

Audit Report

2nd Annual Surveillance Audit and its Follow Up for

PT. Kencana Graha Permai, Kenanga Mill and its Supply Bases

FMS40053

RSPO Membership number: 1-0096-11-000-00 - PT. Golden Agri Resources (GAR)
Including child numbers for each certification unit

Audited Address:

Kenanga Mill:

Randai Village, Marau Sub-District, Ketapang Regency, West Kalimantan Province, Indonesia

Supply Bases:

Kencana Estate:

Rangkong Village, Marau Sub-District, Ketapang Regency, West Kalimantan Province, Indonesia

Cendana Estate:

Belaban Village, Marau Sub-District, Ketapang Regency, West Kalimantan Province, Indonesia

Date of audit : 25 – 29 September 2017

Date of Follow up Audit : 14 – 15 November 2017

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Executive Overview

SAI Global has conducted the 2nd Annual Surveillance Audit on 25-29 September 2017 for:

Certified Units

- | | |
|---|-------------------------------------|
| a. Mill | : Kenanga Mill |
| b. Supply bases | : Kencana Estate and Cendana Estate |
| c. Model of Supply Chain Certification (IP/MB/SG) | : MB |

The audit concluded with issuance of 14 NCRs (11 Major NCRs and 3 minor NCRs). There are 3 minor recurrence NCRs from first surveillance audit (indicator 4.1.2, 4.4.1 and 5.3.3), so that upgraded becomes the Major NCR. Follow up audit to verify the correction and corrective action plan has been conducted on 14 - 15 November 2017 (on site) in site PT. Kencana Graha Permai (Kenanga Mill and its Supply Bases) and the Major NCR was closed out.

The estimate figures of production offered based on this audit are:

Estimated tonnage of certified CPO produced	42,189 MT
Estimated tonnage of certified PK produced	8,686 MT

The audit concluded that PT. Kencana Graha Permai Kenanga Mill and its Supply Bases operation were found complies with the requirements of the Generic RSPO Principles and Criteria for Sustainable Palm Oil Production, 2016 (INANI) and RSPO Supply Chain Certification Standard, CPO Mill, Module E Mass Balance, November 2014.

Therefore PT. Kencana Graha Permai Kenanga Mill and supply bases can continue to be certified as RSPO Mass Balance Model CPO and PK producer.

The Mill has calculated the net GHG emissions using The RSPO Palm GHG Calculator Version 3.0.1 and that data inputs are verified to be accurate. Capturing the information about summary of net GHG emissions, summary of field emissions and sinks, and summary of mill emissions and credits.

Summary of net GHG emissions

Emissions per Product	tCO ₂ e/ton Product
CPO	1.06
PK	1.06

Land use	ha
OP planted area	5,628.19
OP planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	376.64
Total	6,004.83

Production	Ton/year
FFB processed	321,620.00
CPO Produced	79,529.79
PK Produced	16,644.00

Extraction	%
OER	24.73
KER	5.17

Summary of field emissions and sinks

	Own Crop		Group		3rd Party		Total	
	tCO2e	tCO2e/t FFB	tCO2e	tCO2e/t FFB	tCO2e	tCO2e/t FFB	tCO2e	tCO2e/t FFB
Emissions								
<i>Land Conversion</i>	55,355.18	0.55	0	0	0	0	55,355.18	0.55
<i>*CO2 Emissions from Fertilizer</i>	3,357.95	0.03	0	0	0	0	3,357.95	0.03
<i>**N2O Emissions</i>	4,641.72	0.05	0	0	0	0	4,641.72	0.05
<i>Fuel Consumption</i>	1,012.85	0.01	0	0	0	0	1,012.85	0.01
<i>Peat Oxidation</i>	0	0	0	0	0	0	0	0
Sinks								
<i>Crop Sequestration</i>	-52,689.61	-0.52	0	0	0	0	-52,689.61	-0.52
<i>Conservation Sequestration</i>	-1,050.15	-0.01	0	0	0	0	-1,050.15	-0.01
Total	10,627.94	0.11	0	0	26,991.55	0	37,619.49	0.11

Summary of mill emissions and credits

	tCO2e	tCo2e/t FFB
Emissions		
POME	63,037.55	0.2
Fuel Consumption	864.93	0
Grid Electricity Utilization	0	0
Credits		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	63,902.48	0.2

Palm Oil Mill Effluent (POME) Treatment:

Divert to compost	0 %
Divert to anaerobic digestion	100 %

POME Diverted to Anaerobic Digestion:

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

Abbreviations Used

AK3U	Occupational Health and Safety Expert (<i>Ahli K3 Umum</i>)
AMDAL	Environmental Impact Analysis (<i>Analisis Dampak Lingkungan</i>)
AME	Area Manager Engineering
BHL	Daily worker (<i>Buruh Harian Lepas</i>)
BKM	Log book of group leader activity (<i>Buku Kegiatan Mandor</i>)
BLH	Environmental Agency (<i>Badan Lingkungan Hidup</i>)
BLRS	Bah Lias Research
BOD	Biological Oxygen Demand
BPN	National Land Agency (<i>Badan Pertanahan Nasional</i>)
CDNE	Cendana Estate
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DO	Delivery Order
EFB	Empty fruit bunch
EMS	Environmental Management System
EWS	Early Warning System
FFB	Fresh Fruit Bunch
GAPKI	Indonesian Palm Oil Association (<i>Gabungan Pengusaha Kelapa Sawit Indonesia</i>)
GPS	Global Positioning System
Ha	Hectare
HCV	High Conservation Value
HGU	Land Use Title (<i>Hak Guna Usaha</i>)
GHG	Green House Gases
HIPERKES	Industrial Hygienist
HO	Head Office
IDN	Indonesia
IPM	Integrated Pest Management
ISCC	International Sustainability Carbon Certification
ISO	International Standards Organisation
ISPO	Indonesia on Sustainable Palm Oil
Jamsostek	Man Power Social Assurance (<i>Jaminan Sosial Tenaga Kerja</i>)
Kepmen	Degree of Man Power Ministry (<i>Keputusan Menteri Tenaga Kerja</i>)
KTU	Head of Administration (<i>Kepala Tata Usaha</i>)
LA	Land Application
LD	Lethal Dosage
KNCE	Kencana Estate
KNNM	Kenanga Mill
LSU	Leaf Sampling Unit
LTI	Loss Time Incident
MCU	Medical Check-Up
MSDS	Material Safety Data Sheet
MT	Metric Ton
NCR	Non Conformance Report
NGO	Non-Government Organisation
OER	Oil Extraction Rate
OHS	Occupational Health and Safety
OHSAS	Occupational Health and Safety Assurance Services
P2K3	OHS Committee

P&C	Principle and Criteria
PEL	Environmental Evaluation Presentation (<i>Penyajian Evaluasi Lingkungan</i>)
Permen/Permenaker	Regulation of Man Power Ministry (<i>Peraturan Menteri Tenaga Kerja</i>)
Permentan	Regulation of Agricultural Ministry (<i>Peraturan Menteri Pertanian</i>)
PK	Palm Kernel
PKB	Joint Working Agreement (<i>Perjanjian Kerja Bersama</i>)
PKWT	Contracted worker (<i>Pekerja Waktu Tertentu</i>)
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PP	Government Regulation (<i>Peraturan Pemerintah</i>)
PPE	Personal Protective Equipment
PUK	Caretaker Unit (<i>Pengurus Unit Kerja</i>)
QC	Quality Control
R&D	Research and Development
RABQSA	Quality Society of Australia
RKH	Daily Work Plan (<i>Rencana Kerja Harian</i>)
RKL	Environmental Management Plan (<i>Rencana Pengelolaan Lingkungan</i>)
RPL	Environmental Monitoring Plan (<i>Rencana Pemantauan Lingkungan</i>)
RSPO	Roundtable on Sustainable Palm Oil
SCCS	Supply Chain Certification System
SG	Segregation
SIA	Social Impact Assessment
SIO	Operator Lisence (<i>Surai Ijin Operasi</i>)
SMK3	Occupational Health and Safety Management System (<i>Sistem Manajemen Kesehatan dan Keselamatan Kerja</i>)
SPSI	Indonesian Worker Union (<i>Serikat Pekerja Seluruh Indonesia</i>)
SOP	Standard Operational Procedure
UKL	Environmental Management Effort (<i>Upaya Pengelolaan Lingkungan</i>)
UPL	Environmental Monitoring Effort (<i>Upaya Pemantauan Lingkungan</i>)
WALHI	Indonesian NGO for Environment (<i>Wahana Lingkungan Hidup Indonesia</i>)
WWF	World Wild Fund
WWTP	Waste Water Treatment Plant

1.0 SCOPE OF THE ASSESSMENT

1.1 Introduction

SAI Global conducted the 2nd annual surveillance audit on 25 – 29 September 2017 at PT. Kencana Graha Permai – Kenanga Mill and its supply bases. The follow up audit of the Major NCR for reviewing the verification of effectively was conducted on 14 – 15 November 2017 (on-site) at PT. Kencana Graha Permai Kenanga Mill and its supply bases and the Major NCR was closed out.

The purpose of this audit report is to summarise the degree of compliance with the relevant criteria, as defined on the cover page of this report, based on the evidence obtained during the audit of your organisation.

SAI Global audits are carried out within the requirements of SAI Global procedures that also reflect the requirements and guidance provided in the international standards relating to audit practice such as ISO/IEC 17021, ISO 19011, RSPO Certification System, relevant RSPO Supply Chain Certification System and other normative criteria. SAI Global Auditors are assigned to audits according to industry, standard or technical competencies appropriate to the organisation being audited. Details of such experience and competency are maintained in our records. The audit team is detailed in the attached audit record.

In addition to the information contained in this audit report, SAI Global maintains files for each client. These files contain details of organisation size and personnel as well as evidence collected during preliminary and subsequent audit activities (Documentation Review and Scope) relevant to the application for initial and continuing certification of your organisation.

Details of your primary contact persons and their contact details and site addresses are also maintained. Please take care to advise us of any change that may affect the application/certification or may assist us to keep your contact information up to date, as required by SAI Global Terms and Conditions.

Please note that this report is subject to independent review and approval. Should changes to the outcomes of this report be necessary as a result of the review, a revised report will be issued and will supersede this report.

1.2 Audit Objective

The purpose of this surveillance audit was to determine continuing compliance of your organization's management system with the audit criteria; and its effectiveness in achieving continual improvement and system objectives in accordance with RSPO P&C Standard INANI 2016 and RSPO Supply Chain Standard 2014.

Also to verify the volume of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers, and the implementation of any processing controls.

1.3 Scope of certification

The scope of certification is the CPO and PK production from one (1) Palm Oil Mill and FFB supply bases comprising two (2) palm oil estates owned by PT. Kencana Graha Permai (KNCE and CDNE). There were receiving of the other supply bases during October 2016 – August 2017 from independent smallholders.

1.4 Location of mill and estates

1.4.1 Palm Oil Mill

Kenanga Mill, PT. Kencana Graha Permai.

Location : Randai Village, Marau District, Ketapang Regency, West Kalimantan Province, Indonesia
 GPS Location : East 110°35'38.4" and South 2°7'11.78"
 Mill Capacity : 80 MT FFB/hour

1.4.2 Oil Palm Estate

Kencana Estate, PT. Kencana Graha Permai.

Location : Rangkong Village, Marau District, Ketapang Regency, West Kalimantan Province, Indonesia
 GPS Location : East 110° 34' 39.1770" and South 2° 7' 57.8787"
 Certified Area : 3,243.69 Ha
 Planted Area : 2,733.81 Ha

Cendana Estate, PT. Kencana Graha Permai.

Location : Belaban Village, Marau District, Ketapang Regency, West Kalimantan Province, Indonesia
 GPS Location : East 110° 36' 31.6407" and South 2° 6' 19.9214"
 Certified Area : 3,591.85 Ha
 Planted Area : 2,894.34 Ha

Table 1: Mill and Estates GPS Locations

MILL AND ESTATE	EASTING	NORTHING
Kenanga Mill	110° 35' 38.4"	2° 7' 11.78"
Kencana Estate	110° 34' 39.1770"	2° 7' 57.8787"
Cendana Estate	110° 36' 31.6407"	2° 6' 19.9214"

1.5 Description of supply base

The FFB sources are two (2) palm oil estates owned by PT. Kencana Graha Permai. There were receiving of the other supply bases during October 2016 – August 2017 from independent smallholders that did not have special/exclusive agreement with the company, the agreement was mentioned of FFB specification required, contract with a period of 1 year, determination of FFB pricing, and term of payment. The areas and FFB production of the plantations are shown on Table

Table 2. Estimated FFB Production of the supply base in September 2017 – August 2018

ESTATE	TOTAL AREA (HA)	PLANTED AREA (HA)	FFB (TON/YEAR) SEPTEMBER 2017 – AGUSTUS 2018
Kencana Estate (PT. KGP)	3,243.69	2,733.81	82,348.84
Cendana Estate (PT. KGP)	3,591.85	2,894.34	83,099.97
Delima Estate (PT. KGP-uncertified)	2,497.26	1,889.99	48,245.48
Scheme Smallholder - <i>Kencana Kemitraan</i> - <i>Kenanga Kemitraan</i>	N/A	N/A	31,962.91
Other Supply Base (3 rd Party Estates)	N/A	N/A	267,857.68
Total	9,332.80	7,518.14	513,514.88

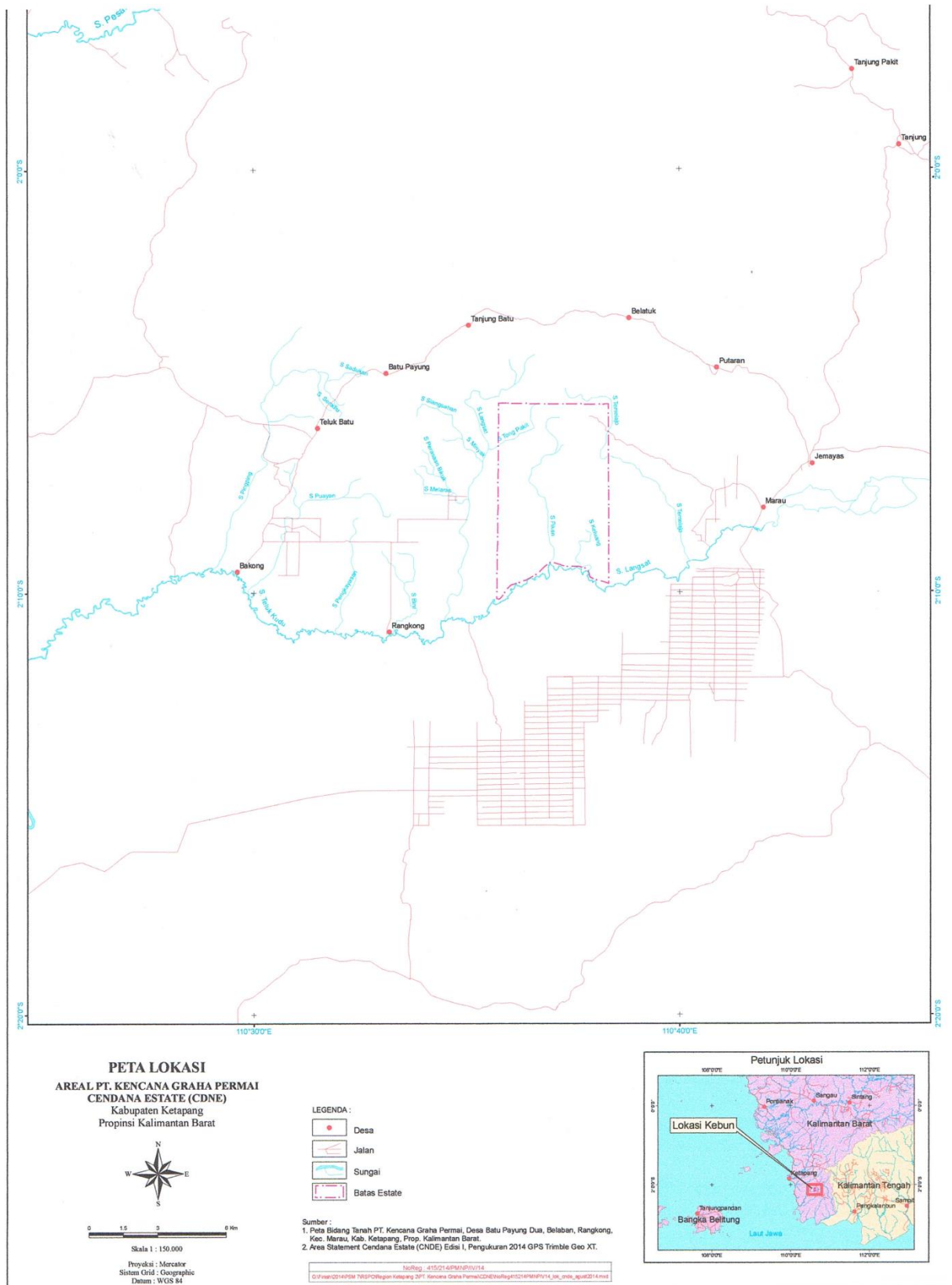


Figure 2. Map of Cendana Estate

1.6 Date of plantings

Table 3: Age Profiles of Planted Palms in 2017

YEAR	KENCANA ESTATE (HA)	CENDANA ESTATE (HA)	TOTAL (HA)	% OF PLANTED AREA
Mature				
2007	798.15	659.80	1,457.95	25.90
2008	920.99	1,028.44	1,949.43	34.64
2009	698.67	839.00	707.06	12.56
2010	316.00	154.86	158.02	2.81
2011	-	172.18	172.18	3.06
2012		40.06	40.06	0.7
Total Mature	2,733.81	2,894.34	5,628.15	100
Total Immature	-	-	-	-
	-	-	-	-
Sub Total	-	-	-	-
Total Planted Area	2,733.81	2,894.34	5,628.15	100

Source: PT. KGP, August 2017

1.7 Area of plantation

Table 4: Land use description in 2017

AREA	Kencana Estate (Ha)	Cendana Estate (Ha)	Total (Ha)
Mature area	2,733.81	2,894.34	5,628.15
Immature area	-	-	
Total area planted	2,733.81	2,894.34	5,628.15
Emplacement and Mill	19.48	18.06	37.54
Nursery	-	-	
Road	120.08	103.00	223
Runway (air strip)	-	11.06	11.06

Drain, swamp, river	25.40	7.51	32.91
Reserve	142.54	380.28	522.82
HCV	199.25	177.39	376.64
Other area	3.13	0.21	3.34
Occupied by community	-	-	-
Total area non planted	509.88	697.51	1,207.39
Total leased area	3,243.69	3,591.85	6,835.54

Source: PT. KGP, August 2017

Table 5: Estates and Area Planted in 2017

ESTATE	MATURE (HA)	IMMATURE (HA)
KNCE	2,733.81	-
CDNE	2,894.34	-
TOTAL PLANTED AREA	5,628.15	-

Source: PT. KGP, August 2017

1.8 Approximate tonnages offered for certification (CPO and PK)

Approximate tonnages offered for certification is estimated based on the organisation last five years actual FFB production from KNCE and CDNE; also last year CPO and PK, OER and KER of Kenanga Mill. Taken into consideration Kenanga Mill also processed FFB from external FFB suppliers.

Table 6: FFB Production Trend 2012 - 2016

Estate	Year	Actual FFB Production (MT)
KNCE	2012	14,048
	2013	34,329
	2014	46,240
	2015	59,174
	2016	51,784
CDNE	2012	10,868
	2013	26,261
	2014	38,686

Estate	Year	Actual FFB Production (MT)
	2015	55,240
	2016	48,594

Source: PT. KGP, August 2017

Table 7: Mill Total CPO and PK Production of 2016 – 2017 and Estimate Production of 2017 - 2018

Supply Base	FFB Processed (MT)	CPO Production (MT)	OER (%)	PK Production (MT)	KER (%)
Actual Production September 2016 – August 2017					
KNCE	74,206	18,611	25.08	4,132	5.57
CDNE	69,612	17,469	25.09	3,853	5.53
Sub total	143,818	36,080	25.09	7,985	5.55
Other supply bases (Non-Certified)	283,870	68,866	24.26	15,064	5.31
Total actual production	427,688	104,946	24.54	23,049	5.39
Estimated Production September 2017 – August 2018					
KNCE	82,348	21,000	25.50	4,323	5.25
CDNE	83,099	21,189	25.50	4,363	5.25
Sub total	165,447	42,189	25.50	8,686	5.25
Other supply bases (Non-Certified)	348,066	88,757	25.50	18,273	5.25
Total estimated production	513,515	130,946	25.50	26,959	5.25

Source: PT. KGP, August 2017

Table 8: Mill Production of CPO and PK derived from Estates FFB in 2016 - 2017

Month	Total FFB (Ton)				CPO Produced (Ton)				PK Produced (Ton)			
	Certified			Non-Certified	Certified			Non-Certified	Certified			Non-Certified
	KNCE	CDNE	Total		KNCE	CDNE	Total		KNCE	CDNE	Total	
2016												
September	6,694	6,381	13,075	29,043	1,697	1,620	3,317	7,002	294	286	580	1,008
October	5,574	6,359	11,933	27,008	1,380	1,581	2,961	6,530	366	425	791	1,204
November	5,339	5,506	10,845	26,822	1,330	1,370	2,700	6,496	293	302	595	1,221
December	5,540	3,691	9,231	17,508	1,391	930	2,321	4,238	309	206	515	796
2017												
January	6,828	6,087	12,915	22,437	1,747	1,557	3,304	5,612	363	324	687	961
February	6,529	5,475	12,004	21,234	1,708	1,432	3,140	5,435	386	320	706	1,060
March	7,648	7,195	14,843	25,761	1,979	1,884	3,863	6,448	428	400	828	1,169
April	7,413	7,523	14,936	25,952	1,849	1,896	3,745	6,178	377	383	760	1,075
May	7,129	7,384	14,513	25,872	1,731	1,798	3,529	6,117	361	374	735	1,098
June	6,488	4,543	11,031	19,377	1,564	1,079	2,643	4,468	368	256	624	892
July	5,102	5,852	10,954	22,792	1,268	1,430	2,698	5,519	255	287	542	938
August	3,922	3,616	7,538	20,064	967	892	1,859	4,823	332	290	622	1,341
Total	74,206	69,612	143,818	283,870	18,611	17,469	36,080	68,866	4,132	3,853	7,985	12,763

Source: PT. KGP, August 2017

Table 9: Estimated Mill Production of CPO and PK from Estates FFB in 2017 - 2018

Month	Total FFB (Ton)				CPO Produced (Ton)				PK Produced (Ton)			
	Certified			Non-Certified	Certified			Non-Certified	Certified			Non-Certified
	KNCE	CDNE	Total		KNCE	CDNE	Total		KNCE	CDNE	Total	
2017												
September	7,140	7,401	14,542	31,153	1,821	1,887	3,708	7,944	375	389	764	1,636
October	7,854	8,142	15,996	33,368	2,003	2,076	4,079	8,509	412	427	839	1,752
November	7,140	7,401	14,542	31,654	1,821	1,887	3,708	8,072	375	389	764	1,662
December	6,426	6,661	13,087	29,438	1,639	1,699	3,338	7,507	337	350	687	1,546
2018												
January	5,379	5,349	10,728	17,655	1,372	1,364	2,736	4,502	282	281	563	927
February	6,275	6,241	12,516	27,048	1,600	1,591	3,191	6,897	329	328	657	1,420
March	8,068	8,024	16,092	32,633	2,057	2,046	4,103	8,321	424	421	845	1,713
April	8,068	8,024	16,092	32,633	2,057	2,046	4,103	8,321	424	421	845	1,713
May	7,172	7,133	14,304	29,840	1,829	1,819	3,648	7,609	377	374	751	1,567
June	5,379	5,349	10,728	24,255	1,372	1,364	2,736	6,185	282	281	563	1,273
July	6,275	6,241	12,516	27,048	1,600	1,591	3,191	6,897	329	328	657	1,420
August	7,172	7,133	14,304	31,340	1,829	1,819	3,648	7,992	377	374	751	1,645
Total	82,348	83,099	165,447	348,065	21,000	21,189	42,189	88,756	4,323	4,363	8,686	18,274

Source: PT. KGP, August 2017

Based on the above figures, the estimated of certified CPO and PK offered in 2017-2018 for certification are:

Estimated tonnage of certified CPO produced : **42,189 MT**
Estimated tonnage of certified PK produced : **8,686 MT**

1.9 Other certificates held

Table 10: Certificates Held by Mill and Estates

MILL/ESTATE	OTHER CERTIFICATION HELD
KNNM, KNCE, and CDNE	Indonesian Sustainable Palm Oil (ISPO) by SAI Global Indonesia. No. Certificate FMS 40052. Period on 04 February 2016 – 03 February 2021.

1.10 Organizational information/contact person

PT. SMART Tbk.

Sinar Mas Land Plaza, Tower 2, 4th floor

Jl. MH. Thamrin No. 51 Kav. 22, Jakarta 10350

Phone : (+62-21) 50338899

Fax : (+62-21) 50389999

Contact person : Mr. Yahya Mustakim
 Head of Certification Department

Email : yahya.mustakim@sinarmas-agri.com

1.11 Time bound plan for other management units

PT. SMART Tbk, PT. Ivo Mas Tunggal, Golden Agri Resources and its subsidiaries are committed to RSPO certification of all its management units located in Indonesia. Time bound plan has been developed to achieve the RSPO certification for all its management units. The time-bound plan is updated regularly, it is realistic and challenging. The Time Bound Plan last update is on 31 January 2016 and revision on 13 July 2016 and 20 August 2017. The plan is detailed on Table 11.

Table 11: RSPO Certification Time Bound Plan

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
Padang Halaban (SMART)	Desa Padang Halaban, Kecamatan Aek Kuo, 21455 Kabupaten Labura, North Sumatera	Padang Halaban Estate	Kecamatan Aek Kuo, Kabupaten Labuan Batu Utara, North Sumatera, Indonesia	2011	Certified (1 st Renewal Audit in 2016)
		Pernantian Estate	Kecamatan Merbau, Kabupaten Labuan Batu Utara, North Sumatera, Indonesia		
		Adi Pati Estate	Kecamatan Merbau, Kabupaten Labuan Batu Utara, North Sumatera, Indonesia		
		Kanopan Ulu Estate	Kecamatan Kualuh Hulu, Kabupaten Labuan Batu Utara, North Sumatera, Indonesia		
Langga Payung (SMART)	Desa Huta Baru Nangka, Kecamatan Halongonan, 22753 Kabupaten Padang Lawas Utara, North Sumatera	Langga Payung Estate	Huta Baru Nangka Village, Halongonan, Padang Lawas Utara, North Sumatera	2012	Certified
		Paya Baung Estate	Huta Baringin Village, Simangambat, Padang Lawas Utara, North Sumatera		
		Normark Estate	Normark Village, Kota Pinang, Labuhanbatu Selatan, North Sumatera		
		Pernantian Estate	Kecamatan Merbau, Kabupaten Labuan Batu, North Sumatera		
Jelatang (SMART)	Desa Jelatang; Kecamatan Pamenang Kabupaten Merangin; Jambi Province 37352; Indonesia	Bangko Estate	Desa Langling, Kecamatan Bangko, Kabupaten Merangin, Jambi Province, Indonesia	2014	Certified
		Bangko Plasma	Desa Langling, Kecamatan Bangko, Kabupaten Merangin, Jambi Province, Indonesia	2017	Supply bases decided not to continue cooperation with Jelatang Mill since 2017
		Bukit Bungkul KKPA	Desa Bukit Bungkul, Kecamatan Renah Pamenang, Kabupaten Merangin, Jambi Province, Indonesia	2017	

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
		Pamenang Plasma	Desa Bukit Bungkul, Kecamatan Renah Pamenang, Kabupaten Merangin, Jambi Province, Indonesia	2017	Main audit in September 2017
		Batang Gading Plasma	Desa Tanjung, Kecamatan Bathin VIII, Kabupaten Sarolangun, Jambi Province, Indonesia	2017	
		Batang Gading Estate	Desa Tanjung, Kecamatan Bathin VIII, Kabupaten Sarolangun, Jambi Province, Indonesia	2017	
Langling (SMART)	Desa Langling; Kecamatan Bangko Kabupaten Merangin; Jambi Province 37351; Indonesia	Bangko Estate	Desa Langling, Kecamatan Bangko, Kabupaten Merangin, Jambi Province, Indonesia	2014	Certified
		Bangko Plasma	Desa Langling, Kecamatan Bangko, Kabupaten Merangin, Jambi Province, Indonesia	2017	Supply bases decided not to continue cooperation with Langling Mill since 2017
		Bukit Bungkul KKPA	Desa Bukit Bungkul, Kecamatan Renah Pamenang, Kabupaten Merangin, Jambi Province, Indonesia	2017	
		Pamenang Plasma	Desa Bukit Bungkul, Kecamatan Renah Pamenang, Kabupaten Merangin, Jambi Province, Indonesia	2017	
		Batang Gading Estate	Desa Bukit Kemang, Kecamatan Tanah Tumbuh, Kabupaten Muara Bungo, Jambi Province, Indonesia	2017	Main audit in September 2017
		Batang Gading Plasma	Desa Bukit Kemang, Kecamatan Tanah Tumbuh, Kabupaten Muara Bungo, Jambi Province, Indonesia	2017	Pre audit in September 2017
		Tiga Serumpun Plasma	Desa Tanjung, Kecamatan Bathin VIII, Kabupaten Sarolangun, Jambi Province, Indonesia	2017	Main audit in September 2017
Pelakar (SMART)	Desa Tanjung; Kecamatan Bathin VIII Kabupaten Sarolangun; Jambi Province 37481; Indonesia	Pelakar Estate	Desa Tanjung, Kecamatan Bathin VIII, Kabupaten Sarolangun, Jambi Province, Indonesia	2017	Main audit will be conducted in September - December 2017
		Tiga Serumpun KKPA	Desa Tanjung, Kecamatan Bathin VIII, Kabupaten Sarolangun, Jambi Province, Indonesia	2017	
		Batang Merangin Estate	Desa Lidung, Kecamatan Sarolangun, Kabupaten Sarolangun, Jambi Province, Indonesia	2017	
		Batang Tembesi Estate	Desa Kasang Melintang, Kecamatan Pauh, Kabupaten Sarolangun, Jambi Province, Indonesia	2017	
		Kubang Ujo Plasma	Desa Tanjung, Kecamatan Bathin VIII, Kabupaten Sarolangun, Jambi Province, Indonesia	2017	Supply base decided not to continue cooperation

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
					with Pelakar Mill since 2017
Sungai Bengkal (SMART)	Desa Betung Berdarah Barat ; Kecamatan Tebo Ilir Kabupaten Tebo ; Jambi Province 37572; Indonesia	Sungai Bengkal Estate	Kecamatan Tebo Ilir, Kabupaten Tebo, Jambi Province	2014	Certified
		Muara Kilis Estate	Kecamatan Tebo Tengah, Kabupaten Tebo, Jambi Province		
		Sungai Bengkal KKPA	Kecamatan Tebo Ilir, Kabupaten Tebo, Jambi Province		
		Kilis KKPA	Kecamatan Tebo Tengah, Kabupaten Tebo, Jambi Province	2019	
Tanjung Kembiri (GAR)	Desa Kembiri, Kecamatan Membalong 33452 Kabupaten Belitung, Kepulauan Bangka Belitung Province	Tanjung Kembiri Estate	Kembiri Village, Membalong Sub District, Belitung District, Bangka Belitung Province, Indonesia	2014	Certified
		Tanjung Rusa Estate	Kembiri Village, Membalong Sub District, Belitung District, Bangka Belitung Province, Indonesia	2014	Certified
		Tanjung Rusa KKPA	Kembiri Village, Membalong Sub District, Belitung District, Bangka Belitung Province, Indonesia	2019	
Leidong West (GAR)	Kecamatan Kelapa, Kabupaten Bangka Barat Kepulauan Bangka Belitung 33364	Leidong West Utara	Kelapa Sub-district, Bangka Barat Regency, Bangka Belitung Province.	2014	Certified
		Leidong West Selatan	Kelapa Sub-district, Bangka Barat Regency, Bangka Belitung Province.		
		Bukit Intan	Kelapa Sub-district, Bangka Barat Regency, Bangka Belitung Province		
		Bukit Mas	Kelapa Sub-district, Bangka Barat Regency, Bangka Belitung Province.		
Bukit Perak (GAR)	Kecamatan Kacung, Kabupaten Bangka Barat, Kepulauan Bangka Belitung 33364	Bukit Perak Estate	Kecamatan Kelapa, Kabupaten Bangka Barat, Bangka Belitung, Indonesia	2015	Certified 2015
		Bukit Permata Estate	Kecamatan Kelapa, Kabupaten Bangka Barat, Bangka Belitung, Indonesia		

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
		Bukit Permai	Sungai Selan Sub-district, Bangka Tengah Regency, Bangka Belitung Province.		
		Bukit Lestari	Sungai Selan Sub-district, Bangka Tengah Regency, Bangka Belitung Province.		
Sungai Buaya (SMART)	Kampung Talang Batu, Kecamatan Mesuji Timur, Kabupaten Mesuji 34697, Lampung Province	Sungai Buaya	Desa Talang Batu, Kecamatan Mesuji Timur, Kabupaten Mesuji – Lampung Province	2014	Certified
		Mesuji KKPA	Desa Brabasan, Kecamatan Tanjung Raya, Kabupaten Mesuji – Lampung Province		
		Gedung Aji Lama KKPA	Desa Paduan Rajawali, Kecamatan Meraksa Aji, Kabupaten Tulang Bawang – Lampung Province		
Sungai Merah (SMART)	Kampung Sidomukti, Kecamatan Gedung Aji, Kabupaten Tulang Bawang 34595 Kampung Sidomukti	Sungai Merah	Desa Sidang Gunung Tiga, Kecamatan Rawa Jitu Utara, Kabupaten Mesuji – Lampung Province	2014	Certified
		Gedung Aji Baru KKPA	Desa Sidoharjo, Kecamatan Penawartama, Kabupaten Tulang Bawang – Lampung Province		
		Gedung Aji Lama KKPA	Desa Paduan Rajawali, Kecamatan Meraksa Aji, Kabupaten Tulang Bawang – Lampung Province		
Kasuari (GAR)	Desa Lapua, Distrik Kaureh. Kabupaten Jayapura, Papua Province	Cendrawasih Estate	Lapua village, Kaureh Sub-district, Jayapura District, Papua Province	2018	Pre Audit
		Nuri Estate	Lapua village, Kaureh Sub-district, Jayapura District, Papua Province		
		Rajawali Estate	Lapua village, Kaureh Sub-district, Jayapura District, Papua Province		
		Mambruk Estate	Lapua village, Kaureh Sub-district, Jayapura District, Papua Province		
Pangkalan Panji (GAR)	Desa Pangkalan Panji, Kecamatan Banyuasin III, Kabupaten Banyuasin 30954, South Sumatera Province, Indonesia	Sawit Mas Estate	Pangkalan Panji and Langkan Village, Banyuasin III District, Banyuasin Regency, South Sumatera Province, Indonesia	2015	Certified 2015
		Sawit Mas Estate (Division IV of 2,291.13 ha)	Pangkalan Panji and Langkan Village, Banyuasin III District, Banyuasin Regency, South Sumatera Province, Indonesia	2020	<ul style="list-style-type: none"> HGU was still processing of 1,091 ha

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
					<ul style="list-style-type: none"> On behalf PT. Rawa Bangunyaman of 1,200.13 ha.
Bumi Sawit (GAR)	Desa Tanjung Miring, Kecamatan Rambang Buang, Kabupaten Ogan Ilir, South Sumatera Province, 30869, Indonesia	Sawit Mas Estate (Division V)	Pangkalan Panji and Langkan Village, Banyuasin III District, Banyuasin Regency, South Sumatera Province, Indonesia	2015	Certified 2015
			Tanjung Miring Village, Rambang Kuang District, Ogan Ilir Regency South Sumatera Province, Indonesia		
	Tanjung Miring Village, Rambang Kuang Sub-District, Ogan Ilir Regency, South Sumatera Province, Indonesia	Bumi Sawit Estate	Tanjung Miring Village, Rambang Kuang District, Ogan Ilir Regency South Sumatera Province, Indonesia	2020	HGU processing (609.25 ha)
	Jiwa Baru Estate, Lubai Sub-District, Muara Enim Regency, South Sumatera Province, Indonesia		Jiwa Baru Estate, Lubai Sub-District, Muara Enim Regency, South Sumatera Province, Indonesia	2020	HGU processing (164.14 ha)
Muara Kandis (GAR)	Desa Lubuk Pandan, Kecamatan Muara Lakitan Kabupaten Muara Rawas, South Sumatera Province, 31666, Indonesia	Muara Kandis Estate	Karya Sakti village, Muara Lakitan Sub-district, Musi Rawas District, South Sumatera Province	2015	Certified 2015
		Muara Tawas Estate	Karya Mukti village, Muara Kelingi Sub-district, Musi Rawas District, South Sumatera Province		
		Pandawa KKPA	Karya Sakti village, Muara Kelingi Sub-district, Musi Rawas District, Sumatera Selatan Province	2018	
Batu Ampar (SMART)	Desa Serongga, Kecamatan Kelumpang Hilir, Kabupaten Kotabaru Kalimantan Selatan 72161	Batu Ampar	Kelumpang Hilir Subdistrict, Kotabaru Regency, South Kalimantan, Indonesia	2012	Certified (1 st Renewal Audit in 2017)
		Batu Mulia	Kelumpang Hilir Subdistrict, Kotabaru Regency, South Kalimantan, Indonesia		
		Sungai Panci	Kelumpang Hilir Subdistrict, Kotabaru Regency, South Kalimantan, Indonesia		
		Sungai Panci Plasma	Kelumpang Hilir Subdistrict, Kotabaru Regency, South Kalimantan, Indonesia		

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
Tanah Laut (SMART)	Desa Serongga, Kecamatan Kelumpang Hilir, Kabupaten Kotabaru, South Kalimantan Province 70883	Tanah Laut	Kecamatan Kintap, Kabupaten Tanah Laut, South Kalimantan Province, Indonesia	2012	Certified (1 st Renewal Audit in 2017)
		Kintapura	Kecamatan Kintap, Kabupaten Tanah Laut, South Kalimantan Province, Indonesia		
Sei Kupang (GAR)	Kecamatan Kelumpang Hilir, Kabupaten Kotabaru, South Kalimantan Province 72161	Sungai Kupang Estate	Desa Sangking Baru, Kecamatan Kelumpang Selatan, Kab. Kota Baru, South Kalimantan Province	2016	Main Audit, 25-29 May 2015. HGU has been released and the company is still processing the Major NCR closing.
		Sungai Kupang KKPA	Desa Sangking Baru, Kecamatan Kelumpang Selatan, Kab. Kota Baru, South Kalimantan Province		
		Sungai Panci Estate	Desa Pulau Panci, Kecamatan Kelumpang Hilir, South Kalimantan Province		
		Sungai Panci KKPA	Desa Pulau Panci Kecamatan Kelumpang Hilir, South Kalimantan Province		
Sawita (IMT)	Kabupaten Kotabaru, South Kalimantan Province	Sawita Estate	Manunggul Lama KM 6 Village, Sungai Durian Sub Distric, Kotabaru Distric, South Kalimantan Province	2018	Pre Audit in March 2015
		Sawita KKPA	Rantau Buda Village, Sungai Durian Sub Distric, Kotabaru Distric, South Kalimantan Province		
		Pamukan Estate	Manunggul Baru Village, Sungai Durian Sub Distric, Kotabaru Distric, South Kalimantan Province		
Senakin (GAR)	Desa Sangsang, Kecamatan Kelumpang Tengah, Kabupaten Kotabaru Kalimantan Selatan	Senakin Estate	Sang - Sang Village, Kelumpang Tengah sub distric, Kotabaru distric, South Kalimantan Province	-	SNKM stop operating in March 2015. Senakin estate supply to Magalau Mill.
Bukit Kapur (SMART)	Desa Bangkalaan Melayu, Kecamatan KelumpangHulu, Kabupaten Kotabaru, South Kalimantan Province	Bukit Kapur Estate	Karang Liwar Village, Kelumpang Hulu sub distric, Kotabaru District, South Kalimantan Province	2020	Pre Audit in 15 – 19 February 2016

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
		Sungai Cantung Estate	Bangkalaan Melayu Village, Kelumpang Hulu sub distric, Kotabaru District, South Kalimantan Province		
Muara Wahau (SMART)	Desa Sukamaju, Kecamatan Kongbeng, Kabupaten Kutai Timur, East Kalimantan Province 75666	Muara Wahau Estate	Makmur Jaya Village, Kongbeng Sub District, Kutai Timur District, East Kalimantan Province	2014	Certified
		Gunung Kombeng Estate	Sukamaju Village, Kongbeng Sub District, Kutai Timur District, East Kalimantan Province		
Jak Luay (SMART)	Desa Jakluay, Kecamatan Muara Wahau, Kabupaten Kutai Timur , East Kalimantan Province 75655	Jak Luay Estate	Desa Jak Luay Kecamatan Muara Wahau Kabupaten Kutai Timur	2015	Certified
		Pantun Mas	Desa Karya Bakti Kecamatan Muara Wahau		
		Long Buluh Estate	Desa Jak Luay Kecamatan Muara Wahau Kabupaten Kutai Timur		
		Bukit Subur Estate	Desa Juk Ayak Kecamatan Telen Kabupaten Kutai Timur		
		Jak Luay KKPA	Desa Jak Luay Kecamatan Muara Wahau Kabupaten Kutai Timur	2018	
		Bukit Subur KKPA	Desa Juk Ayak Kecamatan Telen Kabupaten Kutai Timur	2018	
		Pantun Mas KKPA	Desa Jak Luay Kecamatan Muara Wahau Kabupaten Kutai Timur	2018	
Gunung Kombeng (SMART)	Desa Sukamaju, Kecamatan Kongbeng, Kabupaten Kutai Timur Propinsi Kalimantan Timur 75666	Gunung Kombeng KKPA	Desa Sukamaju, Kecamatan Kongbeng, Kabupaten Kutai Timur Propinsi Kalimantan Timur 75666	2019	GKMM currently only supplied by non certified estate
		Gunung Kombeng	Desa Sukamaju, Kecamatan Kongbeng, Kabupaten Kutai Timur Propinsi Kalimantan Timur 75666		
Bumi Palma (IMT)		Bumi Palma Estate	Bagan Jaya village, sub district of Tempuling, district of Indragiri Hilir, Riau Province	2014	Certified

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
	Desa Bagan Jaya, Kecamatan Tempuling, 29261 Kabupaten Indragiri Hilir, Provinsi Riau	Bumi Sentosa Estate	Suhada village, sub district of Enok, district of Indragiri Hilir, Riau province		
		Bumi Lestari Estate	Pebenaan village, sub dictrict of Kritang, district of Indragiri Hilir, Riau province		
Indra Sakti (IMT)	Desa Talang Sukamaju, Kecamatan Rakit Kulim, Kabupaten Indragiri Hulu, Provinsi Riau	Indrasakti	Village Of Sungai Limau Sub District Of Rakit Kulim District Of Indragiri Hulu	2013	Certified
		Indrasakti KKPA	Village Of. Sungai Limau, Sub District Of Rakit Kulim, District Of Indragiri Hulu		
		Indralestari KKPA	Village Of Kuala Gading, Sub District Of Batang Cenaku, District Of Indragiri Hulu		
		Indragiri KKPA	Village Of Talang Bersemi, Sub District Of Batang Cenaku, District Of Indragiri Hulu		
Kijang (IMT)	Desa Kijang Makmur, Kecamatan Tapung Hilir , 28464 Kabupaten Kampar, Provinsi Riau	Kijang Mas	Desa Sekijang, Kecamatan Tapung Hilir, Kabupaten Kampar, Riau	2012	Certified (Recertification in September 2016)
		Kijang Kencana Plasma	Desa Kijang Jaya, Kecamatan Tapung Hilir, Kabupaten Kampar, Riau		
Naga Sakti (IMT)	Desa Sekijang, Kecamatan Tapung Hilir 28464 Kabupaten Kampar, Provinsi Riau	Nagamas	Desa Sekijang, Kecamatan Tapung Hilir, Kabupaten Kampar, Riau	2012	Certified (Recertification in September 2016)
		Nagasakti	Desa Sekijang, Kecamatan Tapung Hilir, Kabupaten Kampar, Riau		
		Ramabakti	Desa Beringin Lestari, Kecamatan Tapung Hilir, Kabupaten Kampar, Riau		
		Kijang Mas	Desa Sekijang, Kecamatan Tapung Hilir, Kabupaten Kampar, Riau		
Rama Rama (IMT)	Desa Petapahan, Kecamatan Tapung 28464 Kabupaten Kampar, Provinsi Riau	Ramarama	Petapahan Village , Tapung Sub District, Kampar District, Riau Province	2012	Certified (Recertification in September 2016)
		Amarta Jaya Plasma	Petapahan Village , Tapung Sub District, Kampar District, Riau Province		
		Sungai Tapung Plasma	Petapahan Village , Tapung Sub District, Kampar District, Riau Province		
Libo (IMT)	Desa Sam-Sam, Kecamatan Kandis 28686 Kabupaten Siak, Provinsi Riau	Libo	Village of Samsam, Sub-district of Kandis, District of Siak, Riau Province, Indonesia	2012	Certified (ASA-4 in July 2017)

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
		Nenggala	Village of Samsam, Sub-district of Kandis, District of Siak, Riau Province, Indonesia		
		Sungai Rokan	Village of Samsam, Sub-district of Kandis, District of Siak, Riau Province, Indonesia		
		Ramabakti	Village of Petapahan, Sub-district of Kampar, District of Siak, Riau Province, Indonesia		
Sam Sam (IMT)	Desa Bekalar, Kecamatan Kandis 28686 Kabupaten Siak, Provinsi Riau	Samsam	Village of Bekalar, Sub-district of Kandis, District of Siak, Riau Province, Indonesia	2012	Certified (ASA-4 in August 2017)
		Kandista	Village of Belutu, Sub-district of Kandis, Riau Province, Indonesia		
		Palapa	Village of Bekalar, Sub-district of Kandis, Riau Province, Indonesia		
		Ujung Tanjung	Sub-district of Kandis, District of Siak, Riau Province, Indonesia		
Ujung Tanjung (IMT)	Desa Kandis, Kecamatan Kandis Kota 28686 Kabupaten Siak, Provinsi Riau	Sungai Tapung Plasma	Petapahan Village , Tapung Sub District, Kampar District, Riau Province	2012	Certified (ASA-4 in August 2017)
		Ujung Tanjung	Sub-district of Kandis, District of Siak, Riau Province, Indonesia		
Hanau (SMART)	Kecamatan Hanau, Kabupaten Seruyan, 74271 Desa Derangga	Hanau	Kecamatan Hanau, Kabupaten Seruyan, Kalimantan Tengah, Indonesia	2013	Certified
		Tasik Mas	Kecamatan Hanau, Kabupaten Seruyan, Kalimantan Tengah, Indonesia		
		Tanjung Paring	Kecamatan Batu Ampar, Kabupaten Seruyan, Kalimantan Tengah, Indonesia		
		Langadang	Kecamatan Batu Ampar, Kabupaten Seruyan, Kalimantan Tengah, Indonesia		
		Medang Sari	Desa Runtuh, Kecamatan Arut Selatan, Kabupaten Kotawaringin Barat, Kalimantan Tengah, Indonesia	2018	HGU in progress until the location permit extension process in June 2016.
Semilar (SMART)	Desa Rungau Raya, Kecamatan Danau Seluluk, 74271 Kabupaten Seruyan, Central Kalimantan Province	Semilar	Rungau Raya Village, Sub District of Danau Seluluk, District of Seruyan, Province of Central Kalimantan	2013	Certified
		Sei Rindu	Tangar Village, Sub District of Mentaya, District of Kotawaringin Timur, Province of Central Kalimantan		

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
		Mandang	Rungau Raya Village, Sub District of Danau Seluluk, District of Seruyan, Province of Central Kalimantan		
		Puri	Biru Maju Village, Sub District of Telawang, District of Kotawaringin Timur, Province of Central Kalimantan		
Sungai Rungau (GAR)	Desa Rungau Raya, Kecamatan Danau Seluluk, 74271 Kabupaten Seruyan, Central Kalimantan Province	Sungai Rungau	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, Central Kalimantan Province	2013	Certified
		Sungai Seruyan	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, Central Kalimantan Province		
		Terawan	Selunuk Village, Seruyan Raya, Seruyan Sub district, Central Kalimantan Province		
		Tangar	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, Central Kalimantan Province		
		Bukit Tiga	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, Central Kalimantan Province		
Perdana (GAR)	Desa Terawan, Kec. Seruyan Raya, Kab. Seruyan, Central Kalimantan Province	Perdana Estate	Desa Terawan, Kec. Danau Sembuluh, Kab. Seruyan, Central Kalimantan Province	2020	Pre Audit in February 2015
		Lenggana Estate	Desa Terawan, Kec. Danau Sembuluh, Kab. Seruyan, Central Kalimantan Province		
		Semandau Estate	Desa Terawan, Kec. Danau Sembuluh, Kab. Seruyan, Central Kalimantan Province		
		Muara Dua Estate	Desa Terawan, Kec. Danau Sembuluh, Kab. Seruyan, Central Kalimantan Province		
		Sungai Rungau	Desa Terawan, Kec. Danau Sembuluh, Kab. Seruyan, Central Kalimantan Province		
Kuayan (GAR)*	Jalan Ex PT.Sarpatim KM 21 Desa Keminting,Kec Bukit Santuhai Kab.Kotim, Central Kalimantan Province	Mentaya Estate	Sungai Ayawan Village, Seruyan Tengah Sub District, Seruyan District, Central Kalimantan Province	2020	Pre Audit in October 2014. LUCA has resubmitted to RSPO in July and August 2017
		Kuayan Estate	Tumbang Keminting Village, Bukit Santuai Sub District, Kotawaringin Timur District, Central Kalimantan Province		
		Bukit Santuhai Estate	Tumbang Keminting Village, Bukit Santuai Sub District, Kotawaringin Timur District, Central Kalimantan Province		

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
		Tajur Beras Estate	Pematang Village , Mentaya Hulu Sub District, Kotawaringin Timur District, Central Kalimantan Province		
		Seranau Estate	Sapiri Village, Mentaya Hulu Sub District, Kotawaringin Timur District, Central Kalimantan Province		
		Sapiri Estate	Tukang Langit Village, Metaya Hulu Sub District, Kotawaringin Timur District, Central Kalimantan Province		
Tangar (GAR)*	Desa Rungau Raya, Kecamatan Danau Seluluk, 74271 Kabupaten Seruyan, Central Kalimantan Province	Katayang Estate	Sahabu Village, Batu Ampar Sub District, Seruyan District, Central Kalimantan Province	2020	Pre Audit in October 2014. LUCA will be resubmitted in October 2017.
		Nahiyang Estate	Seibabi Village, Batu Ampar Sub District, Seruyan District, Central Kalimantan Province		
		Sulin Estate	Wanatirta Village, Batu Ampar Sub District, Seruyan District, Central Kalimantan Province		
		Sungai Nusa Estate	Gantung Pengayuh Village, Seruyan Tengah Sub District, Seruyan District, Central Kalimantan Province		
		Sulin KKPA	Wanatirta Village, Batu Ampar Sub District, Seruyan District, Central Kalimantan Province		
		Sungai Ayawan Estate	Suka Mandang Village, Seruyan Tengah Sub District, Seruyan District, Central Kalimantan Province		
Pekawai (GAR)	Kecamatan nanga Tayap,Kabupaten Ketapang, West Kalimantan Province	Kayung Estate	Desa Sungai Kelik, Kecamatan Nanga Tayap, Kabupaten Ketapang, West Kalimantan Province, Indonesia	2018	Pre Audit in September 2014
		Pekawai Estate	Desa Sungai Kelik, Kecamatan Nanga Tayap, Kabupaten Ketapang, West Kalimantan Province, Indonesia		
		Kayung KKPA	Desa Lembah Hijau 1, Kecamatan Nanga Tayap, Kabupaten Ketapang, West Kalimantan Province, Indonesia		
		Nanga Tayap Estate	Desa Nanga Tayap, Kecamatan Nanga Tayap, Kabupaten Ketapang, West Kalimantan Province, Indonesia		
		Sungai Kelik Estate	Desa Siantau Raya, Kecamatan Nanga Tayap, Kabupaten Ketapang West Kalimantan Province, Indonesia		
Kenanga (GAR)		Kencana Kemitraan	Desa Randai, Kecamatan Marau, Kabupaten Ketapang, West Kalimantan Province, Indonesia	2018	

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
	Dusun Bakung, Desa Randai, Kecamatan Marau, Kabupaten Ketapang, West Kalimantan Province	Kenanga Estate	Desa Randai, Kecamatan Marau, Kabupaten Ketapang, West Kalimantan Province, Indonesia	2018	
		Cendana Estate	Desa Belaban, Kecamatan Marau, Kabupaten Ketapang, West Kalimantan Province, Indonesia	2015	Certified
		Delima Estate	Desa Randai, Kecamatan Marau, Kabupaten Ketapang, West Kalimantan Province, Indonesia	2018	
		Kenari Plasma	Desa Rangkung, Kecamatan Marau, Kabupaten Ketapang, West Kalimantan Province, Indonesia	2018	
		Kencana Estate	Desa Randai, Kecamatan Marau, Kabupaten Ketapang, West Kalimantan Province, Indonesia	2015	Certified
		Gaharu Plasma	Desa Periangan, Kecamatan Jelai Hulu, Kabupaten Ketapang, West Kalimantan Province, Indonesia	2018	
		Kenanga Kemitraan	Desa Merabong, Kecamatan Manis Mata, Kabupaten Ketapang, West Kalimantan Province, Indonesia	2018	
		Kenari Estate	Desa Biku Sarana, Kecamatan Jelai Hulu, Kabupaten Ketapang, West Kalimantan Province, Indonesia	2018	
		Gaharu Estate	Desa Periangan, Kecamatan Jelai Hulu, Kabupaten Ketapang, West Kalimantan Province, Indonesia	2018	
		KerANJI Estate	Desa Biku Sarana, Kecamatan Jelai Hulu, Kabupaten Ketapang, West Kalimantan Province, Indonesia	2018	
Belian (GAR)*	Desa Nanga Seberuang Kecamatan Semitau 78771 Kab. Kapuas Hulu, West Kalimantan Province	Belian Estate	Desa Baru (Kec. Silat Hilir), Desa Nanga Seberuang dan Desa Komplek Kenepai (Kec. Semitau), Kab. Kapuas Hulu, West Kalimantan Province	2018	LUCA will be resubmitted to RSPO in November 2017
Rantau Panjang (SMART)	East Kalimantan Province	Rantau Panjang Estate	East Kalimantan Province	2017	In progress of region exchange (<i>tukar-menukar kawasan</i>)
		Rantau Panjang KKPA	East Kalimantan Province	2017	
Sungai Magalau (GAR)*	South Kalimantan	Sungai Magalau Estate	South Kalimantan Province	2019	LUCA resubmitted to RSPO in October 2017
		Senakin Estate	Sang - Sang Village, Kelumpang Tengah sub distric, Kotabaru distric, South Kalimantan Province	2019	

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
Sungai Kikim (GAR)	South Sumatera Province	Sungai Kikim Estate	South Sumatera Province	2019	
		Sungai Pangi Estate	South Sumatera Province	2019	
		Sungai Musi Estate	South Sumatera Province	2019	
		Sungai Saling Estate	South Sumatera Province	2019	
		Sungai Enim Estate	South Sumatera Province	2019	
		Sungai Lematang Estate	South Sumatera Province	2019	
Jalemo (GAR)*	Central Kalimantan Province	Manuhing Estate	Central Kalimantan Province	2020	LUCA Submission has been accepted in April 2017
		Kajui Estate	Central Kalimantan Province	2020	
		Balasang Estate	Central Kalimantan Province	2020	
		Jalemo Estate	Central Kalimantan Province	2020	
Kuayan (GAR)	Central Kalimantan Province	Sungai Sambon Estate	Central Kalimantan Province	2020	
		Sungai Sambon Plasma	Central Kalimantan Province	2020	
		Bukit Dua Estate	Central Kalimantan Province	2020	
		Bukit Tunggal Estate	Central Kalimantan Province	2020	
Sako (GAR)*	Central Kalimantan Pr lestariovince	Sungai Ayawan	Central Kalimantan Province	2020	LUCA Re-submission plan in October 2017

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
		Sulin Plasma	Central Kalimantan Province	2020	
		Sapiri Plasma	Central Kalimantan Province	2020	
		Sako Plasma	Central Kalimantan Province	2020	

Note: *) Mill that have supply bases with planting after 1 January 2010.

1.12 Partial Certification Requirements

NO	CERTIFICATION SYSTEM/ CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS	COMPLIANCE (YES/NO)
4.2.4	Organizations ¹ that have a majority ¹ holding in and / or management control of more than one autonomous company growing oil palm will be permitted to certify individual management units and/or subsidiary companies only if all the following are complied with:			
1	¹ For groups with complex management structures the following are required: (a) A statement of the ultimate controlling shareholders and directors in the managing agency company/companies. (b) Ditto in respect of each of the operating groups. (c) Application for membership by the top asset owning company/companies. (d) Application for membership by the managing agency company/companies.			
	a. Is the management structure of the group complex? If the answer to question a above is yes, check the following b-e check items b. Is there a statement of the ultimate controlling shareholders and directors in the managing agency company/companies c. Is there a statement of the ultimate controlling shareholders and directors in each operating group d. Is there application for membership by the top asset owning company/companies e. is there application for membership by the managing agency company/companies	List of Operating Company in 2017.	The management structure of the group is not complex. The following is structure sequence : Golden Agri Resources → PT. Kencana Graha Permai (Kenanga Mill).	YES

NO	CERTIFICATION SYSTEM/ CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS	COMPLIANCE (YES/NO)
2	RSPO membership a. The parent organization or one of its majority ¹ owned and / or managed subsidiaries are member of RSPO. The requirements (b) to (j) will be applicable, whether the registered RSPO member is the holding company or one of its subsidiaries;			
	1. Does the parent organisation or one of its majority ¹ owned and / or managed subsidiaries is member or RSPO? 2. State organisation who is member of RSPO 3. State RSPO membership number of the above organisation(s)	- List of Operating Company in 2017. - www.rspo.org	The company is one of managed subsidiaries by Golden Agri Resources. as RSPO membership. It was also stated in RSPO website (www.rspo.org) that the Golden Agri Resources as RSPO membership and have the number of 1-0019-05-000-00.	YES
3	Time bound plan			
	b. A challenging time-bound plan for certifying all its relevant entities ² is submitted to the Certification Body (CB) during the first certification audit. The time-bound plan should contain a list of subsidiaries, estates and mills. The Certification Body will be responsible for reviewing the appropriateness of this plan ³ , taking into account comments received from stakeholders following the public consultation process. Progress towards this plan will be verified and reported on in subsequent annual surveillance assessments (see Annex 4). Where the Certification Body conducting the surveillance audit is different from that which first accepted the time-bound plan, the later Certification Body shall accept the appropriateness of the time-bound plan at the moment of first acceptance and shall only check continued appropriateness.			
	1. Is there a challenging time-bound plan for certifying all its relevant entities ² submitted to CB during the first certification audit? 2. Is the time-bound plan containing list of subsidiaries, estates and mills? 3. Are there comments received from stakeholders following the public consultation process relevant to the time-bound plan? 4. Taking into account comments in the point 3 above, are the time-bound	- The updated time-bound plan on 31 January 2016 and its revision on 13 July 2016. - Public consultation on 28 September 2017	There was a challenging TBP for all its relevant entities of the Golden Agri Resources. TBP was containing list of subsidiaries (estates and mills). There was no complaint during public consultation. During public consultation, there no comment and issue from stakeholders regarding time-bound plan.	YES

NO	CERTIFICATION SYSTEM/ CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS	COMPLIANCE (YES/NO)
	<p>plan appropriate/continued to be appropriate?</p> <p>5. How is the progress towards this plan?</p>			
<p>c. Any revision to the time-bound plan or to the circumstances of the company shall cause the plan to be reviewed (as provided for in the guidance on surveillance assessments, Annex 4) for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the organisation can demonstrate that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or chamber of commerce (or equivalent).</p>				
	<p>1. Is the any revision to the time-bound plan or to the circumstances of the company?</p> <p>2. When there is revision as indicated in the point 1 above, has the plan reviewed whether it is still appropriate?</p> <p>3. Can the organisation demonstrate that the revisions to the time-bound are justified?</p> <p>4. Is there any newly acquired subsidiary that already legally registered with the local notary of chamber of commerce (or equivalent)?</p> <p>5. Are the time-bound plans including the above newly acquired subsidiary?</p>	<ul style="list-style-type: none"> - The updated time-bound plan on 31 January 2016 - Revision of time-bound plan date on 13 July 2016. - Time-bound plan forecast for RSPO certification of all mills and its supply bases 	<p>There was revision of the time-bound plan for the some subsidiaries (estates and mills), date on 13 July 2016. The company has conducted review of time-bound plan. The revision are due to :</p> <ul style="list-style-type: none"> - Several unresolved licenses (HGU, Waste Management). - Contruction of the mill (Jalemo Mill) is still processing. - Remediation and compensation procedure is still process approval from RSPO. <p>There were acquiring subsidiary that already legally registered with the local notary of chamber of commerce. For more detail, please refer to Table 11</p>	<p>YES</p>
<p>d. Where there are isolated lapses in implementation of a time-bound plan, a minor non-compliance is raised. Where there is evidence of systematic failure to proceed with implementation of the plan, a major non-compliance is raised.</p>				
	<p>1. Are there isolated lapses in implementation of a time-bound plan? Raise minor non-compliance if found</p>	<ul style="list-style-type: none"> - The updated time-bound plan on 31 January 2016 	<p>There was no the isolated lapses in implementation of a time-bound plan. It was evidenced by TBP progress includes HGU progress, planning of pre and main audit, and RaCP progress. There was HGU progress in Medang Sari Estate, until this audit was</p>	<p>YES</p>

NO	CERTIFICATION SYSTEM/ CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS	COMPLIANCE (YES/NO)
	2. Is there systematic failure to precede implementation of the plan? Raise major non-compliance if found	<ul style="list-style-type: none"> - Revision of time-bound plan date on 13 July 2016. - Time-bound plan forecast for RSPO certification of all mills and its supply bases 	processing the location permit extension with government institution. For more detail, please refer to Table 11.	
4	Requirements for uncertified management units and/or holdings			
	<ul style="list-style-type: none"> e. No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure (Annex 5). f. Land conflicts, if any, 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. g. Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3. h. Legal non-compliance, if any, are being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2. i. Certification bodies will assess compliance with these rules for partial certification at each and every assessment of any of the management units (see Annex 4). Assessment of compliance with requirements (e) – (h) by the certification body based on self-declarations only by the Company, with no other supporting documentation, will not be acceptable 			
	<ul style="list-style-type: none"> a. Is there any verification compliance for uncertified management units and or holdings of requirements e-f above e.g. through self-assessment (i.e. internal audit)? b. Has the verification covered all requirements of e-f above? c. Based on the result of verification in point 1 and 2 above, please indicate is there any: <ul style="list-style-type: none"> i. Replacement of primary forest or any area containing HCV or required to maintain or enhance 	<ul style="list-style-type: none"> - The updated time-bound plan on 31 January 2016 - Revision of time-bound plan date on 13 July 2016. - Time-bound plan forecast for RSPO certification of all mills and its supply bases - RSPO Internal Audit at Sungai Kupang Mill and its supply bases, date on 24 – 28 October 2016. - RSPO Internal Audit at Kasuari Mill and its supply bases, date on 24 – 28 October 2016. 	<p>Verification compliance for uncertified management units were conducted by Certification Division through RSPO Internal Audit that covered all RSPO Principle and Criteria. Based on internal audit found that the companies:</p> <ul style="list-style-type: none"> • No land conflicts • No labour disputes <p>Several non-conformances of the RSPO internal audit were regulation compliance still in progress with other parties and RaCP (Remediation and Compensation Procedure) is also still in progress for RSPO approval, RSPO requests the organisation to prepare the report based on “RSPO Remediation and Compensation Procedures”. The organisation is still in process to prepare the report (Lund Use Change Analysis) for several units and each units have had a target time line for the completion of its reports and the</p>	YES

NO	CERTIFICATION SYSTEM/ CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS	COMPLIANCE (YES/NO)
	<p>HCV in line with RSPO criterion 7.3?</p> <p>ii. Are there new planting since January 1st 2010 which was not comply with RSPO NPP?</p> <p>iii. Land conflict, which was not being resolved through a mutually agreed process in accordance with RSPO criteria 6.4, 7.5 and 7.6?</p> <p>iv. Labour dispute, which was not being resolved through a mutually agreed process in accordance with RSPO criterion 6.3</p> <p>v. Legal non-compliance, which are not resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2</p> <p>d. Are there targeted stakeholder consultation carried out by other CB?</p> <p>e. Considering all the above data is there necessary to conduct further targeted stakeholder consultation or filed inspection?</p>	<ul style="list-style-type: none"> - RSPO Internal Audit at Pekawai Mill and its supply bases, date on 21 – 25 November 2016 - RSPO Internal Audit at Perdana Mill and its supply bases, date on 19 – 23 December 2016 - RSPO Internal Audit at Belian Mill and its supply bases, date on 28 March – 01 April 2016 - RSPO Internal Audit at Sungai Magalau Mill and its supply bases, date on 28 March – 01 April 2016 - RSPO Internal Audit at Rantau Panjang Mill and its supply bases, date in December 2016 - RSPO Internal Audit at Kuayan Mill and its supply bases through Monthly Monitoring of SPO Scorecard System. - RSPO Internal Audit at Tangar Mill and its supply bases through Monthly Monitoring of SPO Scorecard System. - RSPO Internal Audit at Sungai Kikim Mill and its supply bases through Monthly Monitoring of SPO Scorecard System. - RSPO Internal Audit at Jalemo Mill and its supply bases through Monthly Monitoring of SPO Scorecard System. 	<p>targets were still in accordance with the plan. Other than that, there is also unit still in the process of Major NCR closing of Main Audit.</p> <p>For more detail, please refer to Table 11.</p>	

NO	CERTIFICATION SYSTEM/ CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS	COMPLIANCE (YES/NO)
		<ul style="list-style-type: none"> - RSPO Internal Audit at Sako Mill and its supply bases through Monthly Monitoring of SPO Scorecard System. 		
<p>Guidance</p> <p>For requirements (e) – (h), the approach to defining major and minor non-compliance can be applied from the relevant national interpretation. For example, if non-compliance against a ‘major indicator’ in a non-certified holding/management unit is identified, the current certification assessment cannot proceed to a successful conclusion until that is addressed.</p> <p>Failure to address any of the requirements (e)-(h) may lead to certification suspension(s) (consistent with the RSPO Certification Systems document rules on non-compliance).</p> <p>² Relevant entities – including both the business units and parent company(ies)’ commitment to RSPO, membership status and involvement with palm oil for each subsidiary</p> <p>¹ Majority shareholding: the largest shareholding. Where the largest shareholdings are equal (e.g. 50/50) this applies to the organisation that has management control.</p> <p>³ in particular, that the time scale is sufficiently challenging, taking into account circumstances around each entity</p>				

1.13 Date of issue of certificate and date of previous assessment

Date of issue of certificate: 01 October 2015 (Originally Certified by SAI Global)

Date of previous audit: 18 – 21 November 2014 (Certification), 19 – 23 September 2016 (ASA-1) and 20 February 2017 (Special Audit)

2.0 AUDIT PROCESS

2.1 Certification body

PT. SAI Global Indonesia

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SAI Global is one of the world's leading business providers of independent assurance. SAI Global provides organisations around the world with information services and solutions for managing risk, achieving compliance and driving business improvement.

We provide aggregated access services to Standards, Handbooks, Legislative and Property publications; we audit, certify and register your product, system or supply chain; we facilitate good governance and awareness of compliance, ethics and policy issues and provide training and improvement solutions to help individuals and organisations succeed.

The SAI Global business is driven by two equally important client needs - the mandated need for organisations to conform to regulations, standards and legislation in all their locations, and the operational need for organisations to improve business processes and procedures as well as corporate culture. As we are a global company, we can meet these needs for any client - those operating within one country's borders and in one language or those operating across borders and in many languages.

There are three business units/divisions within SAI Global namely the Information Services Division, the Compliance Division, and the Assurance Division. The Assurance Division helps organisations manage risk, achieve process or product certification and drive improvement by providing training, registration audits and supplier management programs that can improve business performance. We provide independent audits, assessments and certification of your products or business processes to ensure they comply with industry standards or customer specific requirements. We understand how compliance with those standards can improve the efficiency, economy and profitability of your operation. With auditing and assessment staff located around the world, our clients include large global corporations as well as single site organisations.

2.2 Audit methodology

The 2nd Annual Surveillance Audit was performed on 25 – 29 September 2017. The audit programme was included in the body of report. Audit was conducted in the mill (KNNM) and all supply bases (KNCE and CDNE). The audit methodology for collection of objective evidences is site inspection, documentation and record review and interview with staffs, workers, and other stakeholders. Objective evidences from documentation/record review in one area may also be cross checked with other objective evidences in other areas and with the evidence of implementation on site during the audit. Inputs from stakeholders via letter, email, or other communication media were also considered for this certification audit. Particular attention has been paid to previous non-conformities. Area of potential environmental and social risk was concern. For detail of audit plan, can be seen on the page of 210.

2.3 Qualification of the lead auditor and audit team member

Nanang Rusmana – Lead Auditor and audited BMP Agronomy, Processing and Supply Chain Aspect

Nanang Rusmana, Bachelor from Faculty of Forestry, Bogor Agricultural University (IPB) in 2005, Majoring in Forest Resources Conservation. He has a working experience in Environment Consultant as Staff Division Environment/Social at PT. Studiotama Maps Konsultan (2005-2006), in Palm Oil Plantations as SHE Assistant at PT. Astra Agro Lestari Tbk (2006-2012), as HSE Coordinator at PT. Kapuas Prima Coal Group (2013-2016). Join at SAI Global since on April 2016 as Auditor for the ISO 9001, ISPO and RSPO. Various training has followed, such as: Lead Auditor ISO 9001:2015 Training (2016), Auditor ISPO Training (2016), Lead Auditor ISO 14001:2015 Training (2016), RSPO Supply Chain Certification Training (2016), Auditor SMK3 Training (2014), HCV Assessor Training (2010), OHS Expert/Ahli K3 Umum Training (2007), etc. Since 2016 he has had experience for audit ISO 9001 in various industries and services, RSPO and ISPO audit for oil palm plantation companies.

R. Yosi Zainal Muhammad – Audit Team Member and audited Social, HCV and Partial Certification System Aspect

He graduated as bachelor from Department of Forest Resources Conservation and Ecotourism, Faculty of Forestry, Bogor Agricultural Institute in 2008. He has experienced in the management of sustainable palm oil (RSPO and ISPO), environment management, social impact, and safety management system at palm oil plantation. Join at SAI Global since on December 2015 as Auditor for the ISO 9001, ISPO, RSPO PC, and RSPO SC. It was involved in the quality management system for various the industry sectors, RSPO and ISPO. Several trainings that have been followed were Calculation of Palm Oil Footprint Carbon (2011), Safety Specialist (2013), and Social Impact Assessment (2014). He has also completed lead auditor training / course for ISO 9001 (2015), ISO 14001:2015, ISPO P&C (2016), RSPO Supply Chain (2016), and RSPO P&C (2016).

Fitria Rahmayanti – Audit Team Member and audited Health and Safety Aspects

Fitria Rahmayanti owned bachelor degree majoring health nutrition from Gadjah Mada University. She has experience as nutritionist at hospital in Jakarta. She joined SAI Global Indonesia in 2012. She has followed the lead auditor training ISO 9001:2008 (2012), ISO 14001:2004 (2012), lead auditor training ISPO (2013) also registered in local government ministry of manpower AK3U. She is also the ISPO auditor who has obtained a certificate from the ISPO Commission, Ministry of Agriculture of Indonesia, in February 2013.

Ria Gloria – Verifying Auditor for Nanang Rusmana, Audit Team Member and audited Environmental Aspect

Ria Gloria graduated with Bachelor of Chemical Engineering from Bandung Institute of Technology in 1994. She has working experience as Environmental Consultant for many years. She has completed ISO 14001 (1995), ISO 9001 (2004), RSPO P&C (2009) lead auditor training courses, RSPO SCCS (2010) and ISPO (2012) lead auditor training courses. For the last 9 years she has been involved in quality (ISO 9001) and environmental (ISO 14001) management system audits for very broad industrial and in the palm oil sector since 2003 for several plantations and mills. She has received training for good agricultural practices including integrated pest management and high conservation value (2008-2009).

2.4 Stakeholder consultation

Stakeholder consultation was performed to internal and external stakeholders. Internal stakeholders included staffs and workers. External stakeholders were selected by considering that they have an interest in the organisation activities, directly border with organisation, area which the workers live. External stakeholders included NGO, governments and civil societies.

Letters were also sent to external stakeholders to invite for comment or individual / group discussion. Group and individual discussions with stakeholders (Table 12) were conducted during audit, to verify compliance against relevant criteria and indicator related to land status and conflict, environmental, social aspect and HCV. Surrounding village of estate and mill has been chosen to represent societies. Group and individual discussions were conducted for two sessions. First session was conducted especially for around stakeholder directly affected on estate and mill, i.e. Head of village, farmers. Second session was conducted especially for labour union, gender committee and selected workers.

Group interview was conducted for workers with similar job while others were interviewed individually in the scope to verify compliance against relevant criteria and indicator related to infrastructure facility, labour, social aspect (discrimination and sexual harassment), environment and HCV. The result of stakeholder consultation used to justify fulfilment of some indicators, e.g. criterion 2.2 indicator major 3, minor 1 and minor 2, criterion 2.3 indicator major 1, criterion 6.5 indicator minor 1, criterion 6.6 indicator minor 1, criterion 6.7 indicator minor 1, criterion 6.8 indicator minor 1, criterion 6.9 indicator minor 1, 2 and 3, criterion 6.10 indicator minor 1 and 2, criterion 6.11 indicator minor 1, etc.

The result of these consultations was provided in Appendix D on page 233.

Table 12: List of Internal and External Stakeholder

STAKEHOLDERS	METHODS OF CONSULTATION
Dinas Ketenagakerjaan District Ketapang	An invitation letter to comment was sent
Dinas Perkebunan District Ketapang	An invitation letter to comment was sent
Dinas Kehutanan District Ketapang	An invitation letter to comment was sent
Badan Lingkungan Hidup, Ketapang Regency and West Kalimantan Province	An invitation letter to comment was sent
BPN District Ketapang	An invitation letter to comment was sent

STAKEHOLDERS	METHODS OF CONSULTATION
Head of Marau Sub-District	An invitation letter to comment was sent
Koramil, Marau Sub-District	An invitation letter to comment was sent
WWF Indonesia	An invitation letter to comment was sent
Sawit Watch	An invitation letter to comment was sent
Head of Village (Batu Payung Dua-Corong, Batu Payung Dua-Tuang, Batu Payung Dua, Belaban, Batu Payung Dua, Rangkong, Belambangan, Bentawan, Selingsing Kuning)	Focus Group Discussion
Public Figure (Batu Payung Dua-Corong Village, Batu Payung Dua-Tuang Village, Batu Payung Dua Village, Belaban Village)	Focus Group Discussion
Religious leader (Batu Payung Dua-Corong Village, Batu Payung Dua-Tuang Village, Batu Payung Dua Village, Belaban Village)	Focus Group Discussion
FFB Suppliers (Agro Tunggal Jaya Mandiri)	Focus Group Discussion
Local Contractor Aboy and Urbanus Aboi	Focus Group Discussion
Union Workers – Serikat Pekerja Mandiri	Interview
Gender committee	Interview
Labour representatives	Interview

2.5 Date of next surveillance visit

The next surveillance audit will be conducted around November 2018 three months before datum month of the renewal certification period.

3.0 AUDIT FINDINGS

3.1 Action taken on previous audits findings

Several non-conformances (Major and minor) from the previous audits have been followed up by taking corrective actions. Corrective actions have been implemented and verified.

3.2 Claim and use of certification mark and or logo

There was no use of certification mark and or logo. Claim has been made for the RSPO certified product, CPO 38,207 MT and PK 7,313 MT.

Table 13: Delivery of Certified and Non Certified Product

Month	CPO (Kg)			PK (Kg)		
	RSPO	ISCC	Non CSPO	RSPO	ISCC	Non CSPO
October	2,481		-	935		-
November	2,471		-	861		-
December	2,709		-	478		-
January	3,118		-	600		-
February	3,373		-	725		-
March	4,626		-	512		-
April	4,634		-	533		-
May	3,125		-	829		-
June	2,328		-	551		-
July	2,674		-	390		-
August	1,415		-	357		-
Total	32,954		-	6,771		-

Source: PT. KGP, August 2017

3.3 Description of audit findings

3.3.1 RSPO Principle and Criteria

PRINCIPLES 1: COMMITMENT TO TRANSPARENCY

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
1.1	<p>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</p> <p>Guidance: <i>Growers and millers should have a Standard Operating Procedure (SOP) to respond constructively to stakeholders, including a specific timeframe to respond to requests for information. Growers and millers should respond constructively and promptly to requests for information from stakeholders. The SOP should include information on the officer, who may be contacted by the interested external parties.</i></p> <p><i>Growers and millers should ensure that sufficient objective evidence exists to demonstrate that the response is timely and appropriate.</i></p> <p><i>See Criterion 1.2 for requirements relating to publicly available documentations.</i> <i>See Criterion 6.2 on consultation.</i> <i>See Criterion 4.1 on SOPs.</i></p> <p><i>Definition of relevant stakeholders according to the Regulation of the Minister of Environment No. 17 year 2012 regarding Guidance for Involvement of Communities in the Process of Environmental and Social Impact Assessment (AMDAL) and Environmental Permit are.</i></p> <ul style="list-style-type: none"> • <i>Affected communities are the communities who live within the AMDAL study boundary (social boundary), which will be beneficially or adversely affected by the operations and/or plan of activities;</i> • <i>Environmental concerned communities are communities who are not affected by the operations and/or business plan, however they shall pay attention to the environmental and social issues of the upcoming operations and/or business plan, including the potential environmental and social impacts;</i> • <i>Influenced communities by the decisions of AMDAL process are communities who are located outside and or directly adjacent to the boundary of AMDAL study areas relevant to the impact of operations and/or business plan.</i> <p><i>Relevant stakeholders are also NGOs that have concerns on the environmental and social issues of the upcoming operations and/or business plan, including the potential environmental and social impacts;</i></p>			
1.1.1	<p>List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available.</p> <p>Specific Guidance: For 1.1.1: <i>Evidence should be provided by growers and millers that information is received in appropriate form(s) and language(s) by relevant stakeholders. Information will include information on the RSPO mechanisms for stakeholder involvement, including information on their rights and responsibilities.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Does the company maintain a list of stakeholders? (E.g. listed by category and stakeholders listed should be site specific)</p> <p>b. What is the frequency of updating the stakeholder list?</p> <p>c. Is there evidence of stakeholder verification?</p> <p>d. What type of information is provided? (E.g. Environmental, social and legal)</p> <p>e. What is the frequency and level of access to this information?</p> <p>f. How and where is the information disseminated?</p> <p>g. Who is responsible for providing & updating information?</p> <p>h. Is there an SOP available to describe the process (of information sharing/dissemination)?</p> <p>i. Are stakeholders aware of the type of information available and the procedures for accessing the information?</p>	<ul style="list-style-type: none"> • List stakeholders on 19 September 2017 (KNCE), 11 September 2017 (CDNE) and 01 September 2017 (KNNM). • Procedure No. SOP/SMART/UMUM/SADV/II/004, date on 1 July 2014 – Communication and Consultation Procedure (<i>Prosedur Komunikasi dan Konsultasi</i>). • Register of Stakeholders Information (<i>Daftar Informasi untuk Stakeholder</i>). • Minutes of Meeting regarding information dissemination (internal stakeholders) date on 30 August 2017 (KCNE), 22 & 27 July 2017 (CDNE). • Minutes of Meeting regarding information dissemination (external stakeholders) date on 26 May 2017. • Interview with stakeholders on 26 – 28 September 2017. 	<p>Information request and their respond were determined in a documented procedure. Communication procedure was established and implemented by the organisation. Communication procedure describes the method to follow up the information request from interested party. All information requests from stakeholder were listed and recorded by Mill and Estate on logbook “Record of information request and responses (<i>Daftar Informasi untuk Stakeholder dan Tanggapannya</i>), The information includes the problem of social, legal and environmental.</p> <p>The company has made a list of stakeholders by category (government agencies, village, religious leaders / village community and business partners). List of stakeholders is well maintained and regularly updated data minimum every 6 months, the last performed updated on 19 September 2017 (KNCE), 11 September 2017 (CDNE) and 01 September 2017 (KNNM) which is responsible in this case is the SPO Officer.</p> <p>All information can be accessed by interested parties. Provision of information to be known by Estate Manager and approved by the Regional Controller (RC). If the information is confidential trade must go through the approval of Head Office. Provision of information to the relevant agencies recorded in the Register of Stakeholders Information (<i>Daftar Informasi untuk Stakeholder</i>) form No. F/SMART/UMUM/SADV/004/002. It was disseminated for stakeholders regarding the mechanism of the requesting and responding information to internal stakeholders date on 30 August 2017 (KNCE), 22 & 27 July 2017 (CDNE), and 22 August 2017 (KNNM). And also for the external stakeholders date on 26 May 2017.</p> <p>All information provided to several stakeholders in accordance with the terms and language used, for example in the form of report and the contents of the report. Delivery of Information is delivered in <i>Bahasa Indonesia</i>, so it can be understood by</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>stakeholders. During interview with stakeholders, that they have been given the socialization of information type sharing by organization.</p> <p>Stakeholders aware of the type of information available and the procedures for accessing the information.</p>	
1.1.2	<p>(M) Records of requests for information and responses to the information requested shall be available.</p> <p>Specific Guidance: For 1.1.2: <i>Records of requests for information and responses are maintained for a period of time determined by the company, taking into account their importance and need.</i></p>			
	<p>a. Does the company have an SOP to ensure constructive response to stakeholders?</p> <p>b. Who is the personnel in charge (PIC)?</p> <p>c. Does the SOP cover the elements under 1.1.1?</p> <p>d. Is there a clear time frame for response to request for information?</p> <p>e. Are records of requests for information and responses maintained?</p> <p>f. Are responses to requests for information timely and appropriate?</p>	<ul style="list-style-type: none"> ▪ Procedure No. SOP/SMART/UMUM/SADV// 004, on 1 July 2014 – Communication and Consultation Procedure (<i>Prosedur Komunikasi dan Konsultasi</i>). ▪ Register of Information Requests and Responses (<i>Daftar Permintaan Informasi untuk Stakeholder dan Tanggapannya</i>). ▪ Decision Letter No. 002/SK/RC-SPO/08/2016 about on 05 August 2016 and Decision letter No. 200/HR OPS/08/2015, on 26 August 2015 about Appointment of Social PIC, including responding of the information requesting. ▪ Report of retributions / Local Tax. ▪ Report of the environment, including: EIA, RKL / RPL report RKL / RPL. ▪ Safety Committee (P2K3) Reports. 	<p>Organization has established a mechanism for receiving and providing information in the procedure No. SOP/SMART/UMUM/SADV//004, on 1 July 2014, about Communication and Consultation Procedure. List of stakeholder and types of information are updated every year or if there are changes. Unit Head (estate and mill) have the responsibility for response of the information request form stakeholders that assisted by SPO Officer.</p> <p>With the use of the log book Register of Information Requests and Responses (<i>Daftar Permintaan Informasi untuk Stakeholder dan Tanggapannya</i>), the organization (Estate and Mill) can monitor all of the information that is communicated to stakeholders. Stakeholders List has been compiled in Form No. F/SMART/UMUM/SADV/004/003 about Type of information and related stakeholder (<i>Jenis informasi dan stakeholder terkait</i>), on 4 August 2014, defines the type of document that is available for each stakeholder and also includes the type of report must be sent to the relevant agencies that need. Based on the list of information above, some of the information that can be accessed by stakeholders are included legal, social, environmental, production, and others, all the information is accessible must be approved by management (Regional Controller).</p> <p>Organization has established a mechanism for receiving and</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>providing information in the No. SOP/SMART/UMUM/SADV/I/004, on 1 July 2014, about Communication and Consultation Procedure (<i>Prosedur Komunikasi dan Konsultasi</i>). The response to requests for information by the above procedure is at least 30 days or 4 weeks.</p> <p>A list of the information available to the public, as follows :</p> <ul style="list-style-type: none"> - Social and employment, including: employment list, a list of facilities and infrastructure / facilities of the company, reports the Social Impact Assessment (SIA) and its realization CSR program, etc. - Report of retributions / local tax. - Report of the environment, including EIA document, HCV assessment document, environment management and monitoring (RKL / RPL) report, HCV monitoring report, land application report, B3 reports. - Health and Safety (K3), includes: List of heavy equipment, safety committee reports, safety management and implementation. 	
1.2	Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			
1.2.1	<p>(M) Publicly available documents shall include, but are not necessarily limited to:</p> <ol style="list-style-type: none"> a. Land titles/user rights (Criterion 2.2) b. Occupational health and safety plans (Criterion 4.7) c. Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8) d. HCV documentation (Criteria 5.2 and 7.3) e. Pollution prevention and reduction plans (Criterion 5.6) f. Details of complaints and grievances (Criterion 6.3) g. Negotiation procedures (Criterion 6.4) h. Continual improvement plans (Criterion 8.1) i. Public summary of certification assessment report j. Human Rights Policy (Criterion 6.13). <p>Guidance:</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. How are the management documents listed in (c) below made publicly available?</p> <p>b. Where are the documents placed?</p> <p>c. Is the information provided adequate? Note: At minimum, an information summary of the document listed below should be made available.</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2) <ul style="list-style-type: none"> - Legal boundaries ,land use, classification, total area, grant title, permit validity , NCR rights, • Occupational health and safety plans (Criterion 4.7); <ul style="list-style-type: none"> - risk assessment and mitigation, emergency response plan, training, accident records • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); <ul style="list-style-type: none"> - main social and environmental impacts and mitigation measures, • HCV documentation (Criteria 5.2 and 7.3); <ul style="list-style-type: none"> - identification on HCV areas, maps, management and monitoring HCV 	<ul style="list-style-type: none"> • Site Permit (<i>Izin Lokasi</i>), • Land Use Title (HGU). • Plantation Operation Permit (IUP). • Environmental and Environment Impact Analysis document (AMDAL). • Environmental management and monitoring report (RKL and RPL implementation reports). • Management of hazardous wastes and toxic (LB3) report • HCV Assessment report. • Social Impact Assessment (SIA) Report. • Occupational Health and Safety Management Plan. • Corporate Social Responsibility (CSR). • Continuous Improvement Plan. • Procedure of Consultation and Communication (SOP/SPO/SMART/LH-19). 	<p>Publicly available document provided by the organisation has contained adequate details. List of management documents are publicly available such as:</p> <ul style="list-style-type: none"> • Land titles/user rights; <ul style="list-style-type: none"> - Site Permit (<i>Izin Lokasi</i>), Land Use Title (HGU), Plantation Operation Permit (IUP) • Occupational health and safety plans; <ul style="list-style-type: none"> - Occupational Health and Safety Management Plan 2016 • Plans and impact assessments relating to environmental and social impacts; <ul style="list-style-type: none"> - Environment Impact Analysis document (AMDAL), Environmental management and monitoring report (RKL and RPL implementation reports), Social Impact Assessment (SIA) Report, Corporate Social Responsibility (CSR) Program 2016 • HCV documentation; <ul style="list-style-type: none"> - HCV monitoring report, • Pollution prevention and reduction plans; <ul style="list-style-type: none"> - Environmental management and monitoring report (RKL and RPL implementation reports) • Details of complaints and grievances (Criterion 6.3); <ul style="list-style-type: none"> - Procedure of Consultation and Communication 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • Pollution prevention and reduction plans (Criterion 5.6); <ul style="list-style-type: none"> - identification of pollutants, management and reduction measures • Details of complaints and grievances (Criterion 6.3); <ul style="list-style-type: none"> - nature of complaints, parties involved, status of case • Negotiation procedures (Criterion 6.4); <ul style="list-style-type: none"> - SOP, consultative, neutral, inclusiveness, timeframe, responsibility • Continual improvement plans (Criterion 8.1); <ul style="list-style-type: none"> - for all elements under 8.1, • Public summary of certification assessment report; <ul style="list-style-type: none"> - follow RSPO format • Human Rights Policy (Criterion 6.13). <ul style="list-style-type: none"> - policy statement should comply to the requirements of 6.13 <p>d. Do the management documents contain monitoring plans and reports?</p> <p>e. Are all monitoring reports publicly available?</p>	<ul style="list-style-type: none"> • Logbook; “<i>Buku Monitoring Penanganan Keluh Kesah</i>”. Human Right policy, signed by the President Director on 10 November 2011. 	<p>(SOP/SPO/SMART/LH-19), Logbook; “<i>Buku Monitoring Penanganan Keluh Kesah</i>”.</p> <ul style="list-style-type: none"> • Negotiation procedures (Criterion 6.4); <ul style="list-style-type: none"> - Procedure of Land Compensation SOP/NP/SMART/VII/D&L002, dated 1 July 2010, Procedure of Consultation and Communication (SOP/SPO/SMART/LH-19) • Continual improvement plans; <ul style="list-style-type: none"> - Continuous Improvement Plan PT. Kencana Graha Permai 2017 • Public summary of certification assessment report; <ul style="list-style-type: none"> - N/A. This is initial certification audit. • Human Rights Policy (Criterion 6.13). <ul style="list-style-type: none"> - Human Right policy, signed by the President Director on 10 November 2011. <p>The management documents contain all monitoring plans and reports. And also available publicly.</p>	
1.3 ¹	<p>Growers and millers commit to ethical conduct in all business operations and transactions. ^{*1} <i>New Criteria - Growers and millers commit to ethical conduct in all business operations and transactions.</i></p>			
1.3.1	<p>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.</p> <p>Guidance: <i>All levels of the operations will include contracted third parties (e.g those involved in security). The policy of ethical conduct and integrity should include:</i></p> <ul style="list-style-type: none"> • <i>A respect for fair conduct of business;</i> • <i>A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources;</i> • <i>A proper disclosure of information in accordance with applicable regulations and accepted industry practices.</i> 			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>The policy should be set within the framework of the UN Convention Against Corruption, in particular Article 12.</i></p> <p><i>Regulations that are related to eradication of corruption are as followings:</i></p> <ol style="list-style-type: none"> <i>1. Act No. 7 year 2006 regarding Ratification of United Nations Convention Against Corruption</i> <i>2. Act No.8 year 2010 regarding Prevention and Eradication of Money Laundry.</i> <i>3. Act No. 13 year 1999 regarding Eradication of Corruption.</i> <i>4. Presidential Instruction No.1 year 2013 regarding Action for Corruption Prevention and Eradication</i> <p><i>Normal business is the business that complies with all existing regulations.</i></p> <p><i>This written policy should be communicated to the affected parties.</i></p>			
	<p>a. Is there a written policy committing to a code of ethical conduct and integrity in all operations and transactions?</p> <p>b. Does the policy include as a minimum:</p> <ul style="list-style-type: none"> • A respect for fair conduct of business? • A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources? • A proper disclosure of information in accordance with applicable regulations and accepted industry practices? <p>c. Is the policy documented and communicated to all levels of the workforce and operations, including contracted third parties? How is it communicated?</p> <p>d. Are the documentation and communication done in the appropriate languages?</p> <p><i>Note to auditor: The workforce should be interviewed to determine level of understanding of policy</i></p>	<ul style="list-style-type: none"> • Policy "Principles of Business Ethics" signed by Vice President of Agriculture (VPA), August 2014. • Interview with stakeholders on 26 – 28 September 2017 	<p>PT. SMART Tbk. has established the Policy of Principles of Business Ethics signed by VPA on 1 August 2014 that the organization commitment to responsible of the continue practicing and business ethics referring to the shared values of company namely integrity, positive attitude, commitment, continuous improvement, innovation and loyalty as well as in accordance with the rules, SPO principles and criteria. It consists of five policy which can be summarized as follows :</p> <ul style="list-style-type: none"> - Corporate practice and disseminating the shared values to all employees in all business activities - Support the implementation of the 10 principles of UNGC in which there was core value of devices that is human rights, labour, environment and anti-corruption - Company not provide for any tolerance of corruption in business practices that performed by employees - Company committed to the ethical standards of behaviour in the management of all activities of business practices - Company implement good corporate governance <p>This policy has been disseminated to all employees and company around communities in appropriate languages. Evidence of dissemination in the form of attendance list and minutes of socialization were available. The policy has been communicated to all employees on 20 August 2017 (CDNE),</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			and 06 - 08 September 2016 (KCNE, KNNM). And to third parties on and 26 September 2017 During interview with them that its policy has been directly communicated and understood.	

PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
2.1	<p>There is compliance with all applicable local, national and ratified international laws and regulations.</p> <p>Guidance: <i>Implementing all legal requirements is an essential baseline requirement for all growers and millers whatever their location or size. Relevant legislation includes, but is not limited to:</i></p> <ul style="list-style-type: none"> a. Land use period and right b. Labour c. Agricultural practices (e.g. chemical use) d. Environment (e.g. wildlife, pollution, environmental management and forestry) e. Storage f. Transportation and processing practices. <p><i>It also includes laws made pursuant to a country's obligations under international laws or conventions (e.g. the Convention on Biological Diversity (CBD), ILO core Conventions, UN Guiding Principles on Business and Human Rights). Furthermore, where countries have provisions to respect customary law, these will be taken into account.</i></p> <p><i>Key international laws and conventions are set out in Annex 1.</i> <i>Legal requirements are existing laws and regulations some of which are set out in Annex 1.</i></p>			
2.1.1	(M) Evidence of compliance with relevant legal requirements shall be available.			
	<ul style="list-style-type: none"> a. Is the complete list of legal requirements available? (Refer to relevant NIs or LIs for list of legal requirements) b. Does the company have copies of the legal requirements? 	<ul style="list-style-type: none"> • Procedure "Regulation and Other Requirements" SOP/SMART/UMUM/SADV/II/002, 1st July 2014. • List and evaluation on compliance of regulation and other requirements (F/SMART/UMUM/SADV/II/002/002) updated 14 June 2017 for mill, 12 	<p>The relevant legal requirement or regulations for PT. KGP has been established and identified. The list of legal requirements annually evaluated, including environment (e.g. hazardous waste management, pollution, and environmental management and forestry laws). The company has maintained a copy of all licenses both in hard and soft files. An overview of Evaluation of Compliance with Laws and Regulations is mentioned below, e.g.:</p> <p><u>Agricultural Practises</u></p>	<p>YES (Major NCR 2017-01 CLOSED)</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>Note to auditor: A due diligence on the company/area or management unit on legal compliance should be conducted prior to field audit. Any non-compliance should be verified during the field audit. Relevant legislation includes, but is not limited to: regulations governing land tenure and land-use rights, labour, agricultural practices (e.g. chemical use), environment (e.g. wildlife laws, pollution, environmental management and forestry laws), storage, transportation and processing practices. It also includes laws made pursuant to a country's obligations under international laws or conventions (e.g. the Convention on Biological Diversity (CBD), ILO core Conventions and UN Guiding Principles on Business and Human Rights.</i></p>	<p>September 2017 for CDNE and KNCE.</p> <p>Records of implementation:</p> <ul style="list-style-type: none"> • Notes of Meeting Safety Committee • Quarterly Safety Performance Report • Measurement Report of OHS Parameters • Valid permit of lifting equipment, machinery etc. • Valid permit of boiler operator and lifting equipment operator, etc. • Medical Surveillance Reports • Availability of MSDS 	<p>Record was sighted on evaluation on compliance of land use period and right, agricultural practise regulation (e.g. chemical use), and integrated pest management (IPM), etc.</p> <p>Environment:</p> <p>Records was sighted on Evaluation on compliance of environment regulation and other requirements form (F/SMART/UMUM/SADV/I/002/002) updated 1 July 2017 include the environment regulation, the new environment regulation was identified, such as "Regulation of Health Minister #32 Year 2017. The copies of environmental regulation were sighted on soft copy also on hard copy.</p> <p>OHS:</p> <p>PT Kencana Graha Permai has the complete list of legal requirements and the evaluation that updated annually, last updated on 14 June 2017 for mill, 12 September 2017 for Cendana and Kencana estate. The document include the OHS regulation, the new OHS regulation has been evaluated such as Permenaker 37/2016 regarding OHS on pressure vessel and tank heap, Permenkes 48/2016 regarding OHS standard at office, Permenaker 9/2016 regarding OHS on work at high, and Permenaker 38/2016 regarding OHS at "pesawat kerja dan produksi". The safety regulations were regarding to: lifting equipment, permits of machinery, safety committee, safety officer, medical insurance, monitoring of working environment, paramedic and first aid officer, clinic for workers, handling of hazardous materials including pesticides, medical check-up, firefighting team and equipment etc. The copy of legal regulation was sighted on soft copy and also hard copy.</p> <p>Evidence of compliance with applicable local, national and ratified international laws and regulations of PT. KGP Mill and Estate have been provided, including:</p> <ul style="list-style-type: none"> • Provision of valid permits: boiler and pressurised vessel permits, lifting equipment, personnel who conduct lifting equipment, electrical permits. • Availability of MSDS • Paramedic and company doctor, medical check-up, safety committee 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<ul style="list-style-type: none"> Transport and lifting equipment certification by regulatory body. <p>Status of compliance with laws and regulations were evaluated, and evaluation of compliance result indicated that compliance status was justified with reference to the objective evidence of compliance.</p> <p>Social and labour:</p> <p>Employment agreement, social security, training programs, employment list, CSR program and its implementation, list of employees, payroll and over time calculations, menstruation leave, ethic policy, gender committee, etc.</p> <p>HCV</p> <p>Ministry Decision of Environmental and Forestry No. SK 130/MENLHK.SETJEN/PKL.0/2017 regarding Function Map Decision of National Peat Ecosystem. Updated on 28 February 2017.</p> <p>Major Non-Conformance 2017-01:</p> <p>Hazardous waste symbol was found in chemical storage in KNNM. It was not inline with PerMenLH No. 3 Tahun 2008.</p> <p>Verification of Effectiveness:</p> <ol style="list-style-type: none"> Hazard waste symbol has been changed with hazard material symbol in KNNM as requirement by <i>PerMenLH No. 3 Year 2008</i> Dissemination was conducted on 2 October 2017 regarding hazard symbol of hazardous material and waste and MSDS to warehouse officer, WTP operator, laboratory, etc. Monitoring of hazard symbol is conducted monthly in chemical and central warehouse. Fst was conducted on 20 October 2017 	
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained.			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Is there a document system which includes the following?</p> <ul style="list-style-type: none"> - Personnel in charge to manage - Set of legal documents - Comprehensive list of international, national, sub-national and provincial laws which details the requirements of specific to the mill and estate operations. - Relevant sections within the law that is identified and linked to activities <p>b. Are the documents available to all levels of management?</p>	<ul style="list-style-type: none"> • Procedure "Compliance with Regulation and Other Requirements" SOP/SMART/UMUM/SADV/II/002, 1st July 2014. • List and evaluation on compliance of regulation and other requirements (F/SMART/UMUM/SADV/II/002/002) updated 14 June 2017 for mill, 12 September 2017 for CDNE and KNCE. • License of hazardous waste temporary storage (TPS B3). • License of waste water application (LA). • RKL/RPL (Environment monitoring and measurement reports). 	<p>Mechanism for ensuring compliance with all applicable local, national and ratified international laws and regulations was described in procedure. Evaluation of compliance with regulation was conducted by Sustainability Division in related department coordination with Mill and Estate Manager and SPO officer.</p> <p>The Company has established procedure "Compliance with Regulation and Other Requirements" SOP/SMART/UMUM/SADV/II/002, 1st July 2014. Procedure explaining the mechanism of identification and verification on a regular basis related laws and regulations relevant annually. Regulations include international rules that were government ratified, national regulations, local regulations, organizational requirements and the requirements of business partners. Activity to ensuring compliance such as :</p> <ul style="list-style-type: none"> - Collection of relevant legislation - Determination of the referenced regulations - Distribution of regulations to related parties - Implementation of regulations and requirements - Maintain freshness regulations <p>Evaluation of compliance with regulation was conducted by Sustainability Department in related department coordination with Mill and Estate Manager and SPO officer. The update frequency was conducted annually that last update on 14 June 2017 for mill and 12 September 2017 for Cendana and Kencana Estate. The administrator/document control in charge at estate/mill were handled several licences and reports as obligation on local requirements, such as:</p> <p>Environment:</p> <ul style="list-style-type: none"> - Licence of hazardous waste temporary storage (TPS LB3) from Head of Ketapang Regent No.59/KLH-B/2015 dated 15 January 2015 valid through 5 years. - Licence of waste water application (land application): Keputusan Bupati Ketapang Nomor: 758/KLH-B/2016 dated 23 December 2016 valid through 5 years - Environment monitoring and measurement reports (RKL/RPL) 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>OHS:</p> <ul style="list-style-type: none"> - Licence of lighting unit last checked by Disnaker West Kalimantan Province on 14 August 2017 and regular check conduct every 2 years. - Licence of hydrant box last checked by Disnaker Ketapang Regent and regular check conduct annually - Licence of electrical unit last checked by Disnaker Ketapang Regent on 29 January 2017 and regular checking conduct every 2 years. - Boiler last checked by Disnaker Ketapang Regent on 6 February 2017 and regular check conduct every 5 years. <p>This document was available to all staff and all level management, the document was stored at central office.</p>	
2.1.3	A mechanism for ensuring compliance shall be implemented.			
	<p>a. Is an internal audit for legal compliance conducted annually and documented?</p>	<ul style="list-style-type: none"> • SMK3 and RSPO internal audit report on 2 – 6 January 2017. 	<p>OHS, environment, and RSPO PC internal audit were planned annually. The last audit was on 2 – 6 January 2017 conducted by approved internal auditor. The audit checklist based on RSPO principle and criteria and covered the implementation of the all applied regulations. There were 18 findings and all the findings have been followed up with evidence. OHS internal audit has been held annually last held on 2 – 6 January 2017 based on SMK3 checklist (PP 5/2012) and completed 86.14%.</p> <p>Status of compliance with the applicable OHS – Environment laws and regulations were evaluated, and evaluation of compliance result indicated that compliance status was justified with reference to the objective evidence of compliance. Example: monitoring quality of air ambient, air emission, quality of clean water and surface water, quality of waste water, hazardous waste management, safety committee, medical check-up and permits of transport and lifting equipment. Interview was conducted with the Safety Officer to review the implementation of regulations.</p>	YES
2.1.4	<p>A system for tracking any changes in the law shall be available and implemented.</p> <p>Specific Guidance:</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<i>For 2.1.4: The systems used for tracking any changes in laws and regulations should be appropriate to the scale of the organisation.</i>				
	<p>a. Is there a documented methodology (e.g.: personnel in charge (PIC), source of info, frequency of update) for tracking changes and communication of changes to relevant sections of the legislation?</p>	<ul style="list-style-type: none"> • Procedure "Regulation and Other Requirements" SOP/SMART/UMUM/SADV/II/002, 1st July 2014. • List and evaluation on compliance of regulation and other requirements (F/SMART/UMUM/SADV/II/002/002) updated 14 June 2017 for Kenanga Mill and 12 September 2017 for Cendana and Kencana Estate. 	<p>Established procedure (Compliance with Regulation and Other requirements SOP/SMART/UMUM/SADV/II/002, 1st July 2014), it was described mechanism for updating latest laws and regulations and requires regular access to regulatory bodies to update information of laws and regulations. Update regulation was done by:</p> <ul style="list-style-type: none"> - Collecting relevant legislation - Direct visits to the government bodies - Determination of the referenced regulations - Distribution of regulations to related parties - Implementation of regulations and requirements - Maintain of renewal rules <p>Update and compliance review against change of law and regulation was conducted annually by sustainability division in related department coordination with Mill and Estate Manager and SPO officer. Organization has been review and update regulation on 14 June 2017 for Kenanga Mill and 12 September 2017 for Cendana and Kencana Estate. The communication to relevant functions was conducted by dissemination from sustainable team and public relation to respected persons at mill and estate.</p>	<p>YES</p>
<p>2.2</p>	<p>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.</p> <p>Guidance: <i>The company has SOP for Land Acquisition to ensure that there is no removal of legal, customary or user rights (see 6.4.1 & 6.4.2)</i> <i>Descriptions of those rights are as follows:</i></p> <ol style="list-style-type: none"> a. <i>Legal Right may be in the form of Land Certificates (Ownership Right / Hak Milik, User Right /Hak Guna Usaha), Registration Letter / Surat Keterangan Terdaftar, Letter of Inheritor Right / Surat Keterangan Hak Waris, and or Letter of Girik Right/Surat Keterangan Hak Girik.</i> b. <i>Customary Right in the Local Regulation/Perda (based on Constitution Court Decision No. 35/PUU-X/2012 regarding Customary Forest) determined through participatory mapping of customary land by the legitimate customary law community who are recognized by the surrounding customary law community and refers to Regulation of the Minister of Home Affairs (Permendagri) No. 52 year 2014 regarding Guideline of Recognition and Protection of Customary Law Community and Regulation of the State Minister of Agrarian Affairs/Head of National Land Agency (BPN) No. 5 year 1999 regarding Guidelines for the Settlement of Problems Related to the Communal Reserved Land of the Customary Law Abiding Community.</i> c. <i>User Right may be in the form of evidence of land leasing from the legal right holder, and/or official letter from the Village Head based upon testimony of communities or individual where their areas are adjacent to that land.</i> 			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>Customary area is customary land, including soil, water and or waters and natural resources with certain boundaries, owned, utilized and preserved for generations and on sustainable basis to fulfill the needs of their livelihood that was acquired from their ancestor or claimed ownership of communal land or customary forest.</i></p> <p><i>Where there is a conflict on the condition of land use as per land title, growers should show evidence that necessary actions have been taken to resolve the conflict with relevant parties</i></p> <p><i>A mechanism should be in place to resolve any conflict (Criteria 6.3 and 6.4).</i></p> <p><i>Where operations overlap with other rights holders, companies should resolve the issue with the appropriate authorities, consistent with Criteria 6.3 and 6.4.</i></p> <p><i>Historical data of land ownership should be provided by the company for a minimum of one period of ownership/control.</i></p> <p><i>If there is a claim on customary right, this shall be legally demonstrated.</i></p>			
2.2.1	<p>(M) Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.</p> <p>Specific Guidance: For 2.2.1: The documents required to demonstrate legal ownership, lease or control and use of land shall include those related to getting the land permit or transfer of land right and up to the operational right.</p>			
	<p>a. Are there documents showing legal ownership or lease of the land available? (e.g. land titles, lease documents)</p> <p>b. Are there documents showing history of land tenure available? (e.g. legal documents showing land status change, SIA and EIA reports, HCV assessment reports)</p> <p>c. Are there documents showing the actual legal use of the land available?</p> <p>d. Are the documents complete?</p>	<ul style="list-style-type: none"> • Location Permit of PT. KGP • Plantation Business Permit of PT. KGP • Land Use Right (HGU) of PT. KGP 	<p>The organisation has the right to use the land. Document of legal ownership such as location permit, plantation business permit and HGU (land concession permit) could be shown during audit. Details are:</p> <p>Location Permit:</p> <ol style="list-style-type: none"> 1. Decree of Ketapang Regent No.176/2005 dated June 15th, 2005, regarding approval of Location Permit for oil palm plantation of PT. Kencana Graha Permai covering area of ± 10.000 Ha, located in Marau and Jelai Hulu District, Ketapang Regency. 2. Decree of Ketapang Regent No.433/2007 dated December 12th, 2007 regarding extension and revision of Location Permit of PT. Kencana Graha Permai which become ± 10.320 Ha, located in Marau and Jelai Hulu District, Ketapang Regency. 3. Decree of Ketapang Regent No.347/2008 dated September 15th, 2008, regarding changes of Decree of Ketapang Regent No.433/2007 that PT. Kencana Graha Permai location covering area of ± 10.320 Ha is changed to be located only in Marau District, 	YES

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			<p>Ketapang Regency.</p> <ol style="list-style-type: none"> 4. Decree of Ketapang Regent No.37/2009 dated February 6th, 2009 regarding extension of Location Permit for development of oil palm plantation and palm oil mill of PT. Kencana Graha Permai covering area of ± 11.000 Ha located in Marau District, Ketapang Regency. 5. Decree of Ketapang Regent No.437/2010 dated August 5th, 2010 regarding revision of Location Permit for development of oil palm plantation and palm oil mill of PT. Kencana Graha Permai covering area of ± 10.320 Ha located in Marau District, Ketapang Regency. <p>Plantation Business Permit (IUP)</p> <p>Decree of Ketapang Regent No.223/DISBUN-D/2012 dated May 1st, 2012 regarding approval of Plantation Business Permit of PT. Kencana Graha Permai, with details.</p> <ul style="list-style-type: none"> - Type of business : Oil Palm Plantation - Area cover : 10.000 Ha - Location : Marau District, Ketapang Regency <p>Land Use Right (HGU):</p> <ul style="list-style-type: none"> • Decree of HGU.No.59/HGU/BPN RI/2013 dated 8th July 2013, covering area 9.332,8 Ha • Certificate of HGU No.14.07.00.00.2.00075 Batu Payung Dua, Belaban and Rangkong Village, Marau District, Ketapang Regency, West Kalimantan Province, published dated October 3rd, 2013, covering area of 4,731.77 Ha. The area includes Kencana Estate of 3,243.69 Ha and Delima Estate of 1,488.08 Ha. • Certificate of HGU No. 14.07.00.00.2.00076 Batu Payung Dua, Belaban and Rangkong Village, Marau District, Ketapang Regency, West Kalimantan Province, published dated October 3rd, 2013, covering area of 4,601.03 Ha. The area includes Cendana Estate 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			of 3,591.85 Ha and Delima Estate of 1,009.18 Ha.	
2.2.2	<p>Legal boundaries are demonstrated clearly and maintained.</p> <p>Specific Guidance: <i>For 2.2.2: Grower should cease operations on land planted beyond the legally determined area and there should be specific plans in place to address such issues for associated smallholders.</i></p>			
	<p>a. Is there a legal map showing location of boundary markers?</p> <p>b. Is there physical presence of boundary markers?</p> <p>c. Is there an SOP for boundary demarcation and maintenance?</p> <p><i>Note to auditor: Ground verification of boundary markers using GPS should be conducted. Priority should be on boundaries with other estates, community areas, protected area and rivers</i></p> <p><u>In the case of Associated Smallholders:</u></p> <p>d. Are there documents showing that the boundaries of associated smallholders have been recorded and verified by the mill?</p> <p>e. In case of boundary breach, is there proof of a mitigation plan being implemented?</p>	<ul style="list-style-type: none"> • SOP/SMART/CERS-EHSD/SADV//I/004 – Maintenance of Boundary Pegs • Logbook of activity (<i>Buku Kegiatan Mandor – BKM</i>). • Map of legal boundary • Program of boundary pegs maintenance 2017 • Field observation to HGU pegs (KNCE, CDNE) 	<p>Legal map showing location of boundary markers is documented in “Map of boundary pegs”. The map described pegs number and GPS location.</p> <p>HGU pegs observed were:</p> <p>KNCE:</p> <p><u>ASA2</u></p> <ul style="list-style-type: none"> • KGP 064 (02° 10' 56.80" S and 110° 33' 52.20" E) located in Block M29 Division II bordering with PT. Bumitama Gunajaya Agro. • KGP 073 (02° 10' 35.00" S and 110° 32' 13.70" E) located in Block L20 Division II bordering with PT. Cahaya Nusa Gemilang. • KGP 081 (02° 08' 23.90" S and 110° 32' 13.90" E) located in Block I19 Division I bordering with PT. Cahaya Nusa Gemilang. <p>CDNE:</p> <p><u>ASA2</u></p> <ul style="list-style-type: none"> • KGP 024 (02° 05' 28.80" S and 110° 38' 22.00" E) located in Block D55 Division III bordering with Kencana Kemitraan. • KGP 028 (02° 06' 34.60" S and 110° 38' 21.40" E) located in Block E55 Division III bordering with Carik Village. • KGP 112 (02° 05' 29.00" S and 110° 37' 26.90" E) located in Block D50 Division III bordering with Carik Village. 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>Legal boundaries are clearly demarcated and maintained. Signboard was available at all sites audited, indicated HGU number and operation area and land title.</p> <p>Procedure of boundary pegs maintenance was described in SOP/SMART/CERS-EHSD/SADV/II/004 – Maintenance of Boundary Pegs. Estates has program to maintenance boundary pegs such as cleaning of pegs circle three times a year, pegs repainting twice a year and pegs repairing twice a year.</p> <p>A review to legal boundaries maintenance records at KNCE-CDNE and field observation to a number of legal boundaries demonstrated that the legal boundaries were well maintained by estates. Report of boundary pegs condition was recorded in their log book (<i>Buku Kegiatan Mandor – BKM</i>).</p>	
2.2.3	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.			
	<p>a. Are there, or have there been any land disputes?</p> <p><i>Note to auditor: Due diligence should be conducted on the management to provide evidence that there has been no historical or current land dispute</i></p> <p>b. If there are or have been disputes, are there:</p> <ul style="list-style-type: none"> - Documents to proof legal acquisition? - Records of FPIC process? <p>c. If there has been acquisition involving compensation, are there:</p> <ul style="list-style-type: none"> - Records that Fair compensation has been 	<ul style="list-style-type: none"> • Public consultation with stakeholders on 27 September 2017 • Interview with KNCE and CDNE management • Procedure of land conflict SOP/SPO/SMART/LH-04, on 01 July 2010 • Procedure of land compensation process SOP/NP/SMART/VII/D&L 002, on 01 July 2010 	<p>There was no any land dispute from the last audit to this audit at PT. KGP area. The organization has established the procedures of land conflict resolution SOP/SPO/SMART/LH-04, on 01 July 2010. Describes the mechanism of compensation before land clearing and land conflict resolution mechanisms between companies and land owners. The land cleared for oil palm plantations should be ensured not be a problem and there is no dispute over land ownership. Land compensation process was described and determined in SOP/NP/SMART/VII/D&L 002, on 01 July 2010.</p> <p>It was verified to stakeholders during public consultation.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>provided and accepted by parties involved?</p> <ul style="list-style-type: none"> - Records that all affected parties are consulted and represented? - Documents of negotiations/discussion available? <p><i>Note to auditor: There should be direct verification of above with the affected parties</i></p>			
2.2.4	(M) 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.			
	<p>a. Does the company have cases of significant land conflict? (i.e. preventing the company from operating normally)</p> <p>b. If the company has cases of conflict, are records of the following available?</p> <ul style="list-style-type: none"> - Status of conflict - SOP/ mechanism for conflict resolution - Implementation of SOP/mechanism - Acceptance of the procedures by all parties - Records of conflict resolution 	<ul style="list-style-type: none"> • Public consultation with stakeholders on 28 September 2017 • Interview with KNCE and CDNE management • Procedure of land conflict SOP/SPO/SMART/LH-04, on 01 July 2010 • Procedure of land compensation process SOP/NP/SMART/VII/D&L 002, on 01 July 2010 	<p>There was no any land dispute from the last audit to this audit at PT. KGP area. So, the company have not case of significant land conflict. The organization has established the procedures of land conflict resolution SOP/SPO/SMART/LH-04, on 01 July 2010. Describes the mechanism of compensation before land clearing and land conflict resolution mechanisms between companies and land owners. The land cleared for oil palm plantations should be ensured not is a problem and there is no dispute over land ownership. Land compensation process was described and determined in SOP/NP/SMART/VII/D&L 002, on 01 July 2010.</p> <p>It was verified to stakeholders during public consultation.</p>	NA
2.2.5	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.			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Is there an SOP for participatory mapping of disputed area?</p> <p>b. Is a dispute map available?</p> <p>c. Is there documented evidence of involvement and acceptance by the affected parties?</p> <p><i>Note to auditor: Actual ground verification showing the accuracy of the dispute map should be conducted</i></p>	<ul style="list-style-type: none"> Public consultation with stakeholders on 27 September 2017 Interview with KNCE and CDNE management Procedure of land conflict SOP/SPO/SMART/LH-04, on 01 July 2010 Procedure of land compensation process SOP/NP/SMART/VII/D&L 002, on 01 July 2010 	<p>There was no any land dispute at PT. KGP area. So, the company have not case of significant land conflict. The organization has established the procedures of land conflict resolution SOP/SPO/SMART/LH-04, on 01 July 2010. Describes the mechanism of compensation before land clearing and land conflict resolution mechanisms between companies and land owners. The land cleared for oil palm plantations should be ensured not be a problem and there is no dispute over land ownership. Land compensation process was described and determined in SOP/NP/SMART/VII/D&L 002, on 01 July 2010.</p> <p>It was verified to stakeholders during public consultation.</p>	<p>NA</p>
<p>2.2.6</p>	<p>(M) 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 planned operations.</p> <p>Specific Guidance: <i>For 2.2.6: The company policy should require the use only of legally recognized private security personnel in their operations and prohibit extra-judicial interference and intimidation by the security personnel as mentioned above (see Criterion 6.13).</i></p>			
	<p>a. Does the company have a policy to circumvent instigated violence to maintain peace and order in current and planned operations?</p> <p>b. Is there any evidence of:</p> <ul style="list-style-type: none"> The use of confrontation and intimidation by the company to maintain peace and order? Use of para-militaries and mercenaries in the plantation? 	<ul style="list-style-type: none"> Land Compensation Procedure, SOP/NP/SMART/VII/D&L 002, on 1 July 2010 Land conflict resolution procedure in SOP/SPO/SMART/LH-04, on 01 July 2010 	<p>The company's policy not to be apply military means and or using intimidation in land dispute resolution procedures available and determined in SOP/NP/SMART/VII/D&L 002, on 01 July 2010, describes the steps of land acquisition from the dissemination, permits of location, an inventory of public land ownership, measuring parcels cultivated society, process of negotiating the price of compensation, compensation and payment settlement, consultation when needed.</p> <p>Also available land conflict resolution procedure in SOP/SPO/SMART/LH-04, on 01 July 2010, which describes land conflict resolution process through dialogue mechanism and explanation verbally/in writing, the remedies by facilitating local government if the first method does not find an agreement, the process to level court to obtain legal certainty if the way 1 until 3 is not reached.</p>	<p>NA</p>
<p>2.3</p>	<p>Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p> <p>Guidance:</p>			

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	<p><i>All indicators are applied to all oil palm plantations developed after November 2005, with exception to plantations developed prior to November 2005 that may not have records dating back to the time of decision making, in particular for compliance with Indicators 2.3.1 and 2.3.2.</i></p> <p><i>Where there are legal or customary rights over land, the grower should demonstrate that these rights are understood and are not being threatened or reduced. This Criterion should be considered in conjunction with Criteria 6.4, 7.5 and 7.6. Where customary rights areas are unclear these should be established through participatory mapping exercises involving affected parties (including neighbouring communities and local authorities).</i></p> <p><i>This Criterion allows for sales and negotiated agreements to compensate other users for lost benefits and/or relinquished rights. Negotiated agreements should be non-coercive and entered into voluntarily, carried out prior to new investments or operations, and based on an open sharing of all relevant information. The representation of communities should be transparent and in open communication with other community members. Adequate time should be given for customary decision making and iterative negotiations allowed for, where requested. Negotiated agreements should be binding on all parties and enforceable in the courts. Establishing certainty in land negotiations is of long-term benefit for all parties.</i></p> <p><i>Growers and millers should refer to the RSPO approved FPIC guidance (RSPO endorsed Free, Prior and Informed Consent Guide for RSPO Members, November 2015).</i></p> <p><i>Companies should be especially careful where they are offered lands acquired from the State by its invoking the national interest (also known as 'eminent domain').</i></p>			
2.3.1	<p>(M) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p>			
	<ul style="list-style-type: none"> • Does the company have an SOP on FPIC? • Is there evidence that the identification of legal, customary or user rights has been done through FPIC process? • Is there evidence that the FPIC process has been implemented in accordance to the company SOP? Where is this evidence recorded? (E.g.: Documents, Minutes of meeting, Records, Agreements, Maps etc.) • Is there a map of the extent of legal, customary or user rights? Is this 	<ul style="list-style-type: none"> • Public consultation with stakeholders on 27 September 2017 • Interview with KNCE and CDNE management 	<p>There was no existence of customary land and local communities in the concession area of PT. KGP. It was verified in the HCV and SIA report. Land acquisition was gotten at the HGU processing. There were some land community in KGP's HGU, nevertheless the company did not acquired their land since the last audit until this audit, so there was no FPIC process. It was also verified during public consultation with stakeholders</p> <p>Maps have been developed for each estate indicating legal demarcation and planted areas. Planted areas of the Estate are wholly on Government land, leased under HGU. Organizations have established procedures of land conflict resolution SOP/SPO/SMART/LH-04, on 1 July 2010. Describes the mechanism of compensation before clearing land and land conflict resolution mechanisms between companies and land owners. The land cleared for oil palm plantations should be ensured not be a problem and there is no dispute over land ownership, although there were some community land in KGPs' HGU.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>map of appropriate scale (1: 10,000)?</p> <ul style="list-style-type: none"> • Was the map produced through participatory mapping with reference to SIA and HCV assessment? • Does the map have a title, legend, source, scale and projections/georeference? • Are the maps accepted by the relevant communities? 			
2.3.2	<p>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:</p> <ol style="list-style-type: none"> a. Evidence of consultation b. Statement of transfer of rights c. Evidence of compensation <p>See specific guidance 2.3.2</p> <p>Specific Guidance: For 2.3.2 : <i>Copies of negotiated agreements shall include at minimum:</i></p> <ol style="list-style-type: none"> a. <i>A plan that should be developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</i> b. <i>Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</i> c. <i>Evidence that the company has ensured that affected communities have understood and accepted the legal, economic, environmental and social implications for permitting operations on their land, including the implications for the legal status of their land at the expiry of the company's title or concession. The company shall inform the legal implication based upon, but not limited to, Act No. 50 year 1960 and Government Regulation No. 40 year 1996 regarding Land-Use Right (HGU), Building-Use Right (HGB), and User Right, where the land will be owned by the state if HGU right is expired, not be extended and or updated.</i> d. <i>Evidence that the company has informed the plan for partnership program.</i> 			
	<p>a. Are copies of negotiated agreements with affected parties available?</p>	<ul style="list-style-type: none"> • Public consultation with stakeholders on 28 September 2017 • Interview with KNCE and CDNE management 	<p>No land dispute from the last audit to the audit based on public consultation result with stakeholder on 28 September 2017. The company have the land conflict resolution procedure in SOP/SPO/SMART/LH-04, on 01 July 2010, which describes land conflict resolution process through dialogue mechanism and explanation verbally / in writing, the remedies by facilitating local</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>b. Is there evidence that the agreement is prepared through proper FPIC process?</p> <p>c. Does the agreement contain the following:</p> <ul style="list-style-type: none"> - An action plan developed through consultation with affected parties, is inclusive and evidence that members of affected parties are well informed and involved in the decision making process - Evidence of options to give or withhold consent for development - Evidence that members of the affected communities understand and accept the implication involved in permitting/rejecting oil palm development on their land (E.g.: legal status, social, environmental, economic) - Evidence that the negotiated agreement was entered voluntarily without coercion by all parties - Evidence that adequate time was given for customary decision making and iterative negotiations - Clause which states that the negotiated agreement is legally binding 	<ul style="list-style-type: none"> • Documentation of land compensation process 	<p>government, if the first method does not find an agreement, the process to level court to obtain legal certainty if the way 1 until 3 is not reached.</p> <p>Land acquisition has started in 2008. The company has done land compensation to the community before it cultivated by the company. Land compensation process performed through a process of discussion and consultation to all interested parties and with the agreement of both parties without any element of coercion. There were still some community's land in KGP's HGU. Since the last audit until this audit, no acquisition conducted by the company. Land acquisition will be completed when agreement of both parties can be approved.</p> <p>Documentation of land compensation process found in minutes of land compensation in KNCE stage 1-48 (BA # 001-133/BA/KNCE/2008-2014) and CDNE stages 1-7 (BA # 001-066/BA/CDNE/2008-2009). Document contained the minutes of land compensation, amount of land area that compensable, landowners compensated, a statement of land hand over that has been agreed between the community and the company, and the payment of land compensation receipts. Handover evidence of money and details of land compensation are available and well documented accompanied the duty stamp. The amount of compensation adjusted to the value of the land and the value of the crops (in accordance with Ketapang Decree No. 140 tahun 2002) which agreed by consensus between both parties.</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
2.3.3	Relevant information shall be available in appropriate forms and languages, including analysis of impacts, proposed benefit sharing, and legal arrangements.			
	<p>a. Is there evidence that all the information (maps, agreement, records, impact assessment, benefit sharing and legal arrangements) is available in appropriate forms and languages, understood and accessible to affected parties?</p> <p><i>Note to auditor: this should be cross checked to a sample of the affected parties</i></p>	<ul style="list-style-type: none"> • Public consultation with stakeholders on 27 September 2017 • Interview with KNCE and CDNE management • Land Compensation Procedure, SOP/NP/SMART/VII/D&L 002, on 1 July 2010 • Land conflict resolution procedure in SOP/SPO/SMART/LH-04, on 01 July 2010 	<p>No land dispute based on public consultation result with stakeholder on 27 September 2017. The procedure related to assessment of impact, proposed benefit sharing, and legal arrangement with affected surrounding communities were available in Bahasa Indonesia, using simple and easy to understand terminology.</p>	<p>YES</p>
2.3.4	<p>(M) Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>Specific Guidance: For 2.3.4: Evidence of proxy letter from the community group, individual and/or company to the institution which represents community at the negotiation process, shall be demonstrated.</p>			
	<p>a. Who is the representative of the community in the negotiation process?</p> <p>b. Is the representative accepted by the community?</p> <p>c. Is the record of appointment to represent the community available and shared with other parties?</p>	<p>Attendance list of public consultation on 10 August 2010.</p>	<p>Based on the attendance list of FPIC consultation, surrounding communities were present including the Village Head. Evidence shown that Village communities have delegated their representatives to the Village Head.</p>	<p>YES</p>

PRINCIPLE 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
3.1	<p>There is an implemented management plan that aims to achieve long-term economic and financial viability.</p> <p>Guidance: <i>Whilst it is recognised that long-term profitability is also affected by factors outside their direct control, top management should be able to demonstrate attention to economic and financial viability through long-term management planning. There should be longer term planning for plantations on peat, particularly in regards to subsidence and flooding issues (see Indicator 4.3.5).</i> <i>Consideration of smallholders should be inherent in all management planning where applicable (see also Criteria 6.10 and 6.11). For scheme smallholders, the company should refer to RSPO Guidance On Scheme Smallholders, July 2009 or endorsed final revision.</i> <i>Growers should have a system to improve practices in line with new information and techniques. For smallholder schemes, the scheme management should be expected to provide their members with information on significant improvements.</i> <i>This Criterion is not applicable to independent smallholders (refer to RSPO Guidance for Independent Smallholders under Group Certification, June 2010)</i></p>			
3.1.1	<p>(M) A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders.</p> <p>Specific Guidance: <i>For 3.1.1: The business or management plan should contain:</i></p> <ul style="list-style-type: none"> • Attention to quality of planting materials; • Crop projection = Fresh Fruit Bunches (FFB) yield trends; • Mill extraction rates = Oil Extraction Rate (OER) trends; • Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends; • Forecast prices; • Financial indicators. <p><i>Suggested calculation: trends in 3-year running mean over the last decade (FFB trends may need to allow for low yield during major replanting programmes).</i></p>			
	<p>a. Does the company have a documented business or management plan with a minimum planning period of 3 years?</p> <p>b. Does it include the following:</p> <ul style="list-style-type: none"> - Land area statement (planting years, non-planted areas, i.e. HCV, conservation areas, fragile soils, enclaves) with 	<ul style="list-style-type: none"> • Long term management plan as stated in Profitability of PT. KGP for period 2017 – 2021 dated 8 September 2017 • Yield Improvement Policy dated 15th February 2012 	<p>Business management plan has been established for period 2017 to 2021. Business management plan (Profitability) used to achieve economic viability and long-term financial. The plan was approved by the top management. The parameters listed in the management plan includes:</p> <ul style="list-style-type: none"> - Area statement - Projected crop production (FFB yield trend), from own estates, smallholders and third parties. - Total FFB processed (ton) - Extraction rate of CPO and PK (Production forecast up to 2017), 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>updated location maps. Maps should have title, legend, source, scale and projections/georeferenced</p> <ul style="list-style-type: none"> - Plan for management of scheme smallholders (where appropriate) - Quality of planting materials - Crop projection = Fresh Fruit Bunches (FFB) yield trends - Mill extraction rates = Oil Extraction Rate (OER) trends - Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends - Forecast prices - Financial indicators – profitability forecast (income vs cost) - Projected expansion (area, mill capacity, infrastructure, social amenities) - General strategy and allocation for environmental and social management (refer to P5, P6 and P8) <p>c. Is this management document subjected to an annual review?</p> <p>d. For plantations on peat, is there a long term viability plan – e.g. flooding, drainability assessments and subsidence issues? (see 4.3.5)</p>		<ul style="list-style-type: none"> - Projected Production (ton) of CPO and PK from own and 3rd party - Sales of CPO and PK (IDR) - Total Revenue (IDR) - Estate Cost: Upkeep, Manuring, Harvesting, Transports, Overhead and Depreciation - Mill Cost: Processing, Repair and Maintenance, Overhead and Depreciation - CPO transport Expenses - Forecast price of CPO and PK - Income tax expenses - Net Profit/Loss - Plan for management of scheme smallholders. For achieved 100% smallholders certified, company will be conducted certification process in Y2018. (for more detail, please refers to Time Bound Plan Table) - Financial indicator, e.g. currency rate. <p>The achievement of the management plan is reviewed every month in the Regional office. Profitability of PT. Kencana Graha Permai also calculates FFB from scheme smallholders and third party.</p> <p>Attention to quality of planting materials was described in the procedure of Nursery. Yield Improvement Policy from the Director mentioned that the company only uses superior oil palm seeds to ensure the increase of ton FFB production per hectares.</p> <p>The Management Plan is subjected to an annual review. The management plan is reviewed annually by top management including Regional Controller, Production Controller, Estate Manager and Mill Manager, and revised as appropriate; based on the achievement against the plan and other parameters may change.</p> <p>Based on document review and interview with Manager PT. KGP, there is no peat area in KNCE and CDNE, PT. Kencana Graha Permai.</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>e. Does the grower have a system to improve practices in line with new information and techniques?</p> <ul style="list-style-type: none"> - Has the personnel in charge (PIC) been identified? - How is the information updated? - Is there a documented SOP which requires monitoring and updating information to improve practices? <p>f. Is new information communicated to workers and scheme smallholders (where appropriate)? How is it communicated?</p>		<p>The grower have a system to improve practices in line with new information and techniques. Estate Manager is the personnel in charge (PIC) to improve practices based on new information and technique. Information is updated through structural system, e.g. President Director to VPA, VPA to Regional Controller, Regional Controller to Estate Manager, Estate Manager to Field Assistant, then Field Assistant to Mandore and worker. Estate Manager communicated to Field Assistant through meeting, then Field Assistant communicated to worker through morning briefing.</p> <p>The grower has also been communicated the new information related the requirement of FFB quality and etc. to independent smallholder through of Agreement Letter (SPK). The SPK was updated annually.</p>	
3.1.2	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.			
	<p>a. Is there an annual replanting programme projected for a minimum of five years?</p> <p>b. Has it been documented?</p> <p>c. Is the progress of implementation documented?</p> <p>d. How does the programme take into consideration fragile soils such as peat? Is there a longer projection period (see C4.3)?</p> <p>e. Is there evidence of a yearly review of the replanting programme?</p>	Area Statement PT. KGP, November 2017	The Area Statement described that the plantation year of planting is on period 2007 to 2014, the organisation does not need to have replanting programme for the next five years.	YES

PRINCIPLES 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
4.1	<p>Operating procedures are appropriately documented, consistently implemented and monitored.</p> <p>Specific Guidance: For 4.1.1 and 4.1.4: SOPs and documentations for mills should include relevant supply chain requirements (see RSPO Supply Chain Certification Standard, Nov 2011). Mechanisms to check implementations could include documentation management systems and internal control procedures. These procedures refer to the Best Management Practices for Oil Palm in Indonesia, such as Technical Guideline for Oil Palm Development, Directorate General of Estate Crops, Ministry of Agriculture, 2006.</p>			
4.1.1	(M) 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.			
	<p>a. Have the SOPs for mills and plantation been documented?</p> <p>b. Does the SOP cover key processes, harvesting, transportation, manuring, IPM, GAP, Supply Chain requirements for the mill, etc.?</p> <p>c. Is a copy of the SOP available on site and is it documented in an appropriate language?</p> <p>d. Is there evidence that SOPs are implemented and understood by workers?</p> <p>e. Are the SOPs appropriate and adequately cover all estate and mill processes and activities?</p> <p>f. How are the SOPs made available at the point of use?</p>	<p>Standard Operational Procedure for Estate :</p> <ul style="list-style-type: none"> - SOP/SMART/MCAR/I/TA-PPA (<i>Perencanaan Penanaman Areal Baru</i>) - SOP/SMART/MCAR/II/TA-PRP (<i>Perencanaan Replanting</i>) - SOP/SMART/MCAR/III/TA-BBT (<i>Pembibitan</i>) - SOP/SMART/MCAR/IV/TA-PLB (<i>Pembukaan Lahan Baru</i>) - SOP/SMART/MCAR/V/TA-TNM (<i>Penanaman</i>) - SOP/SMART/MCAR/VI/TA-RPL (<i>Replanting</i>) - SOP/SMART/MCAR/VII/TA-HPT (<i>Pengendalian Hama dan Penyakit Tanaman</i>) - SOP/SMART/MCAR/VIII/TA-PGM (<i>Pengendalian Gulma</i>) - SOP/SMART/MCAR/IX/TA-PPK (<i>Pemupukan</i>) 	<p>Standard Operating Procedures for estates were developed in SOP (Standard Operating Procedure) which revised on September 1st 2012. The procedures were includes new area and replanting planning, nursery, land clearing, preparation before planting, fertilising, upkeep, pest management, road maintenance, peat land management, drainage system, mature and immature upkeep, integrated pest management and harvesting.</p> <p>Other than that there were also procedures for several processes including riparian zone management, application of agrochemical. Procedure also described required PPE and other safe working practices. Hardcopy of procedure are available in the estate office and controlled. Interviews with the employees indicate satisfactory level of understanding and implementation in relation to their respective job function.</p> <p>Procedure of best practice operation of Kenanga Mill was available in document of MCMD-2013, Standard Operational Procedure of Palm Oil Process PT. SMART Tbk revision 6 issued by Head Office. The procedure describes operation instruction from FFB receiving through production, processing (grading, sterilization, threshing, pressing, clarification, nut and kernel processing) and dispatch of CPO and PK. Quality control check, sampling methods including its reporting from reception of FFB up to dispatch of CPO and PK was mentioned in the Laboratory procedure.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		<ul style="list-style-type: none"> - SOP/SMART/MCAR/X/TA-PTB (<i>Pemeliharaan Tanaman Belum Menghasilkan</i>) - SOP/SMART/MCAR/XI/TA-PMP (<i>Persiapan Menjelang Panen</i>) - SOP/SMART/MCAR/XII/TA-PTM (<i>Pemeliharaan Tanaman Menghasilkan</i>) - SOP/SMART/MCAR/XIII/TA-PNN (<i>Panen</i>) - SOP/SMART/MCAR/XIV/TA-PPT (<i>Pemuatan dan Pengangkutan TBS</i>) - SOP/SMART/MCAR/XV/TA-PCH (<i>Pengukuran Curah Hujan dengan Ombrometer</i>) - PT. KGP-KNNM/SOP/24 (SOP of RSPO Supply Chain Model Mass Balance) rev 0.0, dated 30 November 2013 - Standard Operational Procedure of Palm Oil Process PT. Kencana Graha Permai 6th revision, 2013 which is included: <ul style="list-style-type: none"> a. Grading b. Loading Ramp c. Weighing Bridge d. Sterilisation Station e. Threshing Station f. Pressing Station g. Clarification Station h. Recycling CPO i. Nut and Kernel j. Engine Room k. Boiler l. Water Treatment m. Final Effluent n. Laboratories, etc. 	<p>Work Instructions has been developed and posted at work stations within the mill. Records of receiving FFB, sterilization, pressing, clarification and delivery (September 2017) were evident.</p> <p>Sample of FFB receiving was taken on grading process of FFB from KNCE Division II and CDNE Division I on 27 September 2017. The results were shown and it was observed that all the FFB received were matched to the available grading standard.</p> <p>Sample of operational implementation were taken from sterilization to clarification process during audit. The production log sheets for each station were evident and the process parameters such as time, pressure, temperature were controlled properly. In process Inspection reports were evident and the records were maintained properly.</p> <p>Procedure for implementation of RSPO Supply Chain Certification Standard, Module E – CPO Mill: Mass Balance was established and available. The procedure was updated to the latest standard, November 2014. Based of observation to the mill and interview with personnel involved it was confirmed that the procedure is well implemented.</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		<ul style="list-style-type: none"> - Work Instructions of Palm Oil Process PT SMART - Recapitulation Report of FFB Received on 21/09/2016 - Tank Maintenance Records - Station Operational Records sheet September 2017 - Laboratory Daily Inspection Report of CPO Product on September 2017 		
4.1.2	Checking or monitoring of operations procedures is conducted at least once a year.			
	<ul style="list-style-type: none"> a. Is there a master list of all SOPs? b. How does the company keep track of revisions? c. Is there mechanism for: <ul style="list-style-type: none"> - Translation of SOP into work instructions in appropriate languages? - Records of training for all levels? - Internal control (e.g. audit and review, field inspection) procedure in place to monitor consistent implementation of SOPs? - Trained and competent personnel assigned to carry out internal control activities? - Implementation audits to be carried out regularly covering implementation of all the SOPs? 	<ul style="list-style-type: none"> • Operation Internal Audit (OIA) Report on 17-27 January 2017 for Kencana Estate and 25 January-2 February 2017 for Cendana Estates and 7 March 2017 for Kenanga Mill • Internal Audit Procedure • RSPO Internal Audit dated 2-6 January 2017 in PT. KGP 	<p>The organisation has well implemented internal checking and monitoring processes that check and report on the implementation of the Management Guidelines. These include independent checks of the Mill and Estates by the corporate internal audit, which is :</p> <ul style="list-style-type: none"> - OIA (Operation Internal Audit), programmed twice a year. Operational Internal Audit has been performed to check consistent implementation of the procedures and work instructions. Internal audit covering operational activities of plantations and mill include the maintenance of palm oil crop (maintenance, fertilization, and pesticide use), harvesting and other supporting activities such as administration, road infrastructure, and FFB transport and mill process. The last audit for Kenanga Mill was conducted on 7 March 2017 and for KNCE 17-27 January 2017 and CDNE was conducted on 25 January-2 February 2017 - RSPO Internal Audit dated 2-6 January 2017. Covering audits of sustainability in all parts of plantation and mill operational. It was also available is a response or explanation from the auditee and the recommendations from the auditors as well as corrective action plan. Audit report and its finding followed up and action plan was well documented. Management review to discuss the RSPO audit result and its follow up was performed on 18 April 2017 (no repeat findings). Trained and competent 	<p>YES (Major NCR 2017-02) Recurrence ASA-1 CLOSED</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> - Procedure to address non-compliance and corrective action for continuous improvement? 		<p>personnel were assigned to carry out RSPO Internal Audit (Head Office Sustainability department).</p> <p>Organization has defined the procedure to address non-compliance and corrective action for continuous improvement in Correction and Corrective Action Procedure.</p> <p>Major Non-Conformities 2017-02 (Recurrence ASA-1):</p> <p>Based on field observation on harvesting activity in Block I29, Division II-CDNE, it was found that the lose fruit in middle armpit / "brondolan sangkut di ketiak pelepah" and "bunga matahari", did not taken by harvesters, this was not appropriate with SOP/SMART/MCAR/XIII/TA-PNN – IK/SMART/MCAR/XIII/TA-PNN/01-Panen in page 5 that stated the lose fruit in the middle armpit and <i>bunga matahari</i> must be collected by harvesters.</p> <p>Verification of Effectiveness:</p> <ul style="list-style-type: none"> • Field verification was conducted at Block 47 and 48 Division III CDNE, based on field verification, the activity of harvesting was in line with SOP/SMART/MCAR/XIII/TA-PNN – IK/SMART/MCAR/XIII/TA-PNN/01-Panen. The other evidence for correction activity was shown i.e. photo and dissemination about SOP harvesting for worker and foreman. • Corrective action have been implemented with conducted dissemination SOP/SMART/MCAR/XIII/TA-PNN – IK/SMART/MCAR/XIII/TA-PNN/01-Panen to all workers and foreman. In CDNE (all division) on 14 October 2017, and in KNCE (all division) on 27 October 2017. The dissemination related daily harvest plan, harvesting tools, the location of harvesting, best practise, and punishment). The document was shown during follow up audit (Minutes of Meeting, attendance list, photo). • Management (Assistant Divisi and Foreman Harvesting) was also conducted daily harvest inspection in KNCE and CDNE in line IK/SMART/MCAR/XIII/TA-PNN/01-Panen. Document of inspection was shown during follow up audit for October and November 2017. 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
4.1.3	Records of monitoring and any follow-up actions shall be available.			
	<p>a. Have the records been maintained on the following?</p> <ul style="list-style-type: none"> - Measurements or results of internal control and monitoring activities (refer 4.1.2) - Records of corrective actions and improvement undertaken 	<ul style="list-style-type: none"> • BKM (<i>Buku Kegiatan Mandor</i> - Log book of group leader activity). BKM of several activities was reviewed, e.g. manuring, manual road maintenance, manual weeds control, census of diseases, circle and path spraying. • BPtB (<i>Buku Potong Buah</i> – Logbook of harvesting activity) • BKtB (<i>Buku Kutip Brondolan</i> – Logbook of loose fruit collecting activity) • Operation Internal Audit (OIA) Report on 17-27 January 2017 for Kencana Estate and 25 January-2 February 2017 for Cendana Estates and 7 March 2017 for Kenanga Mill 	<p>Record of monitoring and any action taken were maintained and available for KNCE and CDNE, e.g. :</p> <ul style="list-style-type: none"> - BKM (<i>Buku Kegiatan Mandor</i> - Log book of group leader activity). BKM of several activities was reviewed, e.g. manuring, manual road maintenance, manual weeds control, census of pest and diseases, circle and path spraying. - BPtB (<i>Buku Potong Buah</i> – Logbook of harvesting activity), verification of its document was done in Block I29 Division I KNCE dated 26 September 2017 and Block F49 Division III CDNE dated 28 September 2017. - BKtB (<i>Buku Kutip Brondolan</i> – Logbook of loose fruit collecting activity). Record kutip brondol work result activity. Verification of its document was done in in Block I29 Division I KNCE dated 26 September 2017 and Block F49 Division III CDNE dated 28 September 2017. - “<i>Inspeksi Panen Detail</i>” to check the consistency of harvesting activity based on the procedure and work instruction. The item which was check covering: number of palm oil harvested, number of FFB harvested, FFB lagged, brondol lagged, midrib set out, abnormal harvested, etc. One supervision at least one harvested employee was check every day. - Shift Report book to control and monitor daily work activity of mill, record number of attendance employee, starting hour, throughput, oil and kernel production, issue/trouble in process activity. - Log sheet every station from loading ramp, sterilizer, threshing, press, clarification, boiler and effluent. Record daily activity of process in each station and process performance in each station. - Breakdown report and repair request Logbook, supervisor check the machine condition and report to maintenance section to repair if there was a breakdown condition. - Control of Process work program and routine maintenance and equipment repair. - Records of corrective actions and improvement undertaken for all of the control and monitoring activity above has been maintained by the 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			organization, its finding followed up and action plan was well documented (no repeat findings).	
4.1.4	(M) Records of the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and outgrower) shall be available.			
	<p>a. Is there an SOP for third-party FFB sourcing?</p> <p>b. Is there a list of approved third-party FFB suppliers?</p> <p>c. Is there proof of observed implementation of SOP?</p> <p>d. Is there daily and summary records of volume and origins of third-party FFB received?</p> <p>e. Have these records been verified against the available document?</p>	<ul style="list-style-type: none"> • PT.KGP-KNNM/RSPO-SOP/08 Procurement of Third Party FFB • Weighbridge Card on September 2017 • Recapitulation Form of Third Party FFB (production report) • Contracts between organization and 3rd party suppliers (independent FFB supplier): <ul style="list-style-type: none"> - Dated 30 June 2017, valid until 20 June 2018 (PT. Agrotunggal Jayamandiri) - Agreement Letter between PT. Agrotunggal Jayamandiri and Koperasi Sawit Sarana Makmur, Koperasi Usaha Jaya, Koperasi berkah Sungai and Koperasi Setia Hati dated 1 April 2017 	<p>Records of FFB received from external sources were mentioned clearly in Recapitulation of FFB Received Report. There were several suppliers involved, consist of scheme smallholder (Kencana Kemitraan and Kenanga Kemitraan), own group (Delima Estate), and independent FFB supplier (PT. Agrotunggal Jaya Mandiri). All of them are excluded in this certification.</p> <p>SOP of third party sourcing has been defined in procedure PT.KGP-KNNM/RSPO-SOP/08 Procurement of Third Party FFB. The list of approved third party supplier (independent FFB supplier) has been sighted and contained 1 independent FFB supplier (PT. Agrotunggal Jayamandiri).</p> <p>The SOP implementation was evident in relevant records such as contract or Lol, evaluation of new FFB supplier, grading records etc.</p> <p>It was sighted the daily record of FFB received on 27 September 2017 from PT. Agrotunggal Jaya Mandiri 6,760 Kg. The recapitulation report was sighted for August and September 2017.</p> <p>Verification was conducted against the log book receiving records and weighbridge card. It was also observed that the supplied FFB was provided from the legal sources. The contracts between organization and third party suppliers was clearly described that the source of FFB supplied must come from legal sources according to regulations applied.</p>	YES
4.2	<p>Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p> <p>Guidance: <i>Long-term fertility depends on maintaining the structure, organic matter content, nutrient status and microbiological health of the soil. Growers should ensure that they follow the best practices. Nutrient efficiency should take account of the age of plantations and soil conditions.</i></p> <p><i>The nutrient recycling strategy should include any use of biomass for by-products or energy production.</i></p> <p><i>One of the guidance may be used as a reference to the Technical Guideline for Oil Palm Development, Directorate General of Estate Crops, Ministry of Agriculture (2006)</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
4.2.1	(M) A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available <i>Minor to Major</i>			
	<p>a. Are there SOPs for Good Agricultural Practices in managing soil fertility?</p> <p>b. Is there evidence that the SOPs have been implemented and monitored?</p>	<ul style="list-style-type: none"> SOP/SMART/MCAR/IX/TA-PPK – Manuring Observations in KNCE was conducted on harvesting activities in Block I29 YOP 2007 Division I and CDNE in Block F49 Division III YOP 2008, Pesticide use (for circle and path) in Block I23 Division I KNCE, J32 Division III CDNE and Gupon (owl nest) in KNCE Block I30 and Block F50 Division III CDNE. 	<p>Organization has been defined the SOPs for Good Agricultural Practices in managing soil fertility which documented in SOP/SMART/MCAR/IX/TA-PPK (Manuring – <i>Pemupukan</i>). Manuring was performed manual and mechanic with EMDEK and by aircraft. Manual manuring performed by spreading the fertilizer by person manually and uniformly in each palm oil trees in accordance with dose which has defined by SMATRI. Organization also defined SOP fertilizer application with Spreader (<i>Emdek</i>). Fertilizer application with <i>Emdek</i> conducted in mineral soil and flat area.</p> <p>Fertilizer application also with aircraft, map of fertilizer using the aircraft has been available with their coordinates. The map explains; area, and coordinates of location that should not be applied such as housing, river boundaries and water sources. Fertilizer time application considering the conditions of rainfall and crop needs based fertilizer recommendation.</p> <p>Estates activities are carried out based on Division Work Program which generated from annual budget. Activities program are such as manuring and other operation activity. Site observation was performed during audit to some activities: spraying and manuring. Interview with employees working in those activities showed that procedures were implemented. Activities have been performed at defined interval.</p> <p>During audit, there was no aircraft fertilization activity. The last activity was conducted on April 2017. Fertilization activity has been mentioned in AMDAL PT. Kencana Graha Permai dated 7 July 2008 and specific has been mentioned in the UKL UPL Air Strip PT. Kencana Graha Permai Y2015 as per Ketapang Regent’s Decree No.864/KLH-B/2015 dated 29 December 2015. The OHS Risk-ASDAM <i>Lingkungan</i> 2017 and SIA 2017 document and also IK/SMART/MCAR/IX/TA/PPK/10-<i>Pemupukan dengan Pesawat</i> was also has been mentioned this activity. The aircraft fertilization activity has done by PT. KGP and in cooperation with PT. Elang Nusantara Air with Agreement Letter No. 012/ENA/JS-PPK/01/2017 dated 2 January 2017.</p>	YES
4.2.2	Records of fertilizer inputs shall be available.			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																																																											
	<p>a. Is records of fertiliser inputs maintained?</p> <p>b. Is there records to proof that the fertiliser program is linked to the agronomic report?</p> <p>c. Is there records of fertilizer usage per tonne of FFB production (>in Summary Table, specific types of fertilizers)?</p>	<ul style="list-style-type: none"> Manuring recommendation year 2017 KNCE and CDNE Document of “Rencana dan Realisasi Pemupukan” (Plan and Realisation of Manuring 2016 and 2017 in KNCE and CDNE) 	<p>Records of fertiliser inputs are well maintained in document “Rencana dan Realisasi Pemupukan” (Plan and Realisation of Manuring). Fertiliser inputs recorded each semester. Manuring recommendation in 2017 for KNCE and CDNE has been defined based leaf sampling unit (LSU) and soil sampling unit (SSU).</p> <p>Record of manuring realisation in August 2017 shows that the realisations are in accordance with the plan/recommendation.</p> <p>Annual fertilizer recommendation has been implemented and monitored. Fertilizer/manuring programme was developed by SMARTRI for all Division.</p> <p>Manuring recommendation in KNCE and CDNE consist of 2 section among others:</p> <ul style="list-style-type: none"> Manual manuring recommendation 2017 Mechanical manuring recommendation 2017 <p>Below are the records of fertilizer usage per tonne of FFB production for year 2016 and to date August 2017:</p> <p>2016</p> <table border="1" data-bbox="1144 965 1901 1396"> <thead> <tr> <th rowspan="2">Type of Fertilizer</th> <th colspan="2">KNCE</th> <th colspan="2">CDNE</th> </tr> <tr> <th>Total Fertilizer usage (Ton)</th> <th>Fertilizer usage per tonne FFB</th> <th>Total Fertilizer usage (Ton)</th> <th>Fertilizer usage per tonne FFB</th> </tr> </thead> <tbody> <tr> <td>FFB production</td> <td colspan="2">51,784</td> <td colspan="2">48,594</td> </tr> <tr> <td>UREA</td> <td>530,050</td> <td>10.24</td> <td>504,550</td> <td>10.38</td> </tr> <tr> <td>RP</td> <td>495,350</td> <td>9.57</td> <td>344,950</td> <td>7.10</td> </tr> <tr> <td>TSP</td> <td>198,350</td> <td>3.83</td> <td>348,300</td> <td>7.17</td> </tr> <tr> <td>MOP</td> <td>924,450</td> <td>17.85</td> <td>841,850</td> <td>17.32</td> </tr> <tr> <td>S.DOLOMITE</td> <td>125,750</td> <td>2.43</td> <td>82,700</td> <td>1.70</td> </tr> <tr> <td>KIES POWDER</td> <td>13,500</td> <td>0.26</td> <td>109,700</td> <td>2.26</td> </tr> <tr> <td>KIES GRAN</td> <td>218,650</td> <td>4.22</td> <td>262,650</td> <td>5.40</td> </tr> <tr> <td>CUSO4</td> <td>2,156</td> <td>0.04</td> <td>-</td> <td>-</td> </tr> <tr> <td>HGFB</td> <td>19,088</td> <td>0.37</td> <td>18,995</td> <td>0.39</td> </tr> </tbody> </table>	Type of Fertilizer	KNCE		CDNE		Total Fertilizer usage (Ton)	Fertilizer usage per tonne FFB	Total Fertilizer usage (Ton)	Fertilizer usage per tonne FFB	FFB production	51,784		48,594		UREA	530,050	10.24	504,550	10.38	RP	495,350	9.57	344,950	7.10	TSP	198,350	3.83	348,300	7.17	MOP	924,450	17.85	841,850	17.32	S.DOLOMITE	125,750	2.43	82,700	1.70	KIES POWDER	13,500	0.26	109,700	2.26	KIES GRAN	218,650	4.22	262,650	5.40	CUSO4	2,156	0.04	-	-	HGFB	19,088	0.37	18,995	0.39	<p>YES</p>
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4.2.3	Records of periodical leaf, soil and visual analysis shall be available																																																																			
	<p>a. Is there SOPs for tissue and soil sampling?</p> <p>b. Is there evidence of implementation of the SOPs, including availability of records?</p> <p>c. Is there records of tissue and soil analysis?</p> <p>d. Is the results of the study incorporated into the fertilizer program?</p>	<p>Document of “<i>Memorandum Hasil Analisa Laboratorium</i>” Lab SMARTRI, for soil sample analysis and leaf sample analysis in KNCE and CDNE.</p>	<p>Soil and leaf sampling was analysed regularly by SMARTRI to determine the nutritional status of soil, to assist and to be guided in the preparation of annual fertilising programme recommendation. Soil is analysed when the age of the plant is 3, 5, 8 years and continued with age of the plant is added by 5 years and 1 year before replanting. Leaf was analysed annually. Soil and leaf sampling was taken from each division. Organization has been defined work instruction for LSU (Leaf sampling unit) IK/SMART/MCAR/IX/TA-PPK/05-Pengambilan LSU and for SSU (Soil Sampling Unit) IK/SMART/MCAR/IX/TA-PPK/06-Pengambilan SSU. For 2017 leaf sample in KNCE has been taken on 21 April 2017, and in CDNE has been taken on 3 April 2017 and soil sample taken on 21 March 2017 in KNCE and 30 March 2017 in CDNE.</p> <p>Leaf Analysis:</p> <ul style="list-style-type: none"> - Evidence of the latest periodic leaf sample analysis in KNCE are available on Memorandum of Laboratory Analysis Result based on request number 	YES																																																																

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			<p>SP. No.1409/RFC-SMARTRI/KNCE/KTP2/05/04/2017 dated 21 April 2017, with total number of 75 sample analysed (No. Lab. 12841-12915).</p> <ul style="list-style-type: none"> - Evidence of the latest periodic leaf sample analysis in CDNE are available on Memorandum of Laboratory Analysis Result based on request number SP. No.1387/RFC-SMARTRI/KTP2/04/2017 dated 3 April 2017, with total number of 72 sample analysed (No. Lab. 12944-13015). <p>Soil Analysis:</p> <ul style="list-style-type: none"> - Evidence of the latest periodic leaf sample analysis in KNCE are available on Memorandum of Laboratory Analysis Result based on request number SP. SP. No.566/RFC-SMARTRI/KNCE/KTP2/INT/23/05/2017 dated 21 March 2017, with total number of 70 sample analysed. - Evidence of the latest periodic leaf sample analysis in CDNE are available on Memorandum of Laboratory Analysis Result based on request number SP. SP. No.561/RFC-SMARTRI/KNCE/KTP2/INT/23/05/2017 dated 30 March 2017, with total number of 15 sample analysed. <p>Leaf and soil analysis done by Field Coordinator Riset (Analytical Laboratory, Section of SMARTRI). Head laboratory analysis results it is shown in the form of leaf nutrients content (Nitrogen, Phosphor, Kalum, Calcium, Magnesium Chloride and Boron) and soils (pH (H₂O) and KCl, C-organic, N, P, K, Na, Ca, Mg, KTK, etc.). Last report of leaf analysis in 2016 already used as a reference for fertilizer recommendation in 2017. Soil sampling done in 5 year intervals, with the age of the plant used as a reference method of soil sampling.</p>	
4.2.4	A nutrient recycling strategy is recorded, including use of Empty Fruit Bunches (EFB), land application, and palm residues after replanting			
	<p>a. Is there a nutrient recycling strategy in place?</p> <p>b. Does the strategy include the following?</p> <ul style="list-style-type: none"> • Clear objectives and time-bound targets • Inventory of 	<ul style="list-style-type: none"> • Document of “Summary of Monthly POME Application 2016-2017” KNCE-CDNE. • Document of “Summary of Monthly EFB Application 2016-2017” KNCE-CDNE. • Field observation in Block I29 Division I KNCE dated 26 September 2017and 	<p>There was the nutrient recycling strategy performed by company such as land application from POME (Palm Oil Mill Effluent) and Empty fruit bunch (EFB) application. POME or liquid waste from mill used as Land application, it gives nutrient for palm oil plantation. Land application was applied in KNCE and CDNE. Liquid waste applied dosage was 750 m³ /ha/year with 3 times rotation and BOD 2,500 – 4,000 mg/L.</p>	YES

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	<ul style="list-style-type: none"> - EFB - POME - Fibre - Boiler ash - Kernel shell - Palm residues from replanting • Biomass recycling program • Implementation and monitoring records <p><i>Note to auditor: Ground verification required</i></p>	<p>Block F49 Division III CDNE dated 28 September 2017.</p>	<p>There was 701.77 Ha area (37 Blocks) set up for POME application. Currently still only realized 12 blocks in KNCE Division I (I-19, I-20, I-21, I-22, I-23, J-19, J-20, J-21, J-22, J-23, K-19 and K-20). From January to June 2017 total POME applied in KNCE was 18,270 m³.</p> <p>Record of POME application in KNCE (June 2017) are as follows:</p> <table border="1" data-bbox="1144 499 1888 695"> <thead> <tr> <th rowspan="3">Year</th> <th colspan="2">POME Application</th> <th colspan="2">POME Application</th> </tr> <tr> <th colspan="2">KNCE</th> <th colspan="2">CDNE</th> </tr> <tr> <th>Ha</th> <th>m³</th> <th>Ha</th> <th>m³</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>196.50</td> <td>73,689</td> <td>No Application</td> <td>No Application</td> </tr> <tr> <td>2017 (June)</td> <td>48.72</td> <td>18,270</td> <td>No Application</td> <td>No Application</td> </tr> </tbody> </table> <p>EFB were applied based on the recommendation from SMARTRI in terms of dosage per ha and location (30 ton/ha dosage). EFB were applied in KNCE and CDNE by manually and mechanical using tractor. EFB were not applied nearby housing and water spring. Empty fruit bunch application was performed as mulch ground cover and added of organic material. Record of EFB application in KNCE and CDNE period 2016 and 2017 are as follows:</p> <p>Record of EFB application period 2016 and 2017 are as follows:</p> <table border="1" data-bbox="1144 991 1704 1118"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">EFB Application</th> </tr> <tr> <th>CDNE (ton)</th> <th>KNCE (ton)</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>11,679.52</td> <td>10,604.59</td> </tr> <tr> <td>2017 (June 2017)</td> <td>3,074.74</td> <td>7,194.20</td> </tr> </tbody> </table> <p>Based on observation in Block I-22, EFB was applied based on the recommendation from SMARTRI in terms of dosage per ha and location. EFB was applied in the plantation manually and mechanically using tractor. EFB was not applied nearby housing and water spring.</p> <p>There was no replating activity at PT. KGP area during audit.</p>	Year	POME Application		POME Application		KNCE		CDNE		Ha	m ³	Ha	m ³	2016	196.50	73,689	No Application	No Application	2017 (June)	48.72	18,270	No Application	No Application	Year	EFB Application		CDNE (ton)	KNCE (ton)	2016	11,679.52	10,604.59	2017 (June 2017)	3,074.74	7,194.20	
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4.3	<p>Practices minimise and control erosion and degradation of soils.</p> <p>Guidance:</p>																																					

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<i>Techniques that minimize soil erosion are well known and should be adopted, where appropriate. These should include practices such as ground cover management, biomass recycling, terracing, and natural regeneration or restoration instead of replanting.</i>																																																
4.3.1	(M) Maps of any fragile soils shall be available.																																															
	<p>a. Is there soil maps showing presence of fragile soils and problem soils (refer to 4.3.6)?</p> <p>b. Are maps georeferenced and of appropriate scale (1:50,000)?</p>	<ul style="list-style-type: none"> Semi-detail soil map of PT. KGP, scale 1 : 50,000 Field observation at KNCE and CDNE 	<p>Soil type and topography of PT. KGP concession based on semi-detail Soil Map were as follows:</p> <p>KNCE</p> <table border="1" data-bbox="1144 603 1816 1082"> <thead> <tr> <th>Soil Type</th> <th>Area (Ha)</th> </tr> </thead> <tbody> <tr><td>Typic Quartzipsamments</td><td>174.96</td></tr> <tr><td>Typic Endoaquepts</td><td>246.05</td></tr> <tr><td>Typic Endoaquepts inklusi</td><td>8.62</td></tr> <tr><td>Typic Quartzipsamments</td><td></td></tr> <tr><td>Aquic Dystrudepts</td><td>120.26</td></tr> <tr><td>Typic Dystrudepts</td><td>1,646.05</td></tr> <tr><td>Typic Dystrudepts</td><td>599.65</td></tr> <tr><td>Kompleks Typic Dystrudepts Typic Hapludults</td><td>52.12</td></tr> <tr><td>Kompleks Typic Dystrudepts + Lithic Dystrudepts</td><td>20.98</td></tr> <tr><td>Typic Haplorthods</td><td>280.51</td></tr> <tr><td>Typic Hapludults</td><td>26.39</td></tr> <tr><td>Kompleks Typic Hapludults + Lithic Hapludults</td><td>44.79</td></tr> <tr><td>Tubuh air</td><td>23.31</td></tr> <tr><td>Total</td><td>3,243.69</td></tr> </tbody> </table> <p>CDNE</p> <table border="1" data-bbox="1144 1177 1816 1399"> <thead> <tr> <th>Soil Type</th> <th>Area (Ha)</th> </tr> </thead> <tbody> <tr><td>Typic Udorthents</td><td>36.60</td></tr> <tr><td>Typic Endoaquepts</td><td>82.06</td></tr> <tr><td>Typic Haplorthods inklusi</td><td>12.00</td></tr> <tr><td>Typic Quartzipsamments</td><td></td></tr> <tr><td>Typic Endoaquepts inklusi</td><td>5.15</td></tr> <tr><td>Typic Quartzipsamments</td><td></td></tr> </tbody> </table>	Soil Type	Area (Ha)	Typic Quartzipsamments	174.96	Typic Endoaquepts	246.05	Typic Endoaquepts inklusi	8.62	Typic Quartzipsamments		Aquic Dystrudepts	120.26	Typic Dystrudepts	1,646.05	Typic Dystrudepts	599.65	Kompleks Typic Dystrudepts Typic Hapludults	52.12	Kompleks Typic Dystrudepts + Lithic Dystrudepts	20.98	Typic Haplorthods	280.51	Typic Hapludults	26.39	Kompleks Typic Hapludults + Lithic Hapludults	44.79	Tubuh air	23.31	Total	3,243.69	Soil Type	Area (Ha)	Typic Udorthents	36.60	Typic Endoaquepts	82.06	Typic Haplorthods inklusi	12.00	Typic Quartzipsamments		Typic Endoaquepts inklusi	5.15	Typic Quartzipsamments		YES
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Total	3,591.85																					
4.3.2	<p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).</p> <p>Specific Guidance: <i>For 4.3.2: Management strategy on areas planted with steep slope may refer to the Technical Guidance for Oil Palm Development, Directorate General of Estate Crops, Agriculture Ministry (2006). Area with slope of >40% shall be avoided</i></p>																					
	<p>a. Is there a management strategy in place for plantings on slopes?</p> <p>b. Does the management strategy include the following?</p> <ul style="list-style-type: none"> - Identification of steep areas not suitable for planting - Policy of planting on slopes - SOPs to minimise soil erosion based on local soil and climate conditions, e.g. ground cover management, biomass recycling, terracing, and natural regeneration or restoration instead of replanting 	<ul style="list-style-type: none"> • Semi-detail soil map of PT. KGP, scale 1 : 50,000 • Preparation of new area planting procedure SOP/SMART/MCAR/I/TA-PPA • Procedure 03/VPA-RSPO/03/2010 "Management of Riparian Area" • Field observation in KNCE and CDNE 	<p>Based on maps of soil unit, maximum slopes in KNCE-CDNE is 25 %. The company has prepared management strategy in place for plantings on slopes, which is described in the procedure SOP/SMART/MCAR/I/TA-PPA "Preparation of New Area Planting". The procedure describes management strategy for minimising and controlling erosion, and peat land management. The organisation does not recommend plantings on slopes >40% or >22°. When the slope area was planted, system for planting on slopes area was provided by considering soil and climate specific through terracing, determining of base line, levelling of terrace, and determining of planting space. To minimise and control erosion in slope area, several practices have been implemented such as terracing, growing of legume cover crops (LCC).</p> <p>Procedure 03/VPA-RSPO/03/2010 "Management of Riparian Area" has also been established to control area around riparian. Planting of "vetiver" grass and natural riparian plant have been performed to minimize stream and river bank erosion.</p> <p>Practices to control and minimize erosion have been applied by terracing and planting legume cover crop. Evidence of terracing and cultivation of legume</p>	YES																		

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)									
	c. Is there proof of records of field inspection on SOP implementation?		cover crop was sight during field observation.										
4.3.3 A road maintenance programme shall be in place.													
	a. Is there a road maintenance programme in place with supporting budget and resources? b. Is there road maintenance records?	<ul style="list-style-type: none"> IK/SMART/MCAR/I/TA-PPA/02 (Work Instruction of Road Making and Maintenance) Document of "Program and Realisation of Road Hardening 2016-2017" in KNCE-CDNE. 	Procedure for road maintenance has been established. KNCE and CDNE have established road maintenance programme for main road, collection road and access road by manual and mechanical maintenance. Road maintenance includes manual, grading & compact and road hardening. Road hardening budget for 2016 and 2017 have been observed including the realisation. Manual road maintenance programme was provided in Division Work Programme. Manual road maintenance was implemented based on Division Work Programme or road condition. Mechanical road maintenance uses heavy equipment – motor grader and compactor. The mechanical road maintenance programme was provided for all division and detailed in Blocks. Manual and mechanical road maintenance realisation was recorded including complex area maintained, distance of road maintained, diesel fuel consumption and quantity of gravel. During audit it was observed that road passed was in good condition. Realization of road maintenance in KNCE and CDNE 2016 and 2017 (September): <table border="1" data-bbox="1144 1015 1615 1142"> <thead> <tr> <th>Estate</th> <th>2016 (m)</th> <th>2017 (m)</th> </tr> </thead> <tbody> <tr> <td>KNCE</td> <td>236,748.0</td> <td>200,765.0</td> </tr> <tr> <td>CDNE</td> <td>251,776.0</td> <td>180,814.9</td> </tr> </tbody> </table> During field observation it was sight that all roads, culverts and bridges were in satisfactory condition demonstrated that road maintenance was well implemented.	Estate	2016 (m)	2017 (m)	KNCE	236,748.0	200,765.0	CDNE	251,776.0	180,814.9	YES
Estate	2016 (m)	2017 (m)											
KNCE	236,748.0	200,765.0											
CDNE	251,776.0	180,814.9											
4.3.4	(M) Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Specific Guidance: For 4.3.4: For existing plantings on peat, the water table should be maintained at an average of 50cm (between 40 - 60cm) below ground surface measured with groundwater piezometer												

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>readings, or an average of 60cm (between 50 - 70cm) below ground surface as measured in water collection drains as per the Manual Best Management Practices for existing oil palm cultivation on peat, June 2012 or as per existing regulation if equal or shallower measured through a network of appropriate water control structures e.g. weirs, sandbags, etc. in fields, and watergates at the discharge points of main drains (Criteria 4.4 and 7.4).</p> <p>Regulations regarding water table on peat may refer, but not limited, to:</p> <ol style="list-style-type: none"> 1. Government Regulation No. 71 year 2014 regarding Protection and Management of Peat Ecosystem 2. Regulation of Minister of Agriculture No. 14 year 2009 regarding Guideline of Oil Palm Cultivation on Peat 3. Regulation of Minister of Agriculture No. 11 year 2015 regarding Guideline of Indonesia Sustainable Palm Oil Plantation (ISPO) 			
	<ol style="list-style-type: none"> Is there an SOP to provide guidance on subsidence management? Does the SOP make reference to the RSPO BMPs on peat? How is subsidence being monitored? Are there records of subsidence monitoring? How is subsidence being minimised? Is there a water management programme and evidence of implementation? <p><i>For existing plantings on peat, the water table should be maintained at an average of 50cm (between 40 - 60cm) below ground surface measured with groundwater piezometer readings, or an average of 60cm (between 50 - 70cm) below ground surface as measured in water collection drains, through a network of appropriate water control structures e.g. weirs, sandbags, etc. in fields, and watergates at the</i></p>	<ul style="list-style-type: none"> Semi-detail soil map of PT. KGP, scale 1 : 50,000 Field Observation at KNCE and CDNE 	<p>SOP to provide guidance on subsidence management was presented in SOP/SMART/MCAR/II/TA-PPA (Preparation of New Area Planting) and SOP/SPO/SMART/LH-05 (Maintain water quality and availability). The SOP described reference to the RSPO BMPs on peat, e.g. management of water level.</p> <p>Base on Semi-detail soil map of PT. KGP, scale 1: 50,000 and field observation there were no peat soils in KNCE and CDNE, PT. KGP.</p>	<p>N/A</p>



NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>discharge points of main drains (Criteria 4.4 and 7.4).</i></p> <p>g. Is there a ground cover management programme and is there evidence of implementation?</p>			
4.3.5	<p>Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</p> <p>Specific Guidance: <i>For 4.3.5: Where drainability assessments have identified areas unsuitable for oil palm replanting, plans should be in place for appropriate rehabilitation or alternative use of such areas. If the assessment indicates high risk of serious flooding and/or salt water intrusion within two crop cycles, growers and planters should consider ceasing replanting and implementing rehabilitation.</i></p> <p><i>Plantations on peat should be managed at least to the standard set out in the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', June 2012 (especially water management, fire avoidance, fertilizer use, subsidence and ground surface management).</i></p>			
	<p>a. Was a drainability assessment conducted before replanting on peat?</p> <p>b. Was a flood risk map provided as a result of the drainability assessment?</p> <p>c. If the drainability assessment shows that an area is unsuitable for replanting, are there alternative plans in place for rehabilitation and alternative use in accordance to the RSPO BMPs?</p>	<ul style="list-style-type: none"> • Semi-detail soil map of PT. KGP, scale 1 : 50,000 • Field Observation at KNCE and CDNE 	<p>Base on Semi-detail soil map of PT. KGP, scale 1: 50,000 and field observation there were no peat soils in KNCE and CDNE, PT. KGP.</p>	<p>N/A</p>
4.3.6	<p>A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).</p>			
	<p>a. Is there a management strategy in place for other fragile and problem soils?</p>	<ul style="list-style-type: none"> • Semi-detail soil map of PT. KGP, scale 1 : 50,000 • Field Observation at KNCE and 	<p>Base on Semi-detail soil map of PT. KGP, scale 1: 50,000 and field observation there were no peat soils in KNCE and CDNE, PT. KGP.</p>	<p>N/A</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	b. Does the management strategy include SOPs for the management of other fragile and problem soils? c. Is inspection and implementation records available?	CDNE		
4.4	Practices maintain the quality and availability of surface and ground water.			
4.4.1	An implemented water management plan shall be in place. Specific Guidance: For 4.4.1: The water management plan will: a. Take account of the efficiency of use and renewability of sources; b. Ensure that the use and management of water by the operation does not result in adverse impacts on other users within the catchment area, including local communities and customary water users; c. Aim to ensure local communities, workers and their families have access to adequate, clean water for drinking, bathing, cleaning and latrine purposes; d. Avoid contamination of surface and ground water through run-off of soil, nutrients or chemicals, or as a result of inadequate disposal of waste including Palm Oil Mill Effluent (POME).			
	a. Is there a water management plan in place for mill and plantation with identified actions? b. Does the plan include the following? <ul style="list-style-type: none"> • Identification of water sources • Efficient use of water • Renewability of water source • Impacts on catchment area and local stakeholders • Access of clean drinking water all year round for stakeholders • Avoidance of surface and ground water contamination c. Have the identified actions in the plan been implemented?	<ul style="list-style-type: none"> • Documented procedure regarding SOP Management and Monitoring Water Resources (SOP/SMART/BCOS-EHSD/SADV//004 dated 1 July 2014) • Water analysis measurement 2nd semester 2016 and 1st semester 2017 • Records of water consumption period 2016 and 2017 (YTD August) at mill 	The documented procedure defined the method of water management plan include water source and distribution identification, volume of water utilization, parameter/standards of water utilization, identify the impacts include water effluents/wastes and also the method to reduce and control. The water sources at Kenanga mill were from Puayan River, while estate housing was using reservoir water and spring water. The water was utilized for mill operations (include boilers, processes and domestics usage) that through the water treatment plant (using physicals and chemicals method), the reservoir water was utilized for estate operations such as housing, mixing, spraying and the spring water was utilised for drinking and cooking. License of surface water usage was not available but there was application letter for surface water utilisation No.015/KGP-DL7/IX/2017 dated 5 September 2017 from PT Kencana Graha Permai to <i>Direktorat Bina Penatagunaan Sumberdaya Air Direktorat Jenderal Sumberdaya Air Kementrian Pekerjaan Umum dan Perumahan Rakyat</i> . Receipt note was sighted on 7 September 2017 and the follow up from government was continued to verification. Record of surface water utilisation was sent to Representative Office Pontianak to be reported to Government Institution. Until now the organisation has not received request payment of	YES (Major NCR 2017-03) Recurrence ASA1- CLOSED

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																					
			<p>surface water period 2016 from Government so retribution payment has not been paid yet.</p> <p>Flow meters were installed at mill to monitor water usage. The monitoring of water volume utilization was conducted, records was also sighted. Water usage for estate operational and housing also monitored every month through the recording water pump operational hour meter. The organisation has describe water management by monitoring the water consumption if there is above the average, then efficiency of water use will conducted by reduce the water consumption.</p> <p>Records of water usage:</p> <table border="1" data-bbox="1144 679 1845 991"> <thead> <tr> <th>Water usage</th> <th>2016</th> <th>2017 (January - August)</th> </tr> </thead> <tbody> <tr> <td>Kencana Estate (m³)</td> <td>66,740,613</td> <td>38,932,024.25</td> </tr> <tr> <td>Cendana Estate (m³)</td> <td>21,075,378</td> <td>13,992,669</td> </tr> <tr> <td>Mill process usage (m³)</td> <td>282,739</td> <td>262,836</td> </tr> <tr> <td>FFB process (ton)</td> <td>321,620.26</td> <td>282,222.38</td> </tr> <tr> <td>Mill domestic usage (m³)</td> <td>100,152</td> <td>67,871</td> </tr> <tr> <td>M³/ton FFB</td> <td>0.88</td> <td>0,93</td> </tr> </tbody> </table> <p>Result of monitoring of mill water use per tonne of FFB was sighted for 2016 and 2017 (YTD August). It was noted that mill water use per tonne of FFB period January to July 2017 (0.93 m³/ton FFB) was slightly increased being compared with 2016 (0.88 m³/tonne FFB). Water use per tonne FFB was under budget, which was 1 m³/tonne FFB every year.</p> <p>The organisation has program to reduce water consumption, e.g. reuse condensate water for water dilution, arranging water distribution to staff housing, reusing sterilizer condensate water for press station, reusing water from PPE and hazardous waste cleaner for spraying, flowmeter installation for all water utilization at mill.</p> <p>Spring water quality was monitored every semester, last checked in March 2017</p>	Water usage	2016	2017 (January - August)	Kencana Estate (m ³)	66,740,613	38,932,024.25	Cendana Estate (m ³)	21,075,378	13,992,669	Mill process usage (m ³)	282,739	262,836	FFB process (ton)	321,620.26	282,222.38	Mill domestic usage (m ³)	100,152	67,871	M ³ /ton FFB	0.88	0,93	
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			<p>at block I-26 and J-32 in KCNE and CDNE and conformed with Permenkes 416/1990; upstream and downstream river (Puayan, Kendawangan, and Langsat river) was monitored every semester against PP 82/2001, and reservoir rain water quality were monitored every semester against the standard of Permenkes 492/2010 by third party laboratory (Testing Laboratory of PT Mutu Agung Lestari), last checked in March 2017. From the result shows that all parameter were conformed within the standard.</p> <p>The pipe lines for clean water were separated from the processing and waste lines. The ground water locations were placed far away from the mill operations and hazardous waste locations, also the design of waste water basin were made descendant while the settling basin for clean water was ascendant.</p> <p>Major Non-Conformance 2017-03 (Recurrence ASA1): Water leakage was found in several areas in KNNM, e.g. kernel station and water boiler pump.</p> <p>Verification of Effectiveness:</p> <ol style="list-style-type: none"> 1. During site visit water faucet and pump seal has been repaired and no more water leak. 2. Circular letter was made by PC to all Mill and Bulking PSM 7 #001/PC-PSM7/INT/X/2017 dated 20 October 2017 regarding Water Management in Mill and Bulking, i.e.: <ul style="list-style-type: none"> • Water management is conducted optimally, consistent and efficiency for sustainability • Water use is monitored routinely and ensure not water waste (doing efficiency) • Routine maintenance in water installation, e.g. pump, pipes of water drain and water faucet to prevent water leakage causing waste. 3. Circular water was disseminated on 21 October 2017 to all employees, e.g. process, laboratory, mechanic 4. Maintenance of seal pump is conducted quarterly. Next is conducted in November 2017. 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			5. Monitoring of water faucet is conducted weekly. First is conducted on 28 October 2017. Location of monitoring is in each station, e.g. loading ramp, steriliser, clarification, kernel, etc. Result was evident, regarding function of water faucet, potential water leakage and water faucet in clean condition. 6. Monitoring of pump and pipe installation is conducted quarterly. First was conducted on 6 November 2017 regarding condition of pump, potential leakage of pump, etc.	
4.4.2	(M) 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. Specific Guidance: For 4.4.2: Refer to the 'RSPO Manual On Best Management Practices (BMP) for management and rehabilitation of natural vegetation associated with oil palm cultivation on peat', July 2012. Growers and millers should address the effects of their use of water and the effects of their activities on local water resources.			
	a. Is there a map identifying water courses and wetlands? b. Are the water courses and wetlands protected? c. Are the riparian and buffer zones maintained and restored in existing plantation and replanting areas? d. Is there SOP for riparian and buffer zone protection? e. Has the SOP been implemented?	<ul style="list-style-type: none"> • Identification and analysis of the existence of high conservation value (HCV) area in 2011 at PT Kencana Graha Permai by IPB. • HCV Area Verification - PT. Kencana Graha Permai in 2015 by PT. SMART Tbk. • Company policy and rules about protection to biodiversity (flora fauna) and high conservation value area 	There was map identifying water courses and wetland in HCV Assessment Report. Based on the report, that found riparian (river area) were CDNE conducted at Pikan Riparian (63.44 ha), Asahan Sambas Riparian (22 ha), and Keluang Riparian (56.01 ha). In KCNE at Langsat Riparian (64.56 ha), Melaras Riparian (5.69 ha), and Biru Riparian (58.91 ha). The riparian and buffer zones maintained and restores in existing plantation. The field observation was conducted in Block B47 CDNE. The company has the policy and rules about protection to biodiversity (flora and fauna) and high conservation value area. It was implemented and for detail, please see Criteria 5.2.	YES
4.4.3	Records for monitoring of effluent especially BOD (Biochemical Oxygen Demand) and efforts to comply with legal requirements, shall be available (see criteria 2.1 and 5.6) Specific Guidances: For 4.4.3 : The references and standard may refer, but not limited to:			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR				COMPLIANCE (YES/NO)		
<p>a. Decree of the Minister of Environment No. 51 year 1995 regarding Industrial Effluent Quality b. Decree of the Minister of Environment No. 28 year 2003 regarding Technical Guidance Assessment Effluent Usage from Industry to Soil in Palm Oil Plantation. c. Regulation of the Minister of Environment No. 12 year 2006 regarding Requirements and Mechanism of Legal Permit to Discharge Effluent to the Sea.</p> <p>National regulations relate to riparian strip are, such as:</p> <ol style="list-style-type: none"> 1. Government Regulation No. 38 year 2011 regarding River. 2. Government Regulation No. 37 year 2012 regarding Management of Riparian Strip. 3. Government Regulation No. 26 year 2008 regarding National Landscape, clause 56 (2) riparian strip outside settlement area is divided with following criteria: <ul style="list-style-type: none"> - Riparian strip of at least 5 meter width from the outer dike along the river bank with dike - Riparian strip of at least 100 meter from river side along main river bank without dike outside settlement area, - Riparian strip of at least 50 meter from river side along sub-main river bank without dike outside settlement area 4. Presidential Decree No. 32 year 1990 clause 16, regarding Criteria of Riparian Strip: <ol style="list-style-type: none"> a. At least 100 meter from outer main river and 50 meter from sub-main river, which is located outside settlement area. b. For river in settlement area, the riparian strip should be appropriate to build inspection path between 10 to 15 meters width. 									
No	River Type	Cross-Section Projection	Outside Settlement		Inside Settlement		Article		
			Criteria	Minimum Riparian	Criteria	Minimum Riparian			
1	River with dike (measured from outer dike side)		-	5 m	-	3 m	Article 6		
2	River without dike (measured from river edge)		Main River (river cross-sectional area > 500 km ²)		100 m	Depth: > 20 m	30 m	Article 7 & 8	
			Sub-main River (river cross-sectional area < 500 km ²)		50 m	Depth: 3 m to 20 m	15 m	Article 7 & 8	
3	Lake/dam (measured from highest water tide to land)		-	50 m	-	50 m	Article 10		
4	Spring (around Spring)		-	200 m	-	200 m	Article 10		
5	River that influenced by tidal (from river edge)		-	100 m	-	100 m	Article 10		
<p>5. Regulation of the Minister of Public Work No. 63 year 1993 regarding Riparian Strip, River Usage Area, River Authorization Area, Criteria of Riparian Strip Line.</p>									

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																																																
	<p>a. Is the mill effluent treatment process in place?</p> <p>b. Is there a process in place for checking and monitoring water discharge quality, particularly BOD?</p> <p>c. Is the water discharge quality in compliance with national regulations?</p> <p>d. Does the mill have a license for treatment, discharge or land application of mill effluent, and is the mill in compliant with the requirements of the license?</p>	<ul style="list-style-type: none"> Waste water analysis measurement period September – December 2016 and January – August 2017 Licence of waste water application (land application): Keputusan Bupati Ketapang Nomor: 758/KLH-B/2016 dated 23 December 2016, Valid through 5 years. Total area application: 701.77 Ha. Located in Kecamatan Marau Kabupaten Ketapang. Monitoring of flowrate and pH inlet and outlet Mill site visit 	<p>Kenanga Mill waste water (POME) was processed through a series of waste water treatment ponds using six ponds that used multi feedings system that consist of anaerobic ponds, aerobic ponds, and cooling pond. POME is monitored monthly as required by KepmenLH 28 dan 29 tahun 2003 required that BOD <5,000 mg/L and pH 6 - 9. Land application evaluation for 701.77 Ha (37 blocks). Land application is in Kenanga and Kencana Estate. In Kencana Estate application was in block I-19, I-20, I-21, I-22, I-23, J-19, J-20, J-21, J-22, J-23, K-19 and K-20.</p> <p>The results of POME monitoring were reviewed including measurement of BOD, COD, pH, N Total, TSS, oil and fat for period September – December 2016 and January – August 2017. Measurement by BARISTAN, result BOD below the value limit <5,000 mg/l (average 3,000 – 4,000) and pH 6 – 9 (average 7). Daily monitoring of POME is conducted for flowrate and pH. Record was sighted for period September – December 2016 and January – August 2017.</p> <p>Analysis result of POME quality September – December 2016</p> <table border="1" data-bbox="1144 927 1908 1401"> <thead> <tr> <th>Parame-ter</th> <th>Standard</th> <th>Septem-ber</th> <th>October</th> <th>Novem-ber</th> <th>Decem-ber</th> </tr> </thead> <tbody> <tr> <td>BOD (mg/L)</td> <td>5,000</td> <td>2,796</td> <td>2,676</td> <td>3,683</td> <td>1,310</td> </tr> <tr> <td>COD (mg/L)</td> <td>-</td> <td>7,614</td> <td>8,228</td> <td>18,969</td> <td>5,047</td> </tr> <tr> <td>pH</td> <td>6 – 9</td> <td>7.64</td> <td>8.06</td> <td>7.23</td> <td>7.48</td> </tr> <tr> <td>Oil and grease (mg/L)</td> <td>-</td> <td>7.88</td> <td>8.28</td> <td>18.70</td> <td>5.14</td> </tr> <tr> <td>Pb (mg/L_)</td> <td>-</td> <td><0.002</td> <td><0.002</td> <td>0.321</td> <td><0.002</td> </tr> <tr> <td>Cu (mg/L)</td> <td>-</td> <td>0.534</td> <td>0.076</td> <td>0.793</td> <td>0.082</td> </tr> <tr> <td>Cd (mg/L)</td> <td>-</td> <td><0.001</td> <td><0.001</td> <td><0.001</td> <td><0.001</td> </tr> </tbody> </table>	Parame-ter	Standard	Septem-ber	October	Novem-ber	Decem-ber	BOD (mg/L)	5,000	2,796	2,676	3,683	1,310	COD (mg/L)	-	7,614	8,228	18,969	5,047	pH	6 – 9	7.64	8.06	7.23	7.48	Oil and grease (mg/L)	-	7.88	8.28	18.70	5.14	Pb (mg/L_)	-	<0.002	<0.002	0.321	<0.002	Cu (mg/L)	-	0.534	0.076	0.793	0.082	Cd (mg/L)	-	<0.001	<0.001	<0.001	<0.001	<p>NO (Minor NCR 2017-04)</p>
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4.4.4 Monitoring of mill water use per ton of FFB shall be recorded																																																	
	<p>a. Are there procedures to measure mill water usage, and are the procedures implemented?</p> <p>b. Are there records of mill water use per tonne of Fresh Fruit Bunches (FFB)?</p>	<ul style="list-style-type: none"> Documented procedure regarding SOP Management and Monitoring Water Resources (SOP/SMART/BCOS-EHSD/SADV/004) dated on 1 July 2014 Records of water consumption period 2016 and 2017 (YTD August) at mill 	<p>The documented procedure defined the method of water management plan include water source and distribution identification, volume of water utilization, parameter/standards of water utilization, identify the impacts include water effluents/wastes and also the method to reduce and control.</p> <p>Mill water use per tonne of FFB is monitored monthly. Result of monitoring of mill water use per tonne of FFB was sighted for 2016 and 2017 (YTD August).</p>				YES																																										

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			Water usage	2016	2017 (January - August)	
			Kencana Estate (m ³)	66,740,613	38,932,024.25	
			Cendana Estate (m ³)	21,075,378	13,992,669	
			Mill process usage (m ³)	282,739	262,836	
			FFB process (ton)	321,620.26	282,222.38	
			Mill domestic usage (m ³)	100,152	67,871	
			M ³ /ton FFB	0.88	0,93	
			<p>The organisation has program to reduce water consumption, e.g. reusing sterilizer condensate water for press station, arranging water distribution to staff housing, reusing sterilizer condensate water for press station, reusing water from PPE and hazardous waste cleaner for spraying, flowmeter installation for all water utilization at mill.</p>			
4.5	<p>Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p> <p>Guidance: <i>Growers should apply recognised IPM techniques, incorporating cultural, biological, mechanical and physical methods to minimise the use of chemicals. Native species should be used in biological control where possible. Regulations to be referred are such as:</i> a. <i>Guidance for Advancement of Pesticides usage, Directorate General of Infrastructure and Facilities, Ministry of Agriculture (2011)</i> b. <i>Technical Guidance for the Development of Oil Palm Plantation, Directorate General of Estate Crops, Ministry of Agriculture (2006)</i></p>					
4.5.1	(M) Monitoring of Integrated Pest Management (IPM) plan implementation shall be available.					
	<p>a. Is there a documented IPM plan?</p> <p>b. Does the IPM plan include the following?</p> <ul style="list-style-type: none"> • Identification of potential pests and thresholds • What are the techniques used (cultural, biological, 	<ul style="list-style-type: none"> • IPM Plan program in the Work program Division KNCE and CDNE 2016-2017 • Procedures Integrated Pest Management (IPM) SOP/SMART/MCAR/VII/TA-HPT and SOP/SMART/MCAR/ VIII/TA-PGM 	<p>Procedures SOP/SMART/MCAR/VII/TA-HPT and SOP/SMART/MCAR/ VIII/TA-PGM have been established to confirm that Integrated Pest Management (IPM) to control pests, diseases, weeds and invasive introduced species. The procedures include setting out of technique to be implemented, chemical to be used, locations to be applied, and time frame for implementation.</p> <p>Programme for IPM was established annually in Division Work Programme for each division. IPM programme includes pest and diseases detection, census</p>	YES		

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	<p>mechanical and physical methods)?</p> <ul style="list-style-type: none"> • What are the native species used as part of the biological control method? • Does it help in reducing the use of chemicals over a period of time? • Prophylactic use of pesticides • Minimization of pesticide use • Review on the plans to suit the present condition such as replanting? <p>c. Is there an SOP to implement the plan and monitor its effectiveness?</p> <p>d. Is there records of pest occurrence and control?</p>	<ul style="list-style-type: none"> • Record of Caterpillar Census, performed monthly, observed records for period January to August 2017 • Record of Rodent Census, performed every 3 month, observed records for period January to August 2017 • Field observation in Block I30 Division I and CDNE in Block F47 Division III. 	<p>and controlling, use of pesticide and herbicide. IPM programme includes detection and census of pest and diseases, weeds controlling, planting and upkeep of beneficial plant, use of pesticide and herbicide.</p> <p>The implementation of Integrated Pest Management was monitored. Census of nettle caterpillar, bagworm, and rodent was conducted regularly to determine its controlling. Controlling is performed based on level of attack. There are three levels of attack: low, medium and high. Result of census was recorded including area of census, type of caterpillar, quantity of caterpillar and level of attack.</p> <p>Based on KNCE and CDNE Division Work Program period January to September 2017 audited it was observed that all IPM program has been performed based on determined schedule. Activity audited among others spraying circle and path, circle manual, weeding manual, detection of pest (rodent, caterpillar, <i>Tirataba</i>), etc.</p> <p>Material used, dosage and concentration of agro chemical was recorded when controlling pest and disease using agro chemical spraying. So far there were no medium and high attacks of caterpillar and rodent.</p> <p>Pest detection was an early warning system for pests; if the results of the detection exceed a predetermined threshold, (e.g. 20% for rodents and 5% for the caterpillars) then conducted a pest's census and advanced control actions (e.g. the application of rodenticide for rodents and fogging for caterpillar). It was observed during January to September 2017 there was no result in KNCE and CDNE pest detection that exceeds the threshold.</p> <p>Programme for planting beneficial plants (<i>Turnera subulatta</i>, <i>Casia cobanensis</i> and <i>Antigonon leptopus</i>) had been carried out. These beneficial plants can be seen along the main road and collection road.</p> <p>Leguminous Cover Crops were planted for supressing growth of weeds. These LCC (Legume Cover Crop) can be seen most in immature area (replanting area) and a small part of mature area.</p> <p>Rat damage was minimal in KNCE and CDNE, possibly due to natural biological control of rat by development of owl (<i>Tyto alba</i>). Monitoring of <i>Tyto alba</i> updated September 2017 noted that there were in KNCE 89 active owl nests with 175</p>	

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			mature owls, 30 owlets and 15 eggs and in CDNE 30 active owl nests with 75 mature owls, 15 owlets and 10 eggs. Rat damage assessment had been carried out by FFB crop checker during crop quality inspection. There was no rat found during field observation and no evidence of trees attacked by pest.	
4.5.2	Training records of Integrated Pest Management (IPM) shall be available.			
	a. Is there records of training provided to those involved in the implementation of IPM?	<ul style="list-style-type: none"> • Training module of Integrated Pest Management, August 2017. • Training attendance list, 9 August 2017 	<p>The latest training of IPM was held in KNCE-CDNE on 9 August 2017. Training performed to employees (assistant, group leader and worker who conduct IPM). List of participant attendance was sighted. Training material was also observed covered IPM technique and implementation.</p> <p>During field audit in Block I30 Division I and CDNE in Block F47 Division III and interview with IPM workers, they were understood the IPM technique and implementation.</p>	YES
4.6	<p>Pesticides are used in ways that do not endanger health or the environment.</p> <p>Guidance: <i>The RSPO has identified some examples of alternatives to pesticide use, which include those listed in the 'Research project on Integrated Weed Management Strategies for Oil Palm; CABI, April 2011'.</i></p> <p><i>Pesticides application on peatland and swamp may use IPM methods, such as in the RSPO Manual on Management Practices (BMPs) for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat.</i></p>			
4.6.1	<p>(M) 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.</p> <p>Specific Guidance: <i>For 4.6.1: Measures to avoid resistance on target species (such as application of pesticide rotations) should be applied, which consider less harmful alternatives and IPM.</i></p>			
	<p>a. Does the organization have a policy on safe use of chemicals?</p> <p>b. Does the organization have SOPs for use of selective products that are specific to target pests, weeds, or diseases and which have minimal effect on non-target species?</p>	<ul style="list-style-type: none"> • List of Agrochemicals used by PT. KGP 2017 which approved and registered by Ministry of Agriculture • Register number refer to Pesticide Commission Book "Buku Komisi Pestisida" year 2013. 	<p>The company only used approved and registered agrochemical, permitted by the relevant authority, based on "The Green Book of Pesticides 2013" issued by The Pesticides Commission of the Agricultural Ministry of the Republic of Indonesia. As seen on the records, agrochemicals used by KNCE and CDNE, PT. KGP were include the following:</p>	YES

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	<p>i. Measures to avoid the development of resistance (such as pesticide rotation) should be applied.</p> <p>ii. Is there a list of all pesticide with target species and justification of use?</p> <p>iii. The justification should consider less harmful alternatives and IPM.</p> <p>c. Is there evidence of implementation of SOP on the ground?</p>	<ul style="list-style-type: none"> Record of Implementation of pesticides rotation usage between glifosat and paraquat. Record of plan and realization for developing Beneficial plants 2017 IPM technique implementation such as: Beneficial plant usage, barnowl reproduction. Field observation in Block I30 Division I and CDNE in Block F47 Division III 	<table border="1" data-bbox="1144 320 1906 651"> <thead> <tr> <th>No</th> <th>Pesticides</th> <th>Actives Ingredient</th> <th>License</th> <th>Expire date</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Starane 200 EC</td> <td>Fluroxipir Methylephyl ester 30%</td> <td>RI.0103011988854</td> <td>15 April 2019</td> </tr> <tr> <td>2</td> <td>Garlon 670 EC</td> <td>Triklopir butoksi etil ester 670 g/l</td> <td>RI. 0103011984695</td> <td>9 September 2018</td> </tr> <tr> <td>3</td> <td>Roll Up 480 SL</td> <td>Isoprofilamina glifosat 480 g/l</td> <td>RI.01030120042133</td> <td>31 December 2018</td> </tr> <tr> <td>4</td> <td>Erkafuron 20 WG</td> <td>Metil Metsulfuron 20 %</td> <td>RI.01030120134861</td> <td>12 December 2018</td> </tr> <tr> <td>5</td> <td>Rolifos 150 SL</td> <td>Glufosinate Ammonium 150 g/l</td> <td>RI.01030120103683</td> <td>13 May 2020</td> </tr> </tbody> </table> <p>It was noted that there were no agrochemicals being used which were not registered during this audit.</p> <p>Measures to avoid development of resistance have been implemented by pesticides rotation between Glyphosate and Paraquat. Less harmful alternatives been applied by developing:</p> <ul style="list-style-type: none"> Growing beneficial plants (<i>Turnera subulatta</i>, <i>Antigonon leptopus</i> and <i>Casia</i> sp.) as host of natural caterpillar predator. Developing owl for rodent control. 					No	Pesticides	Actives Ingredient	License	Expire date	1	Starane 200 EC	Fluroxipir Methylephyl ester 30%	RI.0103011988854	15 April 2019	2	Garlon 670 EC	Triklopir butoksi etil ester 670 g/l	RI. 0103011984695	9 September 2018	3	Roll Up 480 SL	Isoprofilamina glifosat 480 g/l	RI.01030120042133	31 December 2018	4	Erkafuron 20 WG	Metil Metsulfuron 20 %	RI.01030120134861	12 December 2018	5	Rolifos 150 SL	Glufosinate Ammonium 150 g/l	RI.01030120103683	13 May 2020	
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4.6.2	(M) 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.																																					
	<p>a. Does the company have a pesticide application program?</p> <p>b. Is records of pesticides use available?</p> <p>c. Do the records detail the active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications?</p>	<ul style="list-style-type: none"> SOP / SMART / CAR / VIII / TA-PGM, weed control Policy of Paraquat uses form Memorandum Presiden Director No.032/PD/VIII/2015 dated 13 August 2015. Register number refer to Pesticide Commission Book "<i>Buku Komisi Pestisida</i>" List of Agrochemicals used by KNCE 	<p>Organization has defined a pesticide application program in the annual budget and annual work plan in each division.</p> <p>Appropriate dose of herbicide use and the type of job rotations per year has been defined by organization in work program :</p> <ul style="list-style-type: none"> Spraying circle and path three times a year using Rolifos + Erkafuron and Roll up + Starane, Spray a bush two times a year using Rolifos + Erkafuron, Spray a fern two times a year using Rolifos + Erkafuron Spray Asplenium two times a year using Rolifos + Erkafuron 					YES																														

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		<p>and CDNE 2016-2017 which approved and registered by Agriculture Department</p>	<p>Agrochemicals use was well recorded in "Recapitulation of agrochemical use" including active ingredients used and LD50, area treated, amount applied per ha and number of applications. The documents were also recorded dosage of agrochemical use, target species. The records were sighted in KNCE and CDNE. It was noted that dosage applied and application rotation was in accordance to budget.</p> <p>Below is pesticide record of KNCE for period 2015, 2016 and 2017.</p> <p>2015</p> <table border="1" data-bbox="1144 579 1877 770"> <thead> <tr> <th>Type of Pesticide</th> <th>UOM</th> <th>Volume</th> <th>Application Area (Ha)</th> <th>Pesticides Unit/Ha</th> </tr> </thead> <tbody> <tr> <td>Erkafuron 20 WG</td> <td>Ltr</td> <td>75</td> <td>273.35</td> <td>0.2744</td> </tr> <tr> <td>Garlon 670 EC</td> <td>Kg</td> <td>2</td> <td>61.00</td> <td>0.0328</td> </tr> <tr> <td>Rolixone 276 SL</td> <td>Ltr</td> <td>130</td> <td>251.17</td> <td>0.5176</td> </tr> <tr> <td>Roll Up 480 SL</td> <td>Ltr</td> <td>360</td> <td>942.99</td> <td>0.3818</td> </tr> </tbody> </table> <p>2016</p> <table border="1" data-bbox="1144 834 1877 1058"> <thead> <tr> <th>Type of Pesticide</th> <th>UOM</th> <th>Volume</th> <th>Application Area (Ha)</th> <th>Pesticides Unit/Ha</th> </tr> </thead> <tbody> <tr> <td>Starane 200 EC</td> <td>Ltr</td> <td>44.89</td> <td>1,203.6</td> <td>0.0373</td> </tr> <tr> <td>Garlon 670 EC</td> <td>Kg</td> <td>151.42</td> <td>526.2</td> <td>0.2878</td> </tr> <tr> <td>Roll Up 480 SL</td> <td>Ltr</td> <td>1,494.10</td> <td>6,952.2</td> <td>0.2149</td> </tr> <tr> <td>Erkafuron 20 WG</td> <td>Ltr</td> <td>74.28</td> <td>3,687.0</td> <td>0.0201</td> </tr> <tr> <td>Rolifos 150 SL</td> <td>Ltr</td> <td>1,799.45</td> <td>2,944.7</td> <td>0.6110</td> </tr> </tbody> </table> <p>2017 (August)</p> <table border="1" data-bbox="1144 1121 1877 1345"> <thead> <tr> <th>Type of Pesticide</th> <th>UOM</th> <th>Volume</th> <th>Application Area (Ha)</th> <th>Pesticides Unit/Ha</th> </tr> </thead> <tbody> <tr> <td>Starane 200 EC</td> <td>Ltr</td> <td>91.62</td> <td>1,715.10</td> <td>0.053</td> </tr> <tr> <td>Garlon 670 EC</td> <td>Kg</td> <td>22.05</td> <td>113.30</td> <td>0.194</td> </tr> <tr> <td>Roll Up 480 SL</td> <td>Ltr</td> <td>1,446.50</td> <td>5,504.90</td> <td>0.262</td> </tr> <tr> <td>Erkafuron 20 WG</td> <td>Ltr</td> <td>46.20</td> <td>2,027.20</td> <td>0.022</td> </tr> <tr> <td>Rolifos 150 SL</td> <td>Ltr</td> <td>1,250</td> <td>1,801.60</td> <td>0.693</td> </tr> </tbody> </table>	Type of Pesticide	UOM	Volume	Application Area (Ha)	Pesticides Unit/Ha	Erkafuron 20 WG	Ltr	75	273.35	0.2744	Garlon 670 EC	Kg	2	61.00	0.0328	Rolixone 276 SL	Ltr	130	251.17	0.5176	Roll Up 480 SL	Ltr	360	942.99	0.3818	Type of Pesticide	UOM	Volume	Application Area (Ha)	Pesticides Unit/Ha	Starane 200 EC	Ltr	44.89	1,203.6	0.0373	Garlon 670 EC	Kg	151.42	526.2	0.2878	Roll Up 480 SL	Ltr	1,494.10	6,952.2	0.2149	Erkafuron 20 WG	Ltr	74.28	3,687.0	0.0201	Rolifos 150 SL	Ltr	1,799.45	2,944.7	0.6110	Type of Pesticide	UOM	Volume	Application Area (Ha)	Pesticides Unit/Ha	Starane 200 EC	Ltr	91.62	1,715.10	0.053	Garlon 670 EC	Kg	22.05	113.30	0.194	Roll Up 480 SL	Ltr	1,446.50	5,504.90	0.262	Erkafuron 20 WG	Ltr	46.20	2,027.20	0.022	Rolifos 150 SL	Ltr	1,250	1,801.60	0.693	
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4.6.3	(M) Any use of pesticides shall be minimised 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.																																																																																																		

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<p>Specific Guidance: <i>For 4.6.3: Justification of the use of such pesticides will be included in the public summary report.</i></p>				
	<p>a. Does the company have an IPM plan? b. Has that plan been implemented? c. Is the effectiveness of the IPM plan monitored? d. Are there records showing that the use of pesticides have been minimised in accordance with Integrated Pest Management (IPM) plan? e. Has there been prophylactic use of pesticides? If so, justification must be provided in accordance to National Best Practices.</p>	<ul style="list-style-type: none"> • Document “Plan and Realization Budget Agrochemical” of KNCE and CDNE year 2015 and 2016 • Document report “Agrochemical usage” of KNCE and CDNE year 2015 and 2016 • Site visit and field observation in KNCE and CDNE 	<p>The company have detail pesticide application program for a year period in Annual Plan (Budget). Pesticides uses are recorded in Monthly report. Detail record contain active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications.</p> <p>The use of pesticides has been minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans.</p> <p>It shows that the company's commitment to always reduce pesticide usage and give priority to the prevention of mechanical, biological and integrated pest management.</p> <p>No pesticides usage for pest control. This indicates that the use of natural enemies of owls (<i>Tyto alba</i>) was quite effective to control rats.</p> <p>There was no evidence of prophylactic use of pesticides, all pesticides only used for certain targets of weeds or pests accordance to the plan and best agriculture practice.</p>	<p>YES</p>
<p>4.6.4</p>	<p>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.</p> <p>Specific Guidances: <i>For 4.6.4: Use of paraquat, as one of the restricted use pesticides, shall refer to the Regulation of the Minister of Agriculture No. 24 year 2011. Operators involve in the use of restricted pesticides must be certified by Pesticide Commission (Komisi Pestisida).</i></p>			
	<p>a. Does the company have a complete listing of WHO class 1A, class 1B, and Stockholm or Rotterdam Conventions pesticide? b. Is there a policy, procedure or management plan committing to</p>	<ul style="list-style-type: none"> • Listing of WHO class 1A, class 1B, and Stockholm or Rotterdam Conventions pesticide • Policy of Paraquat uses form Memorandum President Director No.032/PD/VIII/2015 dated 13 August 2015. 	<p>The company has policy on safe use of chemical including pesticides which sated in Memorandum President Director No.032/PD/VIII/2015 dated 13 August 2015. It was verified that no paraquat been used for weed control in 2017, and based on observations in pesticides warehouse, the paraquat stock was empty.</p> <p>Observations in pesticide warehouses have also verified that the physical quantities are in compliance with the inventory records.</p>	<p>YES</p>

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	<p>minimise and eliminate use of these pesticides and paraquat?</p> <p>c. Are there records of minimisation of pesticides and paraquat use?</p> <p>d. Where there is the use of the above pesticides or paraquat, has justification in line with national best practice guidelines been documented?</p> <p>e. Does physical verification of inventory in the chemical store agree back to the inventory records?</p>	<ul style="list-style-type: none"> Policy of Paraquat uses from Regional Controller of West Kalimantan, dated July 21st, 2014 Document "Plan and realization agrochemical" year 2016-2017 KNCE and CDNE 	<p>Record of the paraquat usage in KNCE and CDNE from 2011-2017:</p> <table border="1" data-bbox="1144 363 1547 651"> <thead> <tr> <th>Year</th> <th>KNCE (litre)</th> <th>CDNE (litre)</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>1,960</td> <td>453.53</td> </tr> <tr> <td>2012</td> <td>2,460</td> <td>472.50</td> </tr> <tr> <td>2013</td> <td>1,820</td> <td>370.00</td> </tr> <tr> <td>2014</td> <td>402</td> <td>352.40</td> </tr> <tr> <td>2015</td> <td>1,120.75</td> <td>1,981.10</td> </tr> <tr> <td>2016</td> <td>-</td> <td>-</td> </tr> <tr> <td>2017</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Year	KNCE (litre)	CDNE (litre)	2011	1,960	453.53	2012	2,460	472.50	2013	1,820	370.00	2014	402	352.40	2015	1,120.75	1,981.10	2016	-	-	2017	-	-	
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4.6.5	<p>(M) 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)</p> <p>Specific Guidance : <i>For 4.6.5: Requirement pertaining to Personal Protected Equipment (PPE) shall refer to the Regulation of the Minister of Manpower No.8 year 2010 regarding PPE and Material Safety Data Sheet. Use of pesticides must follow guidance stated on the product's label. If there are gaps between the use of pesticides and the guidance, documented justification should be provided,</i></p>																											
	<p>a. Is there SOP for chemicals/pesticides handling?</p> <p>b. Is there a training plan and training records for workers who apply or handle pesticides?</p> <p>c. Is there evidence that training has been conducted in an appropriate language understood by the workers?</p> <p>d. Are pesticides handled, used or applied only by persons who have completed the necessary training?</p>	<ul style="list-style-type: none"> Training record and certificates of limited pesticides uses for sprayer worker. Field observations to spraying activities and facilities in KNCE (Block I23) and CDNE (Block J32) MSDS of All type of Agrochemical 	<p>Agrochemicals was applied and handled by trained spraying workers who have received usage of limited pesticide training. Training was delivered annually by SMARTRI, Pesticides Commission and Pesticides Supplier, the latest training held on 11 August 2017 for KNCE and CDNE. Training record and certificates were sighted for all sprayers interviewed in KNCE and CDNE. Training covered handling of concentrate agrochemical and spraying method including pesticide hazard. Pesticides application and handling were continuously disseminated in morning briefing.</p> <p>Pesticides always applied in accordance with the product label and storage instruction. All spraying personnel have known well the target of each pesticide, e.g. Glyphosate is for narrow-leaves weeds, Metil Metsulfuron is for wide-leaf weeds.</p>	<p>YES (Major NCR 2017-05 CLOSED)</p>																								

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	<ul style="list-style-type: none"> e. Are the workers involved in chemical handling or application able to demonstrate understanding of the hazards and risks related to chemicals used when interviewed? f. Are pesticides always applied in accordance with the product label? g. Are MSDS for pesticides used readily available for easy reference? h. Is appropriate safety and application equipment provided and used? i. Is PPE used appropriate according to recommendations in any risk assessments done? j. Is appropriate PPE provided and used, and can it be easily replaced if damaged? k. Does the management checked the workers usage of appropriate PPEs? 		<p>Agrochemicals storage was locked areas with limited access. The storage was ventilated. MSDS and hazard symbol label were provided nearby of agrochemicals. Emergency shower and eyewash were also provided to anticipate in case of an emergency of agrochemical handling. PPE for handling of chemicals were provided including boots, apron, safety glass, respiratory mask and hand gloves. The possible spill was managed. Secondary containment was provided around the chemical storage area. Spill kit was also provided in the area.</p> <p>Site visit in KNCE (Block I23, Division I) and CDNE (Block J32, Division III) has been done to observe the spraying and pesticide application in field. Interview with spraying workers were evident that all of them has a good knowledge regarding the pesticide usage and its material usage and toxicity. All the workers has used the personal protective equipment meet with the safety rules and work instruction such as: Aprons, safety goggles, chemical mask, hand gloves (2 type: cotton inside and rubber outside) and safety shoes. The PPE was rinsed by sprayer worker in <i>TUS Bathroom</i>. All precautions attached to the products properly observed, applied, and understood by workers. Some of applications of agrochemicals were not in accordance with the product label and storage instruction. MSDS of all product was understood by workers.</p> <p>Major Non-Conformance 2017-05: The handling of pesticides did not conducted properly.</p> <ol style="list-style-type: none"> 1. Based on field observation, it was found that MSDS Kelthane is not available at Pesticides Warehouse-Kencana Eatate. 2. Based on field observation in spraying activity in Block I-23 Division I Kencana Estate, it was found inconsistency in pouring herbicides into the knapsack. <p>Verification of Effectiveness:</p> <ol style="list-style-type: none"> 1. a. MSDS of Kelthane was provided at pesticide warehouse on 28 September 2017. During site visit on 14 November 2017, Kelthan was sent 	

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			<p>to Kenari Estate (sister estate) PT Bangun Nusa Mandiri as much as 55 EA on 31 October 2017. Receipt note was evident. Kelthan is used for nursery. No more nurseries in Kencana Estate. Kenari Estate request sending of Kelthane through letter #015/EM-KNRE/09/2017 dated 26 September 2017.</p> <p>b. Dissemination regarding SOP/SMART/HESS-EHSD/SADV//016 was conducted on 19 October 2017 by PCDV Team HO Jakarta to SPO of all Management Units. List of attendance was evident.</p> <p>c. Form of general inspection (F/ SMART/HESS-EHSD/SADV/016/001) was used to check condition of pesticide warehouse. Inspection is conducted monthly including availability of MSDS, hazard symbol.</p> <p>2. a. Division assistant was disseminated work instruction of upkeep to sprayer operator regarding dilution of pesticides, pouring of pesticides solution to knapsack, PPE use, PPE handling after use, etc.:</p> <p><u>KNCE:</u> Div. I: 27 September 2017 Div. II: 24 October 2017 Div. III: 20 October 2017 Div. IV: 20 October 2017 <u>CDNE</u> on 20 October 2017</p> <p>b. Circular letter #006/RC-KTP2/INT/X/2017 from RC Ketapang 2 to all Manager Region Ketapang 2 dated 25 October 2017 regarding Assignment Letter of Officer of Mixing and <i>penuangan</i> of Pesticides was made. Circular letter mention each Division shall be assigned one dedicated officer to mixing and <i>penuangan</i> of pesticides. Circular letter also mention roles and responsibility of the officer.</p> <p>c. Assignment letter of mixing and <i>penuangan</i> of pesticides officer was evident: Division I: Kristina Division II: Adit Triana Division III: Marten Lende Division IV: Sugianto</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>d. SPO officer conducted inspection on spraying activity monthly. First was conducted on 23 October 2017 regarding understanding of IK, MSDS, hazard symbol, PPE, etc.</p>	
4.6.6	<p>(M) 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).</p> <p>Specific guidance: <i>For 4.6.6: Some regulations regarding pesticides are:</i></p> <p>a. <i>Government Regulation No. 18 year 1999 regarding Toxic and Hazardous Materials Management</i></p> <p>b. <i>List of Toxic & Hazardous Materials from specific source, unspecific source, expired chemical, leaked chemical, residue, container, or product disposal which does not comply with the specification of Government Regulation No. 85 year 1999 regarding changes of Government Regulation No. 18 year 1999 regarding the Management of Hazardous and Poisoned Waste.</i></p> <p>c. <i>FAO International Code of Conduct on the distribution and use of pesticides and its guidance and supported by relevant industrial guidance (see Annex 1).</i></p> <p>d. <i>Regulation of the Minister of Agriculture No. 01/Permentan/OT.140 /1/2007 regarding List of Banned and Restricted Pesticide (based on active ingredients).</i></p> <p>e. <i>Regulation of the Minister of Agriculture No. 24/Permentan/SR.140/4/2011 regarding Requirement and Mechanism to Register Pesticide.</i></p> <p>f. <i>Stockholm Convention regarding Consistent Organic Pollutant which had been ratified with Act No. 19 year 2009</i></p> <p>g. <i>Guidance for Advancement of Pesticides usage, Directorate General of Infrastructure and Facilities, Ministry of Agriculture (2011)</i></p>			
	<p>a. Has the SOP for pesticide storage been documented and implemented?</p> <p>b. Are all pesticides stored according to recognised best practices?</p> <p>c. Is there evidence that empty pesticide containers are properly stored and disposed off and not used for other purposes?</p> <p>d. Is there evidence observed in the field that pesticide containers are indiscriminately disposed (in dump site) or used for other purposes, .e.g. as waste containers, flower pots?</p>	<ul style="list-style-type: none"> • Work instruction of pesticide storage KGP-KTP2/IK/18 • Documented work instruction ex-pesticide containers handling (IK/SMART/LEMS-EHSD/SADV/002/001) • Hazardous wastes manifests records • Log of empty pesticide containers • Site visit to estate divisions warehouse, central warehouse and temporary storage of hazardous waste • The training list of attendance and training material on 11 August 2017 	<p>Work instruction described storage of pesticide base on FIFO, storage was locked (limited access), provision of MSDS, PPE use when pesticide handling, etc. Pesticides were stored in the determined area separated from fertiliser and other chemicals. Pesticides storage was provided in central warehouse. Pesticides storage was locked areas with limited access. The storage was ventilated through cross flow ventilation. MSDS and hazard symbol label were provided nearby of pesticides. Emergency shower and eyewash were also provided to anticipate in case of an emergency of chemical handling. PPE for handling of chemicals were provided including boots, apron, safety glass, respiratory mask and hand gloves. The possible spill was managed. Secondary containment was provided around the pesticides storage area. Spill kit was also provided in the area.</p> <p>Not all empty pesticides containers were triple rinsed, the jerry can were reused to spraying activities, while bottles containers were categorized as B3 (hazardous waste) that sent to temporary storage of hazardous waste, then was managed by third party (PT. Primanru Jaya) that also licensed to managed contaminated pesticide containers as statement letters from environment ministry No. B-11165/Dep.IV/LH/PDAL/10/2013 valid for 5 years. Records of</p>	<p>YES (Major NCR 2017 – 06 CLOSED)</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>manifest hazardous waste were evident for period April 2017.</p> <p>Liquid waste from pesticides was reused for the next spraying application as regulate within the work instruction ex-pesticide containers handling (IK/SMART/LEMS-EHSD/SADV/002/001).</p> <p>Major Non-Conformance 2017-06: CDNE</p> <ol style="list-style-type: none"> a. Empty pesticide containers (jerican ex. Rolimex) were used for other purpose, e.g. storage of gasoline in oil storage and storage of used oil in workshop. b. Empty pesticide containers stored in the temporary storage of hazardous waste still contained residual pesticides, e.g. Starane and Garlon. <p>Verification of Effectiveness:</p> <ol style="list-style-type: none"> 1. <ol style="list-style-type: none"> a. Container for gasoline and used oil has been replaced with the new ones. b. Empty pesticide containers have been sent to temporary storage of hazardous waste and recorded in the Log Book of hazardous waste. c. Dissemination regarding IK/SMART/LEMS-EHSD/SADV/002/001 including ex pesticide container handling to SPO Officer, Division Assistant was conducted on 28 October 2017 by FSIM (Field Sustainability Implementation Manager) d. SPO Office Unit has disseminated regarding prohibition using empty pesticide containers for other purpose, e.g. gasoline and used oil to warehouse and workshop operator on 28 September 2017 e. General inspection to TPS LB3 is conducted by SPO Officer monthly. First was conducted on 27 October 2017. f. New jerry can were bought on 28 September, 6 and 14 October 2017. Bill was evident. 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			2. a. Triple rinse was conducted on 29 September 2017 to all ex pesticide containers. b. Circular Letter #001/SE/EM-CDNE/INT/10/2017 from Estate Manager to all Assistant Division dated 16 October 2017 regarding collecting of ex pesticide containers, rinsing and send to temporary storage of hazardous waste. c. Dissemination regarding chemical and hazardous waste handling from FSIM to all SPO Management Units was conducted on 20 October 2017.	
4.6.7	Application of pesticides shall be by proven methods that minimise risk and negative impacts.			
	a. Is there work instruction for pesticide application? b. Is there training provided on work instruction including risk and impacts of pesticide applications?	<ul style="list-style-type: none"> • SOP/SMART/MCAR/ XII/TA-PTM (Mature Upkeep) • SOP/SMART/MCAR/VIII/TA-PGM (Control of Weeds). • PPE used by sprayers in Field observation in KNCE (Block I23) and CDNE (Block J32) • MSDS of All type of Agrochemical • Minutes of meeting the training record on 11 August 2017 • Field observation to spraying activity in KNCE (Block I23) and CDNE (Block J32) 	<p>Personnel interviewed can clearly explain the type of work including work methods and goals, materials used (pesticides) including the dosage and danger, personal protective equipment (PPE) and first aid. Several BKM (group leader report) of circle weeding spray using agrochemicals was sighted. It was noted that agrochemicals (Roll up, Starane and Garlon) used were approved and registered agrochemical. Dosage of agrochemical use, target species was in line with the procedure (SOP/SMART/MCAR/ XII/TA-PTM "Mature Upkeep" and SOP/SMART/MCAR/VIII/TA-PGM "Control of Weeds"). BKM recorded target species, dosage and trained spraying officer.</p> <p>Sprayer persons found in field observation at Block H-31 Division 3 CDNE have used the personal protective equipment meet with the safety rules and work instruction such as: Aprons, safety goggles, chemical mask, hand gloves and safety shoes. All applications of agrochemicals were in accordance with the product label and storage instruction. MSDS of agrochemical used in field was understood by workers since it was presented in Bahasa Indonesia.</p> <p>The plantation has implemented S4 (Selective Spraying and Site Specific) to minimize negative impact of agrochemical. Agrochemical is only used in targeted weeds, no spraying in riparian buffer zones. The organization committed to always control aspects of the environment and prevent environmental impacts and create a safe working environment for all employees.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			All spraying operators have been trained. Training for all sprayers was conducted annually and was held on 11 August 2017 by SMATRI. Training record such as training modules, attendance list and photograph were evident.	
4.6.8	(M) 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			
	<p>a. Has aerial spray been applied? If yes, is there documented justification?</p> <p>b. Is the impact and risk associated with aerial application documented and made available?</p> <p>c. Are the identified affected communities informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application?</p>	<ul style="list-style-type: none"> • Monthly Report 2016-2017 • Field observation to spraying activity in KNCE (Block I23) and CDNE (Block J32) 	<p>Based on observed Monthly Report of KNCE and CDNE and field observation during audit, there are no pesticides applied aerially. Last activities for aerial spray was April 2017</p> <p>The impact and risk associated with aerial application was documented and was available during audit. Fertilization activity has been mentioned in AMDAL PT. Kencana Graha Permai dated 7 July 2008 and specific has been mentioned in the UKL UPL Air Strip PT. Kencana Graha Permai Y2015 as per Ketapang Regent's Decree No.864/KLH-B/2015 dated 29 December 2015. The OHS Risk-ASDAM <i>Lingkungan</i> 2017 and SIA 2017 document and also IK/SMART/MCAR/IX/TAJ-PPK/10-<i>Pemupukan dengan Pesawat</i> was also has been mentioned this activity. The aircraft fertilization activity has done by PT. KGP and in cooperation with PT. Elang Nusantara Air with Agreement Letter No. 012/ENA/JS-PPK/01/2017 dated 2 January 2017.</p> <p>The affected communities has been identified by management and provided with information prior to aerial applications.</p>	Yes
4.6.9	Evidence of training on handling pesticide for workers and scheme smallholder (if any) shall be available			
	<p>a. Has the company provided information materials on pesticide handling to all employees and associated smallholders (if any) (see Criterion 4.8)?</p> <p>b. Is there evidence of periodic training (in appropriate language) of employees and associated smallholders on pesticide handling?</p>	<ul style="list-style-type: none"> • Training record and certificates of limited pesticides uses for sprayer worker KNCE, CDNE, KNNA, KNCA on 11 August 2017 • Field observation to spraying activity in KNCE (Block I23) and CDNE (Block J32) • MSDS of All type of Agrochemical 	<p>Employee knowledge and skills on pesticide handling maintained based on observation an interview with them at KNCE (Block I23) and CDNE (Block J32). It was verified during observation with employees about handling pesticides was appropriate with the regulation.</p> <p>Appropriate information materials on pesticide handling were provided. Every workers gets instruction from the Foreman every day in <i>Lingkaran Pagi</i> (morning briefing) prior to work. MSDS was available at spraying location brought by the Foreman; each spraying worker interviewed understood active material in pesticides and its danger. There was smallholder associated with estate</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>Note: Interview with workers and smallholders on their knowledge and skills in pesticides handling.</i></p>		<p>(Kenanga Kemitraan/KNNA and Kencana Kemitraan/KNCA).</p> <p>Applications of pesticides have considered various factors such as the environment, safety and weather. Warning sign as restricted area available at the spraying location so that no one can enter the location.</p> <p>All spraying operators (KNCE, CDNE, KNNA, and KNCA) was trained. Training for all sprayers was conducted annually and was held on 11 August 2017 by SMATRI. Training record such as training modules, attendance list and photograph were evident.</p>	
4.6.10	<p>Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated</p>			
	<p>a. Is there an SOP for proper disposal of waste material?</p> <p>b. Is there training provided to workers and managers on proper waste disposal?</p> <p>c. Is there evidence of implementation of proper ways for waste disposal by the company?</p>	<ul style="list-style-type: none"> • Work instruction of pesticide storage KGP-KTP2/IK/18 • Documented work instruction ex-pesticide containers handling (IK/SMART/LEMS-EHSD/SADV/002/001) • Hazardous wastes manifests records • Log of empty pesticide containers • Site visit to estate divisions warehouse, central warehouse and temporary storage of hazardous waste • The training list of attendance and training material on 11 August 2017 	<p>Not all empty pesticides containers were triple rinsed and not all the jerry can were reused to spraying activities. Bottles containers were categorized as B3 (hazardous waste) that sent to temporary storage of hazardous waste, then was managed by third party (PT. Primanru Jaya) that also licensed to managed contaminated pesticide containers as statement letters from environment ministry No. B-11165/Dep.IV/LH/PDAL/10/2013 valid for 5 years. Records of manifest hazardous waste were evident for period April 2017.</p> <p>Liquid waste from pesticides was reused for the next spraying application as regulate within the work instruction ex-pesticide containers handling (IK/SMART/LEMS-EHSD/SADV/002/001).</p> <p>Training regarding disposal of waste material has been conducted to all workers on 11 August 2017. Based on interview with workers.</p> <p>Major Non-Conformance 2017-06: CDNE</p> <p>1. Empty pesticide containers (jerican ex. Rolimex) were used for other purpose, e.g. storage of gasoline in oil storage and storage of used oil in workshop.</p>	<p>YES (Major NCR 2017 - 06 CLOSED)</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>2. Empty pesticide containers stored in the temporary storage of hazardous waste still contained residual pesticides, e.g. Starane and Garlon.</p> <p>Verification of Effectiveness:</p> <ol style="list-style-type: none"> 1. <ol style="list-style-type: none"> a. Container for gasoline and used oil has been replaced with the new ones. b. Empty pesticide containers have been sent to temporary storage of hazardous waste and recorded in the Log Book of hazardous waste. c. Dissemination regarding IK/SMART/LEMS-EHSD/SADV/002/001 including ex pesticide container handling to SPO Officer, Division Assistant was conducted on 28 October 2017 by FSIM (Field Sustainability Implementation Manager) d. SPO Office Unit has disseminated regarding prohibition using empty pesticide containers for other purpose, e.g. gasoline and used oil to warehouse and workshop operator on 28 September 2017 e. General inspection to TPS LB3 is conducted by SPO Officer monthly. First was conducted on 27 October 2017. f. New jerry can were bought on 28 September, 6 and 14 October 2017. Bill was evident. 2. <ol style="list-style-type: none"> a. Triple rinse was conducted on 29 September 2017 to all ex pesticide containers. b. Circular Letter #001/SE/EM-CDNE/INT/10/2017 from Estate Manager to all Assistant Division dated 16 October 2017 regarding collecting of ex pesticide containers, rinsing and send to temporary storage of hazardous waste. c. Dissemination regarding chemical and hazardous waste handling from FSIM to all SPO Management Units was conducted on 20 October 2017. 	
4.6.1 1	(M) Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Is there an updated list of pesticide operators?</p> <p>b. Is there records of annual medical surveillance of pesticide operators?</p> <p>c. Is there medical and treatment records of all pesticide operators?</p>	<ul style="list-style-type: none"> List of pesticide operator update September 2017 MCU recapitulation report (F/SMART/HESS-EHSD/SADV/012/004) 	<p>List of pesticides operator was shown and updated periodically. There were 31 operators listed covered 4 division at Kencana Estate and 31 operators listed covered 4 division at Cendana Estate. Specific health surveillance has been performed for all pesticide operators included cholinesterase, spirometry, and audiometry for employees at high risk area such as boiler and power house area. Spirometry was conduct to employees who work or handling chemical such as chemical warehouse operator, spraying workers, laboratory operator, and WTP operator. The MCU report was evident. The specific health surveillance was planned to be conducted twice a year for spraying worker and annually for all workers. MCU was held by internal doctor. The last medical check-up at estate was held on:</p> <ul style="list-style-type: none"> Kencana Estate: 13 June 2017 for spirometry and cholinesterase; 11 – 24 August 2017 for physical assessment Cendana Estate: 14 June 2017 for spirometry and cholinesterase; 11 – 24 August 2017 for physical assessment Kenanga Mill: 17 June 2017 for cholinesterase, spirometry and audiometry; 8 September 2017 for physical assessment. <p>From MCU recapitulation report all workers were fit to work. Dissemination of health surveillance results have also been conducted to the workers.</p> <p>Major Non-Conformance 2017-07: MCU result period 2017 for spraying worker named Tuslam and group leader named Aldonova cannot be shown during audit.</p> <p>Verification of Effectiveness:</p> <ul style="list-style-type: none"> The MCU Result was shown on behalf Tuslam and Aldonova. The MCU was conducted on 3 October 2017 by Dr. Riswan (Company Doctor). The documentation was shown during FU audit (photo, attendance list, and result of MCU in line with FORM FSMART/HESS-EHSD/SADV/012/003). The MCU was include physical examination, cholinesterase and spirometry. The MCU result for Tuslam and Aldonova with categories “fit to work” Corrective action have been implemented: 	<p>YES (Major NCR 2017 – 07 CLOSED)</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>a. Already available Circular Letter from Regional Control (RC) Ketapang 2 No.003/RC-KTP2/INT/X/2017 dated 16 October 2017 about "Special Medical Check for workers related to chemical application twice every years. The circular letter was dissemination to all unit manager and all foreman/supervisor. The evidence of dissemination was shown during FU Audit, in KNCE on 26 October 2017 at Division I and III, on 25 October 2017 at Division II and IV. CDNE; on 25 October 2017 at Division I and II, on 24 October 2017 at Division III and IV.</p> <p>b. Manager was conducted review to the result of MCU Semester I 2017. Already available the result of verification on 2 November 2017 in KNCE-CDNE the result show that the other workers was followed periodic checks.</p> <p>c. Already available the document of requisition for SOP revision from Field Sustainability Implementation Manager (FSIM)-KGP to HO-Jakarta related the additional job desk for Unit Manager/ Head of P2K3 to ensure MCU conducted in line with SOP. The SOP revision was approved by Division Head PCDV Jakarta.</p>	
4.6.1 2	(M) Records shall be available to show that spraying is not conducted by pregnant or breast-feeding women.			
	<p>a. Is there a policy statement preventing pregnant and breast-feeding women from handling pesticides?</p> <p>b. Is there a lists of female workers handling pesticides available?</p> <p>c. Does the company have a system to identify pregnant and breast-feeding women?</p> <ul style="list-style-type: none"> • Is there evidence showing that pregnant and breast-feeding women are not allowed to handle pesticides? 	<ul style="list-style-type: none"> • Circular Letter about Prohibition of the Pregnant - Breastfeeding Woman Workers for Spraying • List of woman sprayer at KNCE and CDNE, on October - September 2017 • Pregnant test for CDNE date on October - September 2017 • Interview with sprayer and gender committee date on 26 & 27 September 2017 	<p>The company have circular letter about prohibition of the Pregnant - Breastfeeding woman workers for spraying. Based on field visit and interview with sprayers, it was no woman sprayer at KNCE. For woman sprayers only at CDNE. Health checks of the woman sprayer including pregnancy tests that conducted every 4 (four) months and the last performed date on 22 August 2016 (stage 1) and 01 September 2016 (stage 2) and recorded in the medical checks sprayers in the clinic. Monthly menstruation monitoring conducted also by Nurse and Division Assistant. It was recorded in company's clinic.</p> <p>So for workers who are pregnant and breastfeeding not employed for activities related to chemicals, it is sign when field observations and conducted checks on sprayers.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
4.7	<p>An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p>Guidance: <i>Growers and millers should ensure that the workplace, machinery, equipment, transport and processes under their control are safe and without undue risk to health. Growers and millers should ensure that the chemical, physical and biological substances and agents under their control are without undue risk to health, and appropriate measures are taken if needed. All indicators apply to all workers regardless of status.</i></p> <p><i>The health and safety plan should also refer to the Government Regulation No. 50 year 2012 regarding Application of Occupational Health and Safety Management System.</i></p>			
4.7.1	(M) A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored.			
	<p>a. Is there a health and safety policy in place?</p> <ul style="list-style-type: none"> • Is it written in an appropriate language? • Has the policy been approved by an authorized personnel and dated? • Does the policy cover mitigation of risks to workers health and safety at all workplace activities? • Are the workers aware of and understand the policy? <p>b. Is there a health and safety plan in place?</p> <ul style="list-style-type: none"> • Does the plan include targets for improving occupational health and safety? • Does the plan reflect guidance provided in the ILO Convention 184 (see Annex 1)? 	<ul style="list-style-type: none"> • Occupational Health and Safety Policy dated 1 December 2013 • OHS Target and Plan 2017 (F/SAMRT/HESS-EHSD/SADV/003/002) update 4 January 2017 • Management review meeting on 13 September 2017 • Notes of Meeting Safety Committee 2016 and 2017 • Risk assessment register 2017 • OHS Training Records 2016 and 2017 • OHS Training Plans 2017 • Evaluation Records of Emergency Simulation • Measurement Report of OHS Parameters Period 31 August 2016 by MAL laboratory • Valid permit of lifting equipment, machinery etc. • Safety Working Permit Records • Observations of OHS implementation 	<p>OHS policy is established and reviewed by Management as dated on 1 November 2013 consisting commitment to increase level of safety and health including prevention from injury and work related disease. OHS policy was written in Bahasa Indonesia and displayed at strategic locations of estate and mill and communicated to employees including contractor workers. The records of dissemination were also evident, based on interview workers understand and aware about the policy.</p> <p>An OHS plan was documented as part of internal system such as objective, target and program, management review, internal audit program, medical check-up, emergency simulation program, inspection and renewal permit of working equipment, PPE distribution, monitoring physical and chemical factor at work area, monitoring and measurement program. OHS target 2017 such as zero accident, PPE implementation 100%, and training realization 70%.</p> <p>Implementation of activities were sighted such as several monitoring and measurement activities along year 2016 and 2017 consisting firefighting simulation using fire extinguisher at emplacement, PPE inspection, monitoring fire extinguisher and hydrant box, physical and chemical measurement at work area (noise, vibration, dust, air quality, etc.), health surveillance, water quality, etc. Vibration and work environment measurement (ISBB) was held at sterilizer, press, kernel, boiler station, tractor, and engine room; the result was inline with Permenakertrans 11/2013. Last conduct on 31 August 2016 by Mutu Agung Lestari Testing Laboratory. Testing period every 2 years as stated on procedure</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	c. Is there evidence of implementation of the plan? d. Is the effectiveness of the health and safety plan monitored? e. Is the health and safety plan made publicly available? f. Is there an action plan if targets are not achieved?	on spraying activities (block P41 Division IV), and harvesting activities (block N39 Division IV), warehouse and workshop, loading/ unloading, production process including utilities, workshop, storage and laboratory.	SOP/SMART/HESS-EHSD/SADV/II/016 – OHS monitoring standard. Monitoring of the safety plan was conducted by regular safety meeting once in a month. Several action plans were raised for the unachieved safety targets and plans. The safety target and plan was also publicly available via company website. All heavy equipment operators as tractor, excavator, and crane has been SIO/specific operator licence valid through 21 February 2019, there were SIO/specific operator licence for welder valid through October 2017 named Dibyo Setyo Wicaksono and M. Yusuf.	
4.7.2	(M) A documented risk assessment shall be available and its implementation shall be recorded. Specific Guidance: <i>For 4.7.2: All precautions attached to products shall be properly observed, understood, and applied.</i>			
	a. Have risk assessments been conducted for all operations where health and safety is an issue? b. Does the risk assessment cover all the organization's processes and activities? c. If any accidents had occurred, were these included in the risk assessments with action plans to prevent further recurrence? d. Have the procedures and action plans been documented and implemented to address the identified issues? e. Have all precautions attached to products been properly observed and applied to the workers?	<ul style="list-style-type: none"> • SOP Hazard Identification Risk Assessment Determining Control (HIRAC/ISBPR) – SOP/SMART/HESS-EHSD/SADV/II/002 dated 1 July 2014) • Documented procedure SOP/SMART/HESS-EHSD/SADV/II/015 – Safe work permit. • Documented procedure SOP/SMK3/SMART/LH-19 – Lock out tag out (LOTO) • HIRADC/ISBPR Form (F/SMART/HESS-EHSD/SADV/002/002) update 4 January 2017 for Kencana Estate; 10 January 2017 for Cendana Estate; and 11 January 2017 for Kenanga Mill • WI Storage Tank Cleaning (IK/SMART/MCMD/II/TM-PKS/11) • Procedure SOP/SMK3/SMART/LH-02 	Risk Assessment for all operations regarding to health and safety was available within the scope of oil palm mill processes activities and agricultural estate activities has already conducted, as it was considered the stages of OHS risk control hierarchy such as elimination, substitution, engineering, administrative and PPE (Personnel Protective Equipment) in order to OHS risk precautions. Risk assessment were reviewed annually and should any accident has occurred. The last reviewed for was on 4 January 2017 for Kencana Estate; 10 January 2017 for Cendana Estate; and 11 January 2017 for Kenanga Mill. Mill risk assessment cover processes and activities attached to the realisation of product CPO such as: weighing bridge, boiler, engine room, loading ramp, sterilizer, threshing, pressing, kernel operation, clarification, office, lab, dispatch CPO, firefighting simulation, water treatment, chemical warehouse, etc. Estates risk assessment covers processes and activities such as: spraying, fertilizing, weeding, replanting, road maintenance, firefighting simulation harvesting, transportation, warehouse, workshop, infrastructure, policlinic, etc. It also covered all the risk attached to the products. Several OHS procedures related to the risk assessment were established such as: <ul style="list-style-type: none"> • Fire Fighting Procedure 	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<ul style="list-style-type: none"> • LOTO procedure • Emergency Response Procedure • Chemical Handling Procedure • Etc. <p>OHS induction was performed by Safety Officer at mill and estates. Utility equipment were available and installed such as boilers, sterilised, steam vessel, compressors, generator, heavy equipment and lifting equipment. This equipment have been inspected and tested by local authority and the records were evident.</p> <p>Boiler operation was monitored its parameters including pressure, temperature and water level, these parameters were recorded. Boiler was completed with automatic water feeding to prevent over heat and explosion in case of less water level. Records of internal inspection and maintenance to the equipment were sighted e.g. electrical inspection, compressor inspection, welding equipment, and heavy equipment. Moving parts of machine/equipment generally has been covered or guarded. There was also safety patrol/inspection activity conducted monthly to identify any unsafe acts and conditions; findings were followed up as appropriate.</p> <p>Safety sign was provided to make workers aware on this hazard and risk. Electrical hazard symbol was provided at electrical panel. Housekeeping at Mill and Estate (office estate, storage, and workshop) in general was well monitored. Access for workers to workplace in general also good e.g. stair was provided with hand rail and platform at height was provided with border to prevent fall risk. Vertical stair in general has been provided with cover as well.</p> <p>Lock out tag out (LOTO) procedure has also been established and implemented especially intended for risk control of maintenance activities. There was also detailed working instruction which described process for conducting activities including requirement concerning to OHS aspects such as requirement of PPE. Working instructions were sighted such as spraying, harvesting, pesticide preparation, etc.</p> <p>The procedure for critical activities was established (SOP/SMART/HESS-</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>EHSD/SADV//2015 dated 1 July 2014). The procedure was covering OHS control for working in confined space (e.g. cleaning of storage tank), working at height and welding. Work permit system was established. Last cleaning tank was held on 23 August 2017 for tank No.1 and 14 June 2017 for tank No.2 implemented the safety working permit process. The records were shown and maintained properly.</p> <p>The PPE for each activity has been established, e.g. working at mill, working at generator set, welder, working at laboratory, harvester, sprayer, fertilizer storage, chemical storage, etc. Observation during this audit generally concluded that PPE has been well provided and implemented. Workers were interview during this audit and generally they understood the risk of their work and the purpose of using PPE.</p> <p>Emergency Response Team has been defined and the emergency flow charts have been established for any kind of emergency situation such as earthquake, fire, flood etc. The awareness of employee was gained with the simulation of emergency response conducted on 21 – 22 June 2017 for estates and 6 June 2017 for Kenanga Mill. Evacuation routes and emergency flowcharts have been socialized during simulation. Emergency signs and boards were provided in several areas. Muster points for each area such as workshop, warehouse, office etc. were sighted.</p> <p>All precautions attached to products been properly observed and applied to the workers. Several controls such as providing PPE and administration control were applied to workers in some activities such as: mill maintenance process, spraying activities, handling of pesticides etc.</p>	
4.7.3	<p>(M) 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.</p> <p>Specific Guidance: For 4.7.3: Adequate and appropriate Personal Protective Equipment (PPE) shall be available to all workers at the workplace based on the result of Identification of Sources of Hazard and Risk Control including all potentially hazardous operations, such as the use of pesticides, operating machinery, land preparation, harvesting and if it is used, burning.</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Are all workers involved in the operation appropriately trained in safe working practices (see Criterion 4.8)?</p> <p>b. Are OSH training programs and training records available and conducted by qualified persons?</p> <p>c. Is adequate and appropriate protective equipment available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning?</p> <p>d. Is PPE provided to workers and replaced when damaged?</p> <ul style="list-style-type: none"> • Does the organization maintain a list of PPE distribution? • Are workers observed wearing appropriate PPE? 	<ul style="list-style-type: none"> • List attendance of Basic Safety Training • SOP PPE Management (SOP/SMART/HESS-EHSD/SADV//I/010) dated 1 July 2014 • PPE distribution records for harvester, loose of fruit picker (<i>pembrondol</i>), spraying worker, and fertilize workers • Field observation at Kencana Estate (harvesting activity at block I27 Division I and spraying activity at block J23/24 Division I) and Cendana Estate (spraying activity at block G42 Division IV). 	<p>All workers involved in the operation have been appropriately trained in safe working practices/Basic Safety Training. The training were conducted by Safety Officer who has been qualified as Safety Officer by the government.</p> <p>OHS training programs 2017 and training records available and kept by safety officer. Training was conducted by qualified persons such as first aid training on 12 August 2017, firefighting simulation training on 21 - 22 June 2017 at Kencana and Cendana Estate, etc.</p> <p>Adequate and appropriate protective equipment was available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. The needs of PPE was determined from HIRAC document or related SOP of activity. The procedure for management of PPE has been established (SOP/SMART/HESS-EHSD/SADV//I/010). The type of PPE used for each activity has been determined, e.g. working at Mill, working at generator set, welder, working at laboratory, harvester, sprayer, fertilizer storage, chemical storage, etc. It also covered the expired time of each PPE.</p> <p>PPE was provided by organisation to workers and replaced when damaged. Observation during this audit generally concluded that PPE has been well provided and implemented. The stock of PPE was listed in warehouse stock card such as googles, mask, gloves etc.</p> <p>Organization maintains a list of PPE distribution in form "List of PPE Distribution". Several records were reviewed such as on 15 August 2017 for fruit picker's gloves, 13 August 2017 for harvester safety boot, 22 August 2017 safety boot for spraying workers.</p> <p>Spraying workers at division I block J23/24 Kencana Estate (named Marten Lende, Tuslam, Deni Chandra, Thomas Anunut, and Suyanto) and division IV block G42 Cendana Estate (named M. Ersan, Yudarwati, Tusrimah, Juminem, Marti, Mursinah, Siami) were interviewed during this audit and generally they were understood the risk of their work and the purpose of using PPE. It was observed that workers were wearing appropriate PPE such as gloves, goggles, shoes, and chemical mask for pesticides operators.</p>	<p>YES (Major NCR 2017 – 08 CLOSED)</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>Major Non-Conformance 2017-08:</p> <p>Based on field observation at harvesting activity on Block I29 Division I, it was shown harvester was not wear glasses as PPE based on HIRAC.</p> <p>Verification of Effectiveness:</p> <ul style="list-style-type: none"> • Field verification was conducted at Block 47 and 48 Division III CDNE, based on field verification was shown that all harvesters are wearing PPE “half face shield”. • The company (Safety Officer and Foreman) was conducted dissemination related the importance of PPE (safety glass/half face shield) to all harvesters: <ul style="list-style-type: none"> - CDNE: All Division (I-IV) on 27 September 2017. - KNCE: Division I and III on 27 September 2017, Division II and IV on 5 October 2017. • The document of PPE (half face shield) distribution to all harvesters in KNCE-CDNE was available: <ul style="list-style-type: none"> - CDNE; Division I and III on 16 October 2017, Division II and IV on 17 October 2017. - KNCE; All Division (I-IV) on 16 October 2017. • Corrective action have been implemented: <ol style="list-style-type: none"> a. Safety Officer (KNCE-CDNE) was reviewed ISBPR on 26 September 2017. Document was shown during FU audit. b. The PR (Purchase Requisition) was already available. The PR No. 10125603 on 26 September 2017 for KNCE, 150 pcs. The PR No. 10125975 for CDNE on 27 September 2017, 150 pcs. <p>The evidence of PPE inspection by Assistant Division and Safety Officer was available.</p> <ul style="list-style-type: none"> - CDNE: Division I-II on 27 October 2017, Division III on 26 October 2017, Division III on 29 October 2017. 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			- KNCE; Division I on 23 October 2017, Division II on 21 October 2017, Division III on 24 October 2017, Division IV on 20 October 2017.	
4.7.4	(M) 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 Specific Guidance: For 4.7.4 : Workers shall be represented in the Advisory Committee for Occupational Safety and Health (P2K3) based on the Regulation of the Minister of Manpower No. 4 year 1987.			
	a. Has the company identified the responsible person/persons to implement OSH? b. Are meetings between the responsible persons and workers conducted on a regular basis, or as required by law, if any? c. Are minutes of meeting recording attendees and issues discussed available? d. Are concerns of all parties about health, safety and welfare discussed at these meetings? <i>Note to Auditor: Interviews with workers reflect compliance to a-d above.</i>	<ul style="list-style-type: none"> Approval Letter of Safety Committee from local government Disnakertrans Ketapang Regent, No.560/426/TKT-B/2017 dated 11 September 2017 for Cendana Estate, No.100/Naker/2017 dated 22 September 2017 for Kencana Estate, and No.106/Naker/2017 dated 22 September 2017 for Kenanga Mill. Notes of Meeting Safety Committee (P2K3) 2016 and January – August 2017, last meeting held on 18 August 2017 on Cendana Estate, 25 August 2017 on Kencana Estate, and 31 August 2017 on Kenanga Mill. 	<p>Cendana Estate:</p> <p>The safety committee (P2K3) at estate was evident and been approved by local authority Disnakertrans Ketapang Regent No.560/426/TKT-B/2017 dated 11 September 2017. The responsible person was identified as Chief of P2K3 (Imam Robhani as estate manager) and secretary (Kiki Errizal Cahya Merta as AK3U/OHS expert) and 20 members that covered evaluation division, monitoring division, research division, counselling division, and health and safety division. P2K3 secretary named Kiki Errizal Cahya Merta has decree letter as AK3U from Ministry of Labour No.Ser.17.5794/AK3/U/VII/2017 dated 31 July 2017 valid for 3 years. Notes of meeting safety committee was held monthly and last conduct on 18 August 2017.</p> <p>Kencana Estate:</p> <p>The safety committee (P2K3) at estate was evident and been approved by local authority Disnakertrans Ketapang Regent No.100/Naker/2017 dated 22 September 2017. The responsible person was identified as Chief of P2K3 (Richard Wibisono as estate manager) and secretary (Chandra Iwantono as AK3U/OHS expert) and 20 members that covered evaluation division, monitoring division, research division, counselling division, and health and safety division. P2K3 secretary named Chandra Iwantono has decree letter as AK3U from Ministry of Labour No.Ser.17.5789/AK3/U/VII/2017 dated 31 July 2017 valid for 3 years. Notes of meeting safety committee was held monthly and last conduct on 25 August 2017.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>Kenanga Mill Safety committee (P2K3) at mill was evidence from Disnakertrans Ketapang Regent No.106/Naker/2017 dated 22 September 2017. Radi as chief of P2K3 and Adil as P2K3 secretary that approved as OHS expert from Ministry of Labour No.Ser.16.3363/AK3/U/VI/2016 dated 20 June 2016. Safety committee has 20 members that covered evaluation division, monitoring division, research division, counselling division, and health and safety division. Notes of meeting safety committee was held monthly and last conduct on 31 August 2017.</p> <p>Notes of Regular Meeting of Safety Committee with workers were evident. Samples were reviewed for period semester II 2016 and semester I 2017. The meeting was planned once in a month as required by Permenaker 04/1987. Several concerns were discussed such as: dissemination of HIRAC, HIV, SCEP policy; work accident dissemination; hazard from animal (snake attack), HIRAC evaluation, monitoring working accident report, PPE inspection, standardises hydrant box, chemical handling, request for safety signs and first aid box. The actions were monitored for realisation and reported to management and local authority.</p> <p>Based on interview with workers it was conform that workers understand regarding safety committee and there was monthly meeting that they attended.</p>	
4.7.5	<p>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.</p> <p>Specific Guidance: For 4.7.5: Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p>			
	<p>a. Are there SOPs for accidents and emergencies?</p> <ul style="list-style-type: none"> Do these cover all major potential emergencies, such as, but not limited to fire, chemical spillage, and potential natural disasters specific for the region, e.g. earthquakes, volcanoes, etc.? 	<ul style="list-style-type: none"> Emergency procedure (SOP/SMART/UMUM/SADV//005 dated 1 July 2014) Incident investigation Procedure (SOP/SMART/HESS-EHSD/SADV//005 dated 1 July 2014) Incident investigation reports form (F/SMART/HESS-EHSD/SADV//005/002) 	<p>Emergency respond procedure written in Bahasa Indonesia was described by SOP/SMART/UMUM/SADV//005 dated 1 July 2014 was covered reporting, responsibility of all members of ERP Team, handling of ERP situation, mitigating of ERP situation, etc. Some situations were identified such as accident, earthquake, flooding, fire, hazardous spillage, explosion etc.</p> <p>The procedure described the roles and responsibilities of each emergency response team include the mechanism how to conduct medical evacuation to near hospital/local health centre, also it was available the emergency contact</p>	<p>NO (Minor NCR 2017 – 09)</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • Are accidents investigated and action taken to prevent recurrence? • Are accident records provided to the local authority in accordance with local legal requirements, if any? • Available in the appropriate language of the workforce? <p>b. Are the instructions on emergency procedures clearly understood by all workers?</p> <p>c. Are assigned operators trained in First Aid present in both field and other operations?</p> <p>d. Is there records of training of the first aiders?</p> <p>e. Is first aid equipment available at worksites? Is the equipment available during conduct of field manual work?</p> <p>e. Are first aid kits adequately stocked and regularly checked in accordance with local legal requirements?</p> <p>f. Are records of all accidents kept and periodically reviewed for continuous improvement?</p>	<ul style="list-style-type: none"> • Record of first aid training on 12 August 2017 • List attendance of emergency simulation, first aid training, procedure dissemination • Training certificate of first aid officer • Record of accident investigation 	<p>number of each internal emergency team and external related parties. Evacuation route and muster point are available and made known to the employee.</p> <p>The structure of Emergency Response Team (ERT) has been established and consist of ERT commander, Fire Fighting Commander, Community Team, Fire Fighting Team, Transportation Team, Communication Team and Evacuation Team. The list of protection equipment for emergency was available such as fire extinguisher, fire engine etc.</p> <p>Emergency respond procedure has been disseminated to workers on 22 June 2017 and attended by all workers. The list of attendance was available. From workers interview in the field it was observed that the workers were clearly understood of what is required in the procedure.</p> <p>Accident procedure written in Bahasa Indonesia was described by SOP/SMART/HESS-EHSD/SADV/005 dated 1 July 2014. Accident and investigation reports described the accident chronology, cause and impacts of the accident and also to find the root causes of the accident happened and establish the corrective and preventive action. Accident investigation has been documented. Accidents happened were investigated and maintained properly. The accident has been reported to the local authority and the risk assessment has been updated to prevent the same accident happened.</p> <p>First Aid operators were available at working area as paramedic and foreman. There were refreshment for first aid trainings by internal paramedic on 12 August 2017. There were first aider at mill and estate that have been certified as first aider from Ministry of Manpower named Suhendi, Linarus, Rasio, and Rani Sardiyanti from Kencana and Cendana Estate; Bayu Sujatmiko, Agus Arik Priyanto, Tumirin from Kenanga Mill. The certificate licence valid through 15 December 2019.</p> <p>The First Aid equipment were available at worksites such as harvesting area and spraying area carried by group leader, mill, office etc. and were checked in accordance with local regulation Permenaker 15/2008.</p> <p>Paramedic was trained Hiperkes on 1 – 5 April 2014 named Elizefry Sitorus, Sarmita Tabin, Veronita Purbadeni from Kencana Estate and Rani Sardiyanti</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>from Cendana Estate, and dr. Riswan as internal doctor. Internal paramedic that does not get hiperkes trained named Ice Manheni, Ice Agustina, and Maria Goreti has been proposed to Disnaker Ketapang Regent based on letter No.007/SMK3/KGP/VIII dated 15 August 2017.</p> <p>Minor Non Conformance 2017-09:</p> <ul style="list-style-type: none"> a. Based on field observation at harvesting activity at Block F49 Division III Cendana Estate it was shown that group leader named Alif was not understood regarding first aid kit such as bandage, gauze, plaster, etc. b. OHS expert that include root cause, preventive, and corrective action cannot be shown during audit at Cendana and Kencana Estate. 	
4.7.6	All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).			
	<ul style="list-style-type: none"> a. Is there evidence that all workers are provided with medical care (refer to Criterion 6.5.3), and covered by accident insurance by the company? For contract workers, the contract between the company and the contractor shall be in compliance. b. For accidents that have occurred, is there evidence that the affected workers received appropriate medical treatment, and was able to claim and receive compensation under the insurance policy (if relevant)? c. Is there evidence that the insurance policies are valid? 	<ul style="list-style-type: none"> • Bank slip payment of medical care and accident insurance (BPJS) period January – September 2017 • Worker medical records 	<p>All workers (permanent, contract workers (<i>borongan</i>), and casual workers) were covered by accident and medical care insurance (BPJS Ketenagakerjaan and BPJS Kesehatan). Slip payment for the medical care (BPJS Kesehatan) were available for payment in September 2017 for 242 permanent workers at Cendana Estate, 351 permanent workers at Kencana Estate, and 151 permanent and contract workers at Kenanga Mill. The insurance care (BPJS Ketenagakerjaan) were available for payment period August 2017 for 150 workers (92 permanent workers and 58 contract workers) at Kenanga Mill; 242 permanent workers, 305 casual workers at Cendana Estate; and (344 permanent workers and contract workers, 239 casual workers) Kencana Estate. The insurances were still valid as seen by the recent slip payment in January – September 2017 for estates and mill.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																									
4.7.7	<p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.</p> <p>Specific Guidance For 4.7.7: Lost Time Accident requirements should refer to Decree of the Minister of Manpower and Transmigration No. 609 year 2012 regarding Guidance to Solve Working Accident Case and work-related Illness.</p>																												
	<p>a. Are occupational injuries recorded using Lost Time Accident (LTA) metrics?</p>	<ul style="list-style-type: none"> • Accident reports and investigation • Frequency rate and severity rate calculation table (YTD August 2017) 	<p>Lost Time Accidents metrics were using to record the accidents and injuries during year 2016 and 2017. The Lost Time accidents and injuries were determined according to Decree of the Minister of Manpower and Transmigration No. 609 year 2012. Safety performance for both mill and estates was calculated using frequency rate (FR) and severity rate (SR). The calculation for FR and SR as below:</p> <ul style="list-style-type: none"> • $FR = \text{total lost time accident} \times 1.000.000 / \text{total man hour}$ • $SR = \text{total lost time hours} \times 1.000.000 / \text{total man hour}$ <p>The calculated FR and SR for mill and estates 2017 were stated as below:</p> <table border="1" data-bbox="1144 842 1845 1070"> <thead> <tr> <th>Unit</th> <th>Year</th> <th>FR</th> <th>SR</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Cendana</td> <td>2016</td> <td>36.29</td> <td>9.55</td> </tr> <tr> <td>2017</td> <td>26.02</td> <td>0</td> </tr> <tr> <td rowspan="2">Kencana</td> <td>2016</td> <td>39.36</td> <td>35.70</td> </tr> <tr> <td>2017</td> <td>26.34</td> <td>15.30</td> </tr> <tr> <td rowspan="2">Kenanga Mill</td> <td>2016</td> <td>39.32</td> <td>441.79</td> </tr> <tr> <td>2017</td> <td>36.25</td> <td>385.55</td> </tr> </tbody> </table> <p>The calculation for frequency rate and severity rate was generated from lost time accident data, employee working hour's data and lost time hours data. The timesheet calculation for each month were shown during audit. Sampling to the raw data regarding lost time hours and lost time accident has been held during audit based on data from clinic.</p>	Unit	Year	FR	SR	Cendana	2016	36.29	9.55	2017	26.02	0	Kencana	2016	39.36	35.70	2017	26.34	15.30	Kenanga Mill	2016	39.32	441.79	2017	36.25	385.55	YES
Unit	Year	FR	SR																										
Cendana	2016	36.29	9.55																										
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	2017	36.25	385.55																										
4.8	<p>All staff, workers, smallholders and contract workers are appropriately trained.</p> <p>Guidance: Workers should be adequately trained on: the health and environmental risks of pesticide exposure; recognition of acute and long-term exposure symptoms including the most vulnerable groups</p>																												

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>(e.g. young workers, pregnant women); ways to minimise exposure to workers and their families; and international and national instruments or regulations that protect workers' health.</p> <p>The training programme should include productivity and best management practice, and be appropriate to the scale of the organisation.</p> <p>Training should be given to all staff and workers by growers and millers to enable them to fulfil their jobs and responsibilities in accordance with documented procedures, and in compliance with the requirements of these Principles, Criteria, Indicators and Guidance.</p> <p>Contract workers should be selected for their ability to fulfil their jobs and responsibilities in accordance with documented procedures, and in compliance with the requirements of the RSPO Principles, Criteria, Indicators and Guidance.</p> <p>Growers and millers should demonstrate training activities for schemes smallholders who provide Fresh Fruit Bunches (FFB) on a contracted basis.</p> <p>Workers on smallholder plots also need adequate training and skills, and this can be achieved through extension activities of growers or millers that purchase fruit from them, This training may be conducted through smallholders' organizations, or through collaboration with other institutions and organizations (See Guidance on Scheme Smallholders', July 2009)</p> <p>The contract workers in Indonesia refer to the Fixed Term Contract (PKWT) and Non-fixed Term Contract (PKWTT) based on the Decree of the Minister of Manpower No. 100 year 2004; and the Regulation of the Minister of Manpower & Transmigration No. 19 year 2012 regarding Requirements for Transfer of Parts of Work to Other Company(ies).</p>	
4.8.1				
	<p>a. Does the company maintain a list of staff, workers, smallholders and contract workers whom training must be provided to?</p> <p>b. Is there a formal training programme in place that covers all aspects of the RSPO Principles and Criteria? Does the formal training program include:</p> <ul style="list-style-type: none"> • Regular assessment of training needs of all staff, workers, smallholders and contract workers; • Training for workers on smallholder plots; • Documentation of all the training assessment needs, 	<ul style="list-style-type: none"> • Training Identification Matrix year 2017 updated on 2 January 2017 • Training Programme 2017 update 2 January 2017 for Kencana Estate and Cendana Estate, and 6 January 2017 for Kenanga Mill • Training records (list attendance, evaluation, documentation, photo) 	<p>Training programme 2017 were sighted both mill and estate. The training programme is established based on the training needs identification matrix and covered all aspects of the RSPO criteria such as safety, environment, social, best practice, human rights, HCV, and ethical. Assessment of training needs was performed using Training Need Matrix Identification region by SPO region. The assessment was conducted once in a year and the records of assessment were maintained properly. All functions were included in this training identification from mill manager, estate manager, assistant head, group leader, operator at mill, sprayer, welder, boiler operator including for contractor (civil, mechanic and transporter).</p> <p>Training programme 2017 such as:</p> <ul style="list-style-type: none"> - Chemical handling and MSDS dissemination (February) - Fire fighter simulation (October) - Fertilize training (August) - Handling chemical spill simulation (July) - Fire extinguisher use training (August) 	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>formal training conducted and the list of participants attending these formal training;</p> <ul style="list-style-type: none"> • Does the training for workers cover, at minimum, to the following: <ul style="list-style-type: none"> ○ The health and environmental risks of pesticide exposure; ○ recognition of acute and long-term exposure symptoms including the most vulnerable groups (e.g. young workers, pregnant women); ○ ways to minimise exposure to workers and their families; ○ International and national instruments or regulations that protect workers' health; and ○ Productivity and best management practice. <p><i>Note to auditor: To interview staff, workers, smallholders and contract workers to verify that the training has been conducted effectively.</i></p>		<ul style="list-style-type: none"> - Training first aid (June) - Dissemination of OHS policy, procedures, WI, waste management (April) - Dissemination of PPE, Risk Assessment (March) - Dissemination of gender committee (May) - Dissemination GSEP (March) - Dissemination of evacuation route (April) - Dissemination of equality of work and prohibition of employing children (February) - Dissemination of HIV/AIDS and narkoba (August) - Dissemination of GHG aspect and zero burning policy (February) - Training LSU (July) <p>The list of attendance and the training handout were evident such as:</p> <ul style="list-style-type: none"> - Snake handling training by CV Ahaetulla Puzzle Nusantara on 16 – 19 May 2017 - Gulma handling training by internal SMARTRI staff on 9 August 2017 - Pesticide use handling by internal SMARTRI staff on 11 August 2017 - First aid training by internal doctor on 12 August 2017 - Fertilize training by internal SMARTRI staff on 10 August 2017 - OHS expert training by PJK3 PT Prasetya Quality on 5 – 17 June 2017 - Dissemination of MSDS on March 2017 - Fire fighter simulation training on 21 – 22 June 2017 - PPE dissemination on 7 July 2017 - Policy dissemination on 14 September 2017 - HIRAC dissemination on 8 March 2017 - Dissemination of maternity leave and red day leave on 8 April 2017 - Dissemination of hazardous waste on 17 April 2017 - Dissemination of hydrant use on 6 June 2017 - HCV training on July 2017 - SCCS training on July 2017 <p>Based on interview to workers (spraying workers at block J23/24 Division I and</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			harvesting workers at block I29 Division I Kencana Estate; spraying workers at block G42 Division IV Cendana Estate) during audit they were aware the need of the training and they were assisted by information provided during training.	
4.8.2	Records of training for each employee shall be maintained.			
	a. Are training records maintained for each employee?	<ul style="list-style-type: none"> • Training Programme 2017 • Personal Training Records of Aldonova (Mandor Spraying), Tuslam (Spraying worker), Thomas Anunut (spraying worker) 	<p>Evidence of training for key persons were verified and sighted and the records were maintained for each employee such as for Aldonova (Mandor Spraying), Tuslam (Spraying worker), Thomas Anunut (spraying worker), Sartono (warehouse officer), and Sarmita Tabin (midwife).</p> <p>The training which has been completed by each person was recorded in Personal Training Record Form. Training realisation records are sighted such as hazardous substance handling training, dissemination of PPE used and OHS aspect on spraying activity, SMART policy dissemination. The personal training records available on hard copy.</p>	YES

PRINCIPLES 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
5.1	<p>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.</p> <p>Guidance: <i>Report on environmental management and monitoring may be in the form of RKL & RPL reports in accordance with the provisions of AMDAL and/or other documents as required in the Environmental Management System (ISO 14000). For environmental aspects which have not yet been included in the Environmental Impact Analysis document (in accordance with government regulation), such as Greenhouse Gas, High Conservation Value, a study may be conducted separately and in accordance with the requirements of the RSPO Principles and Criteria.</i></p> <p><i>If there are impacts identified, that may change the on-going operations, the company should implement corrective actions on the operational practices within this specified period.</i></p> <p><i>Document of environment impact assessment is the environment document based on the existing regulations, such as:</i></p> <ol style="list-style-type: none"> <i>Environmental Impact Assessment (Analisis Mengenai Dampak Lingkungan Hidup/AMDAL) for plantation with areas of > 3000 Ha</i> <i>Environmental Management Effort (Upaya Pengelolaan Lingkungan Hidup/UPL) and Environmental Monitoring Effort (Upaya Pemantauan Lingkungan Hidup/UKL) for plantation with areas of < 3000 Ha.</i> <i>Environmental Management Document (Dokumen Pengelolaan Lingkungan Hidup/DPLH)</i> <i>Environmental Evaluation Document (Dokumen Evaluasi Lingkungan Hidup/DELH)</i> <i>Environmental Information Performance (Penyajian Informasi Lingkungan Hidup/PIL)</i> <i>Environmental Evaluation Performance (Penyajian Evaluasi Lingkungan Hidup/PEL)</i> <i>Environmental Evaluation Study (Studi Evaluasi Lingkungan Hidup/SEL)</i> <i>Environment Management and Monitoring Document (Dokumen Pengelolaan dan Pemantauan Lingkungan Hidup/DPPL)</i> <i>Declaration Letter for Managing and Monitoring Environment (Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup/SPPL)</i> <i>And others recognised by the government.</i> <p><i>Bearing in mind the potential impacts of the development activities to the environment, it is important for the following environmental characteristics to be taken into consideration:</i></p> <ol style="list-style-type: none"> <i>Environment components where their functions will be sustainably preserved and protected, particularly:</i> <ul style="list-style-type: none"> • <i>Protected forest, conservation forest, and biosphere reserve;</i> • <i>Water sources;</i> • <i>Biodiversity;</i> • <i>Air quality;</i> • <i>Natural and cultural heritage;</i> • <i>Environmental comfort;</i> • <i>Cultural values in harmony with the environment</i> 			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>b. Environment components which may structurally change and these changes are considered significant by the communities surrounding the operational areas, such as:</p> <ul style="list-style-type: none"> • Ecosystem function(s); • Land ownership and tenure; • Job and business opportunities; • Community's standard of living; • Public health 		<p>The company shall submit the required periodical environmental management implementation and monitoring report to the relevant authorities. The company is responsible for providing sufficient objective evidence to the audit team demonstrating full compliance to the Environmental Impact Assessment (AMDAL) requirement covering all aspects of plantation and mills operations, as well as incorporating all changes recorded over that period of time.</p> <p>The environmental impact assessment should cover the following activities, where they are undertaken:</p> <ol style="list-style-type: none"> a. Building new roads, processing mills or other infrastructure; b. Putting in drainage or irrigation systems; c. Replanting and/or expansion of planting areas; d. Management of mill effluents (Criterion 4.4); e. Clearing of remaining natural vegetation; f. Management of pests and diseases by controlled burning (referred to clause 11 of Government Regulation No. 4 year 2001 (Criteria 5.5 and 7.7). <p>Impact assessment can be a non-restrictive format e.g. ISO 14001 EMS and/or EIA report incorporating elements spelt out in this Criterion and raised through stakeholder consultation.</p> <p>Environmental impacts may be identified on soil and water resources (criteria 4.3 and 4.4), air quality (criterion 5.6), greenhouse gases calculation analysis, biodiversity and ecosystems, and people's amenity (Criterion 6.1), both on and off-site.</p> <p>Stakeholder consultation has a key role in identifying environmental impacts. The inclusion of consultation should result in improved processes to identify impacts and to develop any required mitigation measures.</p> <p>For smallholder schemes, the scheme management has the responsibility to undertake impact assessment and to plan and operate in accordance with the results (refer to 'Guidance on Scheme Smallholders', July 2009 or its endorsed final revision).</p> <p>The Strategic Environment Study Result (KLHS) by the government, shall be placed as main consideration while conducting replanting</p> <p>Regulations related to the environment documents, are such as:</p> <ol style="list-style-type: none"> 1. Government Regulation (PP) No. 27 of 2012 regarding Environment Permit 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ol style="list-style-type: none"> 2. Regulation of the Minister of Environment No. 13 year 2010 regarding Environment Management and Monitoring Effort (UKL-UPL) and Environment Management and Monitoring Effort (UKL-UPL) and Declaration Letter for Managing and Monitoring Environment (SPKL) 3. Regulation of the Minister of Environment No. 5 year 2012 regarding Environment Evaluation Document (DELH) 4. Regulation of the Minister of Environment No. 14 year 2010 regarding Environment Management and Monitoring Document (DPPL) 5. Regulation of the Minister of Environment No. 12 year 2007 regarding Environment Management and Monitoring Document for Business and or Activities, with Absence of Environment Management Document. 6. Regulation of the Minister of Environment No. 5 year 2012 regarding Types of Business Obligated to Have AMDAL 7. Regulation of the Minister of Environment No. 17 year 2012 regarding Involvement of Community and Information Transparency in the AMDAL Process 8. Regulation of the Minister of Environment No. 8 year 2006 regarding Guidance for AMDAL Preparation 9. Decree of the Head of Bapedal No. No. 299 of 1996 regarding Technical Guidance of Social Aspects Study in Establishing AMDAL 10. Regulation of the Minister of Environment No. 11 year 2008 regarding Competence Requirements for AMDAL Preparation Documents and Requirements for Training Institutions in Conducting Training for AMDAL competence. 11. Regulation of the Minister of Environment No. 15 year 2013 regarding Measurement, Reporting and Verification for Mitigation Action of Climate Change <p><i>In the Regulation of the Minister of Environment No. 14 year 2010, the environment document is a document covering environment management and monitoring, and may be in the form of AMDAL, Environment Management and Monitoring Efforts (UKL-UPL), Declaration Letter for Managing and Monitoring Environment (SPKL), Environment Management and Monitoring Document (DPPL), Study to Evaluation on the Environment Impacts (SEMDAL), Environment Evaluation Study (SEL), Environment Information Performance (PIL), Environment Evaluation Performance (PEL), Environment Management Document (DPLH), Environment Management and Monitoring (RKL-RPL), Environment Evaluation Document (DELH), and Environment Audit.</i></p>			
5.1.1	(M) Environmental impact assessment document(s) shall be available.			
	<p>a. Has an EIA been conducted according to the scope of operation covering at minimum the following:</p> <ul style="list-style-type: none"> • Building new roads, processing mills or other infrastructure; • Putting in drainage or irrigation systems; • Replanting and/or expansion of planting areas; • Management of mill effluents (Criterion 4.4); • Clearing of remaining natural vegetation; 	<ul style="list-style-type: none"> • Initial Environmental Impact Assessment documents (ANDAL, RKL and RPL) approved by <i>Komisaris Penilaian AMDAL</i> West Kalimantan Province (No.546/2008) on July 7th, 2008. • UKL-UPL as the letter from <i>Kantor Lingkungan Hidup</i> Ketapang Regent No.660.1/597/KLH-B on September 22nd, 2011 	<p>Initial Environmental Impact Assessment documents (ANDAL, RKL and RPL) which were approved by <i>Komisaris Penilaian AMDAL</i> West Kalimantan Province (No.546/2008) on July 7th, 2008 for PT Kencana Graha Permai Mill and Estate were available cover 10,000 Ha in Kecamatan Marau, Kabupaten Ketapang, Provinsi Kalimantan Barat and UKL-UPL as the letter from <i>Kantor Lingkungan Hidup</i> Ketapang Regent No.660.1/597/KLH-B on September 22nd, 2011 regarding expansion of mill capacity from 60 to 80 ton FFB per hour that cover 27.6 Ha were available.</p> <p>The EIA (ANDAL, RKL and RPL) has been conducted and documented according to local requirements and include consultation with relevant stakeholders to identify impacts and to develop any mitigation measures. The consultation result and the mitigation has been state at EIA documents.</p> <p>PT Kencana Graha Permai Mill and Estates has ensured that all activities with</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • Management of pests and diseased palms by controlled burning (Criteria 5.5 and 7.7). b. Has the EIA been conducted and documented according to local requirements? c. Does the assessment include consultation with relevant stakeholders to identify impacts and to develop any mitigation measures? 	<p>regarding expansion of mill capacity from 60 to 80 ton FFB per hour</p> <ul style="list-style-type: none"> • Documented RKL and RPL approved by Environment agency Ketapang Regent (No.546/2008) on July 7th, 2008. • Environmental Permit of Airstrip Activities: Keputusan Bupati Ketapang #864/KLH-B/2015 dated 29 December 2015 • Report of RKL/RPL implementation 2nd semester 2016 and 1st semester 2017 • Documented procedure of Environmental aspect and impact evaluation (SOPSMART/LEMS-EHSD/SADV/001/001 dated 1 July 2014). • Environment aspect and impact list F/SMART/LEMS-EHSD/SADV/001/001 updated 4 January 2017 	<p>significant environmental impacts were managed, such as :</p> <ul style="list-style-type: none"> - Building new roads, processing mills or other infrastructure; - Putting in drainage or irrigation systems; - Replanting and/or expansion of planting areas; - Management of mill effluents; - Clearing of remaining natural vegetation; - Management of pests and diseases palms by controlled burning; - Result of stakeholder consultation <p>For internal environmental aspect and evaluated its impact document, as required by the procedure SOPSMART/LEMS-EHSD/SADV/001/001, the information of environmental aspect and impact was reviewed and updated at least once a year. Last review and update of environmental aspect and impact register was performed on 4 January 2017. Control measure were defined and implemented for ensuring that negative environmental impact were prevented or mitigated. There were several types of control measures defined: engineering control, administrative control and PPE. The implementation of those control measures are monitored during internal audits.</p> <p>The reporting of RKL/RPL was conducted 6 monthly issued by Environmental Officer that consist of analysis of waste water quality, surface water quality, air emissions measured by third party laboratory, monitoring result of rate of soil erosion, monitoring result of community income, public health. Last reports and received records were sighted for period July – December 2016 and January – June 2017.</p>	
5.1.2	<p>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.</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Is there an environmental management plan in place?</p> <p>b. Is the environmental management plan documented to include the following:</p> <ul style="list-style-type: none"> • Identification of responsible person(s); • Potential impacts from current practices; • Measures to mitigate negative impacts; • Timetable for change (where changes in current practices are required). <p>c. Has the environmental management plan been implemented?</p>	<ul style="list-style-type: none"> • Documented procedure of Environmental aspect and impact evaluation (SOPSMART/LEMS-EHSD/SADV/001/001 dated 1 July 2014) • Environment aspect and impact list F/SMART/LEMS-EHSD/SADV/001/001 updated 4 January 2017 • Strategic plan of environmental management 2012 – 2017 	<p>PT Kencana Graha Permai Mill and Estates has ensured that all activities with significant environmental impacts were managed. Control measure were defined and implemented for ensuring that negative environmental impact were prevented or mitigated. There were several types of control measures defined: engineering control, administrative control and PPE. The implementation of those control measures are monitored during monthly environmental patrol and also round of internal audits. Some of related action are:</p> <ul style="list-style-type: none"> - Reduce use of treated water for mill process by reuse condensate water for water dilution - Manage domestic waste by separated organic and inorganic - Planting crops on the edge of the waste water pond - All hazardous wastes were stored at the temporary storage of hazardous waste <p>Management Plan and monitoring of environmental impacts were documented in RKL (<i>Rencana Pengelolaan Lingkungan</i>) and RPL (<i>Rencana Pemantauan Lingkungan</i>). Implementation of RKL RPL is reported every six months. The report of Semester I, II 2016 of RKL-RPL was submitted to relevant local government.</p>	<p>YES</p>
5.1.3	<p>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.</p>			
	<p>a. Does the plan incorporate a monitoring protocol?</p> <p>b. Is the monitoring protocol adaptive to operational changes?</p> <p>c. Is the monitoring protocol implemented to monitor the effectiveness of the mitigation measures?</p> <p>d. Is the plan reviewed at a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts?</p>	<ul style="list-style-type: none"> • Strategic plan of environmental management 2012 – 2017 • Environmental Monitoring Program 	<p>Management Plan and monitoring of environmental impacts were documented in RKL (<i>Rencana Pengelolaan Lingkungan</i>) and RPL (<i>Rencana Pemantauan Lingkungan</i>) as monitoring protocol. The plan incorporate a monitoring protocol every 6 month and adaptive to operational changes. The monitoring implemented to monitor the effectiveness of the mitigation measure and reviewed every 6 months. The program covered:</p> <ul style="list-style-type: none"> – Monitoring water quality of Puayan river, Kendawangan river, Langsat river – Monitoring erosion rate with stick indicator and land with slope 15-25% – Monitoring air ambient quality at mill and emplacement – Monitoring of air emission of boiler, genset, vehicle and heavy equipment <p>Whenever there is a material change, changes in operations and regulatory changes, environment monitoring plan is updated.</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
5.2			<p>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.</p> <p>Guidance: <i>This information gathering should include checking available biological records and consultation with relevant government departments, research institutes and interested NGOs if appropriate. Depending on the biodiversity values that are present, and the level of available information, some additional field survey work may be required.</i></p> <p><i>Wherever HCV benefits can be realised outside of the management unit, collaboration and cooperation between other growers, governments and organisations should be considered.</i></p> <p><i>Sanctions in the protected wildlife case, may be taken through law enforcement in line with the existing regulations. The company should determine type of sanctions, based upon SOP or policy of the company, considering level of violations (capture, harm, keep, and kill) and category of the species (rare, endangered, and threatened).</i> <i>National regulations related to the protection of habitat and species, such as:</i></p> <ol style="list-style-type: none"> 1. Act No. 5 year 1990 regarding Conservation on Biodiversity and its Ecosystems 2. Act No. 16 year 1992 regarding Quarantine for Animals, Fish and Plants 3. Act No. 5 year 1994 regarding Ratification of the United Nations on Convention to Biodiversity 4. Government Regulation No. 13 year 1994 regarding Wildlife Hunting 5. Government Regulation No. 68 year 1998 regarding Areas of Natural Sanctuary and Natural Conservation 6. Government Regulation No. 7 year 1999 regarding Preservation of Flora and Fauna (List of Protected Flora and Fauna is on the annex). 7. Regulation of the Minister of Forestry No.: P.48/Menhut-II/2008 regarding Guideline of Conflict Resolution between Human and Wildlife 8. Presidential Decree No. 43 year 1978 regarding Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) ratification. <p><i>Growers need to consider a variety of land management and tenure options to secure HCV management areas in ways that also secure local people's rights and livelihoods. Some areas are best allocated to community management and secured through customary or legal tenures in certain period. In other cases, co-management options can be considered.</i> <i>Where communities are asked to relinquish rights so that HCVs can be maintained or enhanced by the companies or State agencies, then great care needs to be taken to ensure that communities retain access to adequate land and resources to secure their basic needs; all such relinquishment of rights must be subjected to their free, prior, and informed consent (see Criteria 2.2 and 2.3).</i></p>	
5.2.1			<p>(M) 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</p> <p>Specific Guidance: <i>This information will cover:</i></p> <ul style="list-style-type: none"> • <i>Presence of protected areas that could be significantly affected by the grower or miller;</i> • <i>Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller;</i> • <i>Identification of HCV habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or miller;</i> 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p><i>HCV Identification may be conducted internally (by the company, where the team leader shall be registered in the HCVRN-Assessors Licensed Scheme (ALS), through peer-review by the competent experts, prepared in accordance to the common Guidance for the identification of HCV 2013. If the company has no expert for assessing certain HCV type(s), then it may use the external assessor(s). The HCV assessor team needs to have experience in the assessed ecosystem to minimise inaccuracy risk of the HCV assessment. If possible, each external assessor who comes from outside the assessed areas should cooperate with the local or regional expert(s). The HCV report shall describe the composition and qualification of the assessor team in biological and social aspects.</i></p>				
	<p>a. Has a High Conservation Value (HCV) assessment been conducted and cover the following:</p> <ul style="list-style-type: none"> • Presence of protected areas that could be significantly affected by the grower or miller; • Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller. • Identification of HCV habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or miller; <p>b. Was the HCV assessment performed by a qualified HCV assessor?</p> <p>c. Was the HCV assessment performed in consultation with relevant stakeholders?</p> <p>d. Does the HCV assessment include checking of available biological records?</p> <p>e. Does the HCV assessment include both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors)?</p>	<ul style="list-style-type: none"> • Identification and analysis of the existence of high conservation value (HCV) area in 2011 at PT Kencana Graha Permai by IPB. • HCV Area Verification - PT. Kencana Graha Permai in 2015 by PT. SMART Tbk. • Management and monitoring implementation of HCV in July – December 2016. • Field visit in HCV area at Mengkabang Hill (Block L-21), Biru River (Block J-25) and Tembawang Area (Block D-47). 	<p>HCV assessment has been conducted and documented in the Report of the identification and analysis of the existence of high conservation value (HCV) area at PT. Kencana Graha Permai, 2011. HCV identification field survey conducted on 11 – 16 June 2010. Assessment covered:</p> <ul style="list-style-type: none"> - Presence of protected areas that could be significantly affected by the grower or miller; - Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller. - Identification of HCV habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or miller. <p>The team of assessors and the authors of the report are Consultant from Bogor Agricultural University (IPB) Faculty of Forestry. Those assessors were RSPO Approved HCV Assessors as listed in RSPO Approved HCV Assessors, 2010, other between:</p> <ol style="list-style-type: none"> 1. Ir. H. Nyoto Santoso, MS 2. Ir. Siswoyo, MSi 3. Ahmad Faisal Siregar, S. Hut 4. Eko Adhiyanto, S. Hut 5. Febia Arisnagara, S. Hut 6. Aep Hidayat, B.Scf 7. Rae Birumbo, S.Pi <p>The assessment conducted on the whole plantation that has been embedded and the</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>f. Was the HCV assessment performed in accordance to the latest methodology available at global and national level?</p> <p>g. Are identified HCVs mapped?</p>		<p>areas around the plantation include rivers, forests, and others. HCV Assessment report has been peer reviewed by Mr. Resit Sozer (RSPO Approved HCV Assessor).</p> <p>HCV assessment performed in consultation with relevant stakeholders as described above. Public consultation conducted with the community leaders and figures around the estate and government agencies. HCV assessment also includes checking of available biological records and includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>Methodology of assessment using a toolkit of HCV 2008, implementation of the assessment consists of: Secondary data collection, field survey, mapping and landscape, assessment of fauna aspect with a rapid assessment (direct observation, interviews with the parties), assessment of flora aspects (direct survey and interview), assessment of socio-economic and cultural aspects (interviews and direct observation at selected sites), analysis and mapping. All HCV identified was mapped at KNCE and CDNE area.</p> <p>PT. KGP conducted the HCV area verification in February 2015 by PT. SMART Tbk. The team of verification consist of: Biodiversity and Conservation Section-Sustainability, Plantation Monitoring and Planning Division, and Agronomy Division. This verification aims to revisit some of the existence of the HCV area, especially for its range. HCV Management and Monitoring in July – December 2016 was available in accordance with its verification, include public consultation with stakeholders on 23 March 2017 and HCVs area map.</p>	
5.2.2	<p>(M) Where rare, threatened or endangered (RTE) species 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.</p> <p>Specific Guidance: <i>These measures will include:</i></p> <p>a. Ensuring that any legal requirements relating to the protection of the species or habitat are met;</p> <p>b. Avoiding damage to and deterioration of HCV habitats such as by ensuring that HCV areas are connected, corridors are conserved, and buffer zones around HCV areas are created;</p> <p>c. Controlling any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts (e.g. incursions by elephants)</p> <p>d. Improving HCV, if possible, through management options, such as habitat enrichment.</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																																	
	<p>a. Are HCVs and/or RTEs present?</p> <p>b. If HCVs and/or RTEs are present, has a management plan containing appropriate measures that are expected to maintain and/or enhance them been prepared? The measures should include the following:</p> <ul style="list-style-type: none"> • Ensuring that any legal requirements relating to the protection of the species or habitat are met; • Avoiding damage to and deterioration of HCV habitats such as by ensuring that HCV areas are connected, corridors are conserved, and buffer zones around HCV areas are created; • Controlling any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts (e.g. incursions by elephants). <p>c. Are the measures contained in the management plan actively implemented to maintain and/or enhance HCV values?</p> <p>d. Are the HCV values and the presence of RTEs periodically monitored?</p> <p>e. Are the field inspections conducted regularly to ensure implementation of mitigation plan (especially along areas bordering natural area)?</p>	<ul style="list-style-type: none"> • Identification and analysis of the existence of high conservation value (HCV) area in 2011 at PT Kencana Graha Permai by IPB. • HCV Area Verification - PT. Kencana Graha Permai in 2015 by PT. SMART Tbk. • Management and monitoring implementation of HCV in July – December 2016 • Field visit in HCV area at Mengkabang Hill (Block L-21), Biru River (Block J-25) and Tembawang Area (Block D-47). 	<p>HCV assessment results showed that in the plantation area of KNCE and CDNE were identified several areas of HCV. Based on HCV Area Verification, there was identified 199.25 Ha at KNCE and 177.39 ha at CDNE. The following were type of HCV :</p> <table border="1" data-bbox="1122 424 1906 1394"> <thead> <tr> <th data-bbox="1122 424 1256 480">Type of HCV</th> <th data-bbox="1256 424 1771 480">Description</th> <th data-bbox="1771 424 1906 480">Total area (ha)</th> </tr> </thead> <tbody> <tr> <td data-bbox="1122 480 1256 703">HCV 1.1</td> <td data-bbox="1256 480 1771 703">Areas that Contain or Provide Biodiversity Support Function to Protection or Conservation Areas. There are protected areas such as while wildlife refuge areas and wildlife corridors or trajectory from Kendawangan Riparian towards protected forests or otherwise. 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				zwageri	Bebira (2.36 ha)		
			Fauna				
			Rajaudang	<i>Alcedo meninting</i>			
			Black hornbill	<i>Anthracoceros malayanus</i>			
			Kancit	<i>Anthreptes malacensis</i>			
			Pijanjtung mountain	<i>Arachnothera affinis</i>			
			Eagle dotted	<i>Haliastur indus</i>			
			Burung madu rimba	<i>Hypogramma hypogrammicum</i>			
			Eagle ash	<i>Ichtiinaetus malayensis</i>			
			Parrots	<i>Loriculus galgulus</i>			
			Cencalak	<i>Pycnonotus zeylanicyus</i>			
			HCV 1.4	Found area that serves as a while refuge area of wildlife and wildlife corridor from and Langsat Riparian (63.62 ha) to protected forest areas or otherwise		63.62 (overlap with HCV 1.1, 1.3)	
			HCV 2.3	Found area which contains high predator species populations that continue to reproduce and survive in the area of Biru Riparian (46.02 ha), Langsat Riparian (63.62 ha), Pengkayasan Riparian (8.18 ha), Ibul Hill (2.13 ha), Tembawang Hill (3.31 ha), Mengkabang Hill (15.76 ha) and Tembawang Bebira (2.36 ha).		138.07 (overlap with HCV 1.1; 1.2; 1.3;1.4)	
			HCV 4.1	Areas or Ecosystems Important for the Provision of Water and Prevention of Floods for Downstream communities. There are areas of flood control, water supply for communities such as riparian area, area around the spring, the potential for fish in the river area of Asahan Samar Riparian (24.74 ha).		24.74	
			HCV 4.2	There are areas for prevention of erosion and sedimentation in the area with slope > 40% in Tabun		39.81	

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				Sandar Hill (7.02 ha), Pengkayasan Hill (7.88 ha), Mengkabang Hill (15.76 ha), Pudu Hill (3.71 ha), and Ibul Hill (2.13 ha).		
HCV 5	Natural areas critical for meeting the basic needs of local people. There is area to meet public demand for drinking water and other necessities such as Asahan Samar Riparian (24.74 ha).	24.74 (overlap with HCV 4.1)	HCV 6	Areas Critical for Maintaining the Cultural Identity of Local Communities. There is a shrine grave in Durian Tunggal, Sudir, Pakit Krupuk, and Pilser. Other than that there was Indigenous Monument (<i>Tugu Adat</i>).	9.27	
<p>Estate has establish the management plan to maintain and/or enhance HCV area in Management plan annual HCV 2016. HCV management and monitoring plan described measures taken for each HCV and its monitoring. Relevant laws were taken into account for determining appropriate measure including UU #5/1990 about Natural resources conservation, PP#7/1999 about List of protected plan and wildlife, Kepres #32/1990, and PP26/2008. HCV management program KNCE and CDNE such as :</p> <ol style="list-style-type: none"> 1. Management of riparian zone, consisting of boundary marking demarcation, maintenance boundary markers, installation of signs boundary markers spray (chemical application), installation of warning boards, dissemination to employees and stakeholders around the estate, riparian rehabilitation, rehabilitation plant maintenance, securing HCV area and conservation of water resources. 2. Management of the hill area, consisting of boundary marking and maintenance of boundary markers, dissemination, warning board installation and its maintenance, rehabilitation and maintenance of the hill areas, securing HCV area, exotic plant control. 3. Management of endangered, threatened and protected species, consisting of dissemination to employees, contractors and the stakeholders, installation of warning board and its maintenance, securing HCV area. <p>Evidence of the implementation of the management plan can be demonstrated and well documented. Parameters and indicators of success in achieving HCV management and monitoring program have been established. Some evidences that programs have been implemented.</p>						

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5.2.3	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.			
	<p>a. Does the company have policies or rules to protect RTE species?</p> <p>b. Is there a programme to regularly educate the workforce about the status of the RTE species?</p> <p>c. Is there evidence or action taken to implement the rules and programs? E.g. Inspections conducted to check no traps/snares put up within or nearby areas.</p> <p>d. Have appropriate disciplinary measures been imposed in accordance with company rules and national law, should any individual working for the company is found to have captured, harmed, collected or killed any RTE species?</p>	<ul style="list-style-type: none"> • Report of dissemination program both internal to employee and external to local community • Company policy and rules about protection to biodiversity (flora fauna) and high conservation value area. • Posters and sign boards concerning HCV areas and protected species were available in the necessary places • Decision Letter No. No. 01/SK/EM/KNCE-SPO/12/2013, on 15 December 2013 (KNCE) and No. 036/CDNE-EM/VIII2014, on 15 August 2014 (CDNE) for HCV PIC • Management and monitoring implementation of HCV in July – December 2016 • Field visit in HCV area at Mengkabang Hill (Block L-21), Biru River (Block J-25) and Tembawang Area (Block D-47). • Interview with workers on 26 – 27 September 2017 	<p>Organization has a policies or rules to protect RTE species in Directore Policy – PT. SMART Tbk on 25 June 2012, based on UU No. 5/1990. Penalties under the UU No.5 / 1990 "person who deliberately capture, injure, kill, keep, possess, maintain, transport, and trade in protected animals alive or dead can shall be punished with imprisonment of 5 years and a maximum fine 100.000.000, - (one hundred million).</p> <p>Penalties were communicated directly to all employees and the local community during HCV socialization and through the HCV sing boards and warnings board.</p> <p>Organization also establishes the programme to regularly educate the workforce about the status of the RTE species. The program has been implemented, the evidence of socialization invitation, list of attendance and photographs, minutes of socialization was proved. HCV protection and wildlife protection dissemination conducted minimum twice a year internally to employee and once a year externally to surrounding community. Last dissemination was performed to employee on 30 August 2017, 22 & 27 July 2017. To community surrounding on 23 March 2017 at the public consultation.</p> <p>Organization has been appointed PIC HCV (Officer HCV) in KNCE and CDNE. The responsibility of HCV area management is part of the job description of the HCV Officer. Theses appointment was available in Decision Letter No. 01/SK/EM/KNCE-SPO/12/2013 on 15 December 2013 (KNCE) on behalf A. Ansori and No. 036/CDNE-EM/VIII2014, on 15 August 2014 (CDNE) on behalf Dolly Janter. They have been trained by The Forest Trust date on 27 October 2017.</p> <p>Relevant laws were taken into account for determining appropriate measure including UU #5/1990 about Natural resources conservation, PP#7/1999 about List of protected plan and wildlife, Kepres #32/1990, and PP26/2008.</p>	YES

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5.2.4	<p>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.</p> <p>Specific Guidance: For 5.2.4: <i>The result of HCV monitoring may become considerations while reviewing HCV management plan.</i></p>			
	<p>a. Does the management plan contain ongoing monitoring of status of HCV and RTE species that are affected by plantation or mill operations?</p> <p>b. Is the status documented and reported?</p> <p>c. Are the outcomes of monitoring fed back into the management plan?</p>	<ul style="list-style-type: none"> Management and monitoring implementation of HCV in July – December 2016 	<p>Monitoring of HCV was conducted, such as :</p> <ul style="list-style-type: none"> - Monitoring of HCV attributes (Sign Boards Conditions) - Monitoring of HCV conditions from any disturbance both internal and external factor (HCV area conditions) - Monitoring of protected animals (recapitulation encounter animals in 1 month) - HCV Patrol Schedule (Schedule team to monitor the condition and attributes HCV) <p>The status of HCV and RTE species that are affected by plantation operations was well monitored, documented and reported routinely. The result of the monitoring of animals is done with the primary and secondary methods. Recapitulation flora and fauna observation were still found several protected species.</p> <p>Result of monitoring gives the feedback into the management plan improvement. The results from monitoring of wildlife, environmental, and socio-cultural services gives feedback advice and recommendations to the management plan.</p>	YES
5.2.5	<p>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</p> <p>Specific Guidance: For 5.2.5: <i>If a negotiated agreement cannot be reached, there should be evidence of sustained efforts to achieve such an agreement. These could include third party arbitration (see Criteria 2.3, 6.3 and 6.4).</i></p>			
	<p>a. Is there HCV set-asides with existing rights of local communities?</p> <p>b. Who are the affected communities?</p> <p>c. Is the identified HCV areas mapped?</p> <p>d. Is there evidence of stakeholder consultation and negotiated agreement, in accordance to FPIC principles, with local community to optimally safeguard</p>	<ul style="list-style-type: none"> Identification and analysis of the existence of HCV area in 2011 at PT Kencana Graha Permai by IPB. HCV Area Verification at PT. Kencana Graha Permai in 2015 by PT. SMART Tbk. Management and monitoring 	<p>There was HCV 6 identified in the concessions PT KGP in the form of shrine graves. Maintenance and protection of graves area has been agreed with the local community. PT KGP facilitating to conduct care and maintenance of graves and community were not forbidden to visit or access the areas of HCV (shrine graves).</p> <p>Company has made an agreement between the villagers and public figure from Rangkung village, on 29 December 2005 and 06 June 2013 for maintenance HCV (grave) area at Block H-34 for maintenance and management of graves in PT. KPG area. Other than that, there was agreement on 27 September 2017 at Biru Riparian (Block J-25), and Mengkabang (Block L-21) for maintenance HCV 1.2 and 1.3. It was</p>	YES

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	<p>both the HCVs and rights of local communities?</p> <p>e. If a negotiated agreement cannot be reached, is there evidence of sustained efforts to achieve an agreement? Refer to specific guidance for 5.2.5.</p>	<p>implementation of HCV in July – December 2016</p> <ul style="list-style-type: none"> Document management cooperation with local community to care and maintain shrine grave and other HCV areas 	<p>also verified during public consultation with stakeholders.</p>	
5.3	<p>Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p> <p>Guidance: <i>The waste management and disposal plan should include measures for:</i></p> <ol style="list-style-type: none"> <i>Identifying and monitoring sources of waste and pollution.</i> <i>Improving the efficiency of resource utilisation and recycling potential wastes as nutrients or converting them into value-added products (e.g. through animal feeding programmes).</i> <i>Appropriate management and disposal of hazardous chemicals and their containers. Surplus chemical containers should be reused, recycled or disposed of in an environmentally and socially responsible way based on best available practices (e.g. returned to the vendor or cleaned using a triple rinse method) and existing regulations. This is to prevent pollutions to the water sources and risk to human health. The disposal instructions on the manufacturer's labels should be adhered to.</i> <p><i>Use of open fire for waste disposal should be avoided.</i></p> <p><i>Regulations relate to waste management, such as:</i></p> <ol style="list-style-type: none"> <i>Government Regulation No. 18 year 1999 regarding Management of Toxic and Hazardous Waste (B3)</i> <i>Government Regulation No. 85 year 1999 regarding Amendment of Government Regulation No. 18 year 1999 regarding Management of B3 (the annex shows a list of B3 from specific and non-specific sources, expired chemicals, leakage, remaining containers and waste of unspecified products).</i> <i>Government Regulation No. 82 year 2001 regarding Management of Water Quality and Control of Water Pollution. This includes criteria for water quality, and requirements for utilising and disposing waste water)</i> <i>Government Regulation No. 81 year 2012 regarding Management of Domestic Waste</i> <i>Decree of the Minister of Environment No. 51 year 1995 regarding Waste Water Standard for Industries</i> <i>Decree of the Minister of Environment No. 28 year 2003 regarding Technical Guidance for Study for Utilising Palm Oil Mill Effluent (POME) on Oil Palm Plantation.</i> <i>Decree of the Minister of Environment No. 29 year 2003 regarding Guidance for Permit Requirements and Administration for Utilising POME on Oil Palm Plantation</i> <i>Decree of the Minister of Environment No. 112 year 2003 regarding Domestic Waste Water Standard</i> <i>Decree of the Head of Bapedal No. 255/Bapedal/08/1996 regarding Procedure and Requirements for Storing and Collecting Used Oil</i> <i>Guidance for Use of Pesticides, Directorate General of Infrastructure and Facilities, Ministry of Agriculture, 2011</i> 			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
5.3.1	(M) A documented identified source of all waste and pollution, shall be available.			
	<p>a. Is there a registry/list of waste products produced?</p> <p>b. Is there a registry/list of pollution sources?</p>	<ul style="list-style-type: none"> • SOP/SMART/LEMS-EHSD/SADV//002 – Waste Management dated 1 July 2016 • Environment aspect and impact list F/SMART/LEMS-EHSD/SADV/001/001 updated 4 January 2017 	<p>Identification of waste and pollution sources from PT Kencana Graha Permai Mill and Estates activities was evident. The source of pollution, type and control method of waste was documented on procedure SOP/SMART/LEMS-EHSD/SADV//002 waste management.</p> <p>The waste products were defined as follows:</p> <ol style="list-style-type: none"> 1. Mill wastes, such as: fibre, shell, empty bunch, waste water and gaseous emissions 2. Estate wastes, such as: empty pesticide containers, pesticided rinsed waters discharge and land application flatbed, etc. 3. Medical wastes, such as: drugs, needles, cottons, etc. 4. Solids organics and non-organics waste 5. Domestic waste water 	YES
5.3.2	(M) There shall be evidence that all chemicals and their empty containers are disposed of responsibly			
	<p>a. Is there an inventory of chemicals and their containers that are used and kept on site?</p> <p>b. How are chemicals and their containers stored and disposed off? Is it in accordance to best practices? (as prescribed by manufacturers' labels, local requirement, national or international best practice)</p> <p>c. Are collection and disposal records of chemicals and their containers maintained?</p>	<ul style="list-style-type: none"> • SOP/SMART/LEMS-EHSD/SADV//002 – Waste Management dated 1 July 2016 • Record of hazardous waste • Manifest of hazardous waste on 25 February and 12 April 2017 • Site visit to temporary storage of hazardous waste • Permit of temporary storage of hazardous waste from Head of Ketapang Regent No.59/KLH-B/2015 dated 15 January 2015 	<p>The disposal methods were described on documented procedure SOP/SMART/LEMS-EHSD/SADV//002 waste management detailed disposed methods as follows:</p> <ol style="list-style-type: none"> 1. Zero burning 2. Reduce, reuse, recycle 3. Disposal <p>All empty pesticide containers were triple rinsed. The jerry can were reused to spraying activities, while bottles containers were stored in the temporary storage of hazardous waste and categorized as hazardous waste (B3). Records of pesticide containers quantity disposed were evident. Liquid waste from pesticide was reused for the next spraying application.</p> <p>While the ex-fertilizer sacks was also rinsed and reuse for fertiliser distribute “<i>untilan</i>” and TPH/FFB collection area at estate operations. Several ex-chemicals containers that use at mills operations such as laboratory chemicals, boiler additive liquids, lubricants,</p>	YES (Major NCR 2017 -10 CLOSED)

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		<p>valid for 5 years.</p> <ul style="list-style-type: none"> • Letter from Environmental Office Kab. Ketapang #660.1/97/KLH-B/2016 dated 24 February 2016 regarding Approval of extension of permissible storage period for hazardous waste • Contractual agreement regarding hazardous waste management handling PT Kencana Graha Permai with PT Primanru Jaya #069/EHSD/SPK-Pengelolaan LB3/KGP-PJ/VII/2015 dated 13 July 2015 and valid through 13 July 2017. Still in process for extension. • Contractual agreement PT KGP and PT Bank Sampah Indonesia #036/CCSD/SPK-Pengelolaan LB3/KGP-BSI/IX/2016 dated 13 September 2016 • Log of hazardous waste period September – December 2016 and January – September 2017 	<p>workshop materials, use battery, etc. were categorized as hazardous wastes that stored at hazardous waste temporary warehouse (TPS B3). The hazardous wastes were managed by licensed vendor: PT Primanru Jaya as the transporter, PPLI as processor for contaminated containers and used filter, PT Sinkona Indonesia Lestari as processor for used oil, PT Non Ferindo as processor for used battery. Disposal of hazardous waste was completed with manifest. Manifest of disposal were sighted for period April 2017.</p> <p>Permit of the hazardous waste processor:</p> <ul style="list-style-type: none"> - PT PPLI: #Kep-67/Bapedal/05/1994 issued by Bapedal dated 20 May 1994 valid through 30 years - PT Sinkona Indonesia Lestari: #26 tahun 2013 issued by Ministry of Environment dated 21 January 2013 valid through 5 years - PT Non Ferindo: #07.51.09 tahun 2014 issued by Ministry of Environment dated 3 September 2013 valid through 5 years <p>Other records sighted, such as Log of hazardous waste period September – December 2016 and January – August 2017. Last transportation of hazardous wastes on 12 April 2017 for used oil, contaminated goods, used batteries, used filters, used lamps, use rags, using truck B 9778 QT and B 9118 QT. The truck has licence from “<i>Dirjen Perhubungan Darat</i>” SK.1598/AJ.309/DJPD/2016/360030296BB dated 24 March 2016 valid until 1 May 2018. PT Primanru Jaya as transporter has transport recommendation from Ministry of Environment No.B-7674/Dep.IV/LH/PDAL/07/2014 dated 4 July 2014 valid for 5 years.</p> <p>Medical waste was transported by PT Bank Sampah Indonesia on 25 February 2017 and sent to PT Tenang Jaya Sejahtera as processor. The truck AD 1837 PZ has license from “<i>Dirjen Perhubungan Darat</i>” SK.577/AJ.309/DJPD/2017/330130921BB-0003 valid through February 2018.</p> <p>License of hazardous wastes temporary storage (TPS B3) was issued by Head of Ketapang Regent No.59/KLH-B/2015 dated 15 January 2015 valid through 5 years. Defined that the time limit was 90 days. The license include: used oil, used batteries, used lamps, used filters, medical waste, and used rags. There was letter from Kantor Lingkungan Hidup Ketapang Regent No.660.1/97/KLH-B/2016 dated 24 February 2016 defined that time limit for hazardous waste store based on PP 101/2014 which is 365 days for all hazardous waste.</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>The organisation has had approval of extension of permissible storage period for hazardous waste according to Letter from Environmental Office Kab. Ketapang #660.1/97/KLH-B/2016 dated 24 February 2016. Permissible period of hazardous waste was from 90 days to 365 days for all hazardous wastes.</p> <p>TPS LB3 was checked regularly regarding e.g. condition of ventilation, oil trap, hazardous waste container, hazard symbol and completeness of equipment, e.g. APAR, APD, hazard symbol and label, etc.</p> <p>Major Non-Conformance 2017-10: KNNM The empty chemical containers were used for non-hazardous waste bins.</p> <p>CDNE The empty chemical containers were used for fuel which will be sent to Genset in <i>Pondok 1</i>.</p> <p>Verification of Effectiveness: KNNM</p> <ul style="list-style-type: none"> • Empty chemical containers used for non hazardous waste bins were removed from point of use and sent to the temporary storage of hazardous waste on 2 October 2017. The hazardous wastes have been recorded in "Log book limbah B3" as contaminated containers. • Non hazardous waste bins have been provided made from plate welded. <p>CDNE</p> <ul style="list-style-type: none"> • Container for fuel has been changed with new one • Dissemination regarding not to use ex chemical container for oil and fuel was conducted by SPO DNE on 28 September 2017 to warehouse officer. <p>KNNM and CDNE</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<ul style="list-style-type: none"> Dissemination regarding SOP was conducted to SPO officer on 20 October 2017. Dissemination regarding SOP was conducted on 24 October 2017 by FSIM to warehouse operator, <i>Kasie</i>, Assistant, Head of Assistant and SPO. Dissemination regarding SOP was conducted on 1 November 2017 by FSIM to SPO, <i>Kasie</i>, <i>Krani teknik</i>, <i>Krani Gudang</i>. KTU is responsible to ensure that material specification was fulfilled. Verification to material received by warehouse has been conducted. Evident for receipt on 24 October 2017 	
5.3.3	<i>A documented waste management plan to avoid or reduce pollution and its implementation shall be available</i>			
	<p>a. Is there a documented waste management and disposal plan to avoid or reduce pollution?</p> <p>b. Does the waste management and disposal plan, at minimum, include measures for:</p> <ul style="list-style-type: none"> Identifying and monitoring sources of waste and pollution? Improving the efficiency of resource utilisation and recycling potential of wastes as nutrients or converting them into value-added products (e.g. through animal feeding programmes)? Appropriate management and disposal of hazardous chemicals and their containers? Reduction, re-use and recycle of waste? <p>c. Is there evidence that the plan has been implemented?</p>	<ul style="list-style-type: none"> SOP/SMART/LEMS-EHSD/SADV/II/002 – Waste Management dated 1 July 2016 Temporary storage of hazardous waste valid permit from Head of Ketapang Regent No.59/KLH-B/2015 dated 15 January 2015 valid through 5 years Contractual agreement regarding hazardous waste management handling PT Kencana Graha Permai with PT Primanru Jaya #069/EHSD/SPK-Pengelolaan LB3/KGP-PJ/VII/2015 dated 13 July 2015 and valid through 13 July 2017. Still in process for extension. Manifest of hazardous waste on 	<p>The source of pollution, type and control method of waste was documented on procedure SOP/SMART/LEMS-EHSD/SADV/II/002 waste management. The procedure required waste to be segregated from point of generation. In addition Mill and Estates also established waste register, which described wastes generated from each activity/location, its classification (organic, non-organic or hazardous wastes), and its control measure. It was observed that organic and non-organic waste was segregated at point of source in several areas. Mill and Estates including housing has provided waste bin for non-organic waste. Hole at the back yard of housing was used for organic waste. Non-organic wastes from Mill and Estate including housing were disposed to landfill in the Estate area. Areas of non-organic wastes disposal was far from housing, in the flood-free area and not in swamp area and completed with warning sign not burning wastes. Landfill area of non-organic waste was located in block J-36 Division III KNCE (started used on 8 September 2017) and block E043 Division III CDNE (started used on 20 August 2017).</p> <p>Regarding to improve the efficiency of resource utilisation and recycling potential wastes as nutrients or converting them into value-added products, such as the EFB and POME was treated in fertilizers and land application process. Fibre and Shell was used for boiler feed.</p> <p>There are evident the measurement periodical report include air ambience quality; emissions of vehicles and other engines (boilers, generators, etc.) also the programme on how to reduce the fuel usage and environmentally friendly. The last measurement</p>	<p>YES (Major NCR 2017 – 11) Recurrence ASA1- CLOSED</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>d. Is there evidence that waste has not been disposed off using open fire?</p>	<p>25 February and 12 April 2017</p> <ul style="list-style-type: none"> • Log of hazardous waste period September – December 2016 and January – September 2017 • Site visit to temporary storage of hazardous waste and landfill of non-organic waste 	<p>was performed on 1st Semester 2017 by External Laboratory. Air ambience quality was measurement at office, mill, and housing. Air ambience quality in accordance to PP 41/1999; Boiler emission in accordance to PermenLH 7/2007; generator emission in accordance to PermenLH 21/2008; vehicle emission in accordance to PermenLH 5/2006.</p> <p>Hazardous wastes generated by Mill and Estate are used oil, used oil filter, used battery, medical waste and used lamp. Temporary storage of hazardous waste was available to collect hazardous waste prior to be transported by licensed vendor. Temporary storage of hazardous waste still held valid permit from Head of Ketapang Regent No.59/KLH-B/2015 dated 15 January 2015 valid through 5 years, with permissible period 90 days. There was letter from Kantor Lingkungan Hidup Ketapang Regent No.660.1/97/KLH-B/2016 dated 24 February 2016 defined that time limit for hazardous waste store based on PP 101/2014 which is 365 days for all hazardous waste. These hazardous wastes were managed by licensed vendor: PT Primanru Jaya as the transporter. Disposal of hazardous waste was completed with manifest. Manifest of disposal were sighted for period February and April 2017. Hazardous waste was reported to BLH West Kalimantan Province and Ketapang Regent. Receipt note was also sighted. Others records sighted, such as Log of hazardous waste period September – December 2016 and January – September 2017.</p> <p>Major Non-Conformance 2017-11 (Recurrence ASA1):</p> <ul style="list-style-type: none"> a. No segregation between organic and non-organic waste in Workshop KNNM. b. Disposal of organic waste from office, warehouse and workshop in CDNE was not clear. c. Log of medical waste has not been shown. d. Unclear material (chemical or hazardous waste) was found in airstrip CDNE warehouse without label. <p>Verification of Effectiveness:</p> <ul style="list-style-type: none"> 1. a. Organic and non organic wastes have been segregated in the workshop KNNM 	

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			b. Organic and non organic waste bins have been provided at the front of workshop. Waste bins were made from plate welded. c. General inspection has been conducted. 2. a. Hole for organic waste has been dig at the back yard of warehouse office and workshop. b. General inspection has been conducted. 3. a. Log of medical waste has been made. b. Log of medical waste has been sent to government on 4 October 2017. c. Sustainability Compliance and Certification Head made Memorandum #640/IL-IZ/CCSD-EPM/X/2017 dated 17 October 2017 to all staff of Environment Performance and Monitoring (EPM) PCDV regarding Composing Reporting of Environmental Management. Memorandum sent by Lotus Note (LN). d. Matrix of monitoring environmental report Region Ketapang 2 has been developed regarding frequency and completeness of report. Matrix including log book of medical waste. 4. a. Chemical has been completed with identity, label and hazard symbol and MSDS. b. Dissemination regarding chemical handling was conducted to air manuring team (PT. Elang Nusantara Air) as owner of chemical.	
5.4	Efficiency of fossil fuel use and the use of renewable energy is optimised. Guidance: <i>Renewable energy use per tonne of Crude Palm Oil (CPO) or palm product in the mill should be monitored. Direct fossil fuel use per tonne of CPO or Fresh Fruit Bunches (FFB) should be monitored. Energy efficiency should be taken into account in the construction or upgrading of all operations.</i> <i>Growers and millers should assess the direct energy use of their operations, including fuel and electricity, and energy efficiency of their operations. This should include estimation of fuel use by on-site contract workers, including all transport and machinery operations.</i> <i>If possible, the feasibility of collecting and using biogas should be studied.</i>			
5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.			
	a. Is there a plan for improving efficiency of the use of fossil fuels and to optimise renewable energy?	<ul style="list-style-type: none"> Records of fibre and shell usage period 2016 and 2017 	PT Kencana Graha Permai mill and estates has been develop the programme/plan on how to conduct efficiency for utilization of fossil fuel by develop the standard to manage the consumption each of vehicles and electricity generator within litre per hours for	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																																				
	<p>b. Has the plan been implemented and is it monitored?</p> <p>c. Does the monitoring system encompass the following :</p> <ul style="list-style-type: none"> • Renewable energy use/tCPO or palm product; • Direct fossil fuel use/tCPO or tFFB; • Estimated fuel use by on-site contract workers and transport and machinery operations; • Electricity use in operations. <p>d. Was energy efficiency taken into account during the construction or upgrading of all operations?</p> <p>e. Has studies on the feasibility of collecting and using biogas been carried out?</p>	<ul style="list-style-type: none"> • Records for monthly calculation regarding the usage of fossil fuel at estate and mill. within period 2016 and 2017 (YTD August) 	<p>organization owned; there were also sighted the records of usage the diesel fuel for vehicle at estates and diesel fuel at mill engines for period 2016 and 2017 (YTD August).</p> <p>Volume of fibre and shell used for boiler feed is estimated annually. Record sighted for 2016 and 2017 (YTD August). Total energy generated by steam turbine generator for Kenanga Mill was recorded daily and evaluated monthly as total energy (kcal per ton of CPO produced). The decreases of utilisation of fibre and shell within annually comparative was because of FFB processed, for details please see table below:</p> <table border="1" data-bbox="1126 563 1890 786"> <thead> <tr> <th>Renewable Energy (Fibre and shell)</th> <th>2016</th> <th>2017 (YTD August)</th> </tr> </thead> <tbody> <tr> <td>Per tonnage CPO (Kcal/Ton CPO)</td> <td>1,003.72</td> <td>929.000</td> </tr> <tr> <td>Fossil fuel efficiency substitute by fibre and shell (litre)</td> <td>1,281,830</td> <td>1,179,544</td> </tr> <tr> <td>Fibre (ton)</td> <td>40,202.53</td> <td>35,277.80</td> </tr> <tr> <td>Shell (ton)</td> <td>18,493.16</td> <td>16,227.79</td> </tr> </tbody> </table> <p>The records were also sighted for fossil fuel consumption monthly calculation within period 2016 and 2017 (YTD August) regarding the usage of fossil fuel at estates and mill. Fossil fuel at estates was resulted from heavy vehicles and generator.</p> <p>The details of fossil fuel consumption see table below:</p> <table border="1" data-bbox="1126 986 1818 1217"> <thead> <tr> <th>Fossil fuels</th> <th>2016</th> <th>2017 (YTD August)</th> </tr> </thead> <tbody> <tr> <td>KNCE (ltr)</td> <td>156,869.30</td> <td>109,822.50</td> </tr> <tr> <td>% efficiency</td> <td>46.30%</td> <td>3.70%</td> </tr> <tr> <td>CDNE (ltr)</td> <td>182,724</td> <td>145.901</td> </tr> <tr> <td>% efficiency</td> <td>1%</td> <td>25%</td> </tr> <tr> <td>Mill (ltr)</td> <td>277,221</td> <td>204,161</td> </tr> <tr> <td>Per tonnage FFB</td> <td>0.86</td> <td>0.72</td> </tr> </tbody> </table> <p>So far there is a plan regarding feasibility of collecting and using biogas, however it still on management discussion.</p>	Renewable Energy (Fibre and shell)	2016	2017 (YTD August)	Per tonnage CPO (Kcal/Ton CPO)	1,003.72	929.000	Fossil fuel efficiency substitute by fibre and shell (litre)	1,281,830	1,179,544	Fibre (ton)	40,202.53	35,277.80	Shell (ton)	18,493.16	16,227.79	Fossil fuels	2016	2017 (YTD August)	KNCE (ltr)	156,869.30	109,822.50	% efficiency	46.30%	3.70%	CDNE (ltr)	182,724	145.901	% efficiency	1%	25%	Mill (ltr)	277,221	204,161	Per tonnage FFB	0.86	0.72	
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5.5	<p>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.</p> <p>Guidance: <i>Clause 11 of the Government Regulation No. 4 year 2001 regarding Control of Environmental Damage and or Pollution associated with Forest and or Land Fire, describes that the activities causing forest and or land fire are including land clearing in forestry, plantation, agriculture, transmigration, mining, tourism which are carried out through burning. Therefore, the use of fire is prohibited in those activities, unless for unavoidable circumstances or specific purposes, such as forest fire control, pest and disease control, and habitat management of flora and fauna. Implementation of restricted burning shall be authorised by the relevant agency.</i></p>			
5.5.1		(M) 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.		
	<p>a. Does the company have a zero burning policy or any statement on zero burning?</p> <p>b. Does the company have SOPs for land preparation which mentions zero burning?</p> <p>c. Was land prepared using the burn method? If yes, was it based on the specific situations identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions?</p> <p>d. Has the policy been implemented throughout the operations?</p> <p>e. Is there training programmes for associated smallholders on zero burning where appropriate?</p>	<ul style="list-style-type: none"> • Procedure replanting SOP/SMART/MCAR/VI/TA-RPL • MCAR Book • Memo No.071/SMD OPS/IX/2007 	<p>Zero burning policy was described in MCAR Book Chapter 5 and replanting procedure, the procedure mentioned that land preparation was performed by overthrowing, stacking, and chipping. There was memorandum No. 071/SMD OPS/IX/2007 dated 4 September 2007 from SMD Operations regarding banned to land preparation using fire. There was no replanting activity along 2016 and 2017.</p>	<p>YES</p>
5.5.2	<p>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</p> <p>Specific Guidance: <i>Fire should be used only where an assessment has demonstrated that it is the most effective and least environmentally damaging option for minimizing the risk of severe pest and disease outbreaks, and exceptional levels of caution should be required for use of fire on peat. This should be subject to regulatory provisions under respective national environmental legislation. This</i></p>			

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	<p><i>should refer to the ASEAN Policy on Zero Burning (2003) and existing national environment regulations.</i></p> <p><i>The company shall have procedure and records of emergency response to ground fire, including the means and facilities.</i></p>			
	<p>a. Where fire has been used for preparing land for replanting, is there evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions?</p> <p>b. What was the justification for using fire?</p>	<p>- Areal statement PT. KGP 2017</p>	<p>There was no replanting activity along 2016 and 2017.</p>	<p>NA</p>
5.6	<p>Preamble:</p> <p><i>Growers and millers commit to report greenhouse gas emissions from their operations. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognized that to reduce or minimise these emissions is not always practical or feasible.</i></p> <p><i>Growers and millers commit to an implementation period until the end of December 2016 for promoting best practices in reporting to the RSPO, and thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO.</i></p>			
5.6	<p>Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p> <p>Guidance:</p> <p><i>Where practically feasible, operations should follow best management practices to measure and reduce emissions. Advice on this is available from the RSPO.</i></p>			
5.6.1	<p>(M) Document(s) assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent, shall be available (see Criterion 4.4)</p> <p>Specific Guidance:</p> <p>For 5.6.1: <i>Assessment document covers identification of pollutant and emission sources, and evaluation of potential pollution level.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Has an assessment of all polluting activities been conducted including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4)?</p> <p>b. Is there a documented list of all identified polluting activities?</p>	<ul style="list-style-type: none"> Environment aspect and impact list F/SMART/LEMS-EHSD/SADV/001/001 updated 4 January 2017 RKL RPL report 	<p>Identification of pollution and emission sources at KNNM activities was evident. The source of pollution, type of pollution and its control was documented, e.g. stack of boiler, electricity generator and heavy equipment, methane from WWTP, composting, and fertiliser. The information of pollution and emission sources at KNNM and estates was reviewed and updated on 4 January 2017.</p> <p>Monitoring of pollution and emission quality of sources identified has been programmed. Monitoring and measurement results for 2nd semester 2016 and 1st semester 2017 were sighted for boiler emission against Environment Ministry Decree #07/2007, diesel electricity generator against Environment Ministry Decree #Per21/Menlh/2008, vehicle and heavy equipment emission against Environment Ministry Decree #05/2006, odour emission against Environment Ministry Decree #50/Menlh/11/1996, ambient noise against Environment Ministry Decree #48/Menlh/11/1996, also ambient air quality against Government Regulation #41/1999.</p>	<p>YES</p>
<p>5.6.2</p>	<p>(M) Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>Specific Guidance: For 5.6.2: Plans will include objectives, targets and timelines. These should be responsive to context and any changes should be justified. Examples of reducing greenhouse gas emission are including empty bunch application, effluent land application, efficiency of fertilizer use, fuel efficiency, compost application and or methane capture.</p> <p><i>For 5.6.2 and 5.6.3: The treatment methodology for POME will be recorded.</i></p>			
	<p>a. Is there a documented list of all identified significant pollutants and GHG emissions?</p> <p>b. Are there plans to reduce or minimise the identified pollutants and GHG emissions?</p> <p>c. Do the plans include objectives, targets and timelines for reduction that are responsive to context?</p> <p>d. Are the plans being implemented? Was there any changes? Is it justified?</p> <p>e. Is the treatment methodology for POME recorded? (refer to C 4.4.3)</p>	<ul style="list-style-type: none"> Identification of greenhouse gas (GHG) emissions sources Greenhouse Gas Emissions reduction plan 2017 Records of fertilizers activities. Records of land application Monitoring records of utilization of waste fibre and shell as boiler fuel and electricity Site visit to estate and WWTP The results of monitoring of 	<p>Identification of greenhouse gas (GHG) emissions sources at Kenanga Mill and Kencana and Cendana Estates of PT. Kencana Graha Permai activities was evident. The information of GHG sources at Mill and Estates was reviewed including:</p> <p>Estate:</p> <ol style="list-style-type: none"> Fertilisers Fossil fuels Emission from vehicles, heavy equipment, and engines <p>Mill:</p> <ol style="list-style-type: none"> Methane from POME pounds Fossil fuel Emission from vehicles and engines Electric use 	<p>YES (Major NCR 2017-12 CLOSED)</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																
		waste water effluent to land application for period September – December 2016 and January – August 2017	<p>5. Chemical use</p> <p>Several effort to reduce GHG emissions is prepared as follows:</p> <ol style="list-style-type: none"> 1. Fertilizer management such as: <ul style="list-style-type: none"> • Proper dosage and application time • Application of EFB 2. Fibre & shell <ul style="list-style-type: none"> • As with fuel boilers and turbine generators 3. Liquid waste to land application; liquid waste containing methane which when applied to compost of empty bunch it will reduce methane. 4. Mill effort: <ul style="list-style-type: none"> • Monitoring Kwh / ton of production in the mill • Use energy saving lamp 5. Estate effort: <ul style="list-style-type: none"> • Optimization of pest control by natural enemies to reduce the uses of pesticides as well as Integrated Pest Management (IPM). • Calculate the toxicity of pesticide active ingredients contained in the FFB as the basic to reduce the uses of chemical pesticides. • Planting of LCC (legume cover crop) can reduce weeds, thereby reducing the uses of herbicides. • Optimizing the use of heavy equipment <p>There are also established the GHG reduction plan period September 2016 - routine completed with objectives, targets and timelines as below:</p> <table border="1" data-bbox="1122 1118 1895 1401"> <thead> <tr> <th>No</th> <th>Program</th> <th>Target</th> <th>Actual 2017 (YTD August)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Reduce usage of solar fossil fuel</td> <td>Minimum 5%</td> <td>CDNE: 25% KNCE: 3.70%</td> </tr> <tr> <td>2</td> <td>Reduce usage of paraquat</td> <td>No paraquat used</td> <td>No paraquat used</td> </tr> <tr> <td>3</td> <td>Using energy saver lamps</td> <td>Changing the type of fluorescent lamp into SL type</td> <td>Used energy saving lamps</td> </tr> </tbody> </table>	No	Program	Target	Actual 2017 (YTD August)	1	Reduce usage of solar fossil fuel	Minimum 5%	CDNE: 25% KNCE: 3.70%	2	Reduce usage of paraquat	No paraquat used	No paraquat used	3	Using energy saver lamps	Changing the type of fluorescent lamp into SL type	Used energy saving lamps	
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<p>Kenanga Mill waste water was processed through multi-feedings waste water treatment ponds: six anaerobic ponds. Process parameter monitoring and maintenance of the ponds were sighted. Quality of waste water effluent is monitored monthly in line with the requirements of land application permit from Ketapang Regent.</p> <p>The results of monitoring of waste water effluent to land application were reviewed including measurement of BOD <5,000 mg/L and pH average 6 - 9. Several conditions of WWT operation are monitored periodically, e.g. checking of circulation pump and aerator condition, cleaning in pond, etc.</p> <p>Major Non-Conformance 2017-12: Based on SOP Environmental Monitoring SOP/SMART/LEMS-EHSD/SADV//003, for measurements not regulated in the Regulations, the measurement schedule is made at least once every 6 months of the year. Actual measurements of vehicle and heavy equipment emissions are conducted once a year and were not conducted to all vehicles and heavy equipment.</p> <p>Verification of Effectiveness:</p> <ol style="list-style-type: none"> 1. Emission of vehicle and heavy equipment was conducted on 11 – 14 October 2014. News of test was evident on 11, 13 and 14 October 2017. Result has not been finished. 2. Program of monitoring measurement 2018 has been developed. Emission of vehicle and heavy equipment will be conducted on April and October 2017. 3. Document change was proposed by FSIM to SOP Team to change statement of frequency of monitoring and measurement through F/SMART/SUST/III/001/03 <i>Formulir Usulan Perubahan dan Pembuatan Dokumen</i> on 20 October 2018. Proposal was approved by Head of PCDV. Procedure still in revision process. 									

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5.6.3			<p>A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.</p> <p>Specific Guidance: For 5.6.2 and 5.6.3: The treatment methodology for POME (Palm Oil Mill Effluent) will be recorded.</p> <p>For 5.6.3 (GHG): For the implementation period until December 31st, 2016, an RSPO-endorsed modified version of PalmGHG which only includes emissions from operations (including land use practices) can be used as a monitoring tool.</p> <p>In addition, during the implementation period, growers will start to assess, monitor and report emissions arising from changes in carbon stocks within their operations, using the land use in November 2005 as the baseline. The implementation period for Indicator 5.6.3 is the same implementation period for Criterion 7.8.</p> <p>During the implementation period, reporting on GHG will be to a relevant RSPO working group (composed of all membership categories) which will use the information reported to review and fine tune the tools, emission factors and methodologies, and provide additional guidance for the process. Public reporting is desirable, but remains voluntary until the end of the implementation period. During the implementation period the RSPO working group will seek to continually improve PalmGHG, recognising the challenges associated with measuring GHG and carbon stock.</p> <p>PalmGHG or RSPO-endorsed equivalent will be used to assess, monitor and report GHG emissions. Parties seeking to use an alternative to PalmGHG will have to demonstrate its equivalence to the RSPO for endorsement. Methodology for calculating GHG refers to 7.8.1.</p>													
	<p>a. Is there a system in place to monitor emission of pollutants including greenhouse gases from estate (plantation) and mill operations?</p> <p>b. Is there regular reporting of the monitoring outcomes? How often and to whom is reporting done?</p> <p>c. Is the monitoring and reporting conducted using appropriate tools? What tool is being used to assess, monitor and report on GHG emissions?</p> <p>Please refer to specific guidance for GHG requirements.</p>	<p>Email and calculation of GHG RSPO calculation Year assessment 2016 reporting date 8 September 2017</p>	<p>The GHG emission calculation for Kenanga Mill of PT Kencana Graha Permai uses PalmGHG V 3.0. As RSPO requirement. The reporting was conducted periodically to the RSPO interest (Ms. Devaladevi Sivaceyon) on 8 September 2017. Reports was sighted that summarized as below:</p> <table border="1" data-bbox="1122 995 1912 1161"> <thead> <tr> <th>Emission</th> <th>Own Crop</th> <th>Group</th> <th>Out grower</th> </tr> </thead> <tbody> <tr> <td>Total field emissions (tCO₂e)</td> <td>10,627.94</td> <td>0</td> <td>26,991.55</td> </tr> <tr> <td>Total mill emissions (tCO₂e)</td> <td>63,902.48</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Emission	Own Crop	Group	Out grower	Total field emissions (tCO ₂ e)	10,627.94	0	26,991.55	Total mill emissions (tCO ₂ e)	63,902.48	0	0	<p>YES</p>
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PRINCIPLES 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
6.1	<p>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.</p> <p>Guidance: <i>Identification of social impacts may use AMDAL as part of the process, however it is the company's responsibility to provide objective and proper evidence to the audit team that entire requirements in the social impact assessment cover all aspects of estate and mill operations, and their changes along the time.</i></p> <p><i>Identification of social impacts should be carried out by the grower with the participation of affected parties, including women and migrant workers as appropriate to the context. The involvement of independent experts should be sought where this is considered necessary to ensure that all impacts (both positive and negative) are identified.</i></p> <p><i>Participation in this context means that affected parties are able to express their views through their own representative institutions, or freely chosen spokespersons, during the identification of impacts, reviewing findings and plans for mitigation, and monitoring the success of implemented plans.</i></p> <p><i>Potential social impacts may result from activities such as: building new roads, processing mills or other infrastructure; replanting with different crops or expansion of planting area; disposal of mill effluents; clearing of remaining natural vegetation; changes in employee numbers or employment terms; smallholder schemes.</i></p> <p><i>Plantation and mill management may have social impacts (positive or negative) on factors such as:</i></p> <ul style="list-style-type: none"> - Access and use rights; - Economic livelihoods (e.g. paid employment) and working conditions; - Subsistence activities; - Cultural and religious values; - Health and education facilities; - Other community values, resulting from changes such as improved transport /communication or arrival of substantial migrant labour force. - Traditional or customary rights owned by the local community, if identifiable - Welfare of workers/labour and women, children and vulnerable group - Contribution to the local development, including improvement of human resources, local and customary communities. <p><i>Regulations relating to identification of environmental and social key issues including indigenous rights and methodology to collect data and utilize the results, adopted from related regulations, such as:</i></p> <ol style="list-style-type: none"> 1. Government Regulation No. 27 year 2012 regarding Environment Permit 2. Regulation of the Minister of Environment No. 17 year 2012 regarding Involvement of Community and Information Transparency in AMDAL Process 3. Regulation of the Minister of Environment No. 8 year 2006 regarding Guidance for AMDAL Preparation 4. Decree of the Head of Bapedal No. No. 299 year 1996 regarding Technical Guidance for Social Aspect Study in AMDAL Preparation 5. Regulation of Minister of Home Affairs No.52 year 2014 regarding Guidance on the Recognition and Protection of the Indigenous People 			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	6. Regulation of the State Minister of Agrarian Affairs/Head of the Land National Agency No. 5 year 1999 on Guidelines for the Settlement of Problems Related to the Communal Reserved Land of the Customary Law Abiding Community			
6.1.1	(M) A social impact assessment (SIA) including records of meetings shall be documented.			
	<p>a. Has an SIA been conducted? <i>When was the last SIA conducted?</i></p> <p>b. Is the process in conducting the SIA and the findings documented?</p> <p>c. <i>Does the SIA cover all of the potential impact factors, including:</i></p> <ul style="list-style-type: none"> • <i>Access and use rights;</i> • <i>Economic livelihoods (e.g. paid employment) and working conditions;</i> • <i>Subsistence activities;</i> • <i>Cultural and religious values;</i> • <i>Health and education facilities;</i> • <i>Other community values, resulting from changes such as improved transport /communication or arrival of substantial migrant labour force.</i> 	<ul style="list-style-type: none"> • Social Impact Assessment at PT. Kencana Graha Permai, 2014 • Review of Social Impact Management and Monitoring in 2017 (Revision) 	<p>Organization has conducted a survey and Social Impact Assessment (SIA) on 13 – 16 May 2014 by SIGS team (Social Impact and Grievance Section) of PT. SMART Tbk. The results of these activities recorded in the SIA Report at PT. Kencana Graha Permai and the Review of Social Impact Management and Monitoring in 2017 (Revision). The SIA covered several factors, such as demography, economics matters, social, cultures, religion, and health aspects.</p> <p>The positive impacts were identified, such as :</p> <ul style="list-style-type: none"> - Access and use rights; - Economic livelihoods and working conditions; - Subsistence activities - Cultural and religious values - Health and education facilities - Other community values, resulting from changes such as improved transport /communication - Traditional or customary rights owned by the local community - Welfare of workers/labour and women, children and vulnerable group - Contribution to the local development, including improvement of human resources, local and customary communities. <p>Positive impacts were maintained with organisation and necessary action was planned by the organization.</p> <p>Negative Impacts were identified during assessment, such as :</p> <ul style="list-style-type: none"> - Local labour is less prioritized - Less labour information transparent to the local community 	YES

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			<p>- PPE inadequate for both sprayers and harvest workers</p> <p>Facility employees who do not work properly so that many complaints of employees.</p>	
6.1.2	(M) There shall be evidence that the assessment has been conducted with the participation of affected parties.			
	<p>a. Does the assessment involve consultation with the affected parties? Who are the affected parties?</p> <p>b. Is there record of how the participatory assessment has been conducted? Were the affected parties able to express their views through their own representative institutions, or freely chosen spokespersons, during the identification of impacts, review of findings and planning for mitigation?</p>	<ul style="list-style-type: none"> • Social Impact Assessment at PT Kencana Graha Permai, 2014 • Record of questionnaire and interview with stakeholders • Record of public consultation with stakeholders 	<p>Based on the results of the Social Impact Assessment report, it appears that the assessment also includes stakeholders, community leaders figure, related government agencies, employee, etc. through a public consultation which visible on participant attendance at SIA report.</p> <p>Assessment was conducted through PRA (Participatory Rural Appraisal) and involved the local community. And also some interview was conducted with leaders' community. This assessment was conducted on 13 – 16 May 2014. Assessment has been done with the participation of affected parties. Scope of assessment covered several villages, such as: Randai Village, Rangkung Village, Belaban Village and Batu Payung Village. Evidence of participatory action from local communities was also sighted in related SIA documentation including photos, questionnaires, etc.</p> <p>SIA assessment involving the communities around the estate and all relevant stakeholders, this can be viewed from the evidence of attendance list of public consultation and a list of names of the respondents, the informant at the time of interview and assessment SIA.</p> <p>It was noted, there were 31 sample respondents from communities affected by the activities of PT KGP (Randai Village, Rangkung Village, Belaban Village and Batu Payung Village), the informant in the SIA process. Affected parties been able to express their views through their own representative institutions, or freely chosen spokespersons, during the identification of impacts, reviewing findings and plans for mitigation, and monitoring the success of implemented plans.</p>	YES
6.1.3	<p>(M) 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.</p> <p>Specific Guidance: For 6.1.3 and 6.1.4: Plan for management and monitoring of social impacts shall be established to avoid or reduce negative impacts and promote the positive ones, and monitoring of identified impacts shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>Methodology to identify customary right and local community and social impacts assessment can be made with the following:</i></p> <p>a. Document review b. Field observation c. Interview d. FGD (Focus Group Discussion) e. Participatory mapping</p> <p><i>These involve participation of the community to define potential social impacts and management recommendation. The process refers to Regulation of the Minister of Environment No. 17 year 2012 regarding Community involvement and Information Transparency in the Process of Environment Impact Assessment (SEIA).</i></p>			
	<p>a. <i>Is there any documented record to outline the plan on mitigation, implementation and monitoring according to the SIA report?</i></p> <p>b. <i>Have plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts been developed?</i></p> <p>c. <i>Have these plans been documented, with clear timetables? Is the timeline reasonable?</i></p> <p>d. <i>Have the persons responsible for implementation of the plans been identified?</i></p>	<ul style="list-style-type: none"> • Social Impact Assessment PT Kencana Graha Permai, 2014 • Review of social impact management and monitoring in 2017 (Revision), PT. KGP • Decision Letter No. 002/SK/RC-SPO/08/2016 about Appointment of The Social Officer, on 05 August 2016 and Decision letter No. 001/KGP-KNNM/SPO-INT/SK/VIII/2016, about Appointment of Social and Communication PIC, on 01 August 2016 	<p>Action plan to implement and monitor social impact with community has been determined. Positive impacts were maintained with organisation and necessary action was planned by the organization. Overall of negative impacts were followed up with corrective action. According to public interview, they explained that the organisation has done some positive actions in regard with SIA result. Evidence of participatory action from local communities was also sighted in related SIA documentation including photo and also management and monitoring social impact report which is verified by head village of around estate and mill. Effectiveness analysis of negative impact management was conducted by organization and described in the report of social impact management and monitoring plan in 2017 (revision). The action plan documented with clear timetables, include the personal-in-charge.</p> <p>Management and monitoring program of the social impact such as :</p> <ul style="list-style-type: none"> - Opening the labour information widely - Increase productivity plasma program that can be useful for the community - Plan annual CSR program include infrastructure, education, economic, social and cultural - Empowerment local economy for development of local economic - Provision of facilities for public health - Commitment maintain the facilities given and improve what is already given <p>Its report was sighted and it was indicated that SIA management program has effective to manage negative impact. Unit Head (estate and mill) have the responsibility for implementing of the social impact plans that assisted by SPO Officer.</p>	<p>YES</p>

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6.1.4	<p>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.</p> <p>Specific Guidance: For 6.1.3 and 6.1.4: Plan for management and monitoring of social impacts shall be established to avoid or reduce negative impacts and promote the positive ones, and monitoring of identified impacts shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. Methodology to identify customary right and local community and social impacts assessment can be made with the following:</p> <ol style="list-style-type: none"> Document review Field observation Interview FGD (Focus Group Discussion) Participatory mapping <p>These involve participation of the community to define potential social impacts and management recommendation. The process refers to Regulation of the Minister of Environment No. 17 year 2012 regarding Community involvement and Information Transparency in the Process of Environment Impact Assessment (SEIA).</p>			
	<ol style="list-style-type: none"> Is the plan reviewed every two years? Has the plan been updated as necessary (i.e. in cases where the review has concluded that changes should be made to current practices)? Have the changes to the plan been implemented? Is there evidence that the review has been done with the participation of the affected parties? Has the process been recorded/documentated? 	<ul style="list-style-type: none"> SOP/SMART/SIGS-CSR/SADV/II/002, on 01 July 2014 Review of social impact management and monitoring in 2017 (Revision), PT. KGP Minutes of meeting on 26 May 2017 	<p>Review of Social Management Plan (RKS) and Social Monitoring Plan (RPS) was conducted minimum one times in 2 years period. Improvement and corrective action regarding RKS and RPS would be performed as soon as possible based on the relevant and actual condition. It was explained in procedure of the Social Impact Management and Monitoring (SOP/SMART/SIGS-CSR/SADV/II/002, on 01 July 2014).</p> <p>Management and monitoring for social impact was conducted involving the local community and affected parties. Review of management and monitoring social impact also involving the affected parties. Meeting with stakeholders was conducted on 26 May 2017. The review process has documented, such as: Minutes of meeting, attendance list, photo, etc.</p>	YES
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).			
	<ol style="list-style-type: none"> Are there schemed smallholders involved? 	Cooperation Agreement with Koperasi Tuah Kencana, No. 007/KOPBUN/TKP/XII/2007 on 07 December 2007	The company has been paying particular attention to smallholder scheme. PT KGP have the pattern cooperation of plantation (partnership) for the community (smallholdings) of 628 ha. Cooperation Agreement with Koperasi Tuah Kencana Permai, location in Marau District, Ketapang Regency, West Kalimantan. Document agreement No. 007/KOPBUN/TKP/XII/2007 on 07 December 2007; a form of	YES

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	b. Have they been considered and involved in the whole process of the SIA? c. What are the main impacts affecting these smallholders?		cooperation is Revitalisation Full Manage the period of cooperation for 30 years. SIA has included the presence of smallholder scheme. The main impact of economic development, improve productivity, good communication between company and smallholders, etc.	
6.2	<p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p> <p>Guidance: Decisions that the growers or mills are planning to make should be made clear, so that local communities and other interested parties understand the purpose of the communication and/or consultation.</p> <p>Communication and consultation mechanisms should be designed in collaboration with local communities and other affected or interested parties. These should consider the use of appropriate existing local mechanisms and languages. Consideration should be given to the existence/formation of a multi-stakeholder forum. Communications should take into account differential access to information by women as compared to men, village leaders as compared to day labourers, new versus established community groups, and different ethnic groups.</p> <p>In these communications, consideration should be given to involve third parties, such as disinterested community groups, NGOs, or government (or a combination of these), to facilitate smallholder schemes and communities, and others as appropriate.</p>			
6.2.1	(M) Communication and consultation procedures shall be documented			
	a. Does the company maintain a list of local communities and other affected or interested parties? b. Is there SOP being developed by the company for communication and consultation between the company and the local communities and other affected or interested parties? c. Is the FPIC approach incorporated in the SOP for communication and consultation with the local communities and other affected or interested parties?	<ul style="list-style-type: none"> List stakeholders on 19 September 2017 (KNCE), 11 September 2017 (CDNE) and 01 September 2017 (KNNM) Procedure for communication and consultation SOP/ISPO/SMART/LH-19, on 01 July 2010 Logbook of Stakeholder Aspiration (Communication and Consultation) Minutes of meeting 26 May and 26 September 2017 	The company has made a list of stakeholders by category (government agencies, village, religious leaders / village community and business partners). List of stakeholders is well maintained and always done regularly update data (6 months), the last performed update on 04 August 2016 (KNCE) and 01 January 2016 (CDNE). Documented procedure for communication and consultation with public was established in SOP/ISPO/SMART/LH-19, on 1 July 2010. Describes stakeholders consisting of: the community around the estate / factory, local governments, related institutions labour unions, NGOs, can deliver communications to the company in the form of requests for information, expression of aspiration, demands / claims, complaints / grievances against the plantation and processing plant palm oil. The company facilitates the delivery of this communication through incidental meetings of stakeholders and provision of suggestion boxes placed in all division office, large office and office security. The procedure was made already accommodate all stakeholders and with	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>d. Has the SOP been developed together with the local communities and other affected or interested parties using appropriate existing local mechanisms and in languages understood by these parties?</p> <p>e. Has the SOP been socialized with the local communities and other affected or interested parties taking into account the differential access to information by women as compared to men, village leaders as compared to day labourers, new versus established community groups, and different ethnic groups?</p> <p>f. Have interviews with affected parties been carried out to verify that the SOPs are effective?</p>	<ul style="list-style-type: none"> Public consultation with stakeholders on 28 September 2017 	<p>understandable language (Indonesian). Procedures are written and communicated with affected local communities through public consultation was held on 26 May and 26 September 2017.</p> <p>Result of communication and consultation was recorded in the 'log book', e.g. road maintenance, donation, facilities support, invitation for memorial, etc. Most of requests were an invitation to follow the event held by the stakeholders, for example: invitation for memorial of religious holidays, invitation for area meeting from government, etc. Communication and consultation has considered differential access to information for male/female, workers, villagers representative both old and new villagers including ethnics.</p> <p>Community aspirations were kept and recorded by the SPO Officer in Logbook Stakeholder aspiration, e.g. road maintenance, donation, facilities support, invitation for memorial, etc. Most of requests were an invitation to follow the event held by the stakeholders, for example: invitation for memorial of religious holidays, invitation for area meeting from <i>Camat</i>, etc. Records and interview result indicated that aspiration from community was followed up by the organisation.</p> <p>Based on public consultation with stakeholders, that they understood the mechanism for communication and consultation at PT. KGP.</p>	
6.2.2	The company shall have official(s) who is responsible for consultation and communications with parties.			
	<p>a. Who in the company is appointed to be responsible for communication and consultation with the affected parties?</p> <p>b. Has the position been made official with clear and proper job description?</p> <p>c. Have the affected parties been made aware and have access to the person in charge?</p>	<ul style="list-style-type: none"> Decision letter No. 002/ SK/RC-SPO/08/2016, about Appointment of Social and Communication PIC, on 05 August 2016 (on Richard Wibisono) Decision letter No. 14/RC-SPO/06/2013, about Appointment of Social and Communication PIC, on 12 June 2013 (on behalf Imam Robani) 	<p>Unit Head (estate and mill) have the responsibility for response of the communication and consultation form stakeholders or affected parties that assisted by SPO Officer. The responsibilities includes :</p> <ul style="list-style-type: none"> Communication and consultation Grievance and complaints Response of the request information <p>During interview with stakeholders that they have understood the mechanism of the communication and consultation.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
6.2.3	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.			
	<p>a. Is the following maintained?</p> <ul style="list-style-type: none"> • List of stakeholders (local communities and other affected or interested parties etc.); • Records of all communication, including confirmation of receipt or endorsement; • Evidence that efforts have been made to ensure understanding by affected parties; • Record of actions taken in response to input from stakeholders. 	<ul style="list-style-type: none"> • List of stakeholders on 19 September 2017 (KNCE), 11 September 2017 (CDNE) and 01 September 2017 (KNNM) • Logbook of Stakeholder Aspiration (Communication and Consultation) • Public consultation with stakeholders on 28 September 2017 	<p>Stakeholder list was made and mentioned interested party. Stakeholder list covered District Head, Forestry and Plantation Department, Environmental Agency, Labour, transmigration and social Department, National Land Agencies, Sub-District Head (<i>Camat</i>), Village Head around estate and mill, FFB supplier, Police of subdistrict, Worker union and gender committee. Stakeholder list was made detail, address and phone numbers were mentioned in the list. It was update on 19 September 2017 (KNCE), 11 September 2017 (CDNE) and 01 September 2017 (KNNM).</p> <p>Community aspirations were kept and recorded by the Head of Administration or SPO Officer on logbook "Stakeholder Aspiration" e.g. road maintenance, donation, scholarship, invitation for memorial, etc.</p> <p>Based on public consultation with stakeholders, the company has well communicated with stakeholders, both directly and indirectly (by mail or phone).</p>	YES
6.3	<p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p> <p>Guidance: See also to Criterion 1.2.</p> <p><i>Dispute resolution mechanisms should be established through open and consensual agreements with relevant affected parties.</i></p> <p><i>Complaints should be dealt with by mechanisms such as Joint Consultative Committees (JCC), with gender representation as necessary. Grievances may be internal (employees) or external.</i></p> <p><i>For scheme and independent smallholders, refer to 'Guidance for Independent Smallholders under Group Certification', June 2010, and 'Guidance on Scheme Smallholders', July 2009.</i></p> <p><i>Where a resolution is not found mutually, complaints can be brought to the attention of the RSPO Complaints System. This refers to United Nations Commission on Human Rights (UNCHR) document to support 'Guiding Principles on Business and Human Right' to implement UN framework to "Protect, Respect and Remedy" 2011. If all the above stages of conflict resolution have been carried out but the conflict cannot be resolved, then the next process is done through legal proceedings in court.</i></p> <p><i>Conflict resolution process with the community is still continued although transfer of company's ownership occurs.</i></p>			
6.3.1	<p>(M) 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 information is supported with adequate initial evidence.</p> <p>Specific Guidance:</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p>For 6.3.1: <i>The system should aim to reduce the risks of reprisal.</i> For 6.3.2: <i>Records can be in the form of evidence from process or end-result of the resolution</i></p>				
	<p>a. Is there an system in place to deal with complaints and grievances for all affected parties?</p> <p>b. Who in the company is responsible to receive complaints and grievances?</p> <p>c. Is the existence of the system been made known and communicated to all parties?</p> <p>d. Is there evidence that the system is understood by all parties?</p> <p>e. Is training provided to the workers on the procedures/systems?</p> <p>f. Is the system effective to ensure that complaints or grievances are addressed or resolved in an effective, timely and appropriate manner?</p> <p>g. Does the mechanism or procedure provide a way for workers to report a grievance against a supervisor to someone other than the supervisor?</p> <p>h. How is a complaint or grievance investigated, addressed and resolved? Are complaints dealt with by mechanisms such as JCC?</p> <p>i. Is there a non-retaliation or non-reprisal policy that protects complainants or whistle-blowers?</p> <p>j. Is the privacy of parties protected?</p>	<ul style="list-style-type: none"> ▪ Procedure No. PPNM/SOP/21, on 1 June 2012; Mechanism for Complaints ▪ Procedure and Consultation Communication No. SOP/SPO/SMART/LH-19. ▪ Log book of Complaint and Grievance. ▪ Minutes of meeting on 30 August 2017. 	<p>The organisation has set a delivery mechanism for complaints of workers in the PT SMART Procedure No. PPNM/SOP/21, on 1 June 2012 on grievance and dissatisfaction. Complaint follow up was carried out in accordance with the grievance procedure and Consultation Communication No. SOP / SPO / SMART / LH-19. Complaints and grievances from anonymity of complainants and whistle-blowers will be receipt by organization. Identity of whistle-blowers was protected and will be withheld by organization to reduce the risk of reprisal. Complaint and grievance from stakeholder was recorded in Log book of Complaint and Grievance. All of social complaint from stakeholder shall be responded maximum in one month. Head of administration (KTU) will be informed to unit head / manager (estate / mill) and maximum in one month complaint shall be responded by the company.</p> <p>The procedure was made already accommodate all stakeholders and with understandable language (Indonesian). Procedures are written and communicated with affected local communities through public consultation was held on 30 August 2017. The company also provides a suggestion box in each office (estate, division, and mill) for the grievance mechanism. If a resolution is not found mutually, process for complaints to be brought to the RSPO Complaints System</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	k. Where a resolution is not found mutually, is there a process for complaints to be brought to the RSPO Complaints System?			
6.3.2	<p>(M) There shall be records of process and outcome of dispute resolution.</p> <p>Specific Guidance: For 6.3.2: <i>Records can be in the form of evidence from process or end-result of the resolution</i></p>			
	<p>a. Is the complaints or grievance resolution process documented?</p> <p>b. Are outcomes or decisions reported to the parties?</p> <p>c. Who has access to the documentation of the process and/or outcomes?</p>	<ul style="list-style-type: none"> • Procedure of Land Compensation SOP/NP/SMART/VII/D&L002, dated 1 July 2010 • Logbook of the complaint and grievance KCNE, CDNE, and KNNM. • Interview with stakeholders on 28 September 2017. 	<p>It was noted in Logbook of Complaint and Grievance, that there were some complaints from internal stakeholders (workers). Complaints status were handled and closed. The result of complaints reported to complainant.</p> <p>All of social complaint from stakeholder shall be responded maximum in one month. Head of administration (KTU) will be informed to unit head / manager (estate / mill) maximum in one week to discuss handling of complaint.</p> <p>For example: Complaint from employees on 11 September 2017 regarding employee's BPJS card have not been received by them of 76 employees. It was responded by company in 12 September 2017 and verified by company to BPJS Ketapang on 20 September 2017 (Letter No. 100/EM-CDNE/09/2017). This status was in progress completion.</p>	YES
6.4	<p>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.</p> <p>Guidance: <i>This criterion should be considered in conjunction with Criteria 2.2 and 2.3, and the associated Guidance</i></p>			
6.4.1	<p>(M) 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.</p> <p>Specific Guidance: For 6.4.1: <i>Customary Right in the Local Regulation/Perda (based on Constitution Court Decision No. 35/PUU-X/2012 regarding Customary Forest) determined through participatory mapping of customary land by the customary law community who are recognized by the surrounding customary law community and refers to Regulation of the Minister of Home Affairs (Permendagri) No. 52 year 2014 regarding Guideline of Recognition and Protection of Legitimate Customary Community and Regulation of the State Minister of Agrarian Affairs/Head of National Land Agency (BPN) No. 5 year 1999 regarding Guidelines for the Settlement of Problems Related to the Communal Reserved Land of the Customary Law Abiding Community.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	a. Are procedures for identifying legal, customary or user rights in place? b. Are procedures for identifying people entitled to compensation in place? c. Are those procedures jointly developed, agreed and accepted by local communities?	<ul style="list-style-type: none"> • Procedure of Land Compensation SOP/NP/SMART/VII/D&L002, on 1 July 2010 • Minutes of meeting on 06 November 2015 	The procedure SOP/NP/SMART/VII/D&L002 described the mechanism for identifying legal, customary or user rights and also for identifying people entitled to compensation and determines calculation method to provide fair compensation. Evidence of Procedure Awareness was documented. It was communicated to related parties (community leaders, and religious figures and youth leaders). Last awareness session for procedure was conducted on 06 November 2015.	YES
6.4.2	<p>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.</p> <p>Specific Guidance: For 6.4.2: Companies should make best efforts to ensure that equal opportunities have been provided to the heads of family, both female and male, to hold land titles in smallholder schemes if the land ownership is individual.</p> <p>The calculation procedure shall consider:</p> <p>a. Gender differences in the power to claim rights, ownership and access to land; b. Differences of transmigrants and long-established communities; c. Differences between legal ownership evidence with communal ownership of ethnical group (customary community)</p>			
	a. Has a procedure for calculating and distributing fair compensation (monetary or otherwise) been established and implemented? b. Are the procedures jointly developed, agreed, accepted and clearly understood by affected parties? c. Is the procedure monitored and evaluated in a participatory way? Have corrective actions been taken as a result of this evaluation? d. Does this procedure take into account the following:	<ul style="list-style-type: none"> • Procedure of Land Compensation SOP/NP/SMART/VII/D&L002, dated 1 July 2010 • Cooperation Agreement with Koperasi Tuah Kencana, No. 007/KOPBUN/TKP/XII/2007 on 07 December 2007 	Procedures related to giving and determining the amount of compensation in land acquisition described in Procedure of Land Compensation SOP/NP/SMART/VII/D&L002, on 1 July 2010. Procedure monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. It's evident through public consultation with stakeholder. Equal opportunities have been provided to both female and male heads of households to hold land titles. The procedures explained that once a company knows the extent of land to be compensable, the company in consultation and coordination regarding the payment of team the village community / districts to get a benchmark price that will be used. After the benchmark price of the compensation obtained, the company will disseminate to the public landowner. Some records in the compensation process are:	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • Gender differences in the power to claim rights; • Ownership and access to land; • Differences of transmigrants and long-established communities; • Differences in ethnic groups' proof of legal versus communal ownership of land. <p>e. Where there are schemed smallholders, is there effort to ensure equal opportunity has been provided to.</p>		<ul style="list-style-type: none"> - Minutes of Data Collection (land area) - Minutes of Delivery of Land and Compensation Provision (witnessed by the Village Head and Head) - Submission of Statement of Land - Statement letter - Map Details Land - List of attendance of measurement land, which was witnessed by the local government. <p>It was noted that there was no ongoing progress of new land acquisition during interview with sampled villager's representative, all previous land acquisition was solved before Land Use Title-<i>Hak Guna Usaha</i> (HGU).</p> <p>There were scheme smallholders (Koperasi Tuah Kencana Permai) at PT. KGP. Assistance by the company in the palm oil cultivation, internal meeting between PT. KGP management and smallholder, etc.</p>	
6.4.3	(M) Compensation claims, process and outcome of any negotiated agreements shall be documented, with evidence of the participation of affected parties.			
	<p>a. Is the process and outcome of negotiated agreements and compensation claims documented?</p> <p>b. Does this documentation include evidence of the participation of affected parties? Is there any approval/signed by effected parties?</p> <p>c. Was consent obtained from all parties to make the documents publicly available?</p>	<ul style="list-style-type: none"> • Procedure of Land Compensation SOP/NP/SMART/VII/D&L002, on 1 July 2010 • Public consultation with stakeholders on 28 September 2017 	<p>During this audit it was noted that there was no ongoing progress of new land acquisition during interview with sampled villager's representative, all previous land acquisition was solved before Land Use Title-<i>Hak Guna Usaha</i> (HGU).</p>	YES
6.5	<p>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.</p> <p>Guidance: <i>Labor union agreement or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official or Labor Union if any.</i></p> <p><i>Regulation related to the minimum wage such as, Regulation of the Minister of Manpower & Transmigration No. 7 year 2013 regarding Minimum Wage, shall be implemented.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<i>Definition of Decent Living Wage refers to the Act No. 13 year 2003 (Manpower Act) is a set of standard necessities that must be fulfilled by a worker in order to have a decent physical and social living for a month.</i>			
6.5.1	(M) Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.			
	<p>a. What types of employment arrangements are there in the company? (E.g. contractual, outsourced, apprenticeships, direct hires, piecemeal basis, etc.)</p> <p>b. Is there documentation of pay and conditions for each employee?</p> <p>c. Is there a definition for living wage in the country? If not, how was the decision on wage for employees and contract workers made?</p>	<ul style="list-style-type: none"> • List payroll in September 2017 • West Kalimantan Governor Regulations, No. 789/Disnakertrans/2016, on 18 November 2016 • Decree Letter No. 082/PSM7/XII/2016; about wages SKUB, on 29 December 2016 • Decree Letter No. 081/PSM7/XII/2016; about wages SKUH and PKWT, 29 December 2016 • Decree Letter No. 083/PSM7/XII/2016; about wages BHL, on 29 December 2016 • Circular Letter No. Rev. 011/PSM7/VPA7/7/2017 regarding Premium System of FFB Harvest and Loose Fruit, on 18 August 2017 • PKB 2016 – 2018 • Pay slip in October 2016 – August 2017 • Interview with employees on 28 	<p>Types of employment arrangement in the company were <i>SKU</i> (Permanent Monthly), <i>PKWT</i> (Contract), and <i>BHL</i> (Casual Worker). <i>SKU</i> was worker who paid fixed monthly with addition (<i>natura</i>) for worker and family. <i>PKWT</i> was contract worker who employed in accordance with agreed duration and get addition (<i>natura</i>) for worker. While for <i>BHL</i> was worker who paid in accordance with working day, there was no addition (<i>natura</i>). All arrangement was approved between employee and company in employment agreement and <i>PKB</i>.</p> <p>PT. KGP has implemented a national minimum wage standard in 2017, based on West Kalimantan Governor Regulations, 789/Disnakertrans/2016, on 18 November 2016 about Minimum Wage Fixing District (UMK) and Sectoral Wage Minimum District (UMSK) Ketapang Regency in 2017 and management decision letter issued by:</p> <ul style="list-style-type: none"> - Decree Letter 082/PSM7/XII/2016; about wages SKUB, on 29 December 2016 - Decree Letter 081/PSM7/XII/2016; about wages SKUH and PKWT, 29 December 2016 - Decree Letter No. 083/PSM7/XII/2016; about wages BHL, on 29 December 2016 <p>Wages and calculations performed using Payroll Application and recorded in the computer system each month. Based on the payroll period in January – September 2017, it appears that the payment of wages in accordance with the minimum wage set by the government. Wages were also based on the <i>PKB</i> (<i>Perjanjian Kerja Bersama</i>), about working days and hours of work, overtime calculation is based on the calculation of overtime pay in Kepmenakertrans No. 102/MEN/VI/2004. While the wage premium for harvest and picking <i>brondolan</i> on Circular Letter Rev. 011/PSM7/VPA7/7/2017, on 18 August 2017. In the circular Letter mentioned at the low condition of harvesting, <i>BHB</i> (picker <i>brondolan</i>) can be paid 1 manday when</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		September 2017	<p>the BHB has been worked for 7 hours/day or finished of 7 ha/day. Other than that, the company released Letter No. 001/PSM7/07/2017 regarding Non-Harvest Premium date on 25 July 2017 for traveling, heavy equipment, servant, truck driver, etc.</p> <p>It was verified during interview with workers that wages calculation was in accordance with regulation or PKB.</p>	
6.5.2	<p>(M) 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.</p> <p>Specific Guidance: For 6.5.2: <i>Collective Labor Agreement (Perjanjian Kerja Bersama/PKB) and or Company Regulation are developed by the company together with the Labor Union, if any, in the company referring to the manpower regulations, such as the Regulation of the Minister of Manpower No. 6 year 2011 regarding Procedure for Establishing and Endorsing the Company Regulation, and Developing and Registering Collective Labor Agreement.</i></p>			
	<p>a. Is the pay and conditions of employment clearly detailed in the employment or service contracts? (E.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.)</p> <p>b. Is the contract prepared in languages understood by the workers, explained carefully to workers by management officials, and signed by both the authorised signatory of the company and employee?</p> <p>c. Does the pay and conditions provided in labour laws, union agreements or direct contracts of employment comply with:</p> <ul style="list-style-type: none"> • The decent living wage as provided in the National Interpretation for the country; or 	<ul style="list-style-type: none"> • PKB 2016 – 2018 • <i>Peraturan Perusahaan</i> (PP) • Contract workers (BHL, PKWT and SKU) • Interview with employees on 27 September 2017 	<p>Agreement / contract of employment for workers, has been included in the PKB in 2016-2018 period. PKB has been endorsed by Disnakertrans, Ketapang Regency, West Kalimantan, in which explains:</p> <ul style="list-style-type: none"> - The provisions concerning wages - Wages follow government regulations, the UMP / UMSK - Provision and the amount of overtime pay - Provisions to leave work including annual leave, maternity leave and leave to marry well menstruation leave. - Participation of Social Security and social assistance. - Etc. <p>Contract of employment available in languages understood by the workers (in Bahasa Indonesia) and explained carefully to the worker by HRD officer. Each employment contract signed by the employee concerned and have understood (SKU, PKWT, and BHL), a copy of the employment contract provided to employees.</p> <p><i>Peraturan perusahaan</i> (PP) has been endorsed by Director General of Industrial Relations Labour and Social Security. Company regulations also regulate labour relations, wages, rights and liability of workers, working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.</p>	<p>YES</p> <p>(Major NCR 2017-13 CLOSED)</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • The local legal requirements in meeting the minimum wage; or • The industry minimum standard for a similar position or work responsibilities <p>d. Is the pay received by the employee consistent with the terms of the contract and the law (relates to P2)?</p> <p>e. Have there been any cases recorded of breach by the company, or complaint made by employees against the company on unjust pay and conditions?</p>		<p>The pay was received by employee consistently in accordance with contract and work performance. Based on interview with employees, that they no complaint about pay and condition.</p> <p>Major Non-Conformances 2017-13:</p> <p>a. Working Agreement of Casual (BHL) and Contract Workers (PKWT) have not been reported by the company (for 7 days after being signed) to related institution (Disnakertrans) in accordance with Kepmenakertrans 100/2004.</p> <p>b. No evidence that on casual worker (BHL) on behalf Mr. Tuslam (KNCE) was registered in the BPJS TK in accordance with working agreement and UU 13/2003 and Perpres 111/2013.</p> <p>Verification of Effectiveness:</p> <p>a. Field Sustainability Implementation Manager (FSIM) was reported all Work (BHL and PKWT in KNCE, CDNE and Mill) to <i>Dinas Tenaga Kerja dan Transmigrasi Ketapang</i> on 3 October 2017, namely KNCE BHL 96 workers and PKWT 13 workers, CDNE BHL;253 workers, PKWT; 39 workers and Mill PKWT; 56 workers. Document was shown during FU audit.</p> <p>b. Tuslam was registered in <i>BPJS Ketenagakerjaan Program</i> on 25 September 2017. Proof of payment was already available on 13 October 2017 as payment letter No. 171000626720.</p> <p>Corrective action have been implemented:</p> <p>a. Evidence of dissemination related labor regulations by HR Ops Jakarta to KTU (Estate and Mill) on 19 October 2017 was shown (attendance list, photo, minutes of meeting and hand material).</p> <p>- The company was assisted the handling of the e-KTP of the other workers to Rangkung Village, Marau Sub-district, Ketapang district according Letter No. 140/53/PEM/2017 dated 27 October 2017 as one of the requirement to be registered in the BPJS Program. The list of workers without e-KTP was available.</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>b. (1) KTU has been inventoried the workers list who already registered in <i>BPJS Ketenagakerjaan Program</i> on 25 September 2017, namely in CDNE 287 workers and KNCE 237 workers. And then KTU (Admin Head) was registered the other workers not registered in <i>BPJS Ketenagakerjaan Program</i>, for KNCE 10 workers on behalf Ariani, Helena Claudia Aba, Iin Sukmana Sari, Margareta Nuna, Martina N, Ngadino, Sukesu, Trisdayanti Yuliana, Turiah and Yakobus Begu on 25 September 2017 and for CDNE all workers already registered.</p> <p>(2) The letter from RC Ketapang 2 No. 001/RC-KTP2/ext/Eks/2017 dated 24 October 2017 to Head of Village and Sub-district and to <i>Dinas Kependudukan dan Catatan Sipil</i> was shown during FU audit.</p>	
6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>Specific Guidance: For 6.5.3: Incentives to the employees refer to Act No. 13 year 2003 regarding Manpower.</p>			
	<p>a. Have growers and millers provided adequate housing and other basic necessities such as that listed below to national standards or above, where no such public facilities are available or accessible?</p> <ul style="list-style-type: none"> • adequate housing; • adequate electricity; • clean water supplies (availability of clear water all year round); • medical services (distance to health care facility i.e. clinic, hospital); • children education (distance to school and schooling attendance (%) of children under 12) • Welfare amenities. 	<ul style="list-style-type: none"> • List of public facilities of KNCE, CDNE and KNNM, on 02 January 2017 • Observation in emplacement • Certificate water consumption analysis by PT. PT. Kehati Lab Indonesia No LHP.KHT.1704.0410 on 19 April 2017. • Interview with employees on 27 September 2017 	<p>Public facilities were provided by the organisation and covered residential facilities, day care, kindergarten, Elementary School (SD Eka Tjipta Kencana), building for prayers, sports facility (e.g. volley ball, badminton, futsal, and tennis), etc. Housing for workers and medical facilities (clinics) were provided by the organisation with basic facilities. If the clinic can't handle, it will be referred to Puskesmas Marau, RS Fatimah Ketapang and RSB at Ketapang District.</p> <p>The uses of water for the daily needs of employees are met by utilizing rainwater catchment ponds, and in the event of prolonged drought in the pond so that the water does not meet, then use water from the plant. Monitoring of the water was routinely performed in the laboratory and found to comply with clean water standards based on Permenkes No. 416/MENKES/PER/IX/1990 about standards of water quality and drinking water. The monitoring on 29 & 30 March 2017 and it results in accordance with the regulation for all parameters.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
6.5.4	<p>There shall be demonstrable efforts to improve workers' access to adequate, sufficient and affordable food</p> <p>Specific Guidance: For 6.5.4: <i>This applies if public facility is unavailable or inaccessible to provide adequate, sufficient and affordable food. The examples of the efforts are provision of transportation, employee cooperative shop, weekly market, etc.</i></p>			
	<p>a. Have growers and millers made demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food?</p>	<ul style="list-style-type: none"> • Observation in emplacement • Interview with employees on 27 September 2017 	<p>The company facilitates the formation of <i>Koperasi Karyawan Kencana Mandiri</i> in order to meet the basic needs of employees in housing/emplacment. In employee emplacment, there are also the stalls and small shops which provide materials basic needs such as rice, wheat, oil, sugar, eggs, fish, etc. Access employees to obtain basic needs is not difficult, because every day there is a pitchman who entered the housing and there are night market held every employee payday. The employees also have rice "<i>catu beras</i>" 15 kg for the employee, 9 kg for the spouse and 7.5 kg for each child, up to 3 children.</p> <p>Employee housing access to the main road not too far with road conditions were pretty good, the market which provide food and basic goods needs easily found not far from the location of the company.</p>	<p>YES</p>
6.6	<p>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.</p> <p>Guidance: <i>The right of workers, including migrant and transmigrant workers (Angkatan Kerja Antar Daerah/AKAD) and contract workers, to form associations and bargain collectively with their employer should be respected, in accordance with The Act No. 21 year 2000 regarding Labor Union.</i></p> <p><i>Labour laws and collective labor agreements, or in their absence direct contracts of employment detailing payments and other conditions, should be available in the languages understood by the workers or explained comprehensively to them by a management official.</i></p> <p><i>Definition of Employer refers to the Act No. 13 year 2003 regarding Manpower.</i></p>			
6.6.1	<p>(M) A record of the company's policy in understandable language recognising freedom of association, shall be available</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Has the company published a statement in local languages recognising the rights of employees to freedom of association?</p> <p>b. Are the employees, including migrant and transmigrant workers and contract workers, allowed to form associations and bargain collectively with their employer?</p> <p>c. Was the outcome, if any, from the collective bargaining process between the company and the association respected, implemented and adopted in full or partially by the company?</p> <p>d. Are there Labour laws and union agreements, or in their absence direct contracts of employment detailing payments and other conditions, made available in the languages understood by the workers or explained carefully to them by a management official?</p>	<ul style="list-style-type: none"> • Circular Letter No. 002/HR OPS/01/11, on 03 January 2011 • Interview with labour union and employees on 27 September 2017 	<p>The company provides the freedom of association to workers by issued a policy through Circulars Letter No. 002/HR OPS/01/11, on 03 January 2011 which concerning the freedom of association in the organization of workers. With the statement content : Referring to the UU No. 21/2000 about the union/labour unions, companies respect to the rules and regulations which applicable in the law, including matters of the freedom of association in the organization of workers who are the basic rights of workers as stipulated in the law.</p> <p>Regulations on freedom of association was contained in Circular Letter No. 094/CEO2-SE/12/2010, on 14 December 2010, concerning Freedom of Association in Workers' Organizations of Plantation Laour Union, No. 38/OP -SPSB/SPM-PERKEBUNAN/DFT/XII/2010, on 10 December 2013.</p> <p>Circular Letter No. 002/HR OPS/01/11 on 03 January 2011 regarding Freedom of Association, referring to UU No. 21/2000 on trade unions the company respects the provisions and rules applicable in the regulation including the freedom of association in the workers' organization which is the basic right of the workers.</p> <p>It was verified with employees, that the company respects the right of all workers to join labour union.</p>	<p>YES</p>
6.6.2	Records of meetings with labor unions or workers representatives shall be available.			
	<p>a. Are there documented minutes of meetings between the company and main trade unions or workers representatives?</p> <p>b. Are the minutes made readily available to employees upon request?</p>	<ul style="list-style-type: none"> • Interview with employee and union labour on 27 September 2017 • Minutes of meeting of Labour Unions on 22 July & 22 August 2017 	<p>SPM (Serikat Pekerja Mandiri – Independent Labour Union) was established for Mill and Estate. Worker representative was elected independently among workers. Labour Union has been registered on Labour Department of Ketapang District, among others:</p> <ul style="list-style-type: none"> - KNCE No. 38/OP-SPSB/SPM-ESTATE/DFT/XII/2010, on 10 December 2013 - CDNE No. 140 / 2016, on 07 September 2016 - KNNM No. 144 / 2014, on 08 December 2014 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			Periodic meeting was also held to discuss any issues as necessary and recorded in minutes of meeting. Several issues discussed at meetings, among others: Dated on 22 July and 22 August 2017 regarding Preparing of Independent Day.	
6.7	Children are not employed or exploited. Guidance: Growers and millers clearly define the minimum working age and working hours, based on existing regulations, such as: 1. Act No. 13 year 2003 regarding Manpower. 2. Act No. 20 year 1999 regarding Ratification of International Labour Organization (ILO) Convention No. 138 year 1973 on Allowable Minimum Age for Work. 3. Regulation of the Minister of Manpower and Transmigration No. 235 year 2003 regarding Types of Work Endangering Child Health, Safety or Morale It is advisable to do socialisation to all level of operations regarding prohibition on employing children.			
6.7.1	(M) There shall be documented evidence that minimum age requirements are met.			
	a. Is the minimum working age for workers together with working hours clearly defined in the company's recruitment policy? b. Are workers employed above the minimum school leaving age of the country or who are at least 15 years of age? c. Is there evidence that the nature of work for workers under 18 is in accordance with International Labour Organisation (ILO) Convention 138? d. Does ground verification show evidence of employment of workers below the minimum working age?	<ul style="list-style-type: none"> • Circular Letter No. 007/HROPS/01/11 on 03 January 2011, PP (Company Regulation), Memorandum No. 030/SMD OPS/VIII/2013, and No. 200/HR OPS/08/2015, on 26 August 2015 • List of employee in September 2017 • Interview with employee 27 September 2017 	The minimum working age at PT. SMART has established in HRD Circular Letter No. 007/HROPS/01/11 on 03 January 2011, PP (Company Regulation), Memorandum No. 030/SMD OPS/VIII/2013, and also No. 200/HR OPS/08/2015, on 26 August 2015 that concerning the minimum age limit of recruitment are 18 years old. Other than that, the company did not allow every worker to bring other workers to assist their work without status or contract of employment with the company. Based on a list of labour in September 2016 at KNCE, CDNE, and KNNM that no employees under the age of 18 years. Socialization about minimum working age was conducted by staff to employee on 30 August 2017 (KNCE), 22 & 27 July 2017 (CDNE), and 22 August 2017 (KNNM). During the interview and the field observations on 27 September 2017 to some labour, it was verified that no employee under the age of 18 years old, no children found following their parent to workplace, and workers without status or contract of employment with the company.	YES

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6.8	<p>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p> <p>Guidance: <i>Examples of compliance can be appropriate documentation (e.g. job advertisements, job descriptions, appraisals, etc.), and/or information obtained via interviews with relevant stakeholders such as affected groups which may include women, local communities, foreign workers, and migrant workers, etc.</i></p> <p><i>Notwithstanding national legislation and regulation, medical conditions should not be used in a discriminatory way.</i></p> <p><i>The grievance procedures detailed in Criterion 6.3 apply. Positive discrimination to provide employment and benefits to specific communities is acceptable as part of negotiated agreements.</i></p>			
6.8.1	(M) A company's policy on equal opportunity and treatment for work shall be available and documented.			
	<p>a. Is there a company policy on non-discrimination and equal opportunities? Does it at least cover the items mentioned in the criteria (6.8)?</p> <p>b. Is the policy made publicly available for the relevant stakeholders?</p> <p>c. Is there evidence that the policy has been implemented?</p>	<ul style="list-style-type: none"> • Circular letter No. 096/CEO2-SE/12/2010, 14 December 2010 • List of employee in September 2017 • Minutes of meeting on 30 August 2017 (KNCE), 22 & 27 July 2017 (CDNE), and 26 May 2017 • Interview with employee on 27 September 2017 	<p>The company has a policy of equal employment opportunity to get employment opportunities that are described in the Circular Letter of CEO No. 096/CEO2-SE/12/2010, on 14 December 2010 regarding the implementation of industrial relations in the unit. Explained that in order to realize harmonious industrial relations, dynamic and fair company implemented industrial relations of each operational unit without distinction of race, religion, race and gender in all types of fieldwork.</p> <p>This policy has been disseminated to all employees and the public on 30 August 2017 (KNCE), 22 & 27 July 2017 (CDNE), and 26 May 2017 (public) and have been understood by them.</p>	YES
6.8.2	(M) Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated.			
	<p>a. Is there evidence that employees and groups including local communities, women, and migrant workers have not been discriminated against?</p> <p>b. Are the employees and groups including local communities, women, and migrant workers happy with the way the company is treating them?</p>	<ul style="list-style-type: none"> • Circular No.096/CEO2-SE/12/2010, 14 December 2010 • Worker list of mill and each estate in September 2017. • Interview with worker union and representative worker on 27 September 2017 	<p>Worker list of Mill and Estates mentioned that all workers came from different back grounds (race, religion, gender, etc.). Ethnic diversity of worker and also during interview with workers, no discrimination was identified based on religion, ethnic, gender. No evidence of discrimination found during the audit.</p> <p>Worker list of mill and each estate mentioned that all workers came from different back grounds (race, religion, gender). Worker proportion based on ethnic among others: Javanese, Sundanese, Flores, Banjar, Dayak, Kutai and Bugis.</p>	YES

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	<p>c. Are there complaints against the company on issues relating to discrimination?</p> <p>d. What is the nature of complaints employees and groups including local communities, women, and migrant workers have lodged against the company, if any?</p>		<p>Ethnic diversity of worker and also during interview with workers, no discrimination was identified based on religion, ethnic, gender. During interview with workers, there was no complaint of discrimination based on religion, ethnic, gender, etc.</p>	
6.8.3	<p>Records of evidence that equal opportunity and treatment for work shall be available</p> <p>Specific Guidance: <i>For 6.8.3: Recruitment and promotion are based on skills, capabilities, qualities and health conditions</i></p>			
	<p>a. Does the company keep and maintain a record of their employees' work credentials and medical history?</p> <p>b. Does the company explicitly state the indiscriminatory policy during the recruitment selection, hiring and promotion process?</p> <p>c. Is the company's indiscriminatory policy reviewed regularly?</p> <p>d. Are the company's employees recruited and promoted based on skills, capabilities, qualities, and medical fitness necessary for the job? How is this evidenced?</p>	<ul style="list-style-type: none"> • Job Description, Job competencies • Job vacancy announcement • Records of recruitment process from job announcement, selection process and test, medical test and admission. • Records of BHL promotion to SKU 2017 • Interview with worker union and representative worker on 27 September 2017 	<p>In the recruitment process, the company has set the standard of competence that inferred in the Position Description and Job Profile. Recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness. And also state no discrimination (race, caste, national origin, religion, disability, etc.).</p> <p>Job opportunities were communicated and given to surrounding villagers at first priority where no discrimination found observed during interview and related records of workers being employed. All workers are treated equally in accordance with company regulation including rights of worker as well. The compliance in accordance with national laws has been evaluated by the organisation.</p> <p>Minor Non-Conformance 2017-14: Recruitment process of harvester on behalf Firdaus Mario Balak (CDNE) in June 2017 did not pass through medical test.</p>	<p>NO (minor NCR 2017-14)</p>
6.9	<p>There is no harassment or abuse in the work place, and reproductive rights are protected.</p> <p>Guidance: <i>There should be a clear policy developed in consultation with employees, contract workers and other relevant stakeholders, and the policy should be publicly available. Progress in implementing the policy should be regularly monitored, and the results of monitoring activities should be recorded.</i></p>			

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<p><i>Notwithstanding national legislation and regulation, reproductive rights are respected.</i></p>				
6.9.1	<p>(M) 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.</p> <p>Specific Guidance: For 6.9.1 and 6.9.2: <i>These policies should include education for women and awareness of the workforce.</i></p> <p><i>There should be programmes provided for particular issues faced by women and men, such as violence and sexual harassment in the workplace.</i></p> <p><i>A gender committee specifically to address areas of concern to women will be used to comply with this Criterion. This committee, which should include representatives from all areas of work, will consider matters such as: training on women's rights; counselling for women affected by violence; child care facilities to be provided by the growers and millers; women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks; and women to be given specific break times to enable effective breastfeeding.</i></p>			
	<p>a. Does the company have the policy to prohibit any form of sexual and all other forms of harassment and violence?</p> <p>b. Has this policy been documented, implemented and communicated clearly to all levels of the workforce?</p> <p>c. Is there a clear protocol for the company to deal/handle such issues/complaints received from the workforce?</p> <p>d. Is there a list of awareness programs or training provided to the workforce in relation to these issues?</p> <p>e. Has the company formed a Gender Committee to address areas of concern to women? Is there a list of the members sitting in the committee? What are the Terms of Reference of the committee? Does it include the handling of issues such as:</p> <ul style="list-style-type: none"> • training on women's rights; 	<ul style="list-style-type: none"> • SE No.003/CEO2-SE/01/2011 date January 10 year 2011 • Interview with Gender Committee, on 27 September 2017 • SOP/NP/SMART/XII/MCAR001, complaint mechanism for sexual harassment • Minutes of meeting on 04 August 2017 	<p>Policy on the prevention of sexual harassment written in SE No.003/CEO2-SE/01/2011, on 10 January 2011 regarding the sexual harassment prevention.</p> <p>Organization also establishes the sexual harassment handling procedures SOP/NP/SMART/XII/MCAR001. Describes the workflow of sexual harassment handling. Complaints and grievance can submitted orally and written addressed to gender committee and PERSIS (<i>Persatuan Istri Staff</i>) then performed victim accompaniment and inform/report to unit head, based on information, data and evidence obtained and witnesses, the unit head verify and examination in order to obtain a decision, after found a guilty offender unit head may impose appropriate sanctions or company regulations through legal action.</p> <p>Dissemination of sexual harassment policy was performed to all employees on 21 June 2016 and 03 August 2016. Based on workers interview and group discussion, it was concluded that there was sexual harassment case on 29 April 2016. The case was closed and actor made treaty would not repeat his action and resign from the company.</p> <p>Gender committee was established by the organisation in August 2014. Each estate and mill has appointed representative for gender committee. The committee consider matters such as; dissemination on women's rights, child care facilities to be provided by the growers and millers, women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks, and women to be given specific break times to enable effective breastfeeding. Organization has also setting several signboards about breastfeed up to nine months before resuming</p>	<p>YES</p>

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	<ul style="list-style-type: none"> • counselling for women affected by violence; • child care facilities to be provided by the growers and millers; • women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks; and • women to be given specific break times to enable effective breastfeeding. <p>f. Is the policy regularly reviewed?</p>		<p>chemical spraying or usage tasks. It was observed that has been assembled on main access road and crowd locations such as: division office and housing area</p>	
6.9.2	<p>(M) A policy to protect the reproductive rights, shall be documented, implemented and communicated to all levels of the workforce</p> <p>Specific Guidance: For 6.9.1 and 6.9.2: <i>These policies should include education for women and awareness of the workforce.</i></p> <p><i>There should be programmes provided for particular issues faced by women and men, such as violence and sexual harassment in the workplace.</i></p> <p><i>A gender committee specifically to address areas of concern to women will be used to comply with this Criterion. This committee, which should include representatives from all areas of work, will consider matters such as: training on women's rights; counselling for women affected by violence; child care facilities to be provided by the growers and millers; women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks; and women to be given specific break times to enable effective breastfeeding.</i></p> <p>For 6.9.2: <i>see Indicator 4.6.12</i></p>			
	<p>a. Is there a policy to protect the reproductive rights of all, especially of women?</p> <p>b. Has this policy been documented, implemented and communicated clearly to all levels of the workforce?</p> <p>c. How is this policy communicated to all levels of the workforce?</p>	<ul style="list-style-type: none"> • Circular Letter No. 266/HR-OPS/08/2010) • Gender committee structure at KNCE, CDNE, and KNNM • Work program of the gender committee 	<p>Policy to protect women reproduction rights has been stated in Circular Letter No. 266/HR-OPS/08/2010. Menstruation leave are given to female worker for 2 days-off without any salary deduction.</p> <p>Gender committee was established by the organisation since August 2014. The committee has representatives from all areas of work. The committee consider matters such as; trainings on women's rights, counselling for women affected by violence, women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks, and women to be given specific break times to enable effective breastfeeding.</p>	YES

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			<p>Communication to all workers pertinent to prevent sexual harassment and protect women reproduction was conducted by the gender committee team and attended by the organisation on 21 June 2016 and 03 August 2016.</p> <p>Complaint handling procedure for sexual harassment was determined. All complaints can be issued verbal and or written and informed to all administrator, gender committee and unit head (estate and mill).</p>	
6.9.3	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.			
	<p>a. Does the company have a mechanism to handle employment grievances, that respects anonymity and protects complainants where requested?</p> <p>b. Does the mechanism provide a way for workers to report a grievance against a supervisor to someone other than that supervisor?</p> <p>c. Is the mechanism documented, implemented and communicated clearly to all levels of the workforce?</p> <p>d. Has the company identified personnel who will be responsible to receive and manage complaints received from the workforce?</p> <p>e. Has the company received any reports or complaints of harassment or abuse? How was it addressed or resolved?</p> <p>f. Is the policy reviewed regularly?</p>	<ul style="list-style-type: none"> ▪ Procedure No. SOP/SPO/SMART/LH-19, Consultation Communication ▪ SOP/NP/SMART/XII/MCAR001, complaint mechanism for sexual harassment ▪ Interview with gender committee and women worker on 27 September 2017 	<p>The grievance procedure and Consultation Communication No. SOP/SPO/SMART/LH-19, has ensured that the complainant regarding the complaint will be protected in accordance with their rights.</p> <p>Procedure documented SOP/NP/SMART/XII/MCAR001 was established. A flowchart of complaint mechanism for sexual harassment was also determined. All complaints can be issued verbal and or written and informed to all administrator, gender committee and Agronomy / Mill Unit Head.</p> <p>Based on workers interview and group discussion with gender committee and workers representative, it was concluded that there was no grievance and violence within the organisation. There was a sexual harassment case on 29 April 2016. The case was closed and actor made treaty would not repeat his action and removed from the company.</p>	YES

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6.10	<p>Growers and millers deal fairly and transparently with smallholders and other local businesses.</p> <p>Guidance: <i>Transactions with smallholders should consider issues such as the role of middle men, transport and storage of FFB, quality and grading. The need to recycle the nutrients in FFB (see Criterion 4.2) should also be considered; where it is not practicable to recycle wastes to smallholders, compensation for the value of the nutrients exported may be considered through the FFB price.</i></p> <p><i>Smallholders should have access to the grievance procedure under Criterion 6.3 if they consider that they are not receiving a fair price for FFB, whether or not middle men are involved.</i></p> <p><i>The need for a fair and transparent pricing mechanism is particularly important for outgrowers who are contractually obliged to sell all FFB to a particular mill.</i></p> <p><i>If mills require smallholders to change practices to meet the RSPO Principles and Criteria, consideration should be given to the costs of such changes, and the possibility of advance payments for FFB can be considered.</i></p>			
6.10.1	<p>Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>Specific Guidance: <i>For 6.10.1: FFB pricing in Indonesia refers to the Regulation of the Minister of Agriculture No. 14/Permentan/OT.140/2/2013</i></p>			
	<p>a. How is the price of FFB determined?</p> <p>b. Is current and past prices paid for Fresh Fruit Bunches (FFB) publicly available? How?</p> <p>c. Was there any complaints on FFB pricing?</p> <p>d. How was the complaint handled?</p> <p>e. What was the solution?</p>	<ul style="list-style-type: none"> • FFB purchase procedure • Contract between organization and third party suppliers • Price Information dated 23 September 2017 • Interview with FFB supplier 28 September 2017 	<p>Pricing mechanisms and payment method for FFB was described in FFB Purchase Agreement. Price mechanism of FFB, CPO and palm kernel was determined by province government and reviewed in monthly basis. The price was applied for all growers in the province. The company updates the information on the FFB pricing formula that includes details of transport, milling and shipping costs, each month and provides it to out growers.</p> <p>There is one agreement related the processing of FFB based on Letter Agreement "The Processing of FFB/ Perjanjian Titip Pengolahan TBS" dated 30 June 2017 until 30 June 2018 between PT. Agrotunggal Jayamandiri and PT. Kencana Graha Permai. The contract will be revised annually and mentioned FFB specification required, the price of processing and term of payment.</p> <p>PT. Agrotunggal Jayamandiri was cooperated with community (<i>Koperasi</i>) based on a letter agreement :</p> <ul style="list-style-type: none"> • Koperasi Setia Hati • Koperasi Cahaya Indah • Koperasi Berkah Sungai • Koperasi Sawit Sarana Makmur • Koperasi Usaha Jaya 	<p>YES</p>

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			<p>The agreement between PT. Agrotunggal Jayamandiri and <i>Koperasi</i> was shown during audit and covered; describing FFB specification required, determination of FFB pricing, and term of payment</p> <p>The FFB Supplier for Kenanga Mill (KNNM) also from PT. Arrtu Plantation based on agreement letter No. #001/TBS/KGP-APLX/VI/2017, dated June 17th, 2017.</p> <p>Current and past prices paid for Fresh Fruit Bunches (FFB) from province government provided by FFB Purchase Department HO/JKT to the related supplier. Current FFB price also informed by FFB Purchase Department HO/JKT to Factory Manager, and Factory Manager can disseminate also to the FFB supplier. FFB Price sourced from Result of Meeting on FFB Price Determination in West Kalimantan Province, issued monthly by DISBUN (Plantation Agency) of West Kalimantan.</p> <p>Based on interview with FFB supplier, until now there is no complaint regarding price or other from FFB supplier.</p>	
6.10.2	(M) 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).			
	<p>a. What is the mode of recording/documenting transactions between millers with middlemen and/or smallholders?</p> <p>b. Is there evidence that growers/millers have explained FFB pricing and pricing mechanisms for FFB?</p> <p>c. Are there any inputs/services rendered by the millers to smallholders/middle men? Are these inputs/services having any influence to the pricing and pricing mechanisms for FFB?</p>	<ul style="list-style-type: none"> • FFB purchase procedure • Contract between organization and third party suppliers • Records of transactions (invoice and bank slip payment) 	<p>FFB Purchase Agreement as documented contract has described the mode of FFB Recording/documenting transactions between millers with middlemen and/or the outgrowers. In chapter 1 mentioned that:</p> <ul style="list-style-type: none"> - FFB price following the price determined by DISBUN (Plantation Agency) of West Kalimantan. - Payment performed by PT. KGP in monthly basis, in 10 working days, counted from all original document received completely in Jakarta Office, consist of: <ul style="list-style-type: none"> a. legal invoice, b. Recapitulation of weighbridge ticket which have been stamped and signed by Factory Manager and representative of FFB supplier. c. Tax document - If in 1 month, Plantation Agency of West Kalimantan did not issued FFB Price, then the previous FFB Price will be used. 	YES

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	<p>d. Have inputs/services been documented (where these are under the control of the mill or plantation)?</p> <p>e. Where it is not practicable to smallholders to recycle waste (i.e. EFB), is there compensation for the value of the nutrients of EFB given to the smallholders? Is this translated into the pricing factors of FFB?</p>		<p>- All payment will be performed by bank transfer to the account of FFB supplier.</p> <p>The Mill has have explained FFB pricing and pricing mechanisms for FFB in the agreement which described FFB specification required, contract period, determination of FFB pricing, and term of payment. The company and the FFB supplier have signed the contract document as evidence that both parties have understood FFB pricing and pricing mechanisms for FFB, Suppliers has understood that that :</p> <ul style="list-style-type: none"> a. FFB supplied must have 3 Kg comiddle or above and every bunch must have 3 loose fruit or more. b. Unripe bunch get penalty 50% x %unripe bunches x FFB weigh received. c. Overripe bunch get penalty 25% x (%overripe – 5%) x FFB weigh received. <p>Input/services have been documented, e.g. FFB price is always higher than price determined by DISBUN of West Kalimantan to attract the supplier to supply more FFB to the mill.</p> <p>Outgrower recycling waste (e.g. EFB) is not practiced.</p>	
6.10.3	<p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>Specific Guidance: For 6.10.3 : Referring to Regulation of the Minister of Agriculture No. 14/Permentan/OT.140/2/2013, requirements to be considered in the contract are such as:</p> <ol style="list-style-type: none"> 1. K Index, which is open and transparent to the smallholders or their institutions 2. Distributing the information about the decision of the Pricing Team to the smallholders institutions 3. Method of fruit sortation 4. 4. Involvement of smallholders institutions on the evaluation of weigh instrument by authorised local agency. 			
	<p>a. Is there a contractual agreement between the miller and smallholders/ middle men?</p> <p>b. Do all parties understand the contractual agreements they have entered into?</p>	<ul style="list-style-type: none"> • FFB purchase procedure • Contract between organization and third party suppliers • Records of transactions (invoice and bank slip payment) 	<p>Contracts between FFB suppliers and mill, describing FFB specification required, contract with a period of 1 year and not exsclusive, determination of FFB pricing, and term of payment. Information of FFB set was available to the FFB suppliers and the commitment was stated in the procedure. The selection and evaluation of supplier/vendor was based on capability of supplier and vendor to supply required inputs and or services. Specification of inputs and or services required was communicated to the supplier/vendor through tender document or request for</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	c. Are all contractual agreements fair, legal and transparent? d. Who keeps the contractual agreements?		quotation. The contract was understood, signs and agreed together between organization and FFB suppliers and kept by both parties. All contractual agreements were fair, legal and transparent. All contract documents were found valid during audit	
6.10.4	Agreed payments shall be made in a timely manner.			
	a. How all payments are made to the smallholders/middle men? b. What is the mode of recording/documenting transactions between millers with middlemen and/or smallholders? c. Have agreed payments been made in a timely manner?	<ul style="list-style-type: none"> • FFB purchase procedure • Contract between organization and third party suppliers • Records of transactions (invoice and bank slip payment) 	Agreed payments has been made in a timely manner which is once a month. An application for funds transfer from PT. KGP to an out-grower, i.e. PT. ARRTU Plantation (APLX) was evident as proof that payment has been made in accordance with the agreement in the contract. There is no complaint from FFB supplier regarding payment.	YES
6.11	Growers and millers contribute to local sustainable development where appropriate. Guidance: <i>Contributions to local development should be based on the results of consultation with local communities and social impact assessment. See also Criterion 6.2 for consultation process. Such consultation should be based on the principles of transparency, openness and participation, and should encourage communities to identify their own priorities and needs, including the different needs of men and women.</i> <i>Where candidates for employment are of equal merit, preference should always be given to members of local communities. Positive discrimination should not be recognised as conflicting with Criterion 6.8.</i> <i>Private plantations refer to the Act No. 40 year 2007 regarding Limited Company (PT), clause 74 (1&2) and their explanations; Government Regulation No. 47 year 2012 regarding Environment and Social Responsibilities, clause 5 (1) and explanation whereas social and environment responsibilities shall be executed.</i> <i>State plantations refer to Act No. 19 year 2003 regarding State Owned Company (BUMN) clause 9 (1).</i>			
6.11.1	Records of Contributions to local development based on the results of consultation with local communities shall be available.			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Have the local development needs and priorities been identified in consultation with local communities? (refer also to C 6.2)</p> <p>b. What are the contributions made to local development? Are they in accordance with the results of consultation?</p> <p>c. Are there efforts to improve or maximise employment opportunities at the company for local communities?</p>	<ul style="list-style-type: none"> • CSR Strategic Planning in 2013 – 2017 and CRS Program 2017 • CSR Program Realization in 2016 • Public consultation with stakeholders on 28 September 2017 	<p>Records of organisation contribution to regional development were evident as also integrated with CSR program. It was provided by the organization and deployed in to CSR program. Activity of CSR was identified by the estate and mills (CSR Strategic Planning in 2013 – 2017 and CRS Program 2017), including: repairs the village road, low-cost market, mosques renovation in surrounding villages, checks and medical for free, etc. Implemented document was recorded within photo and minutes of aid delivery.</p> <p>CSR Program 2016 - 2017 made based on the results of consultation with local communities, several records were evident, such as: letter from the head surrounding villages, regarding request for borrowing heavy equipment (excavator, grader and compactor).</p> <p>During public consultation with village head, community leader and public figure, it was verified that the organization providing jobs for villagers around mill and estate. Preference has been given to member of local communities if candidates for employment are of equal merit.</p> <p>The role and commitment of the company as a social responsibility for community development is given in accordance with the existing proposals. Another local business was supported for growers and mills, main supports were pertinent to procurement spare parts and vehicle maintenance. The local business is assigned and controlled by central purchasing in Head Office.</p>	<p>YES</p>
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve scheme smallholder productivity.			
	<p>a. Is there a complete registry of independent smallholders in the supply base?</p> <p>b. Have efforts been made to improve the farming practices of independent smallholders?</p> <p>c. Where there are schemed smallholders, have efforts and/or resources been</p>	<p>Public consultation with stakeholders on 28 September 2017</p>	<p>The company has been paying particular attention and allocated resources to improve smallholder productivity to smallholder scheme. PT KGP have the pattern cooperation of plantation (partnership) for the community (smallholdings) of 628 ha. Cooperation Agreement with Koperasi Tuah Kencana, location in SubDistrict Marau, District Ketapang, West Kalimantan. Documents agreement No. 007/KOPBUN/TKP/XII/2007 on 07 December 2007, a form of cooperation is Revitalisation (Full Manage) the period of cooperation for 30 years.</p> <p>Whole plantation upkeep and harvesting activities performed by the company. Standard maintenance and care of plants and harvesting in accordance with best practice agronomic also applied in the company.</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	allocated to improve smallholder productivity?			
6.12 ¹	<p>No forms of forced or trafficked labour are used.</p> <p>Guidance <i>Migrant workers should be legalised, and a separate employment agreement should be drawn up to meet immigration requirements for foreign workers and international standards. Any regulated deductions made should not jeopardise a decent living wage.</i></p> <p><i>Passports should only be voluntarily surrendered.</i></p> <p><i>There should be evidence of due diligence in applying these indicator and guidance to all sub-contract workers and suppliers.</i></p> <p><i>Definition of types of worker refers to Acts No.13 year 2003 regarding Manpower.</i></p>			
6.12.1	<p>(M) There shall be evidence that no forms of forced or trafficked labour are used.</p> <p>Specific Guidance: For 6.12.1: <i>Workers should enter into employment voluntarily and freely, without the threat of a penalty, and should have the freedom to terminate employment without penalty given reasonable notice or as per agreement.</i></p>			
	<p>a. What is the company's policy on forced or trafficked labour?</p> <p>b. How does the company define forced or trafficked labour?</p> <p>c. What is the process of recruiting foreign/ migrant workers directly and/or through licenced outsourcing agencies/ labour suppliers?</p> <p>d. Who is the person responsible for selecting/ screening labour suppliers/ outsourcing agents?</p> <p>e. Do the foreign workers have to pay a fee to the employment recruitment agency or labour suppliers in the</p>	<ul style="list-style-type: none"> ▪ PKB 2016 - 2018 ▪ Contract worker (PKWT and BHL) ▪ Interview with worker representative on 27 - 28 September 2017 ▪ List of workers in October 2016 - September 2017 	<p>Based interview with workers, that there was no forced labour at Mill and Estate. Each worker has agreement with the organization. Worker or unit management of mill and estate can terminate employment, if there is own desire of worker. All labour has the right conform to their contract. The contract contains no forcing to the labour. The contract was agreed between labour and the company. The form of labour contract such as: PKB, PKWT contract and BHL contract. The person responsible for selecting/screening labour suppliers/outsourcing agents is Agronomy/Mill Unit Head.</p> <p>Interview with employee representative and chairman of worker union concluded that there was no complaint and any grievances regarding the contract and their right. Interview with worker representative also verified that no migrant workers in KNCE, CDNE, and KNNM.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>workers' countries of origin? If yes, does it jeopardise decent living wage?</p> <p>f. Are there restrictions on workers from leaving the mill or estate or their housing facilities outside working hours?</p> <p>g. What is the process if a worker wants to terminate their employment before their contract expires? In this case, who pays for the return transportation?</p> <p>h. What are the penalties imposed if the workers were terminated or fired before their contract expires?</p> <p>i. Who keeps the workers passports or identity documents?</p> <p>j. If workers do not keep their passports or identity documents, is this legally allowed?</p> <p>k. What is the process for workers' to hand over their passports or identity documents to the company?</p> <p>l. Do workers have unrestricted access to their passports or identity documents? Describe how workers are able to access their documents?</p>			
6.12.2	<p>It shall be demonstrated that no contract substitution has occurred.</p> <p>Specific Guidance: For 6.12.2: <i>Contract substitution is the change of initial contract without prior consultation and agreement from the workers.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	a. Is there evidence of contract substitution occurring? b. Are foreign workers asked to sign a contract upon arriving in the receiving country? If yes, is that contract identical to the one signed in the country of origin? c. Are workers given a copy of their employment contracts? If yes, is the contract identical to the one signed at the time of recruitment?	<ul style="list-style-type: none"> ▪ Interview with worker representative on 27 - 28 September 2017 ▪ List of workers in October 2016 - September 2017 	There was no substitution contract occurred. Workers get the job and contract conforms to agreement between company and its workers.	NA
6.12.3	<p>(M) Where migrant/foreign/honorary workers are employed, a special worker policy and procedures and the evidence of implementation shall be available.</p> <p>Specific Guidance: For 6.12.3: <i>The special labour policy should include:</i></p> <ul style="list-style-type: none"> a. <i>Statement of the non-discriminatory practices;</i> b. <i>No contract substitution;</i> c. <i>Post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices etc.;</i> d. <i>Decent living conditions to be provided.</i> 			
	a. What is the company's policy and procedures for temporary or foreign/migrant workers? Does the special labour policy include: <ul style="list-style-type: none"> • Statement of the non-discriminatory practices? • No contract substitution? • Post-arrival orientation programme with emphasis on language, safety, labour laws, cultural practices etc.? • The provision of decent living conditions? b. Have the policies and procedures been implemented?	<ul style="list-style-type: none"> ▪ Interview with worker representative on 27 - 28 September 2017 ▪ List of workers in October 2016 - September 2017 	There was no temporary or foreign/migrant workers occurred. Workers get the job and contract conforms to agreement between company and its workers.	NA

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
6.13 ²	<p>Growers and millers respect human rights.</p> <p>Guidance: See Criteria 1.2, 2.1 and 6.3 All levels of operations include contracted third parties (e.g. those involved in security). Regulations related to the Human Rights refer to the Act No. 39 year 1999 regarding Human Rights.</p>			
6.13.1	(M) A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations.			
	<p>a. Is there a company policy on human rights?</p> <p>b. How is this communicated to all employees, including outsourced workers, customers and suppliers? If by training, how often is the training conducted?</p> <p>c. Who has the task of communicating the policy internally and externally?</p> <p>d. Does the company have any outstanding cases of human rights violations?</p>	<ul style="list-style-type: none"> • Social policy and roles the community which was signed by the President Director on 10 November 2011. • Minutes of meeting on 30 August 2017 (KNCE), 22 & 27 July 2017 (CDNE), and 22 August 2017 (KNNM) 	<p>Company has a social policy and roles the community as a manifestation the respect of Companies to human rights, the rights of local communities and as a commitment to comply with the rules and regulations. This commitment is outlined in the policy, which was signed by the President Director on 10 November 2011. The policy contains such as :</p> <ul style="list-style-type: none"> - Respect for human rights - Empowerment of local community development programs - recognizes, respect and reinforce the rights of workers - Compliance with all applicable laws and regulations - FPIC to indigenous and local communities <p>This policy has been disseminated to all employees and the community around the plantation. Evidence of dissemination, list of attendance on 30 August 2017 (KNCE), 22 & 27 July 2017 (CDNE), and 22 August 2017 (KNNM) were sighted.</p>	YES

PRINCIPLES 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
7.1	<p>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.</p> <p>Guidance: <i>The result of Strategic Environment Study (Kajian Lingkungan Hidup Strategis/KLHS) conducted by the authority shall be a major consideration in the new land development and planting.</i></p> <p><i>See also Criteria 5.1 and 6.1.</i> <i>Implementation of independent social and environment impact assessment may use AMDAL as part of the process. However, it is the company's responsibility to provide objective and appropriate evidence to the audit team that the full requirements of a Social and Environment Impact Analysis (SEIA) are met for all aspects of plantation and mill operation, and captures all changes over time.</i></p> <p><i>The terms of reference should be defined and impact assessment should be carried out by accredited independent experts, in order to ensure an objective process. A participatory methodology including external stakeholder groups is essential to the identification of impacts, particularly social impacts. Stakeholders such as local communities, government and NGOs should be involved through interviews and meetings, and by reviewing findings and plans for mitigation.</i></p> <p><i>It is recognised that oil palm development can cause both positive and negative impacts. These developments can lead to some indirect/secondary impacts which are not under the control of individual growers and millers. To this end, growers and millers should seek to identify the indirect/secondary impacts within the SEIA, and where possible work with partners to explore mechanisms to mitigate the negative indirect impacts and enhance the positive impacts.</i></p> <p><i>Plans and field operations should be developed and implemented to incorporate the results of the assessment. One potential outcome of the assessment process is that the development, partially or entirely, may not proceed because of the magnitude of potential impacts.</i></p> <p><i>For smallholder schemes, the scheme management should address this criterion. For individual smallholders this criterion does not apply</i></p> <p><i>For new planting with areas ≤ 3000 Ha, the assessment may be conducted internally or externally. And for new planting with areas > 3000 Ha, the assessment shall be conducted externally.</i></p> <p><i>For new planting with area > 3000 Ha needs a comprehensive and independent assessment which may be in the form of AMDAL (SEIA) while areas ≤ 3000 Ha requires Upaya Pengelolaan Lingkungan Hidup (UKL) – Upaya Pemantauan Lingkungan Hidup (UPL). Social and Environment Assessment at minimum must cover:</i></p> <ol style="list-style-type: none"> <i>a. Assessment of the impacts of all major planned activities, including planting, mill operations, roads and other infrastructure;</i> <i>b. Assessment, including stakeholder consultation, of High Conservation Values (see Criterion 7.3) that could be negatively affected;</i> <i>c. Assessment of potential effects on adjacent natural ecosystems of planned developments, including whether development or expansion will increase pressure on nearby natural ecosystems;</i> <i>d. Identification of watercourses and wetlands and assessment of potential effects on hydrology and land subsidence of planned developments. Measures should be planned and implemented to maintain the quantity, quality and access to water and land resources;</i> <i>e. Baseline soil surveys and topographic information, including the identification of steep slopes, marginal and fragile soils, areas prone to erosion, degradation, subsidence, and flooding;</i> <i>f. Analysis of type of land to be used (forest, degraded forest, cleared land);</i> <i>g. Analysis of land ownership and user rights;</i> 			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>h. Analysis of current land use patterns;</p> <p>i. Assessment of potential social impacts on surrounding communities of a plantation, including an analysis of potential effects on livelihoods, and differential effects on women versus men, ethnic communities, and migrant versus long-term residents;</p> <p>j. Identification of activities which may generate significant GHG emissions.</p>		<p>If AMDAL or UKL-UPL documents still do not cover point a to j, additional social and environment impact assessment shall be conducted. If internal assessment identifies sensitive social and environment issues or areas, then independent assessment shall be conducted. Documents of environment impact assessment are the environment documents based on the regulations, such as:</p> <p>a. Environmental Impact Assessment (Analisis Mengenai Dampak Lingkungan Hidup/AMDAL) for plantation with areas of > 3000 Ha</p> <p>b. Environmental Management Effort (Upaya Pengelolaan Lingkungan Hidup/UPL) and Environmental Monitoring Effort (Upaya Pemantauan Lingkungan Hidup/UKL) for plantation with areas of < 3000 Ha.</p> <p>c. Environmental Management Document (Dokumen Pengelolaan Lingkungan Hidup/DPLH)</p> <p>d. Environmental Evaluation Document (Dokumen Evaluasi Lingkungan Hidup/DELH)</p> <p>e. Environmental Information Performance (Penyajian Informasi Lingkungan Hidup/PIL)</p> <p>f. Environmental Evaluation Performance (Penyajian Evaluasi Lingkungan Hidup/PEL)</p> <p>g. Environmental Evaluation Study (Studi Evaluasi Lingkungan Hidup/SEL)</p> <p>h. Environment Management and Monitoring Document (Dokumen Pengelolaan dan Pemantauan Lingkungan Hidup/DPPL)</p> <p>i. Declaration Letter for Managing and Monitoring Environment (Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup/SPPL)</p> <p>j. And other documents required by the regulation.</p> <p>Regulations relate to the environment documents, such as:</p> <p>a. Government Regulation No. 27 year 2012 regarding Environment Permit</p> <p>b. Regulation of the Minister of Environment No. 13 year 2010 regarding Environmental Management and Monitoring Effort (UKL-UPL) and Declaration Letter for Managing and Monitoring Environment (SPKL)</p> <p>c. Regulation of the Minister of Environment No. 5 year 2012 regarding Environmental Evaluation Document (DELH)</p> <p>d. Regulation of the Minister of Environment No. 14 year 2010 regarding Environmental Management and Monitoring Document (DPPL)</p> <p>e. Regulation of the Minister of Environment No.12 year 2007 regarding Environmental Management and Monitoring Document for Business and or Activities, with No Environmental Management Document.</p> <p>f. Regulation of the Minister of Environment No. 5 year 2012 regarding Types of Business Obligated to Have Amdal</p> <p>g. Regulation of the Minister of Environment No. 8 year 2006 regarding Guidance for AMDAL preparation</p> <p>h. Regulation of the Minister of Environment No. 17 year 2012 regarding Involvement of Community and Information Transparency in the AMDAL Process</p> <p>i. Decree of the Head of Bapedal No. No. 299 year 1996 regarding Technical Guidance of Social Aspects for AMDAL preparation</p> <p>j. Regulation of the Minister of Environment No. 11 year 2008 regarding Competence Requirements for AMDAL preparation documents and Requirements for Training Institutions in Conducting Training for AMDAL Competency</p>	

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7.1.1	(M) An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.																																																															
	<p>a. Is there any new plantings or operations, or expanding existing ones by the company? What is the size of the new planting area?</p> <p>b. Has an independent social and environmental impact assessment (SEIA) been documented for the new plantings?</p> <p>c. Are the impact assessments prepared by accredited independent experts?</p> <p>d. Are all environmental and social impacts adequately identified?</p> <p>e. Is the SEIA undertaken based on the scope of operation?</p> <p>f. Is the SEIA undertaken in a participatory manner, including the relevant affected stakeholders?</p> <p>g. Does the SEIA assessment include and as a minimum:</p> <ul style="list-style-type: none"> • Assessment of the impacts of all major planned activities, including planting, mill operations, roads and other infrastructure? • Assessment, including stakeholder consultation, of High Conservation Values (see Criterion 7.3) that could be negatively affected? • Assessment of potential effects on adjacent natural ecosystems of planned developments, including 	<ul style="list-style-type: none"> • Initial Environmental Impact Assessment (ANDAL, RKL and RPL) approved by <i>Komisi Penilai AMDAL</i> West Kalimantan Province (No. 546/2008) on July 7th, 2008. • RKL and RPL approved by Environment agency Ketapang Regent (No. 546/2008) on July 7th, 2008. • SIA PT. KGP in 2014 • Areal Statement PT. KGP • HCV Assessment PT. KGP 	<p>Based on areal statement data showed that there was new planting area in year 2007, 2008, 2009, 2010, 2011, and 2012. New planting area planted of 2,733.81 ha at KNCE and 2,894.34 Ha at CDNE. Total area of 5,628.15 ha. Details can be seen in table below (all year of planting).</p> <table border="1" data-bbox="1137 576 1794 954"> <thead> <tr> <th>Year</th> <th>KNCE (Ha)</th> <th>CDNE (Ha)</th> <th>Total (Ha)</th> <th>% of Planted Area</th> </tr> </thead> <tbody> <tr> <td colspan="5">Mature</td> </tr> <tr> <td>2007</td> <td>798.15</td> <td>659.80</td> <td>1,457.95</td> <td>25.90</td> </tr> <tr> <td>2008</td> <td>920.99</td> <td>1,028.44</td> <td>1,949.43</td> <td>34.64</td> </tr> <tr> <td>2009</td> <td>698.67</td> <td>839.00</td> <td>1,537.67</td> <td>27.32</td> </tr> <tr> <td>2010</td> <td>316.00</td> <td>154.86</td> <td>470.86</td> <td>8.37</td> </tr> <tr> <td>2011</td> <td>-</td> <td>172.18</td> <td>172.18</td> <td>3.06</td> </tr> <tr> <td>Sub Total</td> <td>2,733.81</td> <td>2,854.28</td> <td>5,588.09</td> <td>99.29</td> </tr> <tr> <td colspan="5">Immature</td> </tr> <tr> <td>2012</td> <td>-</td> <td>40.06</td> <td>40.06</td> <td>0.71</td> </tr> <tr> <td>Sub Total</td> <td>-</td> <td>40.06</td> <td>40.06</td> <td>0.71</td> </tr> <tr> <td>Grand Total</td> <td>2,733.81</td> <td>2,894.34</td> <td>5,628.15</td> <td>100.00</td> </tr> </tbody> </table> <p>Planted areas of 2007 - 2012 were covered in AMDAL Document. Planted area was covered in Environment Impact Assessment (EIA) which legalized by the <i>Komisi Penilai AMDAL</i> of West Kalimantan Decree No. 546/2008 on 07 July 2008.</p> <p>The SIA has also been conducted by internal team from SIGS team (Social Impact and Grievance Section) of PT. SMART Tbk. on 13 – 16 May 2014, consists of team member competent in their respective fields including one RSPO-approved expert. The SIA documents covered all related issues.</p> <p>EIA covering activity begins from pre-construction (land clearing, building infrastructure and roads, drainage and irrigation system), construction (build the infrastructure, and its support facility, mill process), post construction (replanting). Land clearing was performed mechanically and zero burning.</p> <p>EIA study also performed public consultation with stakeholder who affected by project</p>	Year	KNCE (Ha)	CDNE (Ha)	Total (Ha)	% of Planted Area	Mature					2007	798.15	659.80	1,457.95	25.90	2008	920.99	1,028.44	1,949.43	34.64	2009	698.67	839.00	1,537.67	27.32	2010	316.00	154.86	470.86	8.37	2011	-	172.18	172.18	3.06	Sub Total	2,733.81	2,854.28	5,588.09	99.29	Immature					2012	-	40.06	40.06	0.71	Sub Total	-	40.06	40.06	0.71	Grand Total	2,733.81	2,894.34	5,628.15	100.00	<p>YES</p>
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	<p>whether development or expansion will increase pressure on nearby natural ecosystems?</p> <ul style="list-style-type: none"> • Identification of watercourses and wetlands and assessment of potential effects on hydrology and land subsidence of planned developments. Measures should be planned and implemented to maintain the quantity, quality and access to water and land resources? • Baseline soil surveys and topographic information, including the identification of steep slopes, marginal and fragile soils, areas prone to erosion, degradation, subsidence, and flooding? • Analysis of type of land to be used (forest, degraded forest, cleared land)? • Analysis of land ownership and user rights? • Analysis of current land use patterns? • Assessment of potential social impacts on surrounding communities of a plantation, including an analysis of potential effects on livelihoods, and differential effects on women versus men, ethnic communities, and migrant versus long-term residents? 		<p>PT. KGP and social issue was analysed and maintain by RKL and RPL. The evident sighted regarding stakeholder consultations include government and public within the ANDAL.</p> <p>SIA covering social issues begin from land acquisition, involvement of stakeholder, community development, smallholder scheme, CSR programme, waste management, potential negative effect and etc.</p> <p>RSPO requires the Free, Prior and Informed Consent (FPIC) of the local communities which influenced the development of the concession area or area that had been or would be opened. Based on BPN (National Land Agency) certificates No. 75/2013, on 03 October 2013 and No. 76/2013, on 03 October 2013, the company had the relevant FPIC documentation. The decree stated that the land area was land over which there was no objection from any other party.</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • Identification of activities which may generate significant GHG emissions? h. What were the main findings of the assessment? i. Were secondary impacts of oil palm development identified in the SEIA? 			
7.1.2	Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.			
	<ul style="list-style-type: none"> a. Does the findings of the SEIA uncover any negative impacts? If yes, has a management plan and operational procedures been developed to mitigate the negative impacts? b. Has the management plan and operational procedures been implemented? 	<ul style="list-style-type: none"> • Documented procedure of Environmental aspect and impact evaluation (SOPSMART/LEMS-EHSD/SADV/001/001 dated 1 July 2014) • Environment aspect and impact list F/SMART/LEMS-EHSD/SADV/001/001 05 January 2016 • RKL – RPL document of PT. KGP 	<p>The company implemented procedure for identifying environmental aspect and evaluating its impact. As required by the procedure, the information of environmental is reviewed and updated regularly. Last review and update of environmental aspect and impact register was performed on 4 January 2017. No changes of identification of impacts since last audit.</p> <p>The company has ensured that all activities with significant environmental impacts were managed. Control measure were defined and implemented for ensuring that negative environmental impact were prevented or mitigated. There were several types of control measures defined: engineering control, administrative control and PPE. The implementation of those control measures are monitored during monthly environmental patrol and also round of internal audits.</p>	YES
7.1.3	<p>Where the development includes an outgrower scheme (<i>skema kemitraan</i>), the impacts of the scheme and the implications of the way it is managed shall be given particular attention.</p> <p>Specific guidance: For 7.1.3. : <i>Outgrower scheme is a farmer selling the FFB through exclusive contract to the growers and millers. Schemed smallholders (plasma) included into this scheme.</i></p>			
	<ul style="list-style-type: none"> a. Are any outgrowers involved in the new plantings? b. Has management prepared a plan for the outgrower scheme? c. Does the SEIA include an assessment of impacts and the implications of the way the outgrower scheme is managed? 	<ul style="list-style-type: none"> • Area statement PT. KGP • SEIA documents 	There are no out-grower involved in new planting area.	N/A

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
7.2	<p>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.</p> <p>Guidance: <i>These activities can be linked to the Social and Environmental Impact Assessment (SEIA) (see Criterion 7.1) but need not be done by independent experts.</i></p> <p><i>Soil surveys should be appropriate to identify soil suitability of oil palm cultivation for the scale of operation.</i></p> <p><i>Maps of Soil suitability or soil survey should be established in line with the operational scale and include information on soil types, topography, hydrology, rooting depth, moisture availability, stoniness and fertility to ensure long-term sustainability of the development. Soils requiring appropriate practices should be identified (see Criteria 4.3 and 7.4). This information should be used to plan planting programs, etc. Measures should be planned to minimize erosion through appropriate use of heavy machinery, terracing on slopes, appropriate road construction, rapid establishment of land cover, protection of riverbanks, etc. Areas located within the plantation perimeters that are considered unsuitable for long-term oil palm cultivation will be delineated in plans and included in operations for conservation or rehabilitation as appropriate (see Criterion 7.4).</i></p> <p><i>Assessing soil suitability is also important for smallholders, particularly where there are significant numbers operating in a particular location. Information should be collected on soil suitability by companies planning to purchase Fresh Fruit Bunches (FFB) from outgrowers scheme (skema kemitraan) in certain location. Companies should assess this information and provide information to smallholders involving in the outgrowers scheme, and/or in conjunction with relevant government/public institutions and other organizations (including NGOs) provide information in order to assist independent smallholders to grow oil palm sustainably.</i></p> <p><i>One of referred guidances is on the table 1 (page. 6) regarding Land Suitability Criteria for Oil Palm in the Technical Guidance for Developing Oil Palm Estate issued by Directorate General of Estate Crops, Ministry of Agriculture, 2006.</i></p>			
7.2.1	(M) 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.			
	<p>a. Are soil suitability/survey maps for the planted areas available or in place?</p> <ul style="list-style-type: none"> • Is the map adequate to establish the long-term suitability of land for oil palm cultivation? • Are the soil suitability maps or soil surveys appropriate to the scale of operation? • Does the soil suitability maps or soil surveys include information on soil types, topography, and hydrology, rooting depth, moisture availability, stoniness and fertility? 	<ul style="list-style-type: none"> • Initial Environmental Impact Assessment (ANDAL, RKL and RPL) approved by <i>Komisi Penilai AMDAL</i> West Kalimantan Province (No.546/2008) on 7 July 2008. • RKL and RPL approved by Environment Agency Ketapang Regent (No.546/2008) on 7 July 2008. • Semi-detail soil map of PT. KGP, scale 1 : 50,000 	<p>The company have the soil suitable map and there were no fragile soils and peat land at KNCE and CDNE area. The map described types of soil, topography, hydrology, etc. For detail the type of soil, management strategy for minimising and controlling erosion, and practices to control and minimize erosion, please refer to Criteria 4.3.</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • Do the soil suitability maps or soil surveys identify soils requiring appropriate practices? b. Are there any areas located within the plantation perimeters that are considered unsuitable for long-term oil palm cultivation? <ul style="list-style-type: none"> • Are such areas delineated in the plans? • Are there areas set aside for conservation? • Or are there plans for rehabilitation as appropriate? c. Does the company plan to purchase Fresh Fruit Bunches (FFB) from potential developments of independent suppliers in a particular location? d. If yes, the following information should be obtained: <ul style="list-style-type: none"> • Is information on soil suitability collected and assessed? • Has the company provided information on soil suitability to the independent smallholders in order to assist them to grow oil palm sustainably? 			
7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available.			
	a. Does the area where plantings are done require drainage or irrigation?	<ul style="list-style-type: none"> • Initial Environmental Impact Assessment (AMDAL, RKL and RPL) approved by <i>Komisi Penilai AMDAL</i> 	Topography information was available in soil map and AMDAL document. The document described types of soil, topography, hydrology, etc. For detail please refer to Criteria 4.4.	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>b. If yes, is there adequate topographic information to guide the planning of drainage and irrigation systems?</p> <p>c. Is the topographic information and best practices taken into consideration during the development of roads and infrastructure?</p>	<p>West Kalimantan Province (No.546/2008) on 7 July 2008.</p> <ul style="list-style-type: none"> • RKL and RPL approved by Environment Agency Ketapang Regent (No.546/2008) on 7 July 2008. • Semi-detail soil map of PT. KGP, scale 1 : 50,000 		
7.3			<p>New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</p> <p>Guidance: <i>This Criterion applies to forests and other vegetation types. This applies irrespective of any changes in land ownership or farm management that have taken place since November 2005 unless if previous owner have conducted HCV assessment.</i></p> <p><i>HCVs may be identified in restricted areas of a landholding, and in such cases new plantings can be planned to allow the HCVs to be maintained or enhanced. This refers to the Guidance for HCV Management and Monitoring approved by the RSPO.</i></p> <p><i>The HCV assessment process requires appropriate training and expertise, and will include consultation with local communities, particularly for identifying social HCVs. HCV assessments should be conducted according to the Guidance for Identifying HCV in Indonesia (HCV Toolkit Indonesia) of 2008 or its revision.</i></p> <p><i>Developments should actively seek to utilise previously cleared and/or degraded land on mineral soil. Plantation development should not put direct or indirect pressure on primary forests and HCV through the use of all available agricultural land in an area.</i></p> <p><i>Although the planned development is consistent with the landscape planning by the local and national government, the requirements of protecting HCV still shall be met.</i></p> <p><i>For new planting with areas ≤ 3000 Ha, assessment of HCV can be conducted internally and externally. If the assessment of HCV is conducted internally, in accordance with the scheme of HCV RSPO using ALS system, assessor team leader of HCV shall be an assessor who has obtained license of HCV Assessor from HCVRN. Peer review from the competent party shall be conducted referring to the Common Guidance for the Identification of HCV 2013. For the new planting with the area > 3000 Ha, the assessment of HCV shall be conducted by the external party who has obtained license of HCV Assessor from HCVRN.</i></p> <p><i>In case of small areas located either in hydrologically sensitive landscapes or in HCV areas where conversion can jeopardize large areas or species, the HCV assessment shall be conducted by independent assessor who has obtained license of HCV Assessor from HCVRN (see Guidance: Criterion 7.2). HCV areas can be very small. Once established, new development should comply with Criterion 5.2.</i></p>	
7.3.1			<p>(M) 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).</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p>Specific Guidance: For 7.3.1: Evidence should include historical remote sensing imagery which demonstrates that there has been no conversion of primary forest or any area required to maintain or enhance one or more HCV. HCV Assessment should apply satellite or aerial photographs, land use maps and vegetation maps should be used to inform the HCV assessment.</p> <p>Where land has been cleared since November 2005, and without a prior and adequate HCV assessment, it will be excluded from the RSPO certification programme until an adequate HCV compensation plan has been developed and accepted by the RSPO.</p>				
	<p>a. Since November 2005, have any new plantings replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs)? If yes, was an adequate HCV assessment carried out prior to the clearing of the land?</p> <p>b. Where HCVs have been identified on the land that is intended for new plantings, have new plantings been planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2)?</p> <p>c. Are there finalised HCV maps and areas endorsed/signed off by management showing type of HCV and area coverage (ha)?</p> <p>d. Has the company comply with NPP procedures? i.e. NPP documents was submitted and put for public notification.</p> <p>e. Is CB verification of NPP documents include field verification? If not, field verification of HCV is required during certification audit.</p>	<ul style="list-style-type: none"> • Area statement at PT. KGP in September 2016 • Social Impact Assessment at PT. KGP in 2014 • Identification and analysis of the existence of high conservation value (HCV) area in 2011 at PT KGP by IPB. • Email from RSPO to PT. SMART Tbk, on 23 May 2016 	<p>The company has conducted verified New Planting Procedure (NPP) by auditor form another certification body, namely Mutuagung Lestari. Auditors conducted a desk study and audit of relevant documents at the head office of PT. SMART Tbk. Jakarta, on 11 - 12 April 2013, and also held interview with the management representatives of PT. KGP (Division Head of Sustainability, Conservation and Biodiversity Division, Certification Officer, Legal and Supervisory). Based on all document verification such as legal document, HCV identification document, SIA document, and EIA document, the audit concluded :</p> <ol style="list-style-type: none"> 1. There was no evidence of land clearing after 2010 in HCV areas, primary forest, or protected peat area. 2. The company has considered both HCV and SIA in its land clearing plans. 3. The company has complied with FPIC process in land acquisition. 4. The company has complied with legal aspect of new planting, such as location permit and plantation operation permit as a basis for oil palm management. <p>HCV Assessment has been conducted by RSPO-approved assessors from the Faculty of Forestry, Bogor Agricultural University (IPB) in 2010. The assessment coverage all year of planting area. The report has included HCV maps and areas endorsed by KGP management. For detail HCV management and monitoring, please refer to Criteria 5.2.</p> <p>PT. KGP has complied and implemented the RSPO NPP. Documentation of assessment and planning has been done completely and professionally in accordance with RSPO requirements and the RSPO Principle and Criteria for New Planting. The report was part of ongoing planting. NPP documents was submitted and put for public notification.</p> <p>NPP was verified by CB (Mutuagung Lestari) through document review at the head office of PT. SMART Tbk. Jakarta. Field verification was conducted during certification audit in November 2014 and during this audit.</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																
	f. Where land has been cleared since November 2005, and without a prior and adequate HCV assessment, is there evidence that an adequate HCV compensation plan for the affected area has been developed and accepted by the RSPO?		<p>There was planting since November 2005 at KGP area and HCV assessment conducted in 2010. The company was analysed land use change in KGP area for all year of planting. Results of LUCA that, there was no HCV areas, primary forest, or protected peat area. For detail can be seen indicator 7.3.2.</p> <p>The company has submitted Land Use Change Analysis Report to the RSPO on 11 April 2016 and responded by RSPO on 23 May 2016. It was explained that for the management unit with non-complaint land clearing which has been certified (by right they should not be certified in the first place), as long as they have submitted complete Land Use Change Analysis, they are allowed to proceed with surveillance audit. By the next surveillance audit, the affected management unit should have completed necessary process outlined in the compensation procedures. The statement was described in an email reply from the RSPO to the company</p>																	
7.3.2	(M) 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.																			
	a. Is the prepared HCV assessment comprehensive? Was the assessment prepared in consultation with the affected stakeholders prior to any conversion or new planting? b. Do the HCV assessments include land use change analysis to determine changes to the vegetation since November 2005? (This analysis shall be used, with proxies, to indicate changes to HCV status)	<ul style="list-style-type: none"> Land Use Change Analysis (LUCA) PT KGP Identification and analysis of the existence of high conservation value (HCV) area in 2011 at PT KGP by IPB. Field visit in HCV area at Mengkabang Hill (Block L-21), Biru River (Block J-25) and Tembawang Area (Block D-47). 	<p>HCV assessment was comprehensive prepared at KGP area. The assessment included consultation with the affected stakeholders prior to any conversion or new planting. The HCV assessment include Land Use Change Analysis (LUCA) to determine changes to the vegetation since November 2005. There was no change the types of vegetation in HCV areas. For HCV assessment please refer to Criteria 5.2.</p> <p>PT. SMART Tbk (parent company) has conducted LUCA and has submitted LUCA Report to the RSPO on 11 April 2016 and responded by RSPO. Detail of LUCA can be seen in table below.</p> <table border="1" data-bbox="1151 1059 1895 1364"> <thead> <tr> <th>Map Name</th> <th>Satellite Image</th> <th>Land Use Change Analysis</th> <th>Area (Ha)</th> </tr> </thead> <tbody> <tr> <td rowspan="3">LUCA Nov 2005 – Nov 2007, PT. KGP, Kapatang Regency, West Kalimantan Province, Scale 1:60.000</td> <td rowspan="3">Citra Landsat 5 TM PATH 120 ROW 61, 06 Sept 2006</td> <td>Old Scrub</td> <td>504.94</td> </tr> <tr> <td>Young Scrub</td> <td>127.41</td> </tr> <tr> <td>Bare land</td> <td>1,035.68</td> </tr> <tr> <td>LUCA Nov 2007 – 31 January 2009, PT.</td> <td>Citra Landsat 7 ETM+</td> <td>Young Scrub</td> <td>2,200.84</td> </tr> </tbody> </table>	Map Name	Satellite Image	Land Use Change Analysis	Area (Ha)	LUCA Nov 2005 – Nov 2007, PT. KGP, Kapatang Regency, West Kalimantan Province, Scale 1:60.000	Citra Landsat 5 TM PATH 120 ROW 61, 06 Sept 2006	Old Scrub	504.94	Young Scrub	127.41	Bare land	1,035.68	LUCA Nov 2007 – 31 January 2009, PT.	Citra Landsat 7 ETM+	Young Scrub	2,200.84	YES
Map Name	Satellite Image	Land Use Change Analysis	Area (Ha)																	
LUCA Nov 2005 – Nov 2007, PT. KGP, Kapatang Regency, West Kalimantan Province, Scale 1:60.000	Citra Landsat 5 TM PATH 120 ROW 61, 06 Sept 2006	Old Scrub	504.94																	
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NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR				COMPLIANCE (YES/NO)	
			KGP, Kapatang Regency, West Kalimantan Province, Scale 1:60.000	PATH 120 ROW 61, on 23 Nov 2007	Bare land	2,534.26		
			<i>LUCA in Jan – May 2010</i> , PT. KGP, Kapatang Regency, West Kalimantan Province, Scale 1:60.000	Citra Landsat 7 ETM+ PATH 120 ROW 61, on 16 Feb 2010	Young Scrub	174.17		
					Bare land	296.68		
7.3.3	Records of land preparation and clearing dates shall be available.							
	a. Are the dates of land preparation and commencement recorded?	Contract of PT Citra Inti Indo Construction (contractor), period on 02 April 2007 – 02 April 2009	Based on contract with land clearing contractor (PT. Citra Inti Indo Construction), in April 2007, stated that period of land preparation start from 02 April 2007 until 02 April 2009.				YES	
7.3.4	(M) 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).							
	a. Has the company developed an action plan that describes operational actions consequent to the findings of the HCV assessment? b. Does the action plan reference the grower's relevant operational procedures (see Criterion 5.2)?	Identification and analysis of the existence of high conservation value (HCV) area at PT KGP by IPB, in 2011	For HCV assessment, management plan and company policy or procedure please refer to Criteria 5.2				YES	
7.3.5	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). Specific Guidance: For 7.3.5: <i>The management plan will be adaptive to changes in HCV 5 and 6. Decisions will be made in consultation with the affected communities.</i>							

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Have areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, been identified in consultation with the communities?</p> <p>b. Have these areas been incorporated into HCV assessments and management plans (see Criterion 5.2)?</p>	<p>Identification and analysis of the existence of high conservation value (HCV) area at PT KGP by IPB, in 2011</p>	<p>For HCV assessment, management plan and company policy or procedure please refer to Criteria 5.2</p>	<p>YES</p>
<p>7.4</p>				

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

Guidance:
The process of identifying fragile and marginal soil should be conducted after getting Plantation Business Permit (IUP)

Total area planting on fragile soils including peat within the new development shall not be greater than 100 Ha or 20% of the total area, whichever is smallest (see Criterion 4.3). Adverse impacts may include hydrological risks or significantly increased risks (e.g. fire risk) in areas outside the plantation (see Criterion 5.5). The legal aspect of compliance within this national interpretation document shall follow the changed laws and regulations but should at least meet the above minimum limit.

Planting on peat soils should not be conducted on peat with ≥3 m depth. If planting conducted on peat with <3 m depth, then the area (as regulated by Regulation of the Minister of Agriculture No. 14 year 2009: Guidance on Peatland Utilization for Oil Palm Cultivation) shall meet the following requirements:

- a. *Within designated cultivation area*
- b. *Whereas the proportion of ≤ 3 m depth of peat and mineral soil (if any) is minimal 70% of the total concession area*
- c. *The mineral soil below peat layer is not quartz sand or acidic sulfate soil*
- d. *The peat soils maturity level is mature (sapric)*
- e. *The fertility level is eutropic*

Cultivation on peatland must also comply with Government Regulation No 71 year 2014 concerning the Protection and Management of Peatland Ecosystems

Excessive slope is defined as slope more than 40% referring to Regulation of the Minister of Agriculture No.11/Permentan/OT.140/3/2015 regarding Guidance of Indonesia Sustainable Palm Oil and the Regulation of the Minister of Agriculture No. 47 year 2006 regarding General Guidance for Agriculture at Mountain Area.

Soil conservation measures (such as terracing, individual terrace, legume cover crops, silt pit, frond stacking, etc.) should be conducted.

Soil suitability should be determined using crop and environmental suitability criteria.

Those identified as marginal and/or problematic should be avoided if the soil cannot be improved through agricultural cultivation.

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>The risky and marginal soils may include sandy soils, low organic content soils, and potential or actual acid sulphate soils. Suitability of these soils is also influenced by other factors including rainfall, terrain and management practices.</i></p> <p><i>These areas may only be developed for new plantations which have adequate management plans based on best management practices. Failure due to extensive plantings should be avoided on these soil types.</i></p> <p><i>Fragile soils on which extensive planting shall be avoided include peat soils, mangrove sites and other wetland areas.</i></p> <p><i>This activity should be integrated with the social and environmental impact assessment (SEIA) required by Criterion 7.1.</i></p> <p><i>Excessive planting on fragile soil refer to Annex 2 Generic RSPO P&C, 2013.</i></p> <p><i>Wetland definition refers to RAMSAR.</i></p>			
7.4.1	(M) Indicative maps showing marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided.			
	<p>a. Are there maps identifying marginal and fragile soils, including excessive gradients and peat soils?</p> <p>b. If peat is present, does the map show the extent, nature, and depth of peat?</p> <p>c. Are the maps used to identify areas that are inappropriate for planting?</p> <p>d. Have the maps been incorporated for use in the social and environmental impact assessment (SEIA)?</p> <p>e. Is there evidence that planting on extensive areas of peat soils and other fragile soils have been avoided?</p>	<ul style="list-style-type: none"> • Initial Environmental Impact Assessment (AMDAL, RKL and RPL) approved by <i>Komisi Penilai AMDAL</i> West Kalimantan Province (No.546/2008) on 7 July 2008. • RKL and RPL approved by Environment Agency Ketapang Regent (No.546/2008) on 7 July 2008. • Semi-detail soil map of PT. KGP, scale 1 : 50,000 	<p>The company have the soil suitable map and there were no fragile soils and peat land at KNCE and CDNE area. The map described types of soil, topography, hydrology, etc. For detail the type of soil, management strategy for minimising and controlling erosion, and practices to control and minimize erosion, please refer to Criteria 4.3.</p>	NA
7.4.2	(M) 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.			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Are there plans to protect planted areas on fragile and marginal soils, including peat from adverse impacts?</p> <p>b. Does the plan take into consideration specific control and NI thresholds, including:</p> <ul style="list-style-type: none"> • Slope limits; • List of soil types that need to be avoided, especially peat soil; • Proportion of plantation areas that can include marginal / fragile soil. <p>c. Has the plan been implemented?</p>	<ul style="list-style-type: none"> • Initial Environmental Impact Assessment (ANDAL, RKL and RPL) approved by <i>Komisi Penilai AMDAL</i> West Kalimantan Province (No.546/2008) on 7 July 2008. • RKL and RPL approved by Environment Agency Ketapang Regent (No.546/2008) on 7 July 2008. • Semi-detail soil map of PT. KGP, scale 1 : 50,000 	<p>The company have the soil suitable map and there were no fragile soils and peat land at KNCE and CDNE area. The map described types of soil, topography, hydrology, etc. For detail the type of soil, management strategy for minimising and controlling erosion, and practices to control and minimize erosion, please refer to Criteria 4.3.</p>	<p>NA</p>
<p>7.5</p>				
<p>7.5.1</p>				

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	a. Does the new planting area include 'local people's land'? b. If yes, has the community given their consent? c. Is there evidence to demonstrate that the consent/agreement has been given? d. Has the community been given the opportunity to say 'no' to the proposed development? e. Are the principles of the FPIC process followed?	<ul style="list-style-type: none"> • Social Impact Assessment at PT. KGP, 2014 • Review of Social Impact Management and Monitoring in 2017 • Public consultation with stakeholders on 28 September 2017 	Based on SIA report and interview with stakeholders during audit, that there was no local people's land in the new planting area.	NA
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. Guidance: See <i>Criteria 2.2, 2.3 and 6.4 and associated Guidance.</i> The requirements include indigenous people, as regulated by, such as, the Act No. 5 year 1994 regarding Endorsement of UN Convention on Biodiversity. Please refer to <i>FPIC guidelines approved by the RSPO (RSPO endorsed Free, Prior and Informed Consent Guide for RSPO Members, November 2015).</i>			
7.6.1	(M) Records of identification and assessment of legal, customary and user rights shall be available. Specific Guidance: For 7.6.1: This activity shall be integrated with the social and environmental impact assessment (SEIA) required by Criterion 7.1.			
	a. Does the SEIA include the identification and assessment of legal, customary and user rights of the area? b. Does the company have SOPs to identify and assess any legal, customary and user rights of the local peoples?	<ul style="list-style-type: none"> • Initial Environmental Impact Assessment (ANDAL, RKL and RPL) approved by <i>Komisi Penilai AMDAL West Kalimantan Province</i> (No. 546/2008) on July 7th, 2008. • RKL and RPL approved by Environment agency Ketapang Regent (No. 546/2008) on July 7th, 2008. 	In the SIA, EIA, and HCV Assessment documents include the identification and assessment of legal, customary and user right of the KGP area. The company has had the procedure for identify and assess any legal, customary and user rights of the local peoples in Land Compensation No. SOP/NP/SMART/VII/D&L 002, on 1 July 2010 and Land Conflict Resolution No. SOP/SPO/SMART/LH-04, on 01 July 2010. Based on public consultation with stakeholders on 22 September 2016, that there was no claiming to have legal, customary and/or user rights on the land for new planting area. RSPO requires the Free, Prior and Informed Consent (FPIC) of the local communities which influenced the development of the concession area or area that	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>c. Is there any known notification from the stakeholders claiming to have legal, customary and/or user rights on the land for the new planting area?</p> <p>d. Has the claim been identified and assess according to the protocol/SOP? Does the process follow and respect the FPIC principles?</p> <p>e. Has the process of identification and assessment been recorded/ documented and made publicly available?</p>	<ul style="list-style-type: none"> • SIA PT. KGP in 2014 • HCV Assessment PT. KGP • Land Compensation Procedure, SOP/NP/SMART/VII/D&L 002, on 1 July 2010 • Land conflict resolution procedure in SOP/SPO/SMART/LH-04, on 01 July 2010 	<p>had been or would be opened. Based on BPN (National Land Agency) certificates No. 75/2013, on 03 October 2013 and No. 76/2013, on 03 October 2013, the company had the relevant FPIC documentation. The decree stated that the land area was land over which there was no objection from any other party. The document of identification and assessment was publicly available.</p>	
7.6.2	(M) A procedure for identifying people entitled to compensation shall be available.			
	<p>a. Does the company have a system in place to identify people and/or community groups entitled to compensation?</p> <p>b. Is the system documented?</p> <p>c. Does the system follow and respect the FPIC principles?</p>	<ul style="list-style-type: none"> • Procedures of Processes land compensation described in the SOP/NP/SMART/VII/D&L 002, on 01 July 2010. 	<p>The company have a system in place to identify people and/or community groups entitled to compensation in Procedures of Processes land compensation described in the SOP/NP/SMART/VII/D&L 002. For procedure detail, please refer to 2.2.</p>	YES
7.6.3	(M) Records of calculation system and distribution of fair compensation shall be available			
	<p>a. Does the company have a system in place to calculate and distribute fair compensation (monetary or otherwise)?</p>	<ul style="list-style-type: none"> • Procedures of Processes land compensation described in the SOP/NP/SMART/VII/D&L 002, on 01 July 2010. 	<p>The company have a system for calculating and distributing fair compensation (monetary or otherwise) shall be in place in Procedures of Processes land compensation described (SOP/NP/SMART/VII/D&L 002). There was no compensation for new planting area.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	b. Is the system documented and publicly made available? c. Does the system follow and respect the FPIC principles?			
7.6.4	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development.			
	a. Does the company provide communities that have lost access and rights to land for plantation expansion opportunities to benefit from plantation development?	<ul style="list-style-type: none"> Procedures of Processes land compensation described in the SOP/NP/SMART/VII/D&L 002, on 01 July 2010. Public consultation with stakeholders on 22 September 2016 	The company provided communities that have lost access and rights to land for plantation expansion opportunities to benefit from plantation development in Procedures of Processes land compensation described (SOP/NP/SMART/VII/D&L 002). There was no compensation for new planting area.	YES
7.6.5	The process and outcome of any compensation claims shall be documented and made available to the affected communities and their representatives.			
	a. Is the process and outcome of any compensation claims documented and made publicly available?	<ul style="list-style-type: none"> Procedures of Processes land compensation described in the SOP/NP/SMART/VII/D&L 002, on 01 July 2010. Record of compensation claim Public consultation with stakeholders on 01 September 2016 	The company have a system for compensation claim in Procedures of Processes land compensation described (SOP/NP/SMART/VII/D&L 002). There was no compensation for new planting area.	YES
7.6.6	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. Specific Guidance: <i>For 7.6.6: Growers and millers will confirm that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to Plantation Business Permit (Izin Usaha Perkebunan/IUP) and if requested, Land Title (Hak Guna Usaha (HGU)/Hak Guna Bangunan (HGB)) to the grower and miller. There is documented evidence that communities were informed prior to being asked to release lands to growers and millers that a legal consequence of the grower or miller acquiring a HGU/HGB over their lands is that this will permanently extinguish their land rights within the same area.</i>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<i>Related to 7.6.6, the evidences can be a company's policy to give community freedom to get information, and also socialization to the affected community.</i>				
	<p>a. Is there record to show that the community and rights holders have freedom to access information and independent advisor(s) concerning the legal, economic, environmental and social implications of the proposed operations on their lands?</p> <p>b. Is there evidence to show that the company has sought the community and the right holders' consent to the initial planning phases of the operations prior to the new issuance of a concession or land title?</p> <p>c. Did the communities (or their representatives) give consent to the initial planning phases of the operations prior to the new issuance of a concession or land title?</p>	<ul style="list-style-type: none"> • Social communication procedures SOP (<i>Konsultasi dan Komunikasi</i>) SOP/SMART/UMUM/SADV/II/04. • Public consultation with stakeholders on 22 September 2016. 	<p>The company have procedure to public and stakeholder specified in Social Communication Procedures No. SOP/SMART/UMUM/SADV/II/04. The procedure explained that stakeholders have the access information (legal, economic, environmental and social). Detail of information type, Please refer to indicator 1.1.1.</p> <p>Based on public stakeholder and interview with management PT. KGP on 22 September 2016, it was confirmed that there was no land conflict found at the estate.</p>	YES
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.			
7.7.1	(M) 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.			
	<p>a. Is there evidence of land preparation by burning?</p> <p>b. (The auditors shall conduct site verification of the newly planted site</p>	<ul style="list-style-type: none"> • Initial Environmental Impact Assessment (AMDAL, RKL and RPL) approved by <i>Komisi Penilai AMDAL</i> West Kalimantan Province (No. 546/2008) on July 7th, 2008. 	<p>New planting areas were covered in AMDAL area in July 2008 which legalized by the <i>Komisi Penilai AMDAL</i> West Kalimantan Province (No. 546/2008) on July 7th, 2008.</p> <p>EIA covering activity begins from pre-construction (land clearing, building infrastructure and roads, drainage and irrigation system), construction (build the infrastructure, and its support facility, mill process), post construction (replanting). Land</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>which will include interviews with workers).</p> <p>c. Was land prepared using the burn method due to reasons or specific situations, as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burnings' 2003, or comparable guidelines in other regions?</p> <p>d. If the burn method has been used for land preparation, has the company complied with the requirements of 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions?</p> <p>e. Is document showing proper justification for such activity available?</p>	<ul style="list-style-type: none"> RKL and RPL approved by Environment agency Ketapang Regent (No. 546/2008) on July 7th, 2008. Interview with workers on 26 – 27 September 2017 	<p>clearing was performed mechanically and zero burning. It was verified with workers that land clearing conducted zero burning.</p>	
<p>7.7.2</p>	<p>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 Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>Specific guidance For 7.7.2 : <i>Fire should be used only where an assessment has demonstrated that it is the most effective and least environmentally damaging option for minimizing the risk of severe pest and disease outbreaks, and exceptional levels of caution are required for use of fire on peat. This should also refer to the ASEAN Policy on Zero Burning (2003) and respective national environment regulations.</i></p>			
	<p>a. In exceptional cases where fire has to be used for preparing land for planting, is there evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions?</p>	<ul style="list-style-type: none"> Initial Environmental Impact Assessment (AMDAL, RKL and RPL) approved by <i>Komisi Penilai AMDAL</i> West Kalimantan Province (No. 546/2008) on July 7th, 2008. RKL and RPL approved by Environment agency Ketapang 	<p>New planting areas were covered in AMDAL area in July 2008 which legalized by the <i>Komisi Penilai AMDAL</i> West Kalimantan Province (No. 546/2008) on July 7th, 2008.</p> <p>EIA covering activity begins from pre-construction (land clearing, building infrastructure and roads, drainage and irrigation system), construction (build the infrastructure, and its support facility, mill process), post construction (replanting). Land clearing was performed mechanically and zero burning. It was verified with workers that land clearing conducted zero burning.</p>	<p>N/A</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>b. Was the activity incorporated in the SEIA report?</p> <p>c. What were the mitigation measures? Was it implemented?</p>	<p>Regent (No. 546/2008) on July 7th, 2008.</p> <ul style="list-style-type: none"> Interview with workers on 26 – 27 September 2017 		
7.8	<p>Preamble</p> <p><i>It is noted that oil palm and all other agricultural crops emit and sequester greenhouse gases (GHG). There has already been significant progress by the oil palm sector, especially in relation to reducing GHG emissions relating to operations. Acknowledging both the importance of GHGs, and the current difficulties of determining emissions, the following new Criterion is introduced to demonstrate RSPO's commitment to establishing a credible basis for the Principles and Criteria on GHGs.</i></p> <p><i>Growers and millers commit to reporting on projected GHG emissions associated with new developments. However, it is recognised that these emissions cannot be projected with accuracy with current knowledge and methodology.</i></p> <p><i>Growers and millers commit to plan development in such a way to minimise net GHG emissions towards a goal of low carbon development (noting the recommendations agreed by consensus of the RSPO GHG WG2).</i></p> <p><i>Growers and millers commit to an implementation period for promoting best practices in reporting to the RSPO, and after December 31st 2016 to public reporting. Growers and millers make these commitments with the support of all other stakeholder groups of the RSPO.</i></p>			
7.8	<p>New plantation developments are designed to minimise net greenhouse gas emissions.</p> <p>Guidance</p> <p><i>This Criterion covers plantations, mill operations, roads and other infrastructure. It is recognised that there may be significant changes between the planned and final development area, hence the assessment may need to be updated before the time of implementation.</i></p> <p><i>Public reporting is desirable, but remains voluntary until the end of the implementation period.</i></p> <p><i>Once established, new developments should report on-going operational, land use and land use change emissions under Criterion 5.6.</i></p> <p><i>According to the recommendation from RSPO GHG Working Group 2, the total carbon emission (above and below ground) from new development area ideally is not bigger than carbon that can be absorbed in one rotation period of all new developments (i.e. average of oil palm trees, riparian buffer zone, and the set aside forest area). To help achieving this, the plantation should be developed in area with low carbon stock (i.e. mineral soil, area with low biomass, etc) or within area that currently is being utilized for agriculture or intensive plantation whose owner has agreed to convert the areas into oil palm. The agreed methodology to assess and report on carbon stock and emission sources as well as default number for the both estimation is now being developed by RSPO.</i></p> <p><i>As guidance, low carbon stock areas are defined as areas with (above and below ground) carbon stores, where the losses as a result of conversion are equal or smaller to the gains in carbon stock within the new development area, including set aside areas (non- planted area) for one rotation period.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
7.8.1			<p>(M) 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.</p> <p>Specific Guidance: For 7.8.1: GHG identification and estimates can be integrated into existing processes such as HCV and soil assessments.</p> <p>The RSPO carbon assessment tool for new plantings will be available to identify and estimate the carbon stocks. It is acknowledged that there are other tools and methodologies currently in use; the RSPO working group will not exclude these, and will include these in the review process.</p> <p>The RSPO PalmGHG tool or an RSPO-endorsed equivalent will be used to estimate future GHG emissions from new developments using, amongst others, the data from the RSPO carbon assessment tool for new plantings.</p> <p>Parties seeking to use an alternative tool for new plantings will have to demonstrate its equivalence to the RSPO for endorsement.</p>	
	<p>a. Is there an assessment conducted to identify and estimate the carbon stock in the proposed development area and major potential sources of emissions that may result directly from the development?</p> <p>b. What are the tools and methodologies used to identify and estimate the carbon stock and potential sources of emission?</p> <p>c. Has the results of the carbon stock assessment been submitted and reported to RSPO according to RSPO procedures and timeline?</p>	<p>GHG identification, mitigation plan and calculation in PT. KGP</p>	<p>For GHG calculation, identification of sources and mitigation plan please refer to Criteria 5.6.</p>	<p>YES</p>
7.8.2			<p>Records of a plan to minimize net GHG emissions shall be available.</p> <p>Specific Guidance: For 7.8.2: Growers are strongly encouraged to establish new plantings on mineral soils, in low carbon stock areas, and cultivated areas, which the current users are willing to develop into oil palm. Millers are encouraged to adopt low-emission management practices (e.g. better management of palm oil mill effluent (POME), efficient boilers etc.) in new developments.</p> <p>Growers and millers should plan to implement RSPO best management practices for the minimization of emissions during the development of new plantations</p> <p>Some efforts to minimise net GHG emissions, but not limited to:</p> <p>a. Avoiding high carbon stock area</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> b. <i>Enriching HCV</i> c. <i>Improving carbon sequestration</i> d. <i>Minimising use of fossil fuel</i> e. <i>Implementing zero burning</i> 			
	<ul style="list-style-type: none"> a. Is there a plan to minimise net GHG emissions from new development? b. Does this plan take into account avoidance of land areas with high carbon stocks, sequestration options and low-emission management practices? 	<p>GHG identification, mitigation plan and calculation in PT. KGP</p>	<p>For GHG calculation, identification of sources and mitigation plan please refer to Criteria 5.6.</p>	<p>YES</p>

PRINCIPLES 8: COMMITMENT TO CONTINUAL IMPROVEMENT IN KEY AREAS OF ACTIVITY

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
8.1			<p>Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p> <p>Guidance: <i>Growers should have a system to improve practices in line with new information and techniques, and a mechanism for disseminating this information throughout the workforce. For smallholders, there should be systematic guidance and training for continual improvement.</i></p> <p><i>The minimum specific performance for key indicators is based upon the existing regulations and best plantation practices (Criteria 4.2, 4.3, 4.4, and 4.5). Several standards related to Criteria 4.2, 4.3, 4.4, and 4.5:</i></p> <ul style="list-style-type: none"> • <i>Leaf analysis at least on yearly basis.</i> • <i>Soil analysis should be done periodically based on company's consideration</i> • <i>Plantable slope < 40%.</i> • <i>BOD of effluent used for Land Application is maximum 5000 ppm, and for discharging to the water body is maximum 100 ppm</i> • <i>For planting on peat, the water table should be maintained at an average of at least 50 cm (40 – 60 cm) below ground surface measured with groundwater piezometer readings, or an average of 60 cm (between 50 – 70 cm) below ground surface as measured in water collection drains as per the Manual Best Management Practices for existing oil palm cultivation on peat, June 2012 or as per existing regulation if equal or shallower measured through a network of appropriate water control structures e.g. weirs, sandbags, etc. in fields, and watergates at the discharge points of main drains (Criteria 4.4 and 7.4).</i> <p><i>Regulations regarding water table on peat may refer, but not limited, to:</i></p> <ol style="list-style-type: none"> 1. <i>Government Regulation No. 71 year 2014 regarding Protection and Management of Peat Ecosystem</i> 2. <i>Regulation of the Minister of Agriculture No. 14 year 2009 regarding Guideline of Oil Palm Cultivation on Peat</i> 3. <i>Regulation of the Minister of Agriculture No. 11 year 2015 regarding Guideline of Indonesia Sustainable Palm Oil Plantation (ISPO)</i> 	
8.1.1			<p>(M) 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"> • Reduction in use of certain chemicals (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Optimising the yield of FFB production (Criterion 4.2) 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Is there an action plan for continual improvement?</p> <p>b. Describe the main components of the plan.</p> <p>c. Has the action plan been implemented?</p> <p>d. Provide examples of continual improvements that have been implemented.</p> <p>e. Are history records available to develop the action plan?</p> <p>f. Are records of implementation of the action plan available?</p> <p>g. Does the action plan include strategies for:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6)? Is IPM widely implemented? • Environmental impacts (Criteria 4.3, 5.1 and 5.2)? • Waste reduction (Criterion 5.3)? • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8)? • Social impacts (Criterion 6.1)? • Optimising the yield of the supply base? <p>h. Do growers have a system to improve practices in line with new information and techniques, and a mechanism for disseminating this information throughout the workforce?</p>	<ul style="list-style-type: none"> • Internal Audit Procedure • Innovation implementation monitoring 2017 • OIA Report 7 March 2017 for KNNM • Operation Internal Audit (OIA) Report on 17-27 January 2017 for KNCE and 25 January-2 February 2017 for CDNE • RSPO Internal Audit dated 2-6 January 2017 in PT. KGP • Strategic plan of environmental management 2012 – 2017 • Social Impact management and monitoring 2017 • HCV management and monitoring in July – December 2016 	<p><u>Best Practice:</u></p> <p>Continual improvement plans have been determined as corrective actions plan from internal audit of OHS, RSPO and Operational Internal Audit (OIA) and also Management Review Plan. Several rounds of audit were done which covers all operation areas including operation (Operation Internal Audit – OIA), agronomy (AAA) and manufacturing (MAA) for all the estates and mill. Findings identified during audit appeared has been followed up, verified and monitored by Region Controller, Production Controller and Vice President Agronomy and Vice President Manufacturing. Regular management review meeting held to evaluate the adequacy and effectiveness of the management system, both for estates and mill. Several action plans for improvement have been raised, that include:</p> <ul style="list-style-type: none"> • Reduction in use of certain chemicals: <ul style="list-style-type: none"> - The organisation has been committed to not using of paraquat since January 2016 accordance memorandum from President Director No. 032/PD/VIII/2015 dated 13 August 2015 • Optimising the yield of the supply base <ul style="list-style-type: none"> - Regular evaluation of plantation and mill operation was performed through internal and external audits. The above audit reports indicated that all gaps against standard operation procedure of plantation and operation were noted. Corrective action plan was issued and implemented to demonstrate effort for compliance as well as continual improvement. <p><u>OHS:</u></p> <p>OHS internal audit has been held annually last held on 2 – 6 January 2017 based on SMK3 checklist (PP 5/2012) and completed 86.14%. OHS internal audit based on SMK3 checklist conduct by Kurniawan Indra as approved OHS internal auditor.</p> <p><u>Environment:</u></p> <p>RSPO internal audit was held on 2 – 6 January 2017; all findings have been followed up with evidence.</p> <p>Several continuous improvement programme especially for environment issue has</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>been developed, such as:</p> <ul style="list-style-type: none"> - Use “<i>Cepuk</i>” three in one for practical and proper dosage fertilizer equipment - Use motor vehicle (<i>becak motor</i>) to carry out herbicide - Minimize CaCO_3 usage with hot water soak - Reuse water from vacuum dryer as water dilution - Reduction of pesticides use - Reduction of fertiliser as Nitrogen component - Reduction of fuel consumption - Reuse liquid waste from pesticide for the next spraying application - Establishment and maintenance of septic tank <p><u>Social and HCV:</u> Action plan include strategies:</p> <ul style="list-style-type: none"> - HCV area management : enhancement of riparian - Monitoring and managing the positive and negative impact from social impact assessment (SIA) - Improve and implementation the CSR program regularly - Review social impact assessment every two years to improve the social relationship with stakeholders and affected parties. 	

3.3.2 Mill Supply Chain Requirements

PART A COMPANY DETAIL

Company Name (covered by certification): PT. Kencana Graha Permai		
RSPO member name: PT. GAR	RSPO member number: 1-0096-11-000-00	
RSPO IT Platform Registration number: RSPO_PO1000001638		
Site Address: Randai Village, Marau District, Ketapang Regency, West Kalimantan Province, Indonesia		
Management Representative: Mr. Radi		
Site type: CPO Mill		
Site capacity: 80 MT FFB/hour		
Certified palm product sold: 38,207 MT of CPO and 7,313 MT of PK		
Certified palm product used: 143,818 MT of FFB		
App/Cert No: FMS40053	Audit Type: ASA2	
SAI Global Auditor/Team: Nanang Rusmana	Audit Date: 26/09/2017	Activity/Audit No: WI-691180
Audit objectives		
To verify the volume of certified and uncertified FFB entering the mill and sold volume of RSPO certified producers.		
Supply Chain Model:	Module E - CPO Mills (MB) Mass Balance	
Pertinent record period:	September 2016 – August 2017	
Estimated tonnage of certified palm product produced:	CPO: 36,080 MT and PK: 7,985 MT	
Estimated of tonnage of non-certified palm product produced	CPO: 68,866 MT and PK: 15,064 MT	
String description:	Palm Oil Mill	
Outsource activity(ies) (if any):	CPO & PK transport	
Independent third party(ies) performing outsource activity(ies): name, address and Capability	1. Name: PT. Satrindo Jaya Agropalma (Mill to Pingping Dock) MR : Pedy Harianto and Boedi Utomo Address : Jakarta Pusat Capacity: 3 trucks @ 13 MT Contract: 001/KGP/KNNM/01/2014 – CPO valid until 1 st January 2018	

	<p>2. Name: PT. Satrindo Jaya Agropalma (Mill to Pingping Dock) MR : Pedy Harianto and Boedi Utomo Address : Jakarta Pusat Capacity: 14 trucks @ 7 MT Contract: 001/KGP/KNNM/02/2015 – PK valid until 17th February 2019</p> <p>3. Name: PT. Ponti Sarana Utama (Pingping Dock to Kendawangan Bulking) MR : Tri Susanto Setiawan Address : Jl. Tanjung Pura No.95, Darat Sekip, Pontianak Capacity: CPO : 4 barge/Tongkang (3 unit @350 MT, 1 unit @450 MT) PK : 3 barge/Tongkang (1 unit @150 MT, 1 Unit @250 MT, 1 unit @300 MT) Contract: 001/KGP/KGP/VIII/2015 – CPO - PK valid until 31 July 2018</p>
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3.3.2.1 Supply Chain Certification Standard

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
CPO MILLS (MB) MASS BALANCE SUPPLY CHAIN MODELS – MODULAR REQUIREMENTS		
E.1 Definition		
E.1.1. Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.		
E.2 Explanation		

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
<p>E.2.1. The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p>		
<p>a. Has the estimated tonnage of CPO and PK products (that could potentially be produced by the certified mill) been recorded by the certification body (CB) in the public summary of the P&C certification report?</p>	<p>The estimated tonnage of CPO and PK products has been recorded by SAI Global, i.e.:</p> <p><u>ASA1</u> Estimated CPO : 35,137 MT Estimated PK : 7,150 MT</p> <p><u>ASA2</u> Estimated CPO : 37,964 MT Estimated PK : 7,816 MT</p> <p><u>ASA3</u> Estimated CPO : 42,189 MT Estimated PK : 8,686 MT</p>	<p>C</p>
<p>b. Does the figure represent the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year?</p>	<p>The figure represented the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year.</p>	<p>C</p>
<p>c. Does the actual tonnage produced have to then be recorded in each subsequent annual surveillance report?</p>	<p>The actual tonnage produced has been recorded in each subsequent annual surveillance report, i.e.:</p> <p><u>ASA1</u> Actual CPO : 23,125 MT Actual PK : 4,639 MT</p> <p><u>ASA2</u></p>	<p>C</p>

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	Actual CPO : 36,080 MT Actual PK : 7,985 MT	
E.2.2. The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).		
a. The mill must also meet all registration requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim)?	Kenanga Mill of PT. Kencana Graha Permai has been registered in RSPO IT system (e-Trace) since November 10 th , 2014 with registration number RSPO_PO1000001638.	C
b. The mill must also meet all reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim)?	The mill also has met all reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).	C
E.3 Documented Procedure		
E.3.1. The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: <ul style="list-style-type: none"> a. Complete and up to date procedures covering the implementation of all the elements in these requirements; b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. 		
a. Does the site have written procedures and/or work instructions in place to ensure the implementation of all elements specified in these requirements?	There are documented procedures available on site to ensure the implementation of RSPO SCC requirements. <ul style="list-style-type: none"> • SOP/SMART/CERS-EHSD/SADV/I/001 (SOP Identification and Traceability of Certified Product) Rev.00, dated January 2nd, 2014. The procedure was established to ensure the product of palm oil mill can be traced and ensured that the FFB (Fresh Fruit Bunch) are came from sources that implementing principle and criteria of sustainability. 	C

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	<ul style="list-style-type: none"> PT.KGP-KNNM/SOP/24 (SOP of RSPO Supply Chain Model Mass Balance) Rev.00, dated November 30th, 2013. The Procedure was established to ensure that the product produced by palm oil mill was sourced from traceable raw material (Fresh Fruit Bunch) and can be ensured that the related unit and sub unit are implementing sustainable principal and criteria as well as RSPO requirements. 	
<p>b. Are procedures / work instructions completely covering the implementation of all the elements in these requirements?</p>	<p>The procedures are up to date covering all the element of RSPO Supply Chain Certification requirement (25 November 2011), the implementation can be demonstrated and appropriate with existing procedure.</p>	<p>C</p>
<p>c. Have the site had the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements?</p>	<p>The person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements is the Mill Unit Head (Factory Manager) Mr. Radi as Management Representative based on Decree Letter from Production Controller #025/KGP-KNNM/SPO-INT/SK/I/2016 dated August 1th, 2016.</p> <p>Management Representative then appointed Sub Unit Head of Administration, Mr. Herma Riyanto as SCCS Officer based on Decree Letter from Production Controller #029/KGP-KNNM/SPO-INT/SK/IX/2014 dated September 5th, 2014.</p>	<p>C</p>
<p>d. Is the person able to demonstrate awareness of the site's procedures for the implementation of this standard?</p>	<p>The person having awareness and knowledge for the procedure and implementation of RSPO SCC standard since he already have trained on August 29th, 2014 and July 30th, 2016. And for Y2017 has been done on 5 July 2017.</p>	<p>C</p>
<p>E.3.2. The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>		
<p>a. Has the site had documented procedures for receiving certified FFBs?</p>	<ul style="list-style-type: none"> SOP/SMART/CERS-EHSD/SADVI/001 (SOP Identification and Traceability of Certified Product) Rev.00, dated January 2nd, 2014. The procedure was established to ensure the product of palm oil mill can be traced and ensured that the FFB (Fresh Fruit Bunch) are came from sources that implementing principle and criteria of sustainability. 	<p>C</p>

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	<ul style="list-style-type: none"> PT.KGP-KNNM/SOP/24 (SOP of RSPO Supply Chain Model Mass Balance) Rev.00, dated November 30th, 2013. The Procedure was established to ensure that the product produced by palm oil mill was sourced from traceable raw material (Fresh Fruit Bunch) and can be ensured that the related unit and sub unit are implementing sustainable principal and criteria as well as RSPO requirements. 	
<p>b. Has the site had documented procedures for receiving non-certified FFBs?</p>	<ul style="list-style-type: none"> SOP/SMART/CERS-EHSD/SADV/I/001 (SOP Identification and Traceability of Certified Product) Rev.00, dated January 2nd, 2014. The procedure was established to ensure the product of palm oil mill can be traced and ensured that the FFB (Fresh Fruit Bunch) are came from sources that implementing principle and criteria of sustainability. PT.KGP-KNNM/SOP/24 (SOP of RSPO Supply Chain Model Mass Balance) Rev.00, dated November 30th, 2013. The Procedure was established to ensure that the product produced by palm oil mill was sourced from traceable raw material (Fresh Fruit Bunch) and can be ensured that the related unit and sub unit are implementing sustainable principal and criteria as well as RSPO requirements. 	C
<p>c. Has the site had documented procedures for processing certified FFBs?</p>	<p>SOP/SMART/CERS-EHSD/SADV/I/001 (SOP Identification and Traceability of Certified Product) Rev.00, dated January 2nd, 2014. The procedure was established to ensure the product of palm oil mill can be traced and ensured that the FFB (Fresh Fruit Bunch) are came from sources that implementing principle and criteria of sustainability.</p>	C
<p>d. Has the site had documented procedures for processing non-certified FFBs?</p>	<p>There is documented procedure for receiving and processing certified and uncertified FFB, including the grading up to CPO and Kernel dispatch are described within the procedure:</p> <ul style="list-style-type: none"> SOP/SMART/CERS-EHSD/SADV/I/001 (SOP Identification and Traceability of Certified Product) Rev.00, dated January 2nd, 2014. PT.KGP-KNNM/SOP/24 (SOP of RSPO Supply Chain Model Mass Balance) Rev.00, dated November 30th, 2013. 	C

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	<ul style="list-style-type: none"> • Standard Operational Procedure of Palm Oil Process PT. SMART Group 6th revision, 2013 which is included: <ul style="list-style-type: none"> - Grading - Loading Ramp - Weighing Bridge - Sterilisation Station - Threshing Station - Pressing Station - Clarification Station - Recycling CPO - Nut and Kernel - Engine Room - Boiler - Water Treatment - Final Effluent - Laboratory 	
E.4 Purchasing and Goods In		
E.4.1. The site shall verify and document the volumes of certified and non-certified FFBs received.		
<p>a. Does the site verify and document the volumes of certified FFBs received?</p>	<p>The organization has a clear system for recording FFB received from certified supply base and non-certified supply base. It was verified that receiving of FFB was traceable to the supply base unit. Weighing slip and receiving report issued clearly stated weight off FFB receive and its source.</p> <p>There were two weighbridge used for FFB and factory product, which is Avery Weigh Tronix E1205:110950159 (Line A) and E1205:111350576 (line B) with maximum capacity 60.000 kg. Weighbridge has been calibrated on 10 September 2017 by PT. MUGI.</p>	C

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	A review to the current records for 2016-2017 found that they were well maintained and retrievable.	
<p>b. Does the site shall verify and document the volumes of non-certified FFBs received?</p>	<p>The organization has a clear system for recording FFB received from certified supply base and non-certified supply base. It was verified that receiving of FFB was traceable to the supply base unit. Weighing slip and receiving report issued clearly stated weight off FFB receive and its source.</p> <p>There were two weighbridge used for FFB and factory product, which is Avery Weigh Tronix E1205:110950159 (Line A) and E1205:111350576 (line B) with maximum capacity 60.000 kg. Weighbridge has been calibrated on 10 September 2017 by PT. MUGI.</p> <p>A review to the current records for 2016-2017 found that they were well maintained and retrievable.</p>	C
<p>E.4.2. The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>		
<p>a. Does the site inform the CB immediately if there is a projected overproduction of certified tonnage?</p>	<p>The procedure SOP/SMART/CERS-EHSD/SADV/II/001 has mentioned that the facility will inform Certification Body immediately if there is a projected overproduction.</p>	C
<p>E.5 Records Keeping</p>		
<p>E.5.1. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.) For further details refer to Module C.</p>		
<p>a. Does the site record and balance all receipts of RSPO certified FFB on a three-monthly basis?</p>	<p>Balance among all FFB receipts, produced and delivered was conducted in daily basis and recapitulation was done in three month interval. The records (January – September 2017) were well maintained.</p>	C

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
<p>b. The site shall record and balance all deliveries of RSPO certified CPO and PK on a three-monthly basis?</p>	<p>Balance among all CPO and PK receipts, produced and delivered was conducted in daily basis and recapitulation was done in three month interval. The records (January –September 2017) were well maintained.</p>	<p>C</p>
<p>c. Are all volumes of palm oil and palm kernel oil that are delivered being deducted from the material accounting system according to conversion ratios stated by RSPO?</p>	<p>All volumes of palm oil and palm kernel that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. There is no over deliveries of certified product neither negative stock of certified product.</p> <p>The site has clear system to implement the requirement that all volumes of palm oil and palm kernel oil that are delivered to be deducted from the material accounting system, i.e. document Mass Balance Report. There are delivery of Crude Palm Oil and Palm Kernel, i.e.:</p> <p><u>ASA1</u></p> <p>CPO-PK</p> <ul style="list-style-type: none"> - Transaction Dated: 29th April 2016. Delivery Note : 4150/CPO/LK/16/04/1700 Seller: PT. Kencana Graha Permai-Kenanga Mill; Buyer : Kendawangan Bulking (35532); Product: Crude Palm Oil (CPO); Program Mass Balance; Volume: 13,190 Kg; Transporter: PT. Satrindo Jaya Agropalma; Driver : Bagus Suharno based on DO No.4150/CPO/4150/16/5032; - Transaction Dated: 18th April 2016. Delivery Note : 4150/KER/LK/16/04/0684 Seller: PT. Kencana Graha Permai-Kenanga Mill; Buyer : Kendawangan Bulking (35532); Product: Palm Kernel (PK); Program Mass Balance; Volume: 5,770 Kg; Transporter: PT. Satrindo Jaya Agropalma; Driver : Bagus Suharno based on DO No.4150/KER/4150/16/T015; <p><u>ASA2</u></p> <p>CPO</p> <ul style="list-style-type: none"> - Transaction Dated: 23th September 2017. Delivery Note : 4150/CPO/LK/17/09/5636, B007973 Seller: PT. Kencana Graha Permai- 	<p>C</p>

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	<p>Kenanga Mill; Buyer : Kendawangan Bulking (35532); Product: Crude Palm Oil (CPO); Program Mass Balance; Volume: 13,400 Kg; Transporter: PT. Satrindo Jaya Agropalma; Driver: Bagus based on DO No.4150/CPO/4150/17/T105;</p> <ul style="list-style-type: none"> - Transaction Dated: 23th September 2017. Delivery Note : 4150/CPO/LK/17/09/5636, B007974 Seller: PT. Kencana Graha Permai-Kenanga Mill; Buyer : Kendawangan Bulking (35532); Product: Crude Palm Oil (CPO); Program Mass Balance; Volume: 13,290 Kg; Transporter: PT. Satrindo Jaya Agropalma; Driver: awaludin based on DO No.4150/CPO/4150/17/T105; - Transaction Dated: 23th September 2017. Delivery Note : 4150/CPO/LK/17/09/5636, B007972 Seller: PT. Kencana Graha Permai-Kenanga Mill; Buyer : Kendawangan Bulking (35532); Product: Crude Palm Oil (CPO); Program Mass Balance; Volume: 13,170 Kg; Transporter: PT. Satrindo Jaya Agropalma; Driver: Ahmad based on DO No.4150/CPO/4150/17/T105; <p><u>PK</u></p> <ul style="list-style-type: none"> - Transaction Dated: 12th September 2017. Delivery Note : 4150/KER/LK/17/09/2013, B007711 Seller: PT. Kencana Graha Permai-Kenanga Mill; Buyer : Kendawangan Bulking (35532); Product: Palm Kernel (PK); Program Mass Balance; Volume: 7,210 Kg; Transporter: PT. Satrindo Jaya Agropalma; Driver: Riyanto based on DO No.4150/PK/4150/17/T047; - Transaction Dated: 12th September 2017. Delivery Note : 4150/KER/LK/17/09/2013, ticket no; B007712, Seller: PT. Kencana Graha Permai-Kenanga Mill; Buyer : Kendawangan Bulking (35532); Product: Palm Kernel (PK); Program Mass Balance; Volume: 7,330 Kg; Transporter: PT. Satrindo Jaya Agropalma; Driver: Tuslam based on DO No.4150/PK/4150/17/T047; - Transaction Dated: 12th September 2017. Delivery Note : 4150/KER/LK/17/09/2013, ticket no; B007707 Seller: PT. Kencana Graha 	

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	Permai-Kenanga Mill; Buyer : Kendawangan Bulking (35532); Product: Palm Kernel (PK); Program Mass Balance; Volume: 6,890 Kg; Transporter: PT. Satrindo Jaya Agropalma; Driver: B. Edy based on DO No.4150/PK/4150/17/T047;	
<p>d. Is the site only able to deliver Mass Balance sales from a positive stock?</p> <p>Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short (i.e. product can be sold before it is in stock.)</p>	<p>The site has clear system to implement the requirement that only able to deliver Mass Balance sales from a positive stock, i.e. document Mass Balance Report. The site is only deliver Mass Balance sales from a positive stock, there is no over deliveries of certified product neither negative stock of certified product.</p> <p>The mill delivered CPO to Kendawangan Bulking, PT. Kencana Graha Permai. The Bulking Station is already certified for RSPO Supply Chain by SAI Global Indonesia with certificate number SQUAL40121 valid from June 4th, 2015 to June 3rd, 2020.</p>	C
<p>E.5.2. In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</p>		
<p>a. Does the mill outsource activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified ?</p>	No outsourced activities available.	N/A
<p>b. Does the mill have to ensure that the crush is covered through a signed and enforceable agreement?</p>	No outsourced activities available.	N/A

3.3.2.2 Supply Chain Certification System

Supply Chain Certification System		Status (Yes / No)
5.3.1	Has the client been made aware with necessary information concerning the RSPO Supply Chain Certification and the RSPO Rules on Communication and Claims Has the client been made aware with necessary information concerning the RSPO Supply Chain Certification and the RSPO Rules on Communication and Claims? If potential clients have any further questions concerning the RSPO these shall be directed to the RSPO secretariat.	Yes
5.3.2	Has the client been made aware of the contractual agreement for certification services against the RSPO Supply Chain Standard and maintain a record of any agreement?	Yes
5.3.6	Has the organization been informed about the following items?	
a.	Certification process	Yes
b.	Agree logistics for the assessment and time of exit (closing) meeting.	Yes
c.	Confirm access to all relevant documents, field sites and personnel	Yes
d.	Explain confidentiality and conflict of interest	Yes
5.3.7	Have the management documentation of the organization fully met to the requirements of the RSPO Supply Chain Certification Standard?	Yes
5.3.7	Have any issues or areas of concern been clarified to the organization?	N/A
5.3.7	Have the internal audits against RSPO supply chain standard been fully planned and underway before certification is awarded?	Yes
5.3.8	Have the organization sufficiently and adequately implemented the organizational systems, the management systems and the operational systems, including any documented policies and procedures, to meet the intent and requirements of the RSPO Supply Chain Certification Standard?	Yes
5.3.8	Have the client made aware that when there is outsourcing process to the third party after certification is granted therefor SAI Global shall be informed and SAI Global decides whether an interim visit is required for the next audit?	Yes
5.3.9	Has certification audit reviewed pertinent RSPO Supply Chain records relating to the receipt, processing and supply of certified oil palm products?	Yes

Supply Chain Certification System		Status (Yes / No)
5.3.10	Have all activities conducted by subcontractors complied with the intent and requirements of the RSPO Supply Chain Certification Standard	Yes
5.3.11	Have the client made aware that until they receive written confirmation of their RSPO Supply Chain certification registration and its expiry date that they are not certified and can not make any claims concerning registration?	Yes
5.3.11	Have a detail records have been compiled of the entry (opening) meeting including a list of the participants in the meeting?	Yes
5.3.11	Have the client made aware of the findings of the audit team including any deficiencies which may result in a negative certification decisions or which may require further actions to be completed before a certification decision can be taken?	Yes
5.3.11	Have the client made aware that the findings of the audit team are tentative pending review and decision making by the duly designated representatives of the certification body?	Yes

3.4 Recommendation

The recommendations from this audit that PT. Kencana Graha Permai – Kenanga Mill can continue as a producer of RSPO Certified Sustainable Palm Oil and Palm Kernel, Model: Mass Balance.

Audit recommendations are always subject to ratification by RSPO.

This report was prepared by: Nanang Rusmana, R. Yosi Zainal Muhammad, Ria Gloria and Fitria Rahmayanti.

3.5 Environmental and social risk for this scope of certification for planning of the surveillance audit


- Environmental risk: compliance with regulations, hazardous waste management, handling of pesticides and chemical containers, domestic waste management.
- Social risk: compliance with regulations (includes labour condition), medical test in the recruitment process.
- OHS: investigation report, PPE, MCU Result.
- BMP: Implementation of harvesting procedure.

3.6 Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings

Please sign below to acknowledge receipt of the assessment visit described in this report and confirm the acceptance of the assessment report contents including assessment findings.

Signed for and on behalf of PT. Kencana Graha Permai – Kenanga Mill.

Signed for and on behalf of PT. Kencana Graha Permai – Kenanga Mill.


 Harito Tol
 Management Representative
 Date 27.12.2017

Signed for and on behalf of PT. SAI Global Indonesia


 Inge Triwulandari
 Technical Manager
 Date 27.12.2017

Appendix "A" – Audit Record

Date	Auditor	Audit meetings plus functions/ processes/ areas/ *shifts audited:	# Shifts*	Times* From – To
25/09/2017		Day 1 – Monday		
	Nanang, Yosi, Ria, Fitria	Travelling Jakarta – Pontianak (GA 502)		08.30 – 10.05
	All	Travelling Pontianak – Ketapang (GA 7536)		11.10 - 11.55
	All	Travelling Ketapang - Site		11.55
26/09/2017		Day 2 – Tuesday		
	All	Opening meeting		08.00 – 08.30
		Estate		
	Nanang	<u>Document review, field visit, and interview</u> <u>Agronomy BMP and Legality :</u> <ul style="list-style-type: none"> • Criteria: 2.2.1, 2.2.2 • Criteria: 3.1 (all indicator) • Criteria: 4.1.1, 4.1.2 and 4.1.3 for estate, 4.1.4 • Criteria: 4.2. 4.3, 4.5 all indicators • Criteria: 4.6.1, 4.6.2, 4.6.3, 4.6.4, 4.6.5, 4.6.7, 4.6.8, 4.6.9 • Criteria: 6.10 • Criteria: 7.3 if applicable • Criteria 7.4 • Criteria: 8.1 		08.30 – 17.00
	Yosi	<u>Document review, field visit, and interview</u> <u>Social and HCV / Protection Area:</u> <ul style="list-style-type: none"> • Criteria: 1.1; 1.2; 1.3 all indicators • Criteria: 2.1.1 for social aspect • Criteria: 2.2.3; 2.2.4; 2.2.5; 2.2.6; 2.3 all indicator • Criteria: 4.4.2 • Criteria 4.6.12 • Criteria: 5.2 (all indicator) • Criteria: 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.11, 6.12, 6.13 • Criteria 7.1 (all indicator) • Criteria 7.5 • Criteria 7.6 • Criteria: 8.1 <p>Interview with employee, gender committee, and labour union.</p>		08.30 – 17.00
	Ria	<u>Document review, field visit, and interview</u>		08.30 – 17.00

Date	Auditor	Audit meetings plus functions/ processes/ areas/ *shifts audited:	# Shifts*	Times* From – To
		<u>Environment:</u> <ul style="list-style-type: none"> • Criteria: 2.1 all indicators for environmental aspects • Criteria: 4.4.1, 4.4.3, 4.4.4 • Criteria: 4.6.6, 4.6.10 • Criteria: 5.1, 5.3, 5.4, 5.5 and 5.6 all indicators • Criteria 7.2 • Criteria 7.8 • Criteria: 8.1 		
	Fitria	<u>Document review, field visit, and interview</u> <u>Health and Safety:</u> <ul style="list-style-type: none"> • Criteria: 2.1 all indicators for OHS aspects • Criteria: 4.6.11 • Criteria: 4.7 all indicators • Criteria: 4.8 all indicators • Criteria: 8.1 		08.30 – 17.00
	All	Break		12.00 – 14.00
27/09/2017		Day 3 – Wednesday		
		Estate		
	Nanang	<u>Document review, field visit, and interview</u> <u>Agronomy BMP and Legality :</u> <ul style="list-style-type: none"> • Criteria: 2.2.1, 2.2.2 • Criteria: 3.1 (all indicator) • Criteria: 4.1.1, 4.1.2 and 4.1.3 for estate, 4.1.4 • Criteria: 4.2. 4.3, 4.5 all indicators • Criteria: 4.6.1, 4.6.2, 4.6.3, 4.6.4, 4.6.5, 4.6.7, 4.6.8, 4.6.9 • Criteria: 6.10 • Criteria: 7.3 if applicable • Criteria 7.4 • Criteria: 8.1 		08.00 – 17.00
	Yosi	<u>Document review, field visit, and interview</u> <u>Social and HCV / Protection Area:</u> <ul style="list-style-type: none"> • Criteria: 1.1; 1.2; 1.3 all indicators • Criteria: 2.1.1 for social aspect • Criteria: 2.2.3; 2.2.4; 2.2.5; 2.2.6; 2.3 all indicator • Criteria: 4.4.2 • Criteria 4.6.12 • Criteria: 5.2 (all indicator) • Criteria: 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.11, 6.12, 6.13 • Criteria 7.1 (all indicator) • Criteria 7.5 • Criteria 7.6 • Criteria: 8.1 		08.00 – 17.00

Date	Auditor	Audit meetings plus functions/ processes/ areas/ *shifts audited:	# Shifts*	Times* From – To
		<u>Interview with employee, gender committee, and labour union.</u>		
	Ria	<u>Document review, field visit, and interview</u> <u>Environment:</u> <ul style="list-style-type: none"> • Criteria: 2.1 all indicators for environmental aspects • Criteria: 4.4.1, 4.4.3, 4.4.4 • Criteria: 4.6.6, 4.6.10 • Criteria: 5.1, 5.3, 5.4, 5.5 and 5.6 all indicators • Criteria 7.2 • Criteria 7.8 • Criteria: 8.1 		08.00 – 17.00
	Fitria	<u>Document review, field visit, and interview</u> <u>Health and Safety:</u> <ul style="list-style-type: none"> • Criteria: 2.1 all indicators for OHS aspects • Criteria: 4.6.11 • Criteria: 4.7 all indicators • Criteria: 4.8 all indicators • Criteria: 8.1 		08.00 – 17.00
	All	Break		12.00 – 14.00
28/09/2017		Day 4 – Thursday		
		Kenanga Mill		
	Nanang	<u>Document review, field visit, and interview</u> <u>Processing BMP and Legality:</u> <ul style="list-style-type: none"> • Criteria: 2.2.1, 2.2.2 • Criteria: 3.1 (all indicator) • Criteria: 4.1.1, 4.1.2, and 4.1.3 for mill • Criteria: 6.10 Supply Chain – Mill		08.00 – 15.00
	Yosi	<u>Document review, field visit, and interview</u> <u>Social:</u> <ul style="list-style-type: none"> • Criteria: 1.1; 1.2; 1.3 all indicators • Criteria: 2.1.1 for social aspect • Criteria: 2.2.3; 2.2.4; 2.2.5; 2.2.6; 2.3 all indicator • Criteria: 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.11, 6.12, 6.13 • Criteria: 8.1 • Partial Certification System 4.2.4 <u>Interview with employee, gender committee, and labour union.</u>		08.00 – 15.00

Date	Auditor	Audit meetings plus functions/ processes/ areas/ *shifts audited:	# Shifts*	Times* From – To
		<u>Public consultation with stakeholders (head of village, smallholder, supplier, etc.)</u>		09.00 - 10.00
	Ria	<u>Document review, field visit, and interview</u> Environment : <ul style="list-style-type: none"> • Criteria: 2.1 all indicators for environmental aspects • Criteria: 4.4.1, 4.4.3, 4.4.4 • Criteria: 5.1, 5.3, 5.4, 5.5 and 5.6 all indicators • Criteria: 8.1 		
	Fitria	<u>Document review, field visit, and interview</u> <u>Health and Safety:</u> <ul style="list-style-type: none"> • Criteria: 2.1 all indicators for OHS aspects • Criteria: 4.7 all indicators • Criteria: 4.8 all indicators • Criteria: 8.1 		08.00 – 15.00
	All	Discussion		15.00 – 15.30
	All	Closing meeting		15.30 – 16.30
	All	Traveling Site – Ketapang		17.00
	All	Break		12.00 – 14.00
29/09/2017		Day 5 – Friday		
	All	Travelling Ketapang - Pontianak (GA 7533)		16.00 – 16.45
	All	Travelling Pontianak - Jakarta (GA 515)		17.45 – 19.20

Appendix “B” – Previous Nonconformities and Opportunity for Improvement Summary

RSPO Principle and Criteria, Indonesian National Interpretation

ASA 1 – September 2016 (by SAI Global)

No	RSPO Criterion	Details	Corrective Action	PIC	Completion Date	Status
1.	2.2 indicator major 2	<ul style="list-style-type: none"> Can't be shown the evidence of communication related maintenance of HGU pegs KGP 66 with four head of family Rangkung Villages located in the concession area. HGU peg No. KGP-32A (CDNE) is not include in The List of Monitoring of HGU pegs Y2016, so it was not maintained HGU boundary sign at Blok H-35 bordering with PT. Minamas not yet showing clearly, so it can be miss management. 	<ul style="list-style-type: none"> Establish good relationships with the people living in the concession area of PT. KGP through annually socialization about HGU pegs maintenance Monitoring and maintenance of the HGU pegs regularly and coordinate and jointly with the PMNP and D&L Division and entry into the monitoring report of HGU pegs CDNE. Monitoring and maintenance of the marking periodically 	Estate Manager	26/09/2017	Closed
2.	4.1 indicator minor 2	<ul style="list-style-type: none"> It was found long stalk of FFB at TPH Blok H-37 Kencana Estate not suitable with Work Instruction of Harvesting It was found of leftover fruit at Blok I-53 Cendana Estate have not been transported to the factory Indicator of Digester Temperature at Digester Station in poor condition clearly seen. 	<ul style="list-style-type: none"> Socializing the work instructions (IK) to the harvest employees and harvest foreman. Improve the coordination of transport units with Krani Transport Officer. Perform the cleanup and monitoring of thermometer digester routinely every time based on maintenance form by operator and with a view to the mark in blue and red as the temperature boundary mark between 90^o-95^o C 	Estate Manager & Mill Manager	26/09/2017	Closed
3.	4.4 indicator minor 1	Based on observation, spring water at block I-26 and J-32 was used for consumption by employees at emplacement Kencana Estate, the measurement of spring water period 2016 was not available yet, last measurement on period 2015.	<ul style="list-style-type: none"> Ensure spring water include at environment monitoring schedule every year Scheduling clean water measurement of spring water every 6 month 	Estate Manager	26/09/2017	Closed
4	4.6 indicator Major 11	Specific MCU for spraying employees' period semester I 2016 has not conducted yet at Kencana dan Cendana estates.	Create specific medical examination schedule every 6 month for high risk workers, schedule for year 2017 was available	Estate Manager	21/11/2016	Closed
5	4.8 indicator Major 1	Formal training programme year 2016 that covers all aspects of the RSPO Principles and Criteria cannot be shown during audit	<ul style="list-style-type: none"> Ensure all RSPO aspects included at training programme every year 	Estate Manager	21/11/2016	Closed

No	RSPO Criterion	Details	Corrective Action	PIC	Completion Date	Status
			<ul style="list-style-type: none"> Dissemination to authorize personnel who create training programme about mandatory aspect that must be included at programme. 			
6	5.2 indicator Major 2	<ul style="list-style-type: none"> There was no the management and monitoring of the CR and VU species at HCV area, namely Keruing (<i>Dipterocarpus grandifloras</i>), Pekuyung (<i>Hopea ferruginea</i>), Belangiran (<i>Shorea balangeran</i>), Gaharu (<i>Aquilaria malaccensis</i>), and Bulian (<i>Eusideroxylon zwageri</i>) It was found the activity of utilizing wood in the HCV area (Tembawang Block D-47) 	<ul style="list-style-type: none"> Periodically monitoring for CR and VU species, including HCV information board Socialization of CR and VU species to employee and stakeholders, either directly or participative Conducted of the patrol and socialization for HCV area, included Tembawang Area 	Estate Manager	21/11/2016	Closed
7	5.3 indicator minor 3	Based on observation on landfill area at Kencana Estate, there was evidence ex thinner can, ex painting can, and ex water accumulator bottle dumped in landfill which is for inorganic waste.	<ul style="list-style-type: none"> Continuous dissemination to workers about kinds of hazardous waste, organic, and inorganic waste and handling management each of waste. Continuous inspection at landfill area 	Estate Manager	26/09/2017	Closed
8	6.5 indicator Major 2	Based on Casual Worker (<i>BHL</i>) Agreement that <i>BHL</i> working day was limited the maximum of 21 days each month, so that <i>BHL</i> will not get the monthly minimum wage which has been set by the government.	Socialization to Unit (Estate and Mill) Head and Administration Head (<i>KTU</i>) about revised <i>BHL</i> agreement on 06 December 2016.	Estate Manager	26/09/2017	Closed

Special Audit – 20 February 2017 (by SAI Global)

No	RSPO Criterion	Details	Corrective Action	PIC	Completion Date	Status
1	RSPO Criterion 5.2 indicator Major 1	<p>a. HCV Assessment Report has not covered consultation with relevant stakeholder, e.g. relevant government departments, research institutes and interested NGOs.</p> <p>b. There were some reviewer comment that need follow up, however it was not mentioned neither in HCV Assessment Report nor HCV Management and Monitoring Plan, e.g:</p> <ul style="list-style-type: none"> HCV Report of PT Kencana Graha Permai does not provide recommendations of organizational structure that outlines the responsibility to monitor the management of HCV. 	<p>a. Public consultation will be conducted in accordance with toolkit Common Guidance HCV (2013) dan SOP Identifikasi Nilai Konservasi Tinggi (SOP/SMART/BCOS-EHSD/SADV/001).</p> <p>b. Suggestions from peer reviewer will be accommodated and HCV Assessment Report will be revised. Master plan of HCV which including organisational structure or HCV management and monitoring will be combined with HCV Assessment Report.</p>	SPO Officer	19/04/2017	Closed

No	RSPO Criterion	Details	Corrective Action	PIC	Completion Date	Status
2	RSPO Criterion 6.1 indicator Major 1 and Major 2	a. Social Management and Monitoring Plan mentioned in SIA Report has not clearly covered social impact from all operational activity, e.g. <ul style="list-style-type: none"> - Mill processing - Disposal of mill effluents b. It was not clear that participatory assessment has been conducted with all affected parties such as internal stakeholder (mill workers).	a. SIA document and SIA monitoring document was developed in accordance with requirements in General P&C RSPO 2013 and INA NI P&C RSPO 2016 b. Involving all internal and external stakeholders in developing SIA document and its monitoring and also complete the documentation by referring to SOP/SMART/SIGS-CSR/SADV/1/001 regarding SIA	SPO Officer	19/04/2017	Closed
3	RSPO Criterion 6.5 indicator Major 1	a. The company was not able to demonstrate that there is mechanism in place to ensure that BHB workers achieve minimum wages as determined by authorities. b. Working hours for workers with BHB contract are not recorded (and not included in the pay-slips).	KTU conduct monthly monitoring to implementation of payment system (sistem premi) of loose fruit pickers.	Estate Manager	19/04/2017	Closed

Appendix “C” – Nonconformities and Opportunity for Improvement Summary

Organisation Name:		PT. Kencana Graha Permai Kencana Estate, Cendana Estate, and Kenanga Mill		Location:		Randai Village, Marau Sub-District, Ketapang District, West Kalimantan, IDN	
Date:	28/09/2017	Audit team leader:	Nanang Rusmana	Activity/Report ID:	WI-963761	License/Certificate No.:	FMS40053
Organisation’s acknowledgement of receipt of NCR			Employee Name:	Hasto Tri Djatmiko		Date NCR Accepted:	28/09/2017

RSPO Principe and Criteria, Indonesian National Interpretation

Section 1				Section 2		Section 3	Section 4	
NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
01	RSPO PC INANI 2016 Criterion 2.1 indicator major 1	Major	<p>Non-conformance: There was in-compliance condition found during site visit.</p> <p>Objective Evidence: Hazardous waste symbol was found in chemical storage in KNNM. It was not inline with PerMenLH No. 3 Tahun 2008.</p>	<p>Due Date: 27/11/2017</p> <p>SAI Follow up Method: Onsite</p>	Change symbol in chemical storage with hazardous material symbol by SPO Officer KNNM	<p>Root Cause : The organisation has evaluated compliance with <i>PerMenLH No. 3 Tahun 2008</i> however lack during implementation and inspection regarding suitability of symbol between hazardous material and waste</p> <p>Corrective Action :</p> <ol style="list-style-type: none"> 1. SPO KNNM disseminates hazardous material and waste symbol and MSDS to warehouse operator, WTP operator and laboratory. 2. Laboratory assistant conduct inspection using Mill general inspection form F/SMART/HESS-EHSD/SADV/016/001 monthly. 	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Ria Gloria</p> <p>Date: 14 November 2017</p>	<p>Verification of Effectiveness:</p> <ol style="list-style-type: none"> 1. Hazard waste symbol has been changed with hazard material symbol in KNNM as requirement by <i>PerMenLH No. 3 Year 2008</i> 2. Dissemination was conducted on 2 October 2017 regarding hazard symbol of hazardous material and waste and MSDS to warehouse officer, WTP operator, laboratory, etc. 3. Monitoring of hazard symbol is conducted monthly in chemical and central warehouse. First of monitoring was conducted on 20 October 2017 <p>All submitted evidence have been verified and effectively can be implemented. Non-conformance considered as closed</p> <p>NCR CLOSED</p> <p>Name: Ria Gloria</p> <p>Date: 14 November 2017</p>

Section 1			Section 2		Section 3	Section 4		
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02	RSPO PC INANI 2016 Criterion 4.1 Indicator minor 2	Major (Recurrence ASA-1)	<p>Non-conformance : Internal Control Process for implementation of procedure not yet implemented consistently.</p> <p>Objective evidence : Based on field observation on harvesting activity in Block I29, Division II-CDNE, it was found that the lose fruit in middle armpit / "brondolan sangkut di ketiak pelepah" and "bunga matahari", did not taken by harvesters, this was not appropriate with SOP/SMART/MCAR/XIII/TA-PNN – IK/SMART/MCAR/XIII/TA-PNN/01-Panen in page 5 that stated the lose fruit in the middle armpit and <i>bunga matahari</i> must be collected by harvesters</p>	<p>Due Date: 27/11/2017</p> <p>SAI Follow up Method: Onsite</p>	<p>The harvesters in Divisi III CDNE collects the lose fruit in the middle armpit and <i>bunga matahari</i> after the foreman/<i>mandor</i> gives socialisation on 28 September 2017.</p>	<p>Root Cause : The organization has SOP regarding internal control process for harvesting activity (SOP/SMART/MCAR/XIII/TA-PNN – IK/SMART/MCAR/XIII/TA-PNN/01-Panen) which cover the foreman/<i>mandor</i> activity to inspect the daily harvesting, however the foreman/<i>mandor</i> has not been conducted the inspection as mentioned in the SOP. And also the same for harvesters are not careful in doing their activity in line SOP (IK/SMART/MCAR/XIII/TA-PNN/01-Panen.)</p> <p>Corrective Action : 1. The Assistant of the Division III CDNE disseminate the Work Instruction of SOP/SMART/MCAR/XIII/TA-PNN – IK/SMART/MCAR/XIII/TA-PNN/01-Panen to the <i>Mandor Produksi</i> and Harvesters in Divisi III CDNE on 14 October 2017 and in KNCE on 27 October 2017.</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Nanang Rusmana</p> <p>Date: 14 November 2017</p>	<p>Verification of Effectiveness:</p> <ul style="list-style-type: none"> Field verification was conducted at Block 47 and 48 Division III CDNE, based on field verification, the activity of harvesting was in line with SOP/SMART/MCAR/XIII/TA-PNN – IK/SMART/MCAR/XIII/TA-PNN/01-Panen. The other evidence for correction activity was shown i.e. photo and dissemination about SOP harvesting for worker and foreman. Corrective action have been implemented with conducted dissemination SOP/SMART/MCAR/XIII/TA-PNN – IK/SMART/MCAR/XIII/TA-PNN/01-Panen to all workers and foreman. In CDNE (all division) on 14 October 2017, and in KNCE (all division) on 27 October 2017. The dissemination related daily harvest plan, harvesting tools, the location of harvesting, best practise, and punishment). The document was shown during follow up audit (Minutes of Meeting, attendance list, photo).

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						<p>2. The Assistant and <i>Mandor</i> conduct the daily inspection on harvesting standard in accordance with SOP/SMART/MCAR/XIII/TA-PNN – IK/SMART/MCAR/XIII/TA-PNN/01-Panen.</p>		<ul style="list-style-type: none"> Management (Assistant Divisi and Foreman Harvesting) was also conducted daily harvest inspection in KNCE and CDNE in line <i>IK/SMART/MCAR/XIII/TA-PNN/01-Panen</i>. Document of inspection was shown during follow up audit for October and November 2017. <p>All submitted evidence have been verified and effectively can be implemented. Non-conformance considered as closed</p> <p>NCR CLOSED Name Nanang Rusmana Date: 14 November 2017.</p>

Section 1				Section 2		Section 3	Section 4	
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03	RSPO PC INANI 2016 Criterion 4.4 Indicator minor 1	Major (Reurrence ASA-1)	Non-conformance: Un-efficiency water use was found. Objective Evidence: Water leakage was found in several areas in KNNM, e.g. kernel station and water boiler pump.	Due Date: 27/11/2017 SAI Follow up Method: Onsite	<ol style="list-style-type: none"> Change water faucet with new one in kernel station by Assistant Maintenance. Change pump seal in boiler station Assistant Maintenance. 	<p>Root Cause: The organisation had water efficiency program however:</p> <ol style="list-style-type: none"> There was no guidance to implement management water (how water efficiency conduct, routine water monitoring, etc.). Lack of water efficiency awareness from worker in kernel and boiler station. <p>Corrective Action:</p> <ol style="list-style-type: none"> PC PSM 7 make circular letter regarding water management (management plan, efficiency program, monitoring of water installation, etc.) Manager KNNM disseminates circular letter. Implement circular letter. 	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Ria Gloria</p> <p>Date: 14 November 2017</p>	<p>Verification of Effectiveness:</p> <ol style="list-style-type: none"> During site visit water faucet and pump seal has been repaired and no more water leak. Circular letter was made by PC to all Mill and Bulking PSM 7 #001/PC-PSM7/INT/X/2017 dated 20 October 2017 regarding Water Management in Mill and Bulking, i.e.: <ul style="list-style-type: none"> Water management is conducted optimally, consistent and efficiency for sustainability Water use is monitored routinely and ensure not water waste (doing efficiency) Routine maintenance in water installation, e.g. pump, pipes of water drain and water faucet to prevent water leakage causing waste. Circular water was disseminated on 21 October 2017 to all employees, e.g. process, laboratory, mechanic Maintenance of seal pump is conducted quarterly. Next is conducted in November 2017.

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					3.			<p>5. Monitoring of water faucet is conducted weekly. First is conducted on 28 October 2017. Location of monitoring is in each station, e.g. loading ramp, steriliser, clarification, kernel, etc. Result was evident, regarding function of water faucet, potential water leakage and water faucet in clean condition.</p> <p>6. Monitoring of pump and pipe installation is conducted quarterly. First was conducted on 6 November 2017 regarding condition of pump, potential leakage of pump, etc.</p> <p>All submitted evidence have been verified and effectively can be implemented. Non-conformance considered as closed</p> <p>NCR CLOSED</p> <p>Name Ria Gloria</p> <p>Date: 14 November 2017</p>

Section 1				Section 2		Section 3	Section 4	
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04	RSPO PC INANI 2016 Criterion 4.4 indicator minor 3	Minor	<p>Non-conformance: Implementation of POME discharge has not been inline with LA license.</p> <p>Objective Evidence: Quarter LA report did not cover daily monitoring of POME i.e. flowrate and pH, for report 4th quarter 2016 and 2nd quarter 2017.</p>	<p>Due Date: Next SAI audit</p> <p>SAI Follow up Method: Onsite</p>	Add flowrate and pH in the report 4 th quarter 2016 and 2 nd quarter 2017 and send report to government institution by Environment Staff.	<p>Root Cause: The organisation has monitored and reported quarter LA report however there was no matrix to check the completeness of report prior to be sent to BLHD.</p> <p>Corrective Action: Sustainability Compliance and Certification Head issued circular letter and deliver to all Environment Performance Monitoring (EPM) staff PCDV regarding composing reporting of environmental management.</p>	<p>Response: Acceptable</p> <p>14/11/2017</p> <p>Reviewer: Ria Gloria</p>	<p>Verification of Effectiveness: Verification of effectiveness will be conducted during next surveillance audit.</p> <p>Name:</p> <p>Date: SELECT</p>

Section 1				Section 2		Section 3	Section 4	
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05	RSPO PC INANI 2016 Criterion 4.6 indicator major 5	Major	<p>Non-conformance : The handling of pesticides did not conduct properly.</p> <p>Objective evidence :</p> <p>a. Based on field observation, it was found that MSDS Kelthane is not available at Pesticides Warehouse-Kencana Estate.</p> <p>b. Based on field observation in spraying activity in Block I-23 Division I Kencana Estate, it was found inconsistency in pouring herbicides into the knapsack.</p>	<p>Due Date: 27/11/2017</p> <p>SAI Follow up Method: Onsite</p>	<ol style="list-style-type: none"> Provide MSDS Kelthane in the pesticide warehouse in Kencana Estate Disseminate WI IK/SMART/MCAR/XII/TA-PTM/-01-Perawatan to spraying operator. Assign operator to pour pesticide to knapsack spraying. 	<p>Root Cause:</p> <ol style="list-style-type: none"> The organisation already have SOPs regarding standard of occupational health and safety monitoring (SOP/SMART/HESS-EHSD/SADV/I/006) which cover Estate general inspection however routine general inspection has not been conducted. The organisation already have WI of upkeep of circle, path and FFB collection area IK/SMART/MCAR/XII/T A-PTM/-01-Perawatan however <i>mandor</i> of spraying was not used to pouring herbicides into the knapsack due to all this time pouring was conducted by spraying operator. 	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Ria Gloria</p> <p>Date: 14 November 2017</p>	<p>Verification of Effectiveness:</p> <ol style="list-style-type: none"> <ol style="list-style-type: none"> MSDS of Kelthane was provided at pesticide warehouse on 28 September 2017. During site visit on 14 November 2017, Kelthan was sent to Kenari Estate (sister estate) PT Bangun Nusa Mandiri as much as 55 EA on 31 October 2017. Receipt note was evident. Kelthan is used for nursery. No more nurseries in Kencana Estate. Kenari Estate request sending of Kelthane through letter #015/EM-KNRE/09/2017 dated 26 September 2017. Dissemination regarding SOP/SMART/HESS-EHSD/SADV/I/016 was conducted on 19 October 2017 by PCDV Team HO Jakarta to SPO of all Management Units. List of attendance was evident.

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					4.	<p>Corrective Action:</p> <ol style="list-style-type: none"> 1. <ol style="list-style-type: none"> a. PCDV staff disseminates to SPO Officer Unit regarding SOP standard of occupational health and safety monitoring (SOP/SMART/HESS-EHSD/SADV/I/006). b. SPO Office conducts Estate general inspection monthly regarding pesticide warehouse management. 2. <ol style="list-style-type: none"> a. Division I Assistant disseminate regarding IK/SMART/MCAR/XII/T A-PTM/-01-Perawatan to mandor of spraying. b. SPO Officer conduct Estate general inspection monthly regarding spraying activity c. RC Ketapang 2 make assignment letter for operator to pour pesticide to knapsack spraying 		<ol style="list-style-type: none"> c. Form of general inspection (F/SMART/HESS-EHSD/SADV/016/001) was used to check condition of pesticide warehouse. Inspection is conducted monthly including availability of MSDS, hazard symbol. 2. <ol style="list-style-type: none"> a. Division assistant was disseminated work instruction of upkeep to sprayer operator regarding dilution of pesticides, pouring of pesticides solution to knapsack, PPE use, PPE handling after use, etc.: <ul style="list-style-type: none"> • KNCE: <ul style="list-style-type: none"> Div. I: 27 September 2017 Div. II: 24 October 2017 Div. III: 20 October 2017 Div. IV: 20 October 2017 • CDNE on 20 October 2017

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					5.			<ul style="list-style-type: none"> b. Circular letter #006/RC-KTP2/INT/X/2017 from RC Ketapang 2 to all Manager Region Ketapang 2 dated 25 October 2017 regarding Assignment Letter of Officer of Mixing and penuangan of Pesticides was made. Circular letter mention each Division shall be assigned one dedicated officer to mixing and penuangan of pesticides. Circular letter also mention roles and responsibility of the officer. c. Assignment letter of mixing and penuangan of pesticides officer was evident: <ul style="list-style-type: none"> Division I: Kristina Division II: Adit Triana Division III: Marten Lende Division IV: Sugianto d. SPO officer conducted inspection on spraying activity monthly. First was conducted on 23 October 2017 regarding understanding of IK, MSDS, hazard symbol, PPE, etc.

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					6.			<p>All submitted evidence have been verified and effectively can be implemented. Non-conformance considered as closed</p> <p>NCR CLOSED</p> <p>Name Ria Gloria</p> <p>Date: 14 November 2017</p>

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06	RSPO PC INANI 2016 Criterion 4.6 indicator major 6 and 10	Major	<p>Non-conformance: It was found that the empty pesticide containers were not managed properly.</p> <p>Objective Evidence: CDNE</p> <p>a. Empty pesticide containers (jerican ex. Rolimex) were used for other purpose, e.g. storage of gasoline in oil storage and storage of used oil in workshop.</p> <p>b. Empty pesticide containers stored in the temporary storage of hazardous waste still contained residual pesticides, e.g. Starane and Garlon.</p>	<p>Due Date: 27/11/2017</p> <p>SAI Follow up Method: Onsite</p>	<p>1. a. Replace empty pesticide containers with new containers used for other purpose.</p> <p>b. Send empty pesticide containers to temporary storage of hazardous waste.</p> <p>c. Buy new containers for other purpose.</p> <p>2. Rinse empty pesticide containers contaminated with residual pesticides.</p>	<p>1. a. The organisation has work instruction of hazardous waste and ex-chemical container handling (IK/SMART/LEMS-EHSD/SADV/002/001) covering ex-pesticide containers were returned to supplier and or sent temporary storage of hazardous waste. However warehouse operator and head of warehouse has not implemented consistently.</p> <p>b. SPO Office Unit has not conducted general inspection of temporary storage of hazardous waste periodically.</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Ria Gloria</p> <p>Date: 14 November 2017</p>	<p>Verification of Effectiveness:</p> <p>1. a. Container for gasoline and used oil has been replaced with the new ones.</p> <p>b. Empty pesticide containers have been sent to temporary storage of hazardous waste and recorded in the Log Book of hazardous waste.</p> <p>c. Dissemination regarding IK/SMART/LEMS-EHSD/SADV/002/001 including ex pesticide container handling to SPO Officer, Division Assistant was conducted on 28 October 2017 by FSIM (Field Sustainability Implementation Manager)</p> <p>d. SPO Office Unit has disseminated regarding prohibition using empty pesticide containers for other purpose, e.g. gasoline and used oil to warehouse and workshop operator on 28 September 2017</p>

Section 1				Section 2		Section 3	Section 4	
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					3.	2. The organisation has work instruction of hazardous waste and ex-chemical container handling (IK/SMART/LEMS-EHSD/SADV/002/001) covering rinsing of ex-pesticide containers and reuse of rinsing water for pesticide dilution. However the operator has not understood due to there has not been refreshment of IK/SMART/LEMS-EHSD/SADV/002/001 yet.		<ul style="list-style-type: none"> e. General inspection to TPS LB3 is conducted by SPO Officer monthly. First was conducted on 27 October 2017. f. New jerrycan were bought on 28 September, 6 dan 14 October 2017. Bill was evident. <p>2.</p> <ul style="list-style-type: none"> a. Triple rinse was conducted on 29 September 2017 to all ex pesticide containers. b. Circular Letter #001/SE/EM-CDNE/INT/10/2017 from Estate Manager to all Assistant Division dated 16 October 2017 regarding collecting of ex pesticide containers, rinsing and send to temporary storage of hazardous waste. c. Dissemination regarding chemical and hazardous waste handling from FSIM to all SPO Management Units was conducted on 20 October 2017.

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								<p>All submitted evidence have been verified and effectively can be implemented. Non-conformance considered as closed</p> <p>NCR CLOSED</p> <p>Name Ria Gloria</p> <p>Date: 14 November 2017</p>

Section 1				Section 2		Section 3	Section 4	
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07	RSPO PC INANI 2016 Criterion 4.6 indicator major 11	Major	<p>Non-conformance : There was no MCU result for spraying worker</p> <p>Objective evidence: MCU result period 2017 for spraying worker named Tuslam and group leader named Aldonova cannot be shown during audit</p>	<p>Due Date: 27/11/2017</p> <p>SAI Follow up Method: Evidence submitted to Team Leader</p>	<p>Conduct a medical check on behalf Tuslam and Aldonova on 3 October 2017 by dr. Riswan according to SOP /SMART/HESS-EHSD/SADV/012/004</p>	<p>Root Cause : The organisation has SOP regarding Medical Check for Workers (SOP/SMART/HESS-EHSD/SADV/II/012) which cover medical check for workers, however the estate manager as Head of P2K3 does not carry out direct checking the MCU document that all the workers who apply the pesticides has got Medical Check Up twice per year.</p> <p>Corrective Action : 1.a. RC Ketapang 2 ensures the systems of Medical Check Up according to the program as mentioned in the SOP of Medical Check Up for workers (SOP/SMART/HESS-EHSD/SADV/II/012) with disseminate the Circular Letter No. 003/RC-KTP2/INT/X/2017 dated 16 October 2017 related Special Medical Check Up for workers who apply the pesticides (chemical) twice per year.</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Nanang Rusmana</p> <p>Date: 14 November 2017</p>	<p>Verification of Effectiveness:</p> <ul style="list-style-type: none"> The MCU Result was shown on behalf Tuslam and Aldonova. The MCU was conducted on 3 October 2017 by Dr. Riswan (Company Doctor). The documentation was shown during FU audit (photo, attendance list, and result of MCU in line with FORM FSMART/HESS-EHSD/SADV/012/003). The MCU was include physical examination, cholinesterase and spirometry. The MCU result for Tuslam and Aldonova with categories "fit to work" Corrective action have been implemented: <ul style="list-style-type: none"> Already available Circular Letter from Regional Control (RC) Ketapang 2 No.003/RC-KTP2/INT/X/2017 dated 16 October 2017 about "Special Medical Check for workers related to chemical application twice every years. The circular letter was dissemination to all unit manager and all foreman/supervisor

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						<p>1.b. Estate Manager and RC are Controls the implementations Circular Letter No.003/RC-KTP2/INT/X/2017 dated 16 October 2017 by checking the result of medical check-up report.</p> <p>1.c. FSIM (Field Sustainability Implementation Manager) has Submitted a revised proposal of the SOP Medical Check Up for workers SOP/SMART/SADV//012 which cover:</p> <ul style="list-style-type: none"> - Duties and responsibilities written using the term P2K3 more clarified by adding operational terms (Assistant, Manager). - The addition of duties and responsibilities of the Safety Officer and Assistant in ensuring the implementation of medical check-up . 		<p>The evidence of dissemination was shown during FU Audit, in KNCE on 26 October 2017 at Division I and III, on 25 October 2017 at Division II and IV. CDNE; on 25 October 2017 at Division I and II, on 24 October 2017 at Division III and IV.</p> <p>b. Manager was conducted review to the result of MCU Semester I 2017. Already available the result of verification on 2 November 2017 in KNCE-CDNE the result show that the other worker was followed periodic checks.</p> <p>c. Already available the document of requisition for SOP revision from Field Sustainability Implementation Manager (FSIM)-KGP to HO-Jakarta related the additional job desk for Unit Manager/ Head of P2K3 to ensure MCU conducted in line with SOP. The SOP revision was approved by Division Head PCDV Jakarta.</p>

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						<ul style="list-style-type: none"> - Point 2.2.5, The addition of Implementation of Medical Check Up with an explanation of the mechanism that all workers related pesticides have been ensured of a special medical check twice a year and monthly pregnancy checks during spraying work. - Implementation of the medical check-up is conducted in 2 sections for each examination period, with the aim of accommodating the workers medical checks who are unable to attend during the first examination/ section. - If there are spray workers who don't follow the medical checks of 2 times performed, then the workers will not be allowed to work in pesticides spraying. 		<p>All submitted evidence have been verified and effectively can be implemented. Non-conformance considered as closed</p> <p>NCR CLOSED</p> <p>Name Nanang Rusmana</p> <p>Date: 14 November 2017</p>

Section 1				Section 2		Section 3	Section 4	
NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
08	RSPO PC INANI 2016 Criterion 4.7 indicator major 3	Major	<p>Non-conformance : Harvester was not wear PPE based on HIRAC</p> <p>Objective evidence: Based on field observation at harvesting activity on Block I-29 Division I, Cendana Estate, it was shown harvester was not wear glasses as PPE based on HIRAC.</p>	<p>Due Date: 27/11/2017</p> <p>SAI Follow up Method: Onsite</p>	<p>a. The SPO officer conducts socialisation related the importance of PPE to harvesters on 27 September 2017.</p> <p>b. The organisation distribute of half face shield helmet to harvesters on 16-17 December 2017.</p>	<p>Root Cause : The organisation has provide the PPE (Personal Protective Equipment)/ glasses, however the harvesters are not comfortable using that PPE, because their views becomes blurred.</p> <p>Corrective Action :</p> <p>a. OHS Officer KNCE and CDNE reviews the ISBPR related to the risk of harvesters using glasses "safety glasses"</p> <p>b. KTU KNCE and CDNE are made a PR (Purchase Requisition) for Half Face Shield order to replace safety glasses of harvesters according to the review of ISBPR.</p> <p>c. Assistant KNCE and CDNE conducting the distribution of half face shield to the harvesters on 16-17 October 2017.</p> <p>d. Assistant and OHS Officer conduct PPE Inspection monthly as per F/SMART/HESS-EHSD/SADV/010/005</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Nanang Rusmana</p> <p>Date: 14 November 2017</p>	<p>Verification of Effectiveness:</p> <ul style="list-style-type: none"> Field verification was conducted at Block 47 and 48 Division III CDNE, based on field verification was shown that all harvesters are wearing PPE "half face shield". The company (Safety Officer and Foreman) was conducted dissemination related the importance of PPE (safety glass/half face shield) to all harvesters: <ul style="list-style-type: none"> CDNE: All Division (I-IV) on 27 September 2017. KNCE: Division I and III on 27 September 2017, Division II and IV on 5 October 2017. The document of PPE (half face shield) distribution to all harvesters in KNCE-CDNE was available: <ul style="list-style-type: none"> CDNE; Division I and III on 16 October 2017, Division II and IV on 17 October 2017. KNCE; All Division (I-IV) on 16 October 2017.

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					c.			<ul style="list-style-type: none"> • Corrective action have been implemented: <ul style="list-style-type: none"> a. Safety Officer (KNCE-CDNE) was reviewed ISBPR on 26 September 2017. Document was shown during FU audit. b. The PR (Purchase Requisition) was already available. The PR No. 10125603 on 26 September 2017 for KNCE, 150 pcs. The PR No. 10125975 for CDNE on 27 September 2017, 150 pcs. <p>The evidence of PPE inspection by Assistant Division and Safety Officer was available.</p> <ul style="list-style-type: none"> - CDNE: Division I-II on 27 October 2017, Division III on 26 October 2017, Division III on 29 October 2017. - KNCE; Division I on 23 October 2017, Division II on 21 October 2017, Division III on 24 October 2017, Division IV on 20 October 2017.

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					d.			<p>All submitted evidence have been verified and effectively can be implemented. Non-conformance considered as closed</p> <p>NCR CLOSED</p> <p>Name Nanang Rusmana</p> <p>Date: 14 November 2017</p>

09	RSPO PC INANI 2016 Criterion 4.7 indicator minor 5	Minor	<p>Non-conformance : Some conditions related accident/emergency procedures and record accident still not managed properly.</p> <p>Objective evidence: a. Based on field observation at harvesting activity at Block F-49, Division III, Cendana Estate, it was shown that group leader named Alif was not understood regarding first aid kit such as bandage, gauze, plaster, etc. b. Investigation report from OHS expert that include root cause, preventive, and corrective action cannot be shown during audit at Cendana Estate and Kencana Estate.</p>	<p>Due Date: Next SAI audit</p> <p>SAI Follow up Method: Onsite</p>	<p>a. SPO Officer CDNE conduct disseminates related First Aid Kit and the functions of First Aid Kit and also conducting simulation in the field related accidents to <i>mandor</i> on 9 October 2017.</p> <p>b. OHS Officer made an accident investigation report KNCE-CDNE which is already equipped with root cause, correction and corrective action on 24 October 2017.</p>	<p>Root Cause :</p> <p>a. Organisation has conducted First Aid Training, however during that training has not been explained in detail the contents and functions of each item of the First Aid Kit.</p> <p>b. OHS Officer has attended an Workplace Accident Investigation Training by tim PCDV Jakarta, however the OHS Officer has not been understood in detail to conducted Workplace Accident Investigation which equipped with root cause, correction and corrective action due to no monitoring by Tim PCDV Jakarta regularly .</p> <p>Corrective Action :</p> <p>a.1. Organisation conducted First Aid Training (refreshment) on 26 October 2017 to foreman/<i>mandor</i> and PIC of First Aid by a company doctor with a detail explanation about item and function of First Aid Kit in line with <i>Permenaker No. 15/2008</i>.</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Nanang Rusmana Date: 14 November 2017</p>	<p>Verification of Effectiveness: Verification of effectiveness will be conducted during next surveillance audit.</p> <p>Name:</p> <p>Date: SELECT</p>
					c.	a. 2. Organisation conducted re-evaluation of the result of training 1 month after training on 25 November 2017 by		

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						Assistant and OHS Officer in line with SOP /SMART/UMUM/SADV/ I/003. a. 3. Organisation conducted refreshment training every 6 months to all PIC of First Aid. b.1. Organisation conducted advanced training related Workplace Accident Investigation by PCDV-Jakarta to OHS Officer on 19 October 2017. b.2. Organisation conducted improvements related Workplace Accident Investigation which equipped by root cause, correction and corrective action in KNCE-CDNE. The monitoring will be conducted by Internal Audit/Tim PCDV-Jakarta monthly.		

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10	RSPO PC INANI 2016 Criterion 5.3 indicator major 2	Major	<p>Non-conformance: It was found that the empty chemical containers were used for other purpose.</p> <p>Objective Evidence: <u>KNNM</u> The empty chemical containers were used for non-hazardous waste bins.</p> <p><u>CDNE</u> The empty chemical containers were used for fuel which will be sent to Genset in Pondok 1</p>	<p>Due Date: 27/11/2017</p> <p>SAI Follow up Method: Onsite</p>	<p>KNNM</p> <ul style="list-style-type: none"> Remove empty chemical containers as non hazardous waste bins. Change non hazardous waste bins with non chemical containers. <p>CDNE Change container for fuel with new one.</p> <p>KNNM and CDNE Empty chemical containers were sent to temporary hazardous waste storage and record in the log book of hazardous waste.</p>	<p>Root Cause: KNNM and CDNE The organisation has SOP material request and receiving however inspection has not been conducted as mentioned in the SOP due SPO and KTU did not well communicate during material receiving. KTU and material receiver has not understood SOP well.</p> <p>Corrective Action: KNNM and CDNE</p> <ul style="list-style-type: none"> FSIM (Field Sustainability Implementation Manager) disseminate SOP material request and receiving (SOP/SMART/UMUM/S ADV/I/007) to all KTU and material receiver. Receive material by KTU Unit head verify material receiving conducted by KTU 	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Ria Gloria</p> <p>Date: 14 November 2017</p>	<p>Verification of Effectiveness: KNNM</p> <ul style="list-style-type: none"> Empty chemical containers used for non hazardous waste bins were removed from point of use and sent to the temporary storage of hazardous waste on 2 October 2017. The hazardous wastes have been recorded in "Log book limbah B3" as contaminated containers. Non hazardous waste bins have been provided made from plate welded. <p>CDNE</p> <ul style="list-style-type: none"> Container for fuel has been changed with new one Dissemination regarding not to use ex chemical container for oil and fuel was conducted by SPO DNE on 28 September 2017 to warehouse officer.

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								<p>KNNM and CDNE</p> <ul style="list-style-type: none"> Dissemination regarding SOP was conducted to SPO officer on 20 October 2017. Dissemination regarding SOP was conducted on 24 October 2017 by FSIM to warehouse operator, <i>Kasie</i>, Assistant, Head of Assistant and SPO. Dissemination regarding SOP was conducted on 1 November 2017 by FSIM to SPO, <i>Kasie</i>, <i>Krani teknik</i>, <i>Krani Gudang</i>. KTU is responsible to ensure that material specification was fulfilled. Verification to material received by warehouse has been conducted. Evident for receipt on 24 October 2017. <p>NCR closed</p> <p>Name Ria Gloria Date: 14/11/2017</p>

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11	RSPO PC INANI 2016 Criterion 5.3 indicator minor 3	Major (Recurrence ASA-1)	<p>Non-conformance: Implementation of waste management has not been proper according to SOP, regulation, etc.</p> <p>Objective Evidence:</p> <ol style="list-style-type: none"> No segregation between organic and non-organic waste in Workshop KNNM. Disposal of organic waste from office, warehouse and workshop in CDNE was not clear. Log of medical waste has not been shown. Unclear material (chemical or hazardous waste) was found in airstrip CDNE warehouse without label. 	<p>Due Date: 27/11/2017</p> <p>SAI Follow up Method: Onsite</p>	<ol style="list-style-type: none"> Segregate organic and non organic waste in workshop KNNM Dig a hole for organic waste landfill at the back yard of warehouse office and workshop. Provide log of medical waste. Put identity, label and hazard symbol and MSDS at the material container in airstrip CDNE. 	<p>Root Cause:</p> <ol style="list-style-type: none"> and 2. The organisation has SOP waste management (SOP/SMART/LEMS-EHSD/SADV/I/002) regarding segregation of organic and non organic waste however segregation has not been conducted due to facility has not been provided at the point of source. The organisation has monitored and reported hazardous waste management report quarterly however there was no form to check completeness of the report including completeness of log book of hazardous waste prior to be send to government institution. Chemical in airstrip warehouse was managed by PT. Elang Nusantara Air as the third party to operate aerial manuring. 	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Ria Gloria</p> <p>Date: 14 November 2017</p>	<p>Verification of Effectiveness:</p> <ol style="list-style-type: none"> <ol style="list-style-type: none"> Organic and non organic wastes have been segregated in the workshop KNNM Organic and non organic waste bins have been provided at the front of workshop. Waste bins were made from plate welded. General inspection has been conducted. <ol style="list-style-type: none"> Hole for organic waste has been dig at the back yard of warehouse office and workshop. General inspection has been conducted. <ol style="list-style-type: none"> Log of medical waste has been made. Log of medical waste has been sent to government on 4 October 2017.

				5.	<p>Corrective Action:</p> <ol style="list-style-type: none"> 1. Provide organic and non organic waste bins Conduct inspection using general inspection form F/SMART/HESS-EHSD/SADV/016/001 monthly. 2. Dig a new hole for organic waste landfill when a hole was full. Conduct inspection using general inspection form F/SMART/HESS-EHSD/SADV/016/001 monthly. 3. Sustainability Compliance and Certification Head issued circular letter and deliver to all Environment Performance Monitoring (EPM) staff PCDV regarding composing reporting of environmental management. 4. Disseminate hazardous waste management to employees of PT Elang Nusantara Air and monitor regarding hazardous waste management using general inspection form F/SMART/HESS-EHSD/SADV/016/001. monthly. 		<ol style="list-style-type: none"> c. Sustainability Compliance and Certification Head made Memorandum #640/IL-IZ/CCSD-EPM/X/2017 dated 17 October 2017 to all staff of Environment Performance and Monitoring (EPM) PCDV regarding Composing Reporting of Environmental Management. Memorandum sent by Lotus Note (LN). d. Matrix of monitoring environmental report Region Ketapang 2 has been developed regarding frequency and completeness of report. Matrix including log book of medical waste. 4. <ol style="list-style-type: none"> a. Chemical has been completed with identity, label and hazard symbol and MSDS. b. Dissemination regarding chemical handling was conducted to air manuring team (PT Elang Nusantara Air) as owner of chemical on 14 November 2017.
				6.			All submitted evidence have been verified and effectively can be implemented. Non-conformance considered as closed

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								<p>NCR CLOSED</p> <p>Name: Ria Gloria</p> <p>Date: 14 November 2017</p>

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12	RSPO PC INANI 2016 Criterion 5.6 indicator major 2	Major	<p>Non-conformance: Implementation of vehicle and heavy equipment air emission was not according to SOP.</p> <p>Objective Evidence: Based on SOP Environmental Monitoring SOP/SMART/LEMS-EHSD/SADV//003, for measurements not regulated in the Regulations, the measurement schedule is made at least once every 6 months of the year. Actual measurements of vehicle and heavy equipment emissions are conducted once a year and were not conducted to all vehicles and heavy equipment.</p>	<p>Due Date: 27/11/2017</p> <p>SAI Follow up Method: Evidence submitted to Team Leader</p>	Conduct measurement of emission of all vehicles and heavy equipment.	<p>Root Cause: The organisation has SOP Environmental Monitoring SOP/SMART/LEMS-EHSD/SADV//003 covering measurement of vehicles and heavy equipment however it has not been conducted consistently by Estate due to change of Environment Officer and SOP was different with requirements in the regulations.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> Establish program of monitoring and measurement for emission of vehicles and heavy equipment by SPO Officer Region. Propose revision of SOP/SMART/LEMS-EHSD/SADV//003 by FSIM to team of SPO PCDV to change statement of frequency of monitoring and measurement. 	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Ria Gloria</p> <p>Date: 14 November 2017</p>	<p>Verification of Effectiveness:</p> <ol style="list-style-type: none"> Emission of vehicle and heavy equipment was conducted on 11 – 14 October 2014. News of test was evident on 11, 13 and 14 October 2017. Result has not been finished. Program of monitoring measurement 2018 has been developed. Emission of vehicle and heavy equipment will be conducted on April and October 2017. Document change was proposed by FSIM to SOP Team to change statement of frequency of monitoring and measurement through F/SMART/SUST/III/001/03 <i>Formulir Usulan Perubahan dan Pembuatan Dokumen</i> on 20 October 2018. Proposal was approved by Head of PCDV. Procedure still in revision process.

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								<p>All submitted evidence have been verified and effectively can be implemented. Non-conformance considered as closed</p> <p>NCR CLOSED</p> <p>Name: Ria Gloria</p> <p>Date: 14 November 2017</p>

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13	RSPO PC INANI 2016 Criterion 6.5 indicator major 2	Major	<p>Non-conformance : Workers condition was not overall applied for BHL and PKWT.</p> <p>Objective evidence :</p> <p>a. Working Agreement of Casual (BHL) and Contract Workers (PKWT) have not been reported by the company (for 7 days after being signed) to related institution (Disnakertrans) in accordance with Kepmenakertrans 100/2004.</p> <p>b. No evidence that on casual worker (BHL) on behalf Mr. Tuslam (KNCE) was registered in the BPJS TK in accordance with working agreement and UU 13/2003.</p>	<p>Due Date: 27/11/2017</p> <p>SAI Follow up Method: Evidence submitted to Team Leader</p>	<p>a. FSIM reports all workers agreements to the Manpower Office on 4 October 2017.</p> <p>b. Organisation register on behalf Tuslam into the <i>BPJS Ketenagakerjaan</i> Program on 13 October 2017 by KTU KNCE.</p>	<p>Root Cause :</p> <p>a. The organisation has made the Agreement Letter with workers, however the KTU has not been reported the Agreement Letter to the Manpower Department due to lack of understanding related to the rules in the <i>Permenaker 100/2004</i>.</p> <p>b. BHL workers not yet registered in the <i>BPJS Ketenagakerjaan Program</i> includes mr Tuslam because they do not have e-ID/e-KTP.</p> <p>Corrective Action :</p> <p>a. Organisation conduct socialisation of the labor regulations by HROps Jakarta to KTU on 19 October 2017.</p> <p>b.1 Organisation conduct an inventory of BHL workers (do not have e-ID/e-KTP) who have not registered in <i>BPJS Ketenagakerjaan Program</i> by Manager and KTU target is completed on 27 October 2017.</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Nanang Rusmana</p> <p>Date: 14 November 2017</p>	<p>Verification of Effectiveness:</p> <p>a. Field Sustainability Implementation Manager (FSIM) was reported all Work (BHL and PKWT in KNCE, CDNE and Mill) to <i>Dinas Tenaga Kerja dan Transmigrasi Ketapang</i> on 3 October 2017, namely KNCE BHL 96 workers and PKWT 13 workers, CDNE BHL;253 workers, PKWT; 39 workers and Mill PKWT; 56 workers. Document was shown during FU audit.</p> <p>b. Tuslam was registered in <i>BPJS Ketenagakerjaan Program</i> on 25 September 2017. Proof of payment was already available on 13 October 2017 as payment letter No. 171000626720.</p> <p>Corrective action have been implemented:</p> <p>a. Evidence of dissemination related labor regulations by HR Ops Jakarta to KTU (Estate and Mill) on 19 October 2017 was shown (attendance list, photo, minutes of meeting and hand material).</p>

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						<p>b.2 Regional Controller Ketapang 2 sends a request Letter related assistance to the Head of Village, Head of District, and to Department of Population and Civil Registry for identity handling to BHL workers who do not have identity (e-ID/e-KTP and KK) on 27 October 2017.</p> <p>b.3 KTU registers BHL workers who have e-ID/e-KTP into the BPJS Ketenagakerjaan Program, completed target on 17 November 2017.</p>		<p>- The company was assisted the handling of the e-KTP of the other workers to Rangkung Village, Marau Sub-district, Ketapang district according Letter No. 140/53/PEM/2017 dated 27 October 2017 as one of the requirement to be registered in the BPJS Program. The list of workers without e-KTP was available.</p> <p>b. (1) KTU has been inventoried the workers list who already registered in BPJS Ketenagakerjaan Program on 25 September 2017, namely in CDNE 287 workers and KNCE 237 workers. And then KTU (Admin Head) was registered the other workers not registered in BPJS Ketenagakerjaan Program, for KNCE 10 workers on behalf Ariani, Helena Claudia Aba, Iin Sukmana Sari, Margareta Nuna, Martina N, Ngadino, Sukesi, Trisdayanti Yuliana, Turiah and Yakobus Begu on 25 September 2017 and for CDNE all workers already registered.</p>

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								<p>All submitted evidence have been verified and effectively can be implemented. Non-conformance considered as closed</p> <p>NCR CLOSED</p> <p>Name: Nanang Rusmana</p> <p>Date: 14 November 2017</p>

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14	RSPO PC INANI 2016 Criterion 6.8 indicator minor 3	Minor	<p>Non-conformance : Recruitment was not based on health conditions.</p> <p>Objective evidence : Recruitment process on behalf Firdaus Mario Balak (CDNE) in June 2017 did not pass through medical test.</p>	<p>Due Date: Next SAI audit</p> <p>SAI Follow up Method: Onsite</p>	The Company Doctor conducted a medical check-up on behalf Firdaus Mario Balak on 3 October 2017.	<p>Root Cause : The organization has SOP Pemeriksaan Kesehatan Tenaga Kerja No. SOP/SMART/HESS-EHSD/SADV//012 which regulates the conduct of medical check-up for all employees including the recruitment of new employees, however in practise the Manager as Head of P2K3 has not ensured new employees get medical check-up before work, due to the Manager as Head of P2K3 does not recheck the recruitment document .</p> <p>Corrective Action : 1.a. Regional Controler Ketapang 2 ensuring the System of Medical Examination according to the program as determined in SOP Pemeriksaan Kesehatan tenaga Kerja (SOP/SMART/ HESS-EHSD/SADV// 012) by issuing/ disseminating the Circular Letter No. 001/RC-KTP2/INT/X/ 2017 dated 28 September 2017 related Medical Examination before working for new workers.</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Nanang Rusmana</p> <p>Date: 14 November 2017</p>	<p>Verification of Effectiveness: Verification of effectiveness will be conducted during next surveillance audit.</p> <p>Name:</p> <p>Date: SELECT</p>

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						<p>1.b. RC and Manager are monitor the implementation of Circular Letter No. 001/RC-KTP2/INT/X/2017 with checking the result of medical examination for all new workers by company doctor as per form F/SMART/HESS-EHSD/SADV/012/004-<i>Formulir Rekapitulasi Hasil Pemeriksaan Kesehatan</i>).</p> <p>1.c. FSIM (Field Sustainability Implementation Manager) has Submitted a revised proposal of the SOP Medical Check Up for workers SOP/SMART/SADV/II/012 which cover:</p> <ul style="list-style-type: none"> - Duties and responsibilities written using the term P2K3 more clarified by adding operational terms (Assistant, Manager. 		

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						<ul style="list-style-type: none"> - The addition of duties and responsibilities of the Safety Officer and Assistant in ensuring the implementation of medical examination, including new workers. - If there a new worker who don't follow the medical examination before start the work, that worker will not be allowed to work. 		

Appendix “D” – Stakeholder’s issues and comment

Date and Time : 26 – 28 September 2017
 Location : PT. Kencana Graha Permai (Kenanga Mill, Kencana Estate and Cendana Estate)
 Interviewee : Workers, Labour Union, Gender Committee and External Stakeholder (Village Representative, Chief of Village, etc.)

Information gathered during consultation

Date	Stakeholder	Feedback and or request	Company response and action to be taken	SAI Global audit observation	Relevant documentation
27/09/2017	Employees, head of union labour and gender committee	<ul style="list-style-type: none"> - Organization has well had relationship with union workers and gender committee (<i>komisi perempuan</i>). - Wage and overtime calculation has appropriately provided in line with related regulation - The union invited organisation’s management whenever there was issued to discuss. - When there was report of the need to replace PPE and work equipment, the organisation promptly respond depend of the availability of PPE and equipment stock. - Menstruation leave for women worker was given - Pregnant test for woman sprayer was routine conducted each 3 (three) months - Gender committee collaborated with staff to conduct communication concerning social harassment handling - Daycare was available for 	Relationship company and employees (includes Gender Committee and Labour Union) have been established well	All observation during interview with Workers representative (sprayer, harvester), Head of Labour Union and Head of Gender Committee have been reviewed with several supporting documents.	List of employees; BPJS registration; Pregnant test monitoring; Pay slip; Decision Letters of Minimum Wage; Minutes of meeting regarding dissemination social, communication, HCV, environment, etc.; Logbook of grivance and communication; Social maps.

Date	Stakeholder	Feedback and or request	Company response and action to be taken	SAI Global audit observation	Relevant documentation
		<p>employee's children</p> <ul style="list-style-type: none"> - There was no sexual harassment - Clean water provided and distributed from mill - Overall medical expenses covered by BPJS for SKUs and several BHLs. - Given socialization HCV area protection and a ban on hunting, capture, and maintain protected animals - There was no complaint and grievance 			
28/09/2017	Head of village; Public figure; Local contractor; Labour Union	<ul style="list-style-type: none"> - Organization has well relationship with community around estate - Land legality was cleared, there was no land dispute. - There was no environment contamination case as an impact of organization activities. - Organization has realized CSR programs, such assistance to the road maintenance, fatherless child, ect - Whenever there is job vacancy, the organisation informed the community through Village head. - Community has been given information of the protected wildlife 	<ul style="list-style-type: none"> a. The Organisation has disseminates to all unit driver to limit the unit speed when crossing the village road (Carik Village). The organisation has also marked the maximum speed limit. b. The organisation has provided training related the cultivation of vegetables in the emplacement area, the organisation has also provided the seeds of the vegetables. 	<ul style="list-style-type: none"> - All observation during interview with Head of village; Public figure; Local contractor; Labour Union have been reviewed with several supporting documents at PT. KGP. <p><u>Issues closed</u></p>	<p>CSR; Social and HCV Maps; Complaint and grievance logbook; Communication and consultation logbook</p>

Date	Stakeholder	Feedback and or request	Company response and action to be taken	SAI Global audit observation	Relevant documentation
		<p><u>Issues:</u></p> <ul style="list-style-type: none"> a. Company's FFB truck that passed through the Dusun Carik road causes dust even though the road watering has been conducted. Dusun Carik community expects the trucks limits its speeds as it passes the Dusun Carik. b. CDNE worker expects to be given coaching related to the cultivation of vegetables in the emplacement area. 			

Appendix “E” – Definition of, and action required with respect to audit findings:

Major Nonconformities occur when system is failing to meet a relevant compulsory indicator.

Action required: This category of findings requires SAI Global to issue a formal NCR; to receive and approve client’s proposed correction and corrective action plans; and formally verify the effective implementation of planned corrections and corrective action. Correction and corrective action plan must be submitted to SAI Global for approval within 14 days of the audit. Follow-up action by SAI Global must ‘close out’ the NCR or reduce it to a lesser category within 90 days or less where specified. Certificate of conformance to the RSPO Criteria cannot be issued while any major nonconformity is outstanding. Major nonconformities raised during surveillance audit shall be addressed within 60 days, or the certificate will be suspended. Major nonconformities not addressed within a further 60 days will result in the certificate being withdrawn.

Minor Nonconformities occur when system is failing to meet other indicators.

Action required: This category of findings requires SAI Global to issue a formal NCR; to receive and approve client’s proposed correction and corrective action plans; and formally verify the effective implementation of planned corrections and corrective action. In this instance, a certificate may still be awarded providing the root cause of the problem is identified and an acceptable plan is put in place to achieve the outstanding requirements in an agreed time frame. Verification will be made at subsequent surveillance audits. Minor nonconformities will be raised to major if they are not addressed by the following surveillance audit.

Opportunity for Improvement is a documented statement, which may identify areas for improvement, but shall not make specific recommendation(s). Client may develop and implement solutions in order to add value to operations and management systems. SAI Global is not required to follow-up on this category of audit finding.