kawasan atau ekosistem yang penting sebagai penyedia air dan pengendalian banjir bagi masyarakat hilir</i>).</p> <p>Monitoring and inspection at Buffer Zone at PT STAL has been conducted at Sungai Nipahan, for examples</p> <ul style="list-style-type: none"> <li>- buffer zone maintenance: signboard and boundary pole.</li> <li>- RTE species monitoring (4 times per month).</li> </ul> <p>Poster and signboard of no hunting allowed was installed as part of endangered species and buffer zone protection.</p> <p>The buffer zone map is also available and presented by the Penuguan and Sungai estate which is consistent with the HCV values with role as habitat for RTE species.</p> <p>During field visit to Nipah riparian at Sungai Nipah Estate, observed that such monkey (<i>Macaca fascicularis</i>) living at the habitat and the enrichment planting has been presented e.g. Bintaro trees. The workers who responsible to monitor presence of RTE species (Mahmudi) is well known any kind RTE species on the HCV areas that frequently presence on that HCF area for example Raja Udang Biru bird (<i>Alcedo coerulescens</i>).</p>				
<b>5.2.3</b>	<b>Program(s) to socialize the status of protected, rare, threatened or endangered (RTE) to all workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>Programs to socialize the status of protected RTE species to all workers is carry out through put the picture of RTE species in every public areas, HCV areas, security posts. The picture is always included the prohibitions of the workers to capture, harm, collect or kill these RTE species.</p> <p>The company is also has SOP for protection Flora and Fauna (EST/EHS/35) last updated 28 April 2014 as measures in protecting species and their habitat. During site examination to Penuguan and Sungai Nipah estate, no evidence that workers indisciplinatory to the SOP, for instance, none any RTE species has been collected at the workers housing. Interview to the workers and his/her family in their housing were also noted that they aware about the prohibition to capture, harm, collect or kill these RTE species.</p>				
<b>5.2.4</b>	<b>Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>The continuous monitoring document and report regarding the status of the RTE and HCVs is available. For instance this is documented on the "form pengamatan/inspeksi buffer zone". Any kind of disturbance such as fire, illegal harvesting are recorded on the record. In every month flora and fauna on the HCV area are also well reported. During audit checked the monitoring HCV area for period 2015 – 2017. There is no reported significant disturbance to the RTE and HCV areas during that period.</p> <p>According to the environmental management system of the company, in each any disturbance to the HCV and RTE, corrective and preventive action should be in place includes the possibility to improve the management plan.</p> <p>HCV assessment was conducted on 2007. It was reported 87 ha of peat soil and shallow peat area 230 ha should be aside for conservation. Total of this area is 317 ha, formerly swap forest. In 2015, there was a fire outbreak hit this conservation area which burns more than half of the area and left only 146 ha. There was no HCV revision or at least the HCV management plan as there is a significant change of this area. It was noted that CH has conducted monitoring of fauna and do reforestation programme. However, this monitoring has not been analyzed to see the trend of the past and presence to be used for the management plan. It was also explained by the Company that they saw bears and tigers came out from the forest during the fire outbreak. This could be one of the critical elements to be covered in the revised management plan. <b>See Observation</b></p>				

5.2.5	<b>Where HCV areas overlapped with an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights.</b>	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>HCVs in PT STAL and PT Hindoli were located outside from the local communities area according to HCV identification map.</p> <p>During audit 2017, it was noted that no HCV areas overlapped with local community's land. Site visited to one of HCV adjacent with local community's land (buffer zone part 8) where the boundary is clear and none conflict between the local community.</p>	
<b>Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</b>		
5.3.1	<b>A documented identified source of all waste and pollution shall be available.</b>	<i>Major</i>
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>All waste and pollution sources is remains register in document of <i>Identifikasi &amp; Evaluasi Aspek dan Dampak Lingkungan</i>, and RKL-RPL document. It covers both mill and the 4 estates for example:</p> <p><b>Mills:</b></p> <ul style="list-style-type: none"> <li>- Air pollution of the boiler emission, mobile vehicle, generator</li> <li>- Hazardous waste (chemicals, used lubricants, used battery etc.)</li> <li>- Scrap</li> <li>- Palm oil mill effluent</li> <li>- Empty Fruit Bunch</li> <li>-</li> </ul> <p><b>Estates:</b></p> <ul style="list-style-type: none"> <li>- Domestic waste of the housing</li> <li>- Hazardous waste (e.g. used pesticide container, chemicals, medicine waste)</li> </ul>	
5.3.2	<b>There shall be evidence that all chemicals and their empty containers are disposed of responsibly.</b>	<i>Major</i>
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>All hazardous wastes have been stored in <i>TPS LB3</i>. Mukut Mill has <i>Izin TPS LB3</i> from Bupati Banyuasin # 778/KPTS/BLH/2015 dated 25 Sep 2015. While Sungai Nipah Estate is still in process according to letter # 008/CI-STAL/VIII/2015 dated 24 Aug 2015.</p> <p>Every 3 months the hazardous waste will be collected by the licensed collector (PT Primanru Jaya) according to to Kep. MenLH no.234 thn 2011. Transportation permit is SK.1335/AJ.309/DJPD/2015/36003296BB-0010.</p> <p>Checked during audit 2017 that all hazardous waste (including chemical and empty containers) has been sent to the licensed collector in every month. Copy 7<sup>th</sup> of the manifest of hazardous waste is available e.g. manifest # BC0030245 dated on 10 June 2016 ; BC0031509 dated on 7 September 2016.</p> <p>The company should ensure that label and symbol of hazardous waste are always attached on the containers of hazardous waste stored at temporary hazardous waste storage (TPS LB3 - Mukut Estate).</p> <p>Sighted that the trap near the "Spraying Shed" in Mukut Estate is not functioning well as the part of the trap allows for overflow to the external drain. Layers of oil traces still evident in the last part of the trap.</p> <p><b>See Observation</b></p>	
5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> No: <input type="checkbox"/> X	
Objective	As It was noted that according to domestic management plan that all docestic waste are collected from all of sources then in every 2 days disposed to the land fill at designated	

<b>evidence:</b>	plantation area. Unfortunately the land fill areas observed during audit (at Sungai Nipah and Mukut estates) located within the area which is water table around 40 – 60 cm, therefore the land fill is always submerged with water that potentially polluted to surrounding land fill areas. <b>Minor CAR # 04 was raised</b>													
<b>Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimized.</b>														
<b>5.4.1</b>	<b>A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored.</b>				<i>Minor</i>									
<b>Findings</b>	In compliance:	Yes:	X	No:										
<b>Objective evidence:</b>	In term of company's environmental management system as ISO 14001:2004, the company has established and documented environmental objective, target and programs. There were environmental objective, target and programs regarding ratio of renewable energy usage as following:  <table border="1"> <thead> <tr> <th>Year</th> <th>Fossil fuel</th> <th>Renewable energy</th> </tr> </thead> <tbody> <tr> <td>2015/2016</td> <td>28.8%</td> <td>71.2%</td> </tr> <tr> <td>2016/2017</td> <td>19.3%</td> <td>80.7%</td> </tr> </tbody> </table> In order to achieve the objective 2016/2017 as above, in January 2017 the company establish a program to utilize empty bunch press to drying the EFB for boiler fuel.					Year	Fossil fuel	Renewable energy	2015/2016	28.8%	71.2%	2016/2017	19.3%	80.7%
Year	Fossil fuel	Renewable energy												
2015/2016	28.8%	71.2%												
2016/2017	19.3%	80.7%												
<b>Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</b>														
<b>5.5.1</b>	<b>Records of land clearing with zero burning shall be available, referring to the ASEAN Policy on Zero Burning (2003) or other recognised techniques based on the existing regulations.</b>				<i>Major</i>									
<b>Findings</b>	In compliance:	Yes:	X	No:										
<b>Objective evidence:</b>	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.													
<b>5.5.2</b>	<b>Where fire has been used for eradication of pest during replanting, the records of the analysis of the use of fire and permit from the authorised agency shall be available.</b>				<i>Minor</i>									
<b>Findings</b>	In compliance:	Yes:	X	No:										
<b>Objective evidence:</b>	There is no fire has been used for eradication of pest. No replanting activities to date.													
<b>Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases are developed, implemented and monitored.</b>														
<b>5.6.1</b>	<b>Document(s) assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent, shall be available (see Criterion 4.4)</b>				<i>Major</i>									
<b>Findings</b>	In compliance:	Yes:	X	No:										
<b>Objective evidence:</b>	Result of assessment of all polluting activities at Sungai Nipah Estate, Penuguan Estate and Mukut Mill are available, for examples: genset, turbine, production machines, boiler, etc.													
<b>5.6.2</b>	<b>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented.</b>				<i>Major</i>									
<b>Findings</b>	In compliance:	Yes:	X	No:										
<b>Objective evidence:</b>	The company has calculated GHG emission using ISCC method. GHG emission reduction plan has been established, for example optimizing the empty fruit bunch for boiler fuel.  Significant pollutants and GHG emission have been identified within GHG emission calculator. Significant pollutants identified were: <ul style="list-style-type: none"> <li>- Palm Oil Mill Effluent (Palm Oil Mill Effluent)</li> <li>- Fossil diesel consumption</li> </ul> Plan to reduce and minimize emission has been developed and set in documented environmental management objective, target and program. See 5.4.1 above.													

<b>5.6.3</b>	<b>A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods shall be available.</b>	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	A monitoring system in term of RKL/RPL conducted in daily, monthly, 6 monthly. The monitoring report provided per semester. During audit checked monitoring report for 2016 and 2017. See 5.1 as above.	

<b>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.</b>		
<b>Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</b>		
<b>6.1.1</b>	<b>A social impact assessment (SIA) including records of meetings shall be documented.</b>	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Dedicated social impact document which clearly identifies positive and negative social affects that maybe caused by plantation and mills are found to be incorporated within the following documents:</p> <ul style="list-style-type: none"> <li>• Social Impact Assessment for PT Hindoli (SIA) 2012 conducted by Fakultas Pertanian UNSRI covering 9 villages, and then updated every two years internally. Then, after 5 years PT Hindoli did the new SIA in the April 15-29, 2016, and during the 1<sup>st</sup> surveillance showed the final draft of SIA document conducted in collaboration with ingkar Komuntas Sawit (LINKS) that ready to approve by the management.</li> <li>• Social Impact Assessment for PT STAL (SIA) 2011 conducted by Lingkar Komunitas Sawit (LINKS) covering 2 villages (Tenggulang and Mukut Villages). Then this document updated internally once every two years, and PT STAL.</li> <li>• did the new SIA in the end of 2016, and during the 1<sup>st</sup> surveillance showed the final draft of SIA document conducted in collaboration with ingkar Komuntas Sawit (LINKS) that ready to approve by the management.</li> </ul>	
<b>6.1.2</b>	<b>There shall be evidence that the assessment has been conducted with the participation of affected parties.</b>	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Based on the social impact assessment conducted, the auditing team observed that the SIA is conducted in a participatory manner with relevant stakeholders (farmers, fishermen, local government, seller, teacher, public figure, ets). In addition, there is also evidence that a socialization programme with local communities is conducted as part of the social impact assessment.</p> <p>The evidence of participative aasement attached in the SIA Reports. Those document identified the impacts of plantation and mill operation in 8 villages( Bentayan, Sukadamai, Sri Gunung, Dawas, Penuguan, Mukut, Tanjung Dalam, Sungai Lilin) around PT Hindoli and 4 villages around PT STAL (Teluk Tenggulang, Suka Mulya, Karang Mulya, and Karang Asem). The meeting documented well by those companies.</p>	
<b>6.1.3</b>	<b>Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation.</b>	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>PT Hindoli established and showed the Corporate Affairs and Tracking Sheet for FY 2016/2017 with four aspect of programs (education, health, community development and environment) to avoid and reduce the negative impacts that identifief from last SIA.. The result of SIA had been refered to develop the CSR program covering issues of education, health, infrastructure, economic development. Actual CSR program 2016-2017 was donation, infrastructure (road, bridge, <i>mushola</i>), education (school building, award for good achievement student), health (deep well, masker distribution), capacity building for 12 villages around the company.</p>	

	<p>The company is always invited by government and involved in annual village development planning meeting (<i>Musrenbang</i>) to discuss the social issues that need to mitigate and to seek the best way to support the negative impacts. Corporate Affairs has responsibility for CSR program and its implementation and their reporting.</p> <p>During interview with community of Mukut Villages, It was observed that the village has suffered clean water crisis and has been treated by introducing the digging the source of water. But when the water has been sprouting showed the the high turbidity and salty taste and not feasible to consume. This condition had been evaluated together with two option: 1) PT Hindoli pleased the local team to seek other area but with the guarantee will produce clean water, 2) supplying the clean water for this community with clean water produced by company's water treatment and reserved osmosis.</p> <p>Both parties agreed to choose the second option, and while this 1<sup>st</sup> surveillance audit, they are in the preparation to establish 5 bridges and repair soil road that will be used to transport the road to be finished in June 2017.</p>	
<b>6.1.4</b>	<b>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.</b>	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>CSR program is always reviewed every year and updated as necessary. The company has also synchronized their management plan 2016/2017 with local government program in <i>Musyawah Perencanaan Pembangunan</i> (development planning meeting). This event is always conducted regularly attended by stakeholders. The CSR program also synchronized with the updated SIA in 2015 for the CSR program 2016/2017. Meanwhile for 2017/2018 will be updated with the result and recommendation of SIA conducted in 2016. The SIA report in the process for approval by Management of PT Hindoli and PT STAL.</p> <p>SIA has been conducted in 2012 and no documented plan for management and monitoring established. It was explained by the CH that they do conduct SIA monitoring internally but it was not documented. CH has conducted SIA revision in 2016, but the document is not yet approved.</p> <p>Looking at the final draft 2016 SIA, the big fire outbreak in 2015 is not covered.</p> <p><b>See Observation</b></p>	
<b>6.1.5</b>	<b>Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</b>	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>PT Hindoli has been developing the partnership cooperation with palm oil farmer cooperative in 19 villages as old partners, and with two villages as new partner. There are 2 Community Palm Oil Cooperative called KKPA (in Mukut Village and Penuguan One) involved in the whole process of the SIA. All inputs were considered to define CSR program 2015. Some of the main impacts affecting KKPAs are job vacancy, business opportunity and road accessibility.</p> <p>KKPA Bina Mitra Sawit in Penuguan Village has been organizing 878 farmers with 1536 hectares community palm oil estates, meanwhile KKPA Mukut Jaya in Mukut Village has been organizing 201 farmers with 402 hectares, and in preparation to organize 63 new farmers with 126 hectares to be able to joint the collaborative program with PT Hindoli.</p>	
<b>Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</b>		
<b>6.2.1</b>	<b>Communication and consultation procedures shall be documented.</b>	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>PT Hindoli has established the SOP document entitled Communication Procedure (HIN/MGT/04/SOP-Komunikasi) dated 06 July 2007, and last revised October 24, 2016. The document specifies the objectives of the document that is to manage, mechanism, communicate, (internal and external), participation, health and safety, and environment (SMK3) so that it can be understood by stakeholders effectively. The company uses methods to communicate and consultate between growers and miller, and local community as following:</p> <ol style="list-style-type: none"> <li>1) through meeting</li> <li>2) via mail</li> <li>3) via phone</li> </ol>	

	<p>4) via direct conversation or through phone call.</p> <p>5) via website</p> <p>6) via local newspapers</p> <p>Durig 2017 there has been 47 incoming letter with many parties, and all replied and documented well in the file system that accessible by related PICS.</p>	
<b>6.2.2</b>	<b>The company shall have official(s) who is responsible for consultation and communications with parties.</b>	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: X No:	
<b>Objective evidence:</b>	<p>The company has appointed Corporate Affairs and Government Liaison Officer to be responsible for communication and consultation with the affected parties according to job description. They conducted regular communication and consultation with the affected parties (local community, smallholders and government) regarding environmental and social issues. The affected parties have been made aware and have access to the person in charge. Monthly reports were available and verified. Mr. Joko Pranoto is who responsible for this task and control the implementation of SOP and also their documentation.</p>	
<b>6.2.3</b>	<b>The company shall have a list of stakeholders, records of communications, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders.</b>	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: X No:	
<b>Objective evidence:</b>	<p>Stakeholder list are available. The list updated in March 2017 listed all relevant stakeholders identified within Indonesia especially Suth Sumatera Region covering the relevant government agencies, relevant NGOs (both social and environmental, neighbouring estates, local communities and contractors, palm oil grower cooperatives, that have direct and indirect impact with the plantation operations of the company.</p> <p>PT. Hindoli – Mukut Mill conducted periodical meeting with local communities to discuss about social issues, CSR, etc. Communication and consultation of FFB prining is conducted by government every two weeks, meanwhile to consult the next CSR conducted very mid of year. Records of communication and consultation with the local communities are available and are conducted every two weeks. At smallholders level, periodical meeting are found to be conducted. Example of the meeting observed during the audit i.e. KUD Mukut Jaya on every months to discuss and seek the best way to resolve the arising problems.</p> <p>Responsible person at of KUD level in relation to the communication with scheme smallholders and stakeholders is given to the community communication to talk with the companies, and other parties.</p> <p>All action taken following the communication and consultation with the local communities as well as other relevant stakeholder groups are responded and recorded in the external communication logbook detailing the following:</p> <ul style="list-style-type: none"> <li>• issues raised by the stakeholders;</li> <li>• Details of the action that have been taken following issues raised by the stakeholders;</li> <li>• date of the action taken;</li> <li>• appointed responsible person to handle each of the communications.</li> </ul> <p>Stakeholder consultation conducted prior to the audit evidenced no feedback received from the local communities. This is further verified during the audit whereby the stakeholders have received notification from SGS and they are aware of the audit and that no issues raised against the company's operations.</p> <p>Some aspirations for local communities have been responded by the company, for example:</p> <p>Aspiration from Mukut Village regarding request for deep well installation. It was responded and followed up and finished in October 2015, and evaluated in the end of 2016, and followed up with the option to follow up the result in 2016-2017.</p>	
<b>Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</b>		
<b>6.3.1</b>	<b>The mechanism, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested, as long as that</b>	<i>Major</i>



	<b>information is supported with adequate initial evidence.</b>					
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>PT Hindoli has established open system to receive complaints and to resolve dispute in an effective, timely and appropriate manner, which is accepted by affected parties:</p> <ol style="list-style-type: none"> <li>4. SOP for Communication Procedure (HIN/MGT/04/SOP-Komunikasi) dated 06 July 2007 revised October 24, 2016</li> <li>5. Procedure for <i>Pembebasan Lahan</i> (Land Acquisition Procedure) (ISO 9001-14001) dated 16 July 2007 and revised on Nov 23, 2016.</li> <li>6. Procedure for <i>Penyelesaian Perselisihan Tanah</i> (Land Dispute Resolution Procedure) (SL-SOP-ADM-07) dated 19 December 2007 and revised on 01 January 2013.</li> </ol> <p>PT Hindoli has also provided suggestion boxes and all workers can access to Cargill Ethics and Compliance (<a href="http://www.cargillopenlineethicspoint.com">www.cargillopenlineethicspoint.com</a>) to tell complaints.</p>					
<b>6.3.2</b>	<b>There shall be records of process and outcome of dispute resolution.</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	x	No:		
<b>Objective evidence:</b>	<p>Land dispute resolutions records were available including official report, attendance sheet, minute of meeting and photos.</p> <p>At the estates level (both <i>inti</i> and <i>plasma</i>), the audit team note that the company has established a form/file to record all communication and consultation held between the management and the stakeholders covering both external (relevant government agencies, NGOs etc) and internal (workers etc).</p> <p>During assessment, records of communication have been observed for all KKPAs i.e. KKPA Mukut (KUD Mukut Jaya) on 17 November 2015 and KKPA Penuguan (KUD Bina Mitra Sawit) on 10 November 2015.</p> <p>In this 1<sup>st</sup> surveillance, there are 4298 hectares of land dispute occupied by 338 people. The company resolving them by enclaving (407.51 ha that occupied by 89 people), by compensating through "tali asih" (3528.42 hectares occupied by 216 people), and still not resolved yet with tali asih (362.08 ha occupied by 33 people).</p> <p>It was noted during stakeholder consultation at Penuguan Village where community has a grievance regarding deep well which is not well consumable. This deep well has been provided by the company in past 2015. This grievance actually is not officially/written submitted to the company. They mentioned that this was verbally communicated to the company representative at Penuguan Estate. Unfortunately, up to the stakeholder consultation, no follow up to resolve this grievance. <b>See Observation</b></p>					
<b>Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>						
<b>6.4.1</b>	<b>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be available, referring to decision of the Constitution Court.</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>PT Hindoli has established procedure for identifying legal, customary or user rights according to <i>Prosedur Pembebasan Lahan</i> (Land Acquisition Procedure) (ISO 9001-14001) dated 16 July 2007 and revised on 16 July 2010 and <i>Prosedur Penyelesaian Perselisihan Tanah</i> (Land Dispute Resolution Procedure) (SL-SOP-ADM-07) dated 19 December 2007 and revised on 26 March 2017. The procedures has also described the identification and calculation of fair compensation for the loss of legal or customary right of the land, with the involvement of relevant stakeholders covering both directly and indirectly affected stakeholders such as local community representatives, workers, relevant government authorities and agencies. In addition such procedures are found to be made publicly available upon request. Those procedures jointly developed, agreed and accepted by local communities.</p>					
<b>6.4.2</b>	<b>A procedure for calculating and distributing fair compensation shall be established, implemented, monitored and evaluated in a participatory way. Corrective actions are taken as a result of this evaluation.</b>					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>PT Hindoli has established <i>Prosedur Pembebasan Lahan</i> (Land Acquisition Procedure) (ISO 9001-14001) and <i>Prosedur Penyelesaian Perselisihan Tanah</i> (Land Dispute Resolution</p>					

	<p>Procedure) (SL-SOP-ADM-07) for the identification, calculation and distribution of fair compensation for the loss of legal or customary right of the land, with the involvement of relevant stakeholders covering both directly and indirectly affected stakeholders such as local community representatives, workers, relevant government authorities and agencies. In addition such procedures are found to be made publicly available upon request.</p> <p>The procedure monitored and evaluated in a participatory way and corrective actions have been taken as a result of this evaluation.</p> <p>The procedures has taken into account the following:</p> <ul style="list-style-type: none"> <li>• Gender differences in the power to claim rights;</li> <li>• Ownership and access to land;</li> <li>• Differences of transmigrants and long-established communities;</li> <li>• Schemed smallholders.</li> </ul> <p>Records of identification of people entitled to receive the compensation are available. Observed the list for people identified to receive compensation for Penuguan Estate is available detailing the name of the person, name and number of blocks involved, total area and total amount compensated.</p> <p>The procedur for calculating and distributing for compensation is available (<i>Prosedur Pembebasan Lahan</i> (Land Acquisition Procedure). The disputed land have been resolved by enclaving, and giving the voluntary money called "tali asih" IDR 3, 000, 000/ hectares for some people who reclaimed the land that ever compensated.</p>					
<b>6.4.3</b>	<b>Compensation claims, process and outcome of any negotiated agreements shall be documented, with evidence of the participation of affected parties.</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	Records are kept in the legal / Public Affairs including minutes of meeting and negotiations. From 4298 hectare of HGU, 2500 hectares of them had been opened for plantation, meanwhile 18 others still in dispute with local community. In this 1 <sup>st</sup> surveillance, the company decided to resolve the land dispute by enclaving them (40 hecatres or 9%), compensation (352.84hecatres or 83%) that has been finished, and 362.08 hectares or 8 %) in process for compensation.					
<b>Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</b>						
<b>6.5.1</b>	<b>Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>The company is paying the workers at minimum based on the Minimum wage regulation (<i>Upah Minimum Regional</i>) as well as from specific sector minimum wage (<i>Upah Minimum Sektoral</i>) according to Decree of Governor of South Sumatera Province No,743/KPTS.DISNAKERTRANS/2016 for minimum wage of Musi Banyuasin District in 2017 with IDR 2,469,550 and Governor Decree No. 727/KPTS/DISNAKERTRANS/2016 for Banyuasin Ditriict in 2017 with IDR 2,426,3111 for plantation sector.</p> <p>The company, through the President Director Decree No, SK. 008/HRD/PD-UMR/01-17 has followed up by using UMK for 2017 is refer to Banyuasin District : IDR 2,469, 550 / 25 working days a mont . Some workers payments were verified, for examples:</p> <ul style="list-style-type: none"> <li>• Reko Subkhan (Maintenance ) received IDR 2,271,986, 22 MDs in April 2017 for 23 working days.</li> <li>• Mujiyanti (Daily Spray) received IDR 2,173,204 for April 2017.for 22 working days.</li> </ul> <p>The company pays the lowest worker and find the the minimum wage that fulfill the minimum wage as stated in the South Sumatra Governor Decree. It caused they just work for 24 days. It complies with the Governor Decree (No,743/KPTS.DISNAKERTRANS/2016 for minimum wage of Musi Banyuasin District in 2017).</p>					
<b>6.5.2</b>	<b>Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<i>Perjanjian Kerja Bersama</i> (Collective Labor Agreement) has been approved by <i>Kepala Dinas Tenaga Kerja dan Transmigrasi Prov Sumatera Selatan</i> # 1852/Nakertrans/2015 dated 10 Sep 2015 valid until 30 Aug 2017. PKB was also signed both parties (workers representative and the company). PT STAL and PT Hindoli used this PKB as the employment regulation. The company					



	<p>has communicated to all workers by book pockets.</p> <p>All employment requirements have been stated into PKB such as working relation (Article 6), working hours (Article 7), overtime (Article 8), deductions (Article 13), sickness (Article 13), holiday entitlement (Article 7), maternity leave (Article 12-13), reasons for dismissal (Article 37), period of notice (Article 37), etc.</p> <p>Workers claim that they worked from 6 am until 12 pm, then break for 1 hour, continue working until 2 pm. According to Indonesian UU 13 <i>Ketenagakerjaan</i> Law, workers shall be given at least 30 minutes' break after 4 hours of working. <b>See Observation</b></p> <p>Employee deduction has been implemented such <i>BPJS Kesehatan</i> (1%), <i>BPJS Pensiun</i> (1%), <i>Jaminan Hari Tua</i> (2%), Income Tax (min 5% for worker has salary IDR 36,000,000/ year for single).</p> <p>Some worker's contracts have been review, for examples:</p> <ul style="list-style-type: none"> <li>• Reko Subkhan (Maintenance ) received IDR 2,271,986, 22, MDs in April 2017 for 23 working days.</li> <li>• Mujiyanti (Daily Spray) received IDR 2,173,204 for April 2017.for 22 working days.</li> </ul>			
<b>6.5.3</b>	<b>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible</b>			<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:
<b>Objective evidence:</b>	<p>The company has provided adequate housing and other basic necessities such as that listed below to national standards or above, for examples:</p> <ul style="list-style-type: none"> <li>• adequate housing (Article 29): staff IDR 500,000 and non staff IDR 350,000</li> <li>• adequate electricity (Article 29): 450 watt 220 Volt</li> <li>• clean water supplies (availability of clear water all year round) (Article 29)</li> <li>• medical services (Article 22): Clinic available per each estate and central clinic at General Office.</li> <li>• children education (Yayasan Harapan Masa Depan Cerah under CTP) for play group, elementary school and junior high school.</li> </ul> <p>welfare amenities (the company regulation) according to list of infrastructure and facilities: guest house, community hall, canteen, mosque, clinic, RO, school bus, sport hall, lactase room and crèche facilities.</p> <p>During visit at Mukut Estate. It was found the housing condition with poor maintenance (broken window, broken floor), water logged drain and un-even road access due to rain. <b>See Observation</b></p>			
<b>6.5.4</b>	<b>There shall be demonstrable efforts to improve workers' access to adequate, sufficient and affordable food.</b>			<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:
<b>Objective evidence:</b>	<p>Nutrition supplements have been provided for sprayer, fertilizer, heavy equipment operator, pregnant women. Fooding for the sprayer worker given once every 3 days with one glass of milk, and 2 eggs/worker. This service handled by the spray shed officer.</p> <p>Canteen has provided basic needs such rice, cooking, oil, powder, noodle, etc. (9 items of basic needs). Besides that, sellers always visit to the estates every day and every month.</p>			
<b>Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</b>				
<b>6.6.1</b>	<b>A published statement in local languages recognising freedom of association shall be available.</b>			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:
<b>Objective evidence:</b>	<p>The company policy according to respecting the human right is available on "Cargill Guiding Principles Handbook" signed by Chairman and Chief Executive Officers (Mr. Greg R. Page) and President and COO (Mr. David W. Maclennan). This statement has used Indonesia language.</p> <p>CLA has also included recognizing freedom of association on Article 2.</p> <p>All employees have been allowed to form associations and bargain collectively with their employer. There is a labour union in PT Hindoli and PT STAL namely Serikat Pekerja Pertanian</p>			

	dan Perkebunan PT Hindoli. Labour union has referred to applicable legal.					
<b>6.6.2</b>	<b>Records of meetings with labor unions or workers representatives shall be available.</b>					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:		No:	X	
<b>Objective evidence:</b>	<p>There is a LKS Bipartite, and for this year the worker union and the management agree to extend the “Perjanjian Kerja Bersama” (CLA) until next years. Last meeting for PKB period 2014-2016 was conducted on 23-12-2014 attended by 26 participants.</p> <p>Last meeting of LKS Bipartite has been conducted 01 September 2015 to discuss about issue of pension insurance from Manulife Insurance. Minute of meeting was distributed to labour union.</p> <p>There was a LKS Bipartite Meeting at 22 Februari 2017 attended by 17 people (8 from the company and 9 from Worker Union) to discuss and decide the pansion age. The invitation letter for this meeting was made but with no date issued.</p>					
<b>Criterion 6.7: Children are not employed or exploited.</b>						
<b>6.7.1</b>	<b>There shall be documented evidence that minimum age requirements are met.</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>Worker age requirement was available on SOP for recruitments (HRD/SOP/01 rev 05) it stated that the employee must be more than 18 years old. Review of the list of workers at the estates and mills confirmed no employee less than 18 years old have been hired by the organization.</p> <p>Based on employees list (May 2017), minimum age for in PT Hindoli are as following:</p> <ul style="list-style-type: none"> <li>• ADI HIDAYAT (born Dec 22, 1998), joint to work April 1, 2017 (more 18 years), Technical Service Division.</li> <li>• ALBA FIKRI (born Jan 2, 1999), join to work March 1, 2017, at Maintenance Division.</li> <li>• ICA LIANA (born August 13, 1998), joint to work November 1, 2016, in FFB Picker.</li> <li>• AYUNING TYAS (born October 14, 1998, joint to work March 1, 2017).</li> </ul>					
<b>Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b>						
<b>6.8.1</b>	<b>A company’s policy on equal opportunity and treatment for work shall be available and documented.</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	x	No:		
<b>Objective evidence:</b>	<p>The company policy according to respecting the human right are available on point 5 of “Cargill Guiding Principles Handbook” signed by Chairman and Chief Executive Officers Greg R. Page (CEO).</p> <p>This policy has been communicated to all employees by handbook of Cargill ethical conduct. This policy has also been implemented such as recruitment, promotion, mutation, human development program.</p> <p>There were few policies missing an important element as stated in RSPO indicator and unavailability of procedure for any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited. The company’s policy does not include all the said element of discrimination:</p> <ol style="list-style-type: none"> <li>It is also found in the advertisement released by the company that potential discrimination against age (indication only age of 18 to 28 can apply) is present.</li> <li>It is also found in the advertisement released by the company that potential of discrimination against disability (need for only those who are fit to apply) is present.</li> </ol> <p><b>See Observation</b></p>					
<b>6.8.2</b>	<b>Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated.</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	x	No:		
<b>Objective evidence:</b>	<p>No discrimination found during audit. The company has provided job vacancy for local communities through information board at each Village Office and known by local government, for example: Job vacancy at Mukut Mill for local community at village, district and regency at Musi Banyu Asin and Banyu Asin dated 24 Feb 2015.</p>					
<b>6.8.3</b>	<b>Records of evidence that equal opportunity and treatment for work shall be</b>					<i>Minor</i>

	<b>available.</b>	
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>The company has established SOP for recruitment (GO-SOP-HRD-02 rev 02 dated 15 March 2012) and promotion (GO-SOP-HRD-16 rev 03 dated 15 May 2013).</p> <p>Recruitment has been implemented through application, agent, campus recruitment, personnel reference depend on level (manager up handled CTP recruitment while local by site). Medical fitness necessary for the jobs was available covering: blood test, radiology, heart, Spiro metric, audiometric, physical test, alcohol test and drug test.</p> <p>During 2016, the company has implemented Promotion for 62 employees in all PT Hindoli for examples:</p> <ul style="list-style-type: none"> <li>• Mukut Estate :9 promotions.</li> <li>• Penuguan Estate : 12 promotions.</li> </ul>	
<b>Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.</b>		
<b>6.9.1</b>	<b>A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce.</b>	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>The company policy according to respecting the human right is available on “Cargill Guiding Principles Handbook” signed by Chairman and Chief Executive Officers Greg R. Page (CEO).</p> <p>There is a gender committee established to provide consultation to women workers and housewife in the company regarding the rights and obligations of women workers, health, education, prevention of sexual harassment, etc.</p> <p>The company has Association of the Employee’s Wife (Jingle Queen) who has activities to increase the friendship and sisterhood, creativity, and religion praying. There was a sex harassment in 2015 . The victim reported to PAO (Program Assurance Officer) → GM → HRD Singapore → Investigasi by Singapura Office → Complaint to SGS Jakarta. There was a conseling to the Victim ini Sungai Pelepah Estate. Now, the victim still works as Office Attendance, meanwhile the auditor of ISO 14001 has been cut for involment in audit process at PT Hindoli . Although there is gender committee, but the system is effective to control the sex harrasement occurrences.</p> <p>A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented; The company policy however only stated about sexual harassment, no violence included. Sexual harassment policy is established together with discrimination policy with the understanding that sexual harassment is part of discrimination. <b>See Observation</b></p>	
<b>6.9.2</b>	<b>A policy to protect the reproductive rights, shall be documented, implemented and communicated to all levels of the workforce.</b>	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Besides that, procedure # HRD/SOP HRD/31 rev 01 has also established “Kebijakan Hak Reproduksi Pekerja Wanita”.</p> <p>The company has a regulation that pregnant workers are prohibited from all chemical related works. In addition, for female workers, every 3 months the workers are subjected to a medical surveillance that covering the pregnancy test. If found to be pregnant, the said workers is transferred to other non-chemical related working field until they delivered. Following to their delivery, the workers are entitled for a maternity leave for 2 months and following to the leave, non-chemical related working field is continued until they stop breastfed their child..</p>	
<b>6.9.3</b>	<b>A specific grievance mechanism which respects anonymity of complainants where requested, and as long as they are supported with adequate information, shall be documented, implemented, and communicated to all workforce.</b>	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>The community that far from the company grieved the absence of CSR program in their villages:</p> <ul style="list-style-type: none"> <li>- Road condition</li> <li>- Low information of job vacancy</li> <li>- The absence of seedling for Earth Day Celebration.</li> </ul>	

	<p>The existing mechanism for grievance just handle for the employees, meanwhile for external complaint and grievance handled by other SOP (Communication). Although the grievances handled by two SOP but can cover the grievance from many stakeholders.</p> <p>No specific grievance mechanism established. There was sexual harassment case reported in year 2015 involving 3<sup>rd</sup> party with the staff at the workplace. However, there was no action evident to prevent recurrence within the plantation level e.g. gender committee and specific grievance mechanism. <b>See Observation</b></p>				
<b>Criterion 6.10: Growers and millers deal fairly and transparently with smallholders and other local businesses.</b>					
<b>6.10.1</b>	<b>Current and past prices paid for Fresh Fruit Bunches (FFB), shall be publicly available.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). PT Hindoli involved in the FFB with the Plantation Agency of Banyuasin District and other stakeholder that also invites some KKPA collaborate with company for along time. Meanwhile the KKPA in Mukut and Penuguan is not involved in pricing yet, but represented by the Senior Farmer Development Manager (Mr. Junaidi) to attend the pricing meeting.				
<b>6.10.2</b>	<b>Pricing mechanisms for Fresh Fruit Bunches (FFB) and inputs/services shall be explained and documented (where these are under the control of the mill or plantation).</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	The pricing mechanism are available and documented and referred to Permentan #14/Permentan/OT.140/2/2013 and the pricing will depend on the result of the meeting between stakeholders in oil palm in Palembang (South Sumatra Province).				
<b>6.10.3</b>	<b>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). PT Hindoli follow up the result of FFB pricing to all KKPA who collaborates with the company. This information updated once every two weeks.				
<b>6.10.4</b>	<b>Agreed payments shall be made in a timely manner.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	PT Hindoli pays in a timely manner for the agreed payment with 2 Palm Oil Cooperatives as showed in:				
	<ol style="list-style-type: none"> <li>1) KKPA Bina Mitra Sawit in Penuguan Village with IDR 114,530,484 for February and March, and 8,681,000 for April 2017.</li> <li>2) KKPA Mukut Jaya in Mukut Village with IDR 51,438,800 for February and March, and 10,564,000 for April 2017.</li> </ol>				
<b>Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.</b>					
<b>6.11.1</b>	<b>Records of contributions to local development based on the results of consultation with local communities shall be available.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	PT Hindoli with its estate and mills development has been supporting the local sustainable development by implementing the CSR in villages around it during 2016/2017 with 18 program and additional activities with planned budget IDR 1,715,000,000, and has been realized IDR 1,363,938,500.				
<b>6.11.2</b>	<b>Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve scheme smallholder productivity.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	

<b>Objective evidence:</b>	<p>The company has allocated resources (Plasma Manager and staffs) to improve smallholder productivity. They have responsibility to support smallholders through training, benchmarking and other management program to improve their capacity building.</p> <p>Smallholder's oil palm plantations (under scheme smallholder) were fully managed by the company. The company also facilitate the two monthly meeting with 2 KKPA, and also training for KKPA members to increase their land productivity, and also invited the District Government Cooperative Agency to handle the managerial training of KKPA.</p>					
<b>Criterion 6.12: No forms of forced or trafficked labour are used.</b>						
<b>6.12.1</b>	<b>There shall be evidence that no forms of forced or trafficked labor are used.</b>				<i>Major</i>	
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>The company policy according to respecting the human right is available on "Cargill Guiding Principles Handbook" signed by Chairman and Chief Executive Officers Greg R. Page (CEO).</p> <p>Based on interview with worker that o forms of forced or trafficked labour are used. All worker who handle the operation in mill and plantation are working as permanent worker under clear contracts.</p>					
<b>6.12.2</b>	<b>It shall be demonstrated that no contract substitution has occurred.</b>				<i>Minor</i>	
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>The company policy according to respecting the human right is available on "Cargill Guiding Principles Handbook" signed by Chairman and Chief Executive Officers Greg R. Page (CEO).</p> <p>Based on interview with worker that no contract substitution.</p>					
<b>6.12.3</b>	<b>Where migrant/foreign/honorary workers are employed, a special worker policy and procedures and the evidence of implementation shall be available.</b>				<i>Major</i>	
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>The company policy according to respecting the human right is available on "Cargill Guiding Principles Handbook" signed by Chairman and Chief Executive Officers Greg R. Page (CEO).</p> <p>Besides that, the company has established procedure for "penerimaan dan registrasi karyawan harian" (HRD/SOP HRD/21 rev 02) and procedure for "administrasi tenaga kerja asing" (HRD/SOP HRD/06 rev 02) to ensure that temporary or migrant workers employed by the company has complied with applicable legal law.</p> <p>There are policy non discrimination and procedure of foreign workers. The company has 2 foreigner workers who occupy the President Director and Quality Control Manager.</p>					
<b>Criterion 6.13: Growers and millers respect human rights.</b>						
<b>6.13.1</b>	<b>A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations.</b>				<i>Major</i>	
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>The company policies according to respecting the human right are available on "Cargill Guiding Principles Handbook" signed by Chairman and Chief Executive Officers Greg R. Page (CEO).</p> <p>Working hour at Penuguan and Mukut Estates is started at 06.00-12.00, break 12.00-1 pm, and finished at 2 pm. The policy above documented well and communicated to all level through management team meeting, worker union, contractors, and also KKPA as partners of the company.</p>					

<b>Principle 7: Responsible Development of New Plantings</b>						
<b>Criterion 7.1: A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</b>						
<b>7.1.1</b>	<b>An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.</b>				<i>Major</i>	
<b>Findings</b>	In compliance:	Yes:	X	No:		



<b>Objective evidence:</b>	Social impact assessment has been conducted for Mukut and Penuguan titled Analisis Dampak Sosial developed by Tim Studi Analisis Dampak Sosial From Universitas Sriwijaya 2012. Environment Impact assessment have also been developed by a consultant from PT Indolestari Makmur registration number 0042/LPJ/Amdal-1/LRK/KLH for both PT STAL and remaining estates supplying to Mukut Mill. The consultant has also assessed the potential impact for social community surrounding PT STAL. This include possible negative perception from the community and possible disease or illness as a result of plantation development and operations.				
<b>7.1.2</b>	<b>Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	In order to mitigate negative impacts perceived from the result of the environment social impact assessment, the company has a specific CSR committee which conducts need assessment for villages to understand what kind of assistance in the form of CSR could be implemented in the village. This will hopefully decrease negative perception on the company. With regards to the disease and illness, the company is planning to dig a well in the village to provide clean water. The company also set up a clinic at the base camp of PT STAL which is open for community as well.				
<b>7.1.3</b>	<b>Where the development includes an outgrower scheme (skema kemitraan), the impacts of the scheme and the implications of the way it is managed shall be given particular attention.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	There will be an involvement of outgrowers but this will be planned after there is resolution on the discussion regarding outgrower scheme with the community.				
<b>Criterion 7.2: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</b>					
<b>7.2.1</b>	<b>Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	PT Hindoli has developed procedure for potential acid sulfate soil management plan (PASSMP) dated 08-10-2012 to manage the acid sulphate soil in Mukut and Penuguan Estate based on the recommendation of soil survey at year 2005.  Land Unit and Soil PT STAL scale 1:90,000 from <i>Department Pertanian</i> described that soil map is Bf.4.6 (composition: Tropaquepts, Fluvaquepts, Sulfaquepts, Hydraquepts, Group: Marine group) and Bf.5.4 (Fluvaquepts, Sulfaquepts, Hydraquepts, Tropohemist, Group: Marine group).				
<b>7.2.2</b>	<b>Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	All estate under the scope of evaluation are located in lowland area. Topographic map would not be beneficial to the estate. Nevertheless, planning irrigation as well as road construction has required civil engineering using topographic information to ensure the road is balanced and the water for irrigation flows correctly.				
<b>Criterion 7.3: New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>					
<b>7.3.1</b>	<b>There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	AMDAL has been approved by Bupati Banyuasin and the HCV assessment report completed in 2012. Both report confirmed there is no primary forest and peat soil has been identified.				

	The area of peat soil (87 ha) and about half of the shallow peat area (230 ha) was set aside from development to conserve an area of formerly swamp forest (total 317 ha). Marking of the HCV boundaries with signboard observed during onsite visit. STAL has secondary forest and bush.					
<b>7.3.2</b>	<b>Reports of comprehensive HCV assessment, which involves stakeholder consultation and includes record of land-use change since November 2005, shall be available. This HCV assessment shall be conducted prior to any conversion or new planting.</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	HCV assessment has been conducted including public consultation with stakeholders (Muspika Kec. Tungkal Ilir, Dinas Perkebunan, BLH, head of villages and public figure (30 Sep 2013, attended by 38 participants). HCV document was reviewed by peer reviewer (Mr. Rachmad Hernawan-Ecologist) dated on 11 Nov 2013).					
<b>7.3.3</b>	<b>Records of land preparation and clearing dates shall be available.</b>					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	Dates of land preparation and commencement are recorded in the system with the map available for review. With emphasize on PT STAL, during audit 2017 noted that land preparation is still on-going based on the New Planting Procedure that has been approved under RSPO where HCVs are set aside					
<b>7.3.4</b>	<b>An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures (see Criterion 5.2).</b>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	According to the findings of HCV assessment for PT STAL (2013), require such degraded area at HCV area of Sungai Nipah to be replanted with such local species as listed on the HCV report. Actually the company has plan and planted <i>Acasia mangium</i> (around 200 trees) on this HCV area (Sungai Nipah) which is this not in the list. Furthermore, <i>Acacia mangium</i> known as invasive species. <b>Major CAR # 05 was raised</b>  The company sent the objective evidences of the corrective actions dated on 3 July 2017 to address CAR # 05. Auditor verified the evidences dated on 14 July 2017 as follows: <ul style="list-style-type: none"> <li>The company removed the planted <i>Acacia mangium</i> (around 200 trees) and replaced it with local species trees along HCV area at Sungai Nipah (STAL). The planted local species trees are Bira-bira (3 trees), Bintaro (300 trees), Bamboo (5 trees) and Mahang (23 trees) according to recommendation in HCV report.</li> <li>The relevant personnel have been trained regarding the local species that can be planted along buffer zone/ conservation areas according to HCV assessment report. (Done: Jun 2017).</li> </ul> So that Major CAR# 05 was closed.					
<b>7.3.5</b>	<b>Evidence of consultation with the affected community shall be available in order to identify the area required by such community to fulfill its basic needs, by considering the positive and negative changes to the livelihood as a result of plantation operations. Such matters shall be included in the HCV analysis and management plan (see Criteria 5.2).</b>					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	This is usually identified as HCV 5 within the HCV assessment process. Actually there is no HCV 5 within the area of PT STAL, therefore to date no evidence of consultation with the affected community in order to identify the area required for basic needs.					
<b>Criterion 7.4: Extensive planting on steep terrain, and/or on marginal and fragile soils, including peat, is avoided.</b>						
<b>7.4.1</b>	<b>Indicative maps showing marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided.</b>					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:		No:		
<b>Objective</b>	The maps identifying marginal and fragile soils are available and are used to identify areas to be					

<b>evidence:</b>	avoided. This is especially true since the HCV assessment identified an area of peat land to be conserved and not touched by the company. Field visit confirmed that the areas are avoided from land clearing.				
<b>7.4.2</b>	<b>Where limited planting on fragile and marginal soils, including peat, is proposed, a documented plan shall be developed and implemented to protect them without incurring adverse impacts.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	Monitoring of the water level and pH of the water carried out daily and monthly respectively. Records are made available during onsite audit. Water management is also practiced on the acid sulphate soils. The shallow peat area is identified and managed as a conservation area.				
<b>Criterion 7.5: No new plantings are established on local people's land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</b>					
<b>7.5.1</b>	<b>Evidence shall be available that affected local peoples understand they have the right to say 'yes' or 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples (see Criteria 2.2, 2.3, 6.2, 6.4 and 7.6)</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	The company has implemented FPIC and compensation of land acquisition. Records are kept in the legal / Public Affairs. All records covering the agreement and the proof of payment made is kept within the legal/public affairs department. This is confirmed through field visit to Desa Teluk Tenggulang located near PT STAL.				
<b>Criterion 7.6: Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>					
<b>7.6.1</b>	<b>Records of identification and assessment of legal, customary and user rights shall be available.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	Based on AMDAL and HCV assessment documents, there are no legal and customary rights in the plantation area.				
<b>7.6.2</b>	<b>A procedure for identifying people entitled to compensation shall be available.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	The system for identifying people entitled to compensation is available under <i>Prosedur Pembebasan Lahan</i> (Land Acquisition Procedure) (ISO 9001-14001) and <i>Prosedur Penyelesaian Perselisihan Tanah</i> (Land Dispute Resolution Procedure) (SL-SOP-ADM-07) for the identification, calculation and distribution of fair compensation for the loss of legal or customary right of the land, with the involvement of relevant stakeholders covering both directly and indirectly affected stakeholders such as local community representatives, workers, relevant government authorities and agencies. In addition such procedures are found to be made publicly available upon request.				
<b>7.6.3</b>	<b>Records of calculation system and distribution of fair compensation shall be available.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	PT Hindoli has established <i>Prosedur Pembebasan Lahan</i> (Land Acquisition Procedure) (ISO 9001-14001) dated 16 July 2007 and revised on 16 July 2010 and <i>Prosedur Penyelesaian Perselisihan Tanah</i> (Land Dispute Resolution Procedure) (SL-SOP-ADM-07) dated 19 December 2007 and revised on 01 January 2013 for the identification and calculation of fair compensation for the loss of legal or customary right of the land, with the involvement of relevant stakeholders covering both directly and indirectly affected stakeholders such as local community representatives, workers, relevant government authorities and agencies. In addition such procedures are found to be made publicly available upon request. In the case of compensation for the area of penuguan estate is meant for the village land and not				



	for individual land title per se. this process has been conducted based on the procedure consistently. The compensation fee is then collected for the welfare of the village instead of the individual villagers.				
<b>7.6.4</b>	<b>Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	Based on interview with the villagers, it was confirmed that some of them are recruited for small works within the plantation developments. There are also social corporate responsibility program for the village which is part of the company program that benefit the community.				
<b>7.6.5</b>	<b>The process and outcome of any compensation claims shall be documented and made available to the affected communities and their representatives.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	Documented records of claim and compensation are available and reviewed by the audit team. The records are available for public but only upon formal request.				
<b>7.6.6</b>	<b>Evidence shall be available that the affected communities and rights holders have access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:		No:	
<b>Objective evidence:</b>	Interview with the villagers revealed that prior to development of plantation, the company had had a meeting with the representative of the village to discuss any issue pertaining to the plantation development. There is no objection on the development from the villagers side and that the process is running smoothly.				
<b>Criterion 7.7: No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>					
<b>7.7.1</b>	<b>Records of zero burning implementation on land clearing, referring to the ASEAN Policy on zero burning (2003) and recognised techniques based on the existing regulations shall be available.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	Zero burning policy has been implemented within PT Hindoli. In the procedures for land clearing (HIN/SL/TSD/002/SOP: Procedure for land clearing; date June 2007) stated that the burning is prohibited for preparing land for new planting and replanting.				
<b>7.7.2</b>	<b>In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN on Zero Burning' 2003, or comparable guidelines in other regions.</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	There is no evidence of land preparation by burning conducted by the company as evident through field visit.				
<b>Criterion 7.8: New plantation developments are designed to minimize net greenhouse gas emissions.</b>					
<b>7.8.1</b>	<b>The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.</b>				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	The carbon stock has been estimated by TFT through rapid assessment in July 2014 total 2.33 ton CO <sub>2</sub> e/ha for land clearing.				
<b>7.8.2</b>	<b>Records of a plan to minimize net GHG emissions shall be available</b>				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	Areas with high carbon stocks are identified through an assessment by TFT reported in the company document. The assessment stated that there is no category of high carbon stock within the planted area but recommends the company to protect the peat-land area identified in the HCV				

Assessment report.
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Principle 8: Commitment to Continual Improvement in Key Areas of Activity				
Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continual improvement in key operations.				
8.1.1	<p>The action plan for monitoring shall be available, based on a consideration of the social and environmental impacts and routine evaluation of the plantation and mill operations. As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of certain chemicals (Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Optimising the yield of FFB production (Criterion 4.2)</li> </ul>			<i>Major</i>
Findings	In compliance:	Yes:	X	No:
Objective evidence:	<p>Action Plan:</p> <ul style="list-style-type: none"> <li>- Reduction in use of pesticides (C 4.6): Gupon</li> <li>- Waste reduction (C 5.3): separation of domestic waste (plastic, bottle and used packaging paper).</li> <li>- Environmental impacts (C 4.3, 5.1 and 5.2): planting legume cover plant (Mucuna, PJ and CC)</li> <li>- Pollution and greenhouse gas (GHG) emissions (C 5.6 and 7.8): empty bunch application for fuel and Turbine in Mukut Mill for fuel consumption reduction.</li> <li>- Negative social impacts (C 6.1) are mitigated while the positive social impacts are enhanced through corporate social responsibilities set up by specific division within the company.</li> <li>- The company was building bridges and roads for transporting the FFB from STAL which still use water transportation.</li> </ul>			

### 3.1.2 Supply Chain

For supply chain, the PT Hindoli – Mukut Mill Palm Oil Mill has decided to use Module D in this assessment. The findings and objective evidence find during the assessment are outlined in the table below. The results for each indicator from each of the operational areas were evaluated to provide an assessment of conformity. A statement is provided for each of the RSPO indicators in order to support the findings of the assessment team.

### Module D – CPO Mills: Identity Preserved

Module D- CPO Mills: Identify Preserved	
<b>D.1: Definition</b>	
D.1.1	<p>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>
<b>D.2: Explanation</b>	

<b>D.2.1</b>	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	<b>MAJOR</b>		
<b>Findings</b>	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>			
<b>Objective evidence:</b>	<p>The actual and projected volume already recorded in the previous audit report and this surveillance report. The details are presented in Table 2 and Table 3 of this Public Summary Report.</p> <p>The actual volume sold on 2016-2017 is CSPO= 24,926.07 MT and CSPK= 4,884.21 MT. This was not over than its projected as well as not over than volume quota provided in Palm Trace.</p> <p>The company has projected the estimated tonnage of CSPO and CSPK products for period 2017 to 2018 (Claimed for Certification) i.e CSPO= 59,707.52 MT and CSPK= 11,433.36 MT</p>			
<b>D.2.2</b>	The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	<b>MAJOR</b>		
<b>Findings</b>	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>			
<b>Objective evidence:</b>	<p>Mr. Yanuar (Commercial staff- Jakarta Office) has responsible for keeping record of transaction in eTrace.</p> <p>During May 2016 – May 2017, the company has reported 24 transactions on RSPO IT platform with total volume CSPO= 24,926.07 MT and CSPK= 4,884.21 MT.</p> <p>For examples:</p> <ul style="list-style-type: none"> <li>• Transaction number: TR-oc1869b1-3d2b dated on 24/11/2016, buyer= PT Wilmar Nabati Indonesia-Pelitung, Bill of Lading # 012/BCA-PLG/XI/2016,24/11/2016, product= CPO/SG, volume= 999.47 MT, Shipping Confirmed: 24/11/2016, Certificate # SUCOFINDO RSPO- No.00012.</li> <li>• Transaction number: TR-1babc317-2fb7 dated on 10/01/2017, buyer= PT. Berkas Sawit Sejati-Tanjung Api Api, contract # 2129/HIN-KNL/S/JKT/XII/2016, product= CSPK/SG, volume= 300.27 MT, shipping confirmed: 10/01/2017, Certificate: SUCOFINDO RSPO- No.00012.</li> </ul>			
<b>D.3: Documented Procedures</b>				
<b>D.3.1</b>	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<b>MAJOR</b>		
<b>Findings</b>	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>			
<b>Objective evidence:</b>	<p>The company has established procedures:</p> <ul style="list-style-type: none"> <li>- SOP for RSPO supply chain Identity Preserved (HIN/MGT/016/SOP rev 01 dated on 21 Sep 2016).</li> <li>- SOP for identification, maintenance and product traceability (HIN/MGT-11 rev 04 dated 01 June 2015).</li> <li>- SOP for weighbridge (MM/ADM/03 rev 02 dated on 1 March 2017)</li> <li>- SOP for dispatch and loading CPO (MM/LOG/01 rev 01 dated on 18 Nov 2016)</li> <li>- SOP for communication (HIN/MGT/04 rev 07)</li> <li>- SOP for document and record control (HIN/MGT/005 rev 06 dated 15 Jan 2016)</li> <li>- SOP for management review (HIN/MGT/010 rev 05)</li> <li>- SOP for internal audit (HIN/MGT/009 rev 06)</li> </ul>			

	<p>Mr. Romi Latato as the mill manager and having overall responsibility for and authority over the implementation of these requirements and he demonstrated awareness for all the procedures.</p> <p>Mr. Sau Guan Tan as a marketing sales manager based in Head Office (Singapore) will in charge for the sales and RSPO IT Platform registration.</p>
<b>D.3.2</b>	<p>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p> <p style="text-align: right;"><b>MAJOR</b></p>
<b>Findings</b>	<p>In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/></p>
<b>Objective evidence:</b>	<p>SOP for Weigh Bridge (MM/ADM/03 rev 00) has determined about supply chain procedure for receiving and processing certified and non-certified FFBs.</p> <p>Document and record were verified, for examples: <i>Surat Pengantar Buah</i> (SPB), Token, WB ticket and Daily Mill Production Report.</p>
<b>D.4: Purchasing and goods in</b>	
<b>D.4.1</b>	<p>The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p> <p style="text-align: right;"><b>MAJOR</b></p>
<b>Findings</b>	<p>In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/></p>
<b>Objective evidence:</b>	<p>The WB operator has responsible to verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received. The operator will issue WB ticket with information as follows: estate source, product name, FFB source, token number, date of FFB receipt, vehicle number, DO/SPB number, estate block, and total bunches. For examples:</p> <ul style="list-style-type: none"> <li>• <i>Surat Pengantar Buah</i> (SPB) # 030109 dated 24 Nov 2016, supplier: Mukut estate (Block AC3131/K31) and quantity: 826 FFBs</li> <li>• Weighbridge Ticket # MMK-30195 dated 26 Feb 2016, dated 24 Nov 2016, supplier: Mukut estate (Block AC3131/K31), quantity: 6,560 MT of FFBs, source type: Inti, and SPB # 030109.</li> <li>• <i>Surat Pengantar Buah</i> (SPB) # 010683 dated 24 Nov 2016, supplier: Penuguan Estate (Block AC3511) and quantity: 1162 FFBs</li> <li>• Weighbridge Ticket # MMK-30202 dated 24 Nov 2016, supplier: Penuguan Estate (Block AC3511), quantity: 6,160 MT of FFBs, source type: Inti, and SPB # 010683.</li> </ul> <p>All input FFBs sourced from their own estates (certified FFBs).</p>
<b>D.4.2</b>	<p>The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p> <p style="text-align: right;"><b>MAJOR</b></p>
<b>Findings</b>	<p>In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/></p>
<b>Objective evidence:</b>	<p>Up to date, there is no overproduction.</p> <p>During 2016-2017, the company has reported 30 transactions on RSPO IT platform with volume less than projection. See D.2.1.</p>
<b>D.5: Record keeping</b>	
<b>D.5.1</b>	<p>The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p> <p style="text-align: right;"><b>MAJOR</b></p>
<b>Findings</b>	<p>In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/></p>
<b>Objective evidence:</b>	<p>The company has recorded and balanced all receipts of sustainable FFB and deliveries of RSPO product for period May 2016 to May 2017 as follows:</p> <ul style="list-style-type: none"> <li>• Certified FFB input= 154,674 MT</li> <li>• Certified FFB production= 154,441 MT</li> <li>• RSPO certified CPO output = 33,421.07 MT</li> <li>• OER= 21.64%</li> <li>• RSPO certified PK output = 5,650.60 MT</li> <li>• KER= 3.66%</li> <li>• Delivery of RSPO certified CPO= 24,926.07 MT</li> <li>• Delivery of CPO (no claim)= 7,639.30 MT</li> <li>• Delivery of RSPO certified PK= 4,884,21 MT</li> <li>• Delivery of PK (no claim)= 888.69 MT</li> </ul>

	<ul style="list-style-type: none"> <li>Ending Stock of RSPO certified CPO= 38,235.00 MT</li> <li>Ending Stock of RSPO certified PK= 2,743.16 MT</li> </ul>				
<b>D.6: Processing</b>					
<b>D.6.1</b>	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.				<b>MAJOR</b>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>The mill only receives the crop from its own supply based. All the transactions have been recorded in the sheet of "quantity of CPO sold as RSPO".</p> <p>The mill has used pipeline to transfer CPO from storage tank to the ship.</p>				
<b>D.6.2</b>	The objective is for 100 % segregated material to be reached.				<b>MAJOR</b>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	The mill only receives the crop from its own supply based. So that the objective is for 100% segregated material to be reached.				

**3.2 Corrective Action Request**

There are total of 1 Major and 4 Minor were raised. Please refer to the **Appendix A** for the details findings and relevant correction actions have been taken.

**3.3 Noteworthy Positive Components**

- a. High commitment has been shown by the company in implementing the sustainable manner and the consistency of implementation of RSPO standard.
- b. Consistent implementation of good agricultural practices observed in all estates.
- c. High awareness of safety has been shown by the company during the audit.

**3.4 Status of Non-Conformities Previously Identified**

Please refer to **Appendix B** for the previous audit.

**3.5 Issues Raised by Stakeholders and Findings**

A list of stakeholders contacted with detail issue raised is included as **Appendix C**.

**4. ACKNOWLEDGEMENT OF ORGANIZATION INTERNAL RESPONSIBILITY**

**4.1 Conclusion**

The audit team concludes that the organization  has  has not established and maintained its management system in line with the RSPO P&C and Supply Chain requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements.

**4.2 Date of Next Surveillance Visit**

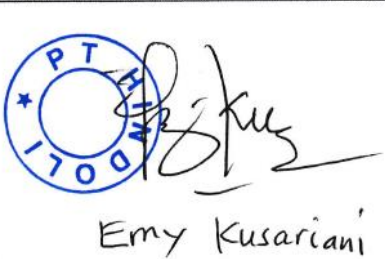

The next surveillance audit is planned before on 19 May 2018.

**4.3 Date of Closing Non-Conformities**

Reference Number	Category (Major/Minor)	Issued date	Close out date
01	Major (4.1.1)	27.11.2015	12.05.2016 (by previous CB)
02	Minor (4.2.3)	27.11.2015	12.05.2016 (by previous CB)
03	Major (4.3.4)	27.11.2015	12.05.2016 (by previous CB)
04	Minor (4.1.3)	19.05.2017	"Open"
05	Minor (4.6.10)	19.05.2017	"Open"
06	Minor (5.1.3)	19.05.2017	"Open"
07	Minor (5.3.3)	19.05.2017	"Open"
08	Major (7.3.4)	19.05.2017	14.07.2017

**4.4 Acknowledgement of Internal Responsibility and Formal Sign-off Assessment Findings**




PT SGS Indonesia and Client acknowledge and confirms acceptance of the Report contents and including the assessment findings. PT SGS Indonesia and Client accept the responsibility for addressing the opportunities of improvement detailed in this report.

Signed on behalf of PT Hindoli-Mukut Mill	Signed on behalf of PT SGS Indonesia
 <p>Emy Kusariani</p>	 <p>Zaenal Abidin</p>

## APPENDIX A: CORRECTIVE ACTION REQUEST &amp; OBSERVATION


CAR #	Indicator	CAR Detail					
		Date Recorded>	19.05.2017	Due Date>	18.05.2018	Date Closed>	dd mm yy
01	4.1.3 Minor	<b>Normative reference and requirements:</b>					
		Records of monitoring and any follow-up actions shall be available.					
		<b>Statement of Non-Conformance:</b>					
		Records of follow up action for internal audit result is incompletely available (root cause, action plan and corrective action).					
		<b>Objective Evidence:</b>					
		Based on document review and interview with internal auditor, revealed that corrective action request for internal audit in June 2016 at Block AE0001 (Sungai Nipah Estate) was not available.					
		<b>Root cause analysis to be completed by Organization:</b>					
		1. Lack of knowledge and understanding from ASD internal auditor staff that raised orites attacks as failure for canopy management as internal field audit finding, so site team not able to identify the root cause and develop corrective action for field audit findings, since there is no correlation between orites attack and canopy management – wrong interpretation from internal auditor.					
		2. New written ASD SOP “Prosedur Scoring Field Audit TBM, STAL/ASD/070 for the whole Cargill Tropical Palm locations have been introduced but awareness training on this new SOP has not done yet to ensure all internal auditors have similar interpretation and knowledge skill when conducting the field audit.					
		<b>Corrective Action to be completed by Organization:</b>					
		1. Revise SOP Scoring Field Audit TBM - STAL/ASD/070, make it more detail and clearer, under section 7. Standard manajemen canopi and section 16. Serangan serangga pemakan daun – orites attack to measure the vegetative growth and not to measure the Leaf Area Index. (Deadline: Jun 30, 2017)					
		2. Conduct refresher training, for this new parameter as per revise SOP (Deadline Jul 15, 2017)					
		<b>Preventative Action to be completed by Organization:</b>					
Noor Ahsan (ASD Manager) has responsible to manage internal audit process according to procedure.							
<b>Close-out evidence/Planned Actions to be completed by Lead assessor:</b>							
Actions plan has addressed the CAR issued by auditor. Will be further verified during subsequent surveillance visit for fully closed out.							
02	4.6.10 Minor	Date Recorded>	19.05.2017	Due Date>	18.05.2018	Date Closed>	dd mm yy
		<b>Normative reference and requirements:</b>					
		Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated					
		<b>Statement of Non-Conformance:</b>					
		Pesticide waste has not been fully handled as per regulation.					
		<b>Objective Evidence:</b>					
		During visit to the chemical storage at Mukut Estate, there was found pesticide of Starane 290 EC (total 103 ltr) have been expired (February 2017). The company has not stored this pesticide waste at designated location as per regulation (PP101/2014) and SOP for handling expired pesticide (HIN/SL-IPR/TSD/040).					
		<b>Root cause analysis to be completed by Organization:</b>					



CAR #	Indicator	CAR Detail					
		<p>1. Tracking system inventory (FIFO) didn't properly maintain, lack of monitoring for this availability of starane stock at chemical store.</p> <p>2. Starane application didn't follow schedule that has been set by ASD Team. No application being executed in FY 2016-2017</p>					
		<b>Corrective Action to be completed by Organization:</b>					
		<p>1. Do coordination with chemical vendor DOW to validate the expiration date of starane chemical by sending the sample to independent laboratory. (Done, Jun 12, 2017)</p> <p>2. Receive new Certificate of Analysis (COA) regarding the expiration date of existing starane can be extended for 6 month.</p> <p>3. Apply existing and remaining starane 103 liter as per schedule in July 2017, so no more starane stock in the chemical store. (deadline: 5 July 2017)</p>					
		<b>Preventative Action to be completed by Organization:</b>					
		<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>COA Strarine.pdf</p> </div> <div style="text-align: center;">  <p>Surat Pernyataan Starane 290 Expired</p> </div> <div style="text-align: center;">  <p>schadul Selective- Chemical FY 1617 dan</p> </div> </div>					
		<b>Close-out evidence/Planned Actions to be completed by Lead assessor:</b>					
		Actions plan has addressed the CAR issued by auditor. Will be further verified during subsequent surveillance visit for fully closed out.					
03	5.1.3 Minor	<b>Date Recorded&gt;</b>	19.05.2017	<b>Due Date&gt;</b>	18.05.2018	<b>Date Closed&gt;</b>	dd mm yy
		<b>Normative reference and requirements:</b>					
		Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.					
		<b>Statement of Non-Conformance:</b>					
		Implementation report of environmental monitoring plan does not always adequate.					
		<b>Objective Evidence:</b>					
		<p>The periodic report of environmental monitoring plan as documented on "Laporan Pemantauan Lingkungan" for such monitoring activities were inadequate due to following evidence(s):</p> <ul style="list-style-type: none"> <li>- The environmental monitoring report for PT STAL (Estate Sungai Nipah) is only available once during 2016. According to monitoring plan it must be twice a year. Then monitoring of such parameter of the water river(s) only performed in August 2016 (the monitoring plan requested twice a year for monitoring this parameter).</li> <li>- No annual monitoring of aquatic biota (plankton, benthos etc.) in place at Mukut and Penugunan estate as requested by its environmental monitoring plan.</li> <li>- No permanent sampling plot in place to monitor vegetation at HCV area, particularly in protected peat area at Mukut estate (317 ha). The PSP requested according to the recommendation of the HCV assessment.</li> <li>- The methodology for water table monitoring through piezometer is not clearly described on the procedure. Such monitoring tools for water table monitoring are weak, for instance monitoring stick at water gate K34 is missing, mostly scale in monitoring stick are unreadable. At the time of closing meeting the company presented an updated procedure (SOP-049) – uploaded to the system on 19 May 2017, the effectiveness of the updated procedure must be followed up and monitored in the next period.</li> </ul>					
		<b>Root cause analysis to be completed by Organization:</b>					



CAR #	Indicator	CAR Detail					
		<p>1. Holistic schedule for RKL/RPL reporting for the whole location: HIN ISL, HIN IPR and STAL is not available yet.</p> <p>2. Monitoring Matrix RKP/RPL for HIN IPR simply done via adopting the monitoring matrix for HIN ISL, so item to monitor the aquatic biota has not been identified.</p> <p>3. Conservation area 317 Ha has not been converted as palm plantation is based on management decision to protect and conserve shallow peat on this location, so this area was not covered under HCV monitoring plan as per HCV assessment Mukut done in 2007.</p> <p>4. Guidance to read piezometer has not been covered on SOP Monitoring air tanah menggunakan piezometer, HIN-TSD/049-SOP.</p>					
		<b>Corrective Action to be completed by Organization:</b>					
		<p>1. Make holistic schedule for RKL/RPL reporting for the whole locations: HIN ISL, HIN IPR, STAL (Deadline: Jul 10, 2017)</p> <p>2. Follow monitoring parameter as per RKL/RPL matrix in each AMDAL document, ensure all parameters covered including aquatic biota on the next RKL/RPL report. (Deadline: Sep 30, 2017)</p> <p>3. Develop 1 monitoring plot for conservation area 317 Ha and start to do monitoring for flora and fauna accordingly for this area. (Deadline: Jul 27, 2017)</p> <p>4. Add detail guidance on how to read piezometer correctly on SOP: HIN-TSD/049-Monitoring air tanah menggunakan pizometer and ensure all relevant employees get trained for skill and knowledge standardization (PIC.ASD Mgr, deadline: Jul 31, 2017)</p>					
		<b>Preventative Action to be completed by Organization:</b>					
		Leni (Sustainability), Reksa (Program Assurance), Conservation (sustainability), Noor Ahsan (ASD Manager) have responsible to ensure that schedule of environmental monitoring according to RKL/RPL document and the personnel who has task to monitor has been trained appropriately.					
		<b>Close-out evidence/Planned Actions to be completed by Lead assessor:</b>					
		Actions plan has addressed the CAR issued by auditor. Will be further verified during subsequent surveillance visit for fully closed out.					
04	5.3.3 Minor	<b>Date Recorded&gt;</b>	19.05.2017	<b>Due Date&gt;</b>	18.05.2018	<b>Date Closed&gt;</b>	dd mm yy
		<b>Normative reference and requirements:</b>					
		A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.					
		<b>Statement of Non-Conformance:</b>					
		A domestic waste management plan is not implemented to avoid or reduce pollution					
		<b>Objective Evidence:</b>					
		It was noted that domestic waste management plan are collected from all of sources then in every 2 days disposed to the land fill within plantation area. Unfortunately the land fill areas observed during audit (at Sungai Nipah and Mukut estates) located within the area which is water table around 40 – 60 cm, therefore the land fill is always submerged with water that potentially polluted to surrounding land fill areas.					
		<b>Root cause analysis to be completed by Organization:</b>					
		<p>1. IPR has been located in low lying area with low water table and remote, site team get difficulties to work with local authorities/communities in handling wastes via landfill or sent it to government approved area outside location.</p> <p>2. No waste handling technology being applied in IPR/STAL</p>					
		<b>Corrective Action to be completed by Organization:</b>					

CAR #	Indicator	CAR Detail					
		<p>1. Work together with other parties to handling inorganic waste via bank sampah project scheme (Deadline: 31 May 2018)</p> <p>2. Make as pilot study – home industry for composting project from organic waste through bio-degradation process with anaerobic bacteria. (Deadline: May 30, 2018)</p> <p><b>Preventative Action to be completed by Organization:</b></p> <p>Reksa (PAC) and Nuning (CSR) have responsible to manage and monitor domestic waste according to requirements.</p> <p><b>Close-out evidence/Planned Actions to be completed by Lead assessor:</b></p> <p>Actions plan has addressed the CAR issued by auditor. Will be further verified during subsequent surveillance visit for fully closed out.</p>					
05	7.3.4 Major	<b>Date Recorded&gt;</b>	19.05.2017	<b>Due Date&gt;</b>	18.07.2017	<b>Date Closed&gt;</b>	14.07.2017
<b>Normative reference and requirements:</b>							
Action plan has been developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures (C 5.2)							
<b>Statement of Non-Conformance:</b>							
Action plan has been developed that describes operational actions but not fully consequent to the findings of the HCV assessment.							
<b>Objective Evidence:</b>							
According to the findings of HCV assessment for PT STAL (2013), require such degraded area at HCV area of Sungai Nipah to be replanted with such local species as listed on the HCV report. Actually the company has plan and planted <i>Acasia mangium</i> (around 200 trees) on this HCV area (Sungai Nipah) which is this not in the list. Furthermore, Acacia mangium known as invasive species.							
<b>Root cause analysis to be completed by Organization:</b>							
<p>1. Lack of knowledge from field worker on restoration /rehabilitation of HCV area that must be planted with local species trees according to HCV assessment report.</p> <p>2. No dedicated person "conservation officer" at IPR that responsible to all HCV monitoring and rehabilitation programs.</p>							
<b>Corrective Action to be completed by Organization:</b>							
<p>1. Dig the planted acasia mangium and replace it with local species trees along area HCV sungai Nipah. (Done: Jun 03, 2017)</p> <p>2. Conduct refresher training for all relevant field workers regarding the local species that can be planted along buffer zone/ conservation areas according to HCV assessment report. (Done: Jun 2017)</p> <p>3. Continue to monitor HCV area flora-fauna on monthly basis.</p> <p>4. Ensure vacant position "conservation officer" that responsible to HCV area programs will be fill in. (Deadline: August 31, 2017)</p>							
 <p>Proses Perbaikan Tanaman di Bufferzon</p>							
<b>Preventative Action to be completed by Organization:</b>							
Konservasi/Estate Manager has responsible to regular monitor the HCV to ensure that acacia did not grow in this area.							
<b>Close-out evidence/Planned Actions to be completed by Lead assessor:</b>							

CAR #	Indicator	CAR Detail
		<p>The company sent the objective evidences of the corrective actions dated on 3 July 2017 to address CAR # 05. Auditor verified the evidences dated on 14 July 2017 as follows:</p> <ul style="list-style-type: none"> <li>The company removed the planted <i>Acacia mangium</i> (around 200 trees) and replaced it with local species trees along HCV area at Sungai Nipah (STAL). The planted local species trees are Bira-bira (3 trees), Bintaro (300 trees), Bamboo (5 trees) and Mahang (23 trees) according to recommendation in HCV report.</li> <li>The relevant personnel have been trained regarding the local species that can be planted along buffer zone/ conservation areas according to HCV assessment report. (Done: Jun 2017).</li> </ul> <p><b>So that Major CAR# 05 was closed.</b></p>

### OBSERVATIONS

OBS #	Indicator	Observation/Opportunity for Improvement					
		Date Recorded>	19.05.2017	Due Date>	dd mm yy	Date Closed>	dd mm yy
01	2.1.1	<b>Details:</b>					
		All machines for operating mill have obtained permits from the government but boiler permit was not available in place. Information from MR that the permit was being sent by supplier.					
		<b>Follow-up evidence:</b>					
02	4.3.4	<b>Details:</b>					
		Procedure for subsidence monitoring (HIN/ISL-IPR/TSD/065 rev.05) should define a critical threshold.					
		<b>Follow-up evidence:</b>					
03	4.4.3	<b>Details:</b>					
		Flow meter of POME from mill to pond needs to be repaired because the figure was not clearly visible.					
		<b>Follow-up evidence:</b>					
04	5.1.2	<b>Details:</b>					
		Strongly recommended to ensure that fire fighter tanks at Mukut Estate are always ready to be used when there is emergency condition. During audit, found that the tanks were empty water.					
		<b>Follow-up evidence:</b>					

OBS #	Indicator	Observation/Opportunity for Improvement					
		Date Recorded>	19.05.2017	Due Date>	dd mm yy	Date Closed>	dd mm yy
05	5.2.4	<b>Details:</b>					
		HCV assessment was conducted on 2007. It was reported 87 ha of peat soil and shallow peat area 230 ha should be aside for conservation. Total of this area is 317 ha, formerly swap forest. In 2015, there was a fire outbreak hit this conservation area which burns more than half of the area and left only 146 ha. There was no HCV revision or at least the HCV management plan as there is a significant change of this area. It was noted that CH has conducted monitoring of fauna and do reforestation programme. However, this monitoring has not been analyzed to see the trend of the past and presence to be used for the management plan. It was also explained by the Company that they saw bears and tigers came out from the forest during the fire outbreak. This could be one of the critical elements to be covered in the revised management plan.					
		<b>Follow-up evidence:</b>					
06	5.3.2	Date Recorded>	19.05.2017	Due Date>	dd mm yy	Date Closed>	dd mm yy
		<b>Details:</b>					
		The company should ensure that label and symbol of hazardous waste are always attached on the containers of hazardous waste stored at temporary hazardous waste storage (TPS LB3 - Mukut Estate).  Sighted that the trap near the "Spraying Shed" in Mukut Estate is not functioning well as the part of the trap allows for overflow to the external drain. Layers of oil traces still evident in the last part of the trap.					
		<b>Follow-up evidence:</b>					
07	6.1.4	Date Recorded>	19.05.2017	Due Date>	dd mm yy	Date Closed>	dd mm yy
		<b>Details:</b>					
		SIA has been conducted in 2012 and no documented plan for management and monitoring established. It was explained by the CH that they do conduct SIA monitoring internally but it was not documented. CH has conducted SIA revision in 2016, but the document is not yet approved.  Looking at the final draft 2016 SIA, the big fire outbreak in 2015 is not covered.					
		<b>Follow-up evidence:</b>					
08	6.3.2	Date Recorded>	19.05.2017	Due Date>	dd mm yy	Date Closed>	dd mm yy
		<b>Details:</b>					
		It was noted during stakeholder consultation at Penuguan Village where community has a grievance regarding deep well which is not well consumable. This deep well has been provided by the company in past 2015. This grievance actually is not officially/written submitted to the company. They mentioned that this was verbally communicated to the company representative at Penuguan Estate. Unfortunately, up to the stakeholder consultation, no follow up to resolve this grievance.					
		<b>Follow-up evidence:</b>					
09	6.5.2	Date Recorded>	19.05.2017	Due Date>	dd mm yy	Date Closed>	dd mm yy
		<b>Details:</b>					

OBS #	Indicator	Observation/Opportunity for Improvement					
		Workers claim that they worked from 6 am until 12 pm, then break for 1 hour, continue working until 2 pm. According to Indonesian UU 13 <i>Ketenagakerjaan</i> Law, workers shall be given at least 30 minutes' break after 4 hours of working.					
		<b>Follow-up evidence:</b>					
10	6.5.3	<b>Date Recorded&gt;</b>	19.05.2017	<b>Due Date&gt;</b>	dd mm yy	<b>Date Closed&gt;</b>	dd mm yy
		<b>Details:</b>					
		During visit at Mukut Estate. It was found the housing condition with poor maintenance (broken window, broken floor), water logged drain and un-even road access due to rain.					
		<b>Follow-up evidence:</b>					
11	6.8	<b>Date Recorded&gt;</b>	19.05.2017	<b>Due Date&gt;</b>	dd mm yy	<b>Date Closed&gt;</b>	dd mm yy
		<b>Details:</b>					
		There were few policies missing an important element as stated in RSPO indicator and unavailability of procedure for any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited. The company's policy does not include all the said element of discrimination:					
		c. It is also found in the advertisement released by the company that potential discrimination against age (indication only age of 18 to 28 can apply) is present.					
		d. It is also found in the advertisement released by the company that potential of discrimination against disability (need for only those who are fit to apply) is present.					
		<b>Follow-up evidence:</b>					
12	6.9.1	<b>Date Recorded&gt;</b>	19.05.2017	<b>Due Date&gt;</b>	dd mm yy	<b>Date Closed&gt;</b>	dd mm yy
		<b>Details:</b>					
		A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented; The company policy however only stated about sexual harassment, no violence included. Sexual harassment policy is established together with discrimination policy with the understanding that sexual harassment is part of discrimination.					
		<b>Follow-up evidence:</b>					
13	6.9.3	<b>Date Recorded&gt;</b>	19.05.2017	<b>Due Date&gt;</b>	dd mm yy	<b>Date Closed&gt;</b>	dd mm yy
		<b>Details:</b>					
		No specific grievance mechanism established. There was sexual harassment case reported in year 2015 involving 3 <sup>rd</sup> party with the staff at the workplace. However, there was no action evident to prevent reoccurrence within the plantation level e.g. gender committee and specific grievance mechanism.					
		<b>Follow-up evidence:</b>					

**APPENDIX B: NON-CONFORMITIES PREVIOUSLY IDENTIFIED**

CAR #	Indicator	CAR Detail					
	.	Date Recorded>	dd mm yy	Due Date>	dd mm yy	Date Closed>	dd mm yy
		Normative reference and requirements:					
		Statement of Non-Conformance:					
		Objective Evidence:					
		Root cause analysis to be completed by Organization:					
		Corrective Action to be completed by Organization:					
		Preventative Action to be completed by Organization:					
Close-out evidence/Planned Actions to be completed by Lead assessor:							
	.	Date Recorded>	dd mm yy	Due Date>	dd mm yy	Date Closed>	dd mm yy
		Normative reference and requirements:					
		Statement of Non-Conformance:					
		Objective Evidence:					
		Root cause analysis to be completed by Organization:					
		Corrective Action to be completed by Organization:					
		Preventative Action to be completed by Organization:					
Close-out evidence/Planned Actions to be completed by Lead assessor:							

**APPENDIX C: TIMEBOUND PLAN**

<b>Management Units</b>	<b>Number of Mills and Estates</b>	<b>Location</b>	<b>Target Date</b>
<u>Cargill's existing subsidiary Companies:</u>			
PT. Hindoli – Sungai Lilin and Tanjung Dalam Mills	2 Palm Oil Mills, 3 Estates, 5 Cooperative of scheme smallholders	South Sumatera, Indonesia	Certified 2009
PT. Hindoli – Mukut Mill	1 Palm Oil Mill and 4 Estates including KKPA Smallholder schemes	South Sumatera, Indonesia	Certified 2016
PT. Harapan Sawit lestari – Paku Juang Mill	1 Palm Oil Mill and 4 Estate including KKPA Smallholder scheme	West Kalimantan, Indonesia	Certified 2014
PT. Harapan Sawit lestari – Manis Mata Mill	1 Palm Oil Mill and 4 Estate including KKPA Smallholder scheme	West Kalimantan, Indonesia	Certified 2014
PT. Indo Sawit Kekal – River View Mill	1 Palm Oil Mill and 2 Estates including KKPA smallholder scheme	West Kalimantan, Indonesia	Certified 2014
<u>New Acquisition subsidiary companies under Alpha Capital Limited:</u>			
PT. Poliplant Sejahtera	1 Palm Oil Mill and 1 Estate	West Kalimantan, Indonesia	Certified 2016
PT. Maya Agro Investama	1 Mill and 3 Estates	West Kalimantan, Indonesia	Had gone through Stage-1 audit on 2016 Expected to be certified by end of 2017
PT. Andes Agro Investama	1 Mill and 3 Estates	West Kalimantan, Indonesia	Had gone through Stage-1 audit on 2016 Expected to be certified by end of 2017
PT. Andes Sawit Lestari	3 Estates	West Kalimantan, Indonesia	Had gone through Stage-1 audit on 2016 Expected to be certified by end of 2017
PT. Andes Sawit Mas	3 Estates	West Kalimantan, Indonesia	Had gone through Stage-1 audit on 2016 Expected to be certified by end of 2017



**APPENDIX D: LIST OF STAKEHOLDERS CONTACTED**

<b>Issue raised by Stakeholder</b>	<b>Company Response</b>	<b>Auditor Findings</b>
<p>Women group (Junggle Queen):</p> <p>Consultation with the women group (i.e Junggle Queen) focused on sexual harassment, equal opportunity, discrimination, etc. No issue raised by women group.</p>	There was no further comment by Company.	Comments has been considered into the auditor findings in the checklist
<p>Harvesters, sprayers, manurers, Mandores, staff, etc:</p> <p>Consultation was focused on employee welfare, worker contract, accommodation, wage, PPE use, etc. No issue raised by harvester, sprayers, manurers, mandores, staff, etc.</p>	There was no further comment by Company.	Comments has been considered into the auditor findings in the checklist
<p>Labour Union:</p> <p>Consultation was focused on collective labour agreement, employee complaint handling. No issue raised by Labour Union.</p>	There was no further comment by Company.	Comments has been considered into the auditor findings in the checklist
<p>KKPA:</p> <p>Consultation was focused on transparency and conflict resolution, No issue raised by KKPA</p>	There was no further comment by Company.	Comments has been considered into the auditor findings in the checklist
<p>Local Government:</p> <p>Consultation was focused on compliance with regulations (land title, periodic report, community development, etc). Based interview from Local Government, there was no significant issue.</p>	There was no further comment by Company.	Comments has been considered into the auditor findings in the checklist
<p>Stakeholder contacted i.e: Local community at Desa Penuguan and Desa Mukut.</p> <p>Issue: CSR program was conducted by Company i.e.: road maintenance, recruitment of worker.</p>	There was no further comment by Company.	Comments has been considered into the auditor findings in the checklist