

Audit Report

2nd Annual Surveillance Audit for

**PT. Sawit Mas Sejahtera, Pangkalan Panji Mill and Its Supply Base
FMS40039**

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

Audited Address:

Pangkalan Panji Mill:

Pangkalan Panji Village, Banyuasin III District, Banyuasin Regency, South Sumatera
Province, Indonesia

Its Supply Bases:

Sawit Mas Estate

Pangkalan Panji Village, Banyuasin III District, Banyuasin Regency, South Sumatera
Province, Indonesia

Date of audit: 2 – 4 August 2017

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Executive Overview

SAI Global has conducted the 2nd Annual Surveillance Audit on 2 – 4 August 2017 for:

Certified Units

- | | |
|---|------------------------|
| a. Mill | : Pangkalan Panji Mill |
| b. Supply bases | : Sawit Mas Estate |
| c. Model of Supply Chain Certification (IP/MB/SG) | : MB |

The audit concluded with issuance of 5 NCRs (3 Major NCRs and 2 minor NCRs). Follow up audit has been conducted and concluded that Major NCRs have been closed, Minor NCRs have been actioned however effectiveness will be verified during next surveillance audit visit.

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

Estimated tonnage of certified CPO produced	11,039.18 MT
Estimated tonnage of certified PK produced	2,508.91 MT

The recommendations from this audit is the certification can continue.

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

<u>Emissions per Product</u>	<u>tCO2e/tProduct</u>
CPO	1.43
PK	1.43

<u>Production</u>	<u>t/yr</u>
FFB processed	66907.83
CPO Produced	15542.68

<u>Land use</u>	<u>ha</u>
OP planted area	2595.22
OP planted on peat	0
Conservation (forested)	20.8
Conservation (non-forested)	0
Total	2616.02

<u>Extraction</u>	<u>%</u>
OER	23.23
KER	5.02

Summary of field emissions and sinks

	<u>Own Crop</u>		<u>Group</u>		<u>3rd Party</u>		<u>Total</u>	
	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB
Emissions								
<i>Land Conversion</i>	19,407.66	0.64	0	0	0	0	19,407.66	0.64
<i>*CO2 Emissions from Fertilizer</i>	1,413.19	0.05	0	0	0	0	1,413.19	0.05
<i>**N2O Emissions</i>	1,737.14	0.06	0	0	0	0	1,737.14	0.06
<i>Fuel Consumption</i>	907.42	0.03	0	0	0	0	907.42	0.03
<i>Peat Oxidation</i>	0	0	0	0	0	0	0	0
Sinks								
<i>Crop Sequestration</i>	-23,377.75	-0.77	0	0	0	0	-23,377.75	-0.77
<i>Conservation Sequestration</i>	0	0	0	0	0	0	0	0
Total	87.66	0	0	0	4,493.58	0	87.66	0

Summary of mill emissions and credits

	<u>tCO2e</u>	<u>tCo2e/tFFB</u>
Emissions		
<i>POME</i>	5915.9	0.09
<i>Fuel Consumption</i>	425.03	0.01
<i>Grid Electricity Utilization</i>	0	0
Credits		
<i>Export of Grid Electricity</i>	0	0
<i>Sales of PKS</i>	0	0
<i>Sales of EFB</i>	0	0
Total	6340.93	0.09

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>)
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
Lonsum	London Sumatera
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
PPNM	Pangkalan Panji Mill
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>)
SMS	Sawit Mas Sejahtera
SMSE	Sawit Mas Estate
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 2 – 4 August 2017 at PT. Sawit Mas Sejahtera – Pangkalan Panji Mill and its supply bases.

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 production from one (1) Palm Oil Mill and one (1) FFB supply base owned by PT. Sawit Mas Sejahtera

1.4 Location of mill and estates

1.4.1 Palm Oil Mill

Pangkalan Panji Mill PT. Sawit Mas Sejahtera

Location : Pangkalan Panji Village, Banyuasin III District, Banyuasin Regency, South Sumatera Province, Indonesia
 GPS Location : East 104° 27' 59.44" South 2° 56' 54.71"

1.3.2 Oil Palm Estate

Sawit Mas Estate PT. Sawit Mas Sejahtera

Location : Pangkalan Panji Village, Banyuasin III District, Banyuasin Regency, South Sumatera Province, Indonesia
 GPS Location : East 104° 27' 51.42" South 2° 55' 38.82"
 Planted Area : 3,019.33 ha
 Certified Area : 3,752.97 ha

Table 1: Mill and Estates GPS Locations

MILL AND ESTATE	EASTING	SOUTHING
Pangkalan Panji Mill (PPNM)	104° 27' 59.44"	2° 56' 54.71"
Sawit Mas Estate (SMSE)	104° 27' 51.42"	2° 55' 38.82"

1.5 Description of supply base

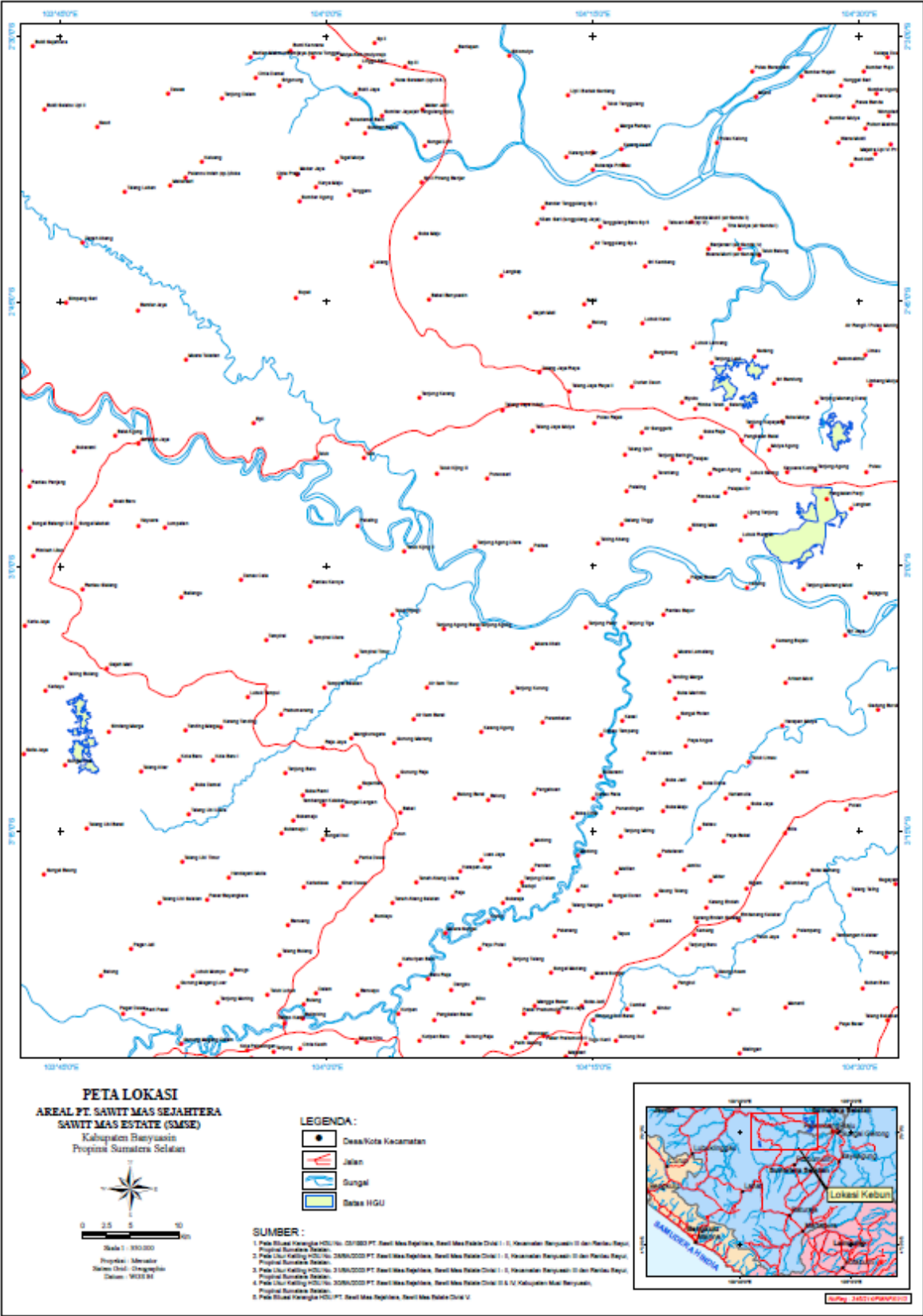
The FFB source is one (1) organisation owned by PT. Sawit Mas Sejahtera and the third party estate. There is no scheme smallholder associated with Pangkalan Panji Mill. The third party (independent small holders) sold FFB to the Mill based on the agreed price and did not have special agreement with the organisation. The hectarage and Estimated FFB production of the estates are shown on Table 2.

Table 2. Estimated FFB Production of the supply base

ESTATE	PLANTED AREA (HA)	FFB (TON/YEAR) (BUDGET AUG 17 – JULY 2018)
Sawit Mas Estate, PT. Sawit Mas Sejahtera	3,019.33	50.178,11
Total	3,019.33	50.178,11

Source : PT SMS, August 2017

Figure 1 Map of Mill and Estates Location



1.6 Date of plantings

Table 3: Age Profiles of Planted Palms in 2017

Year	Estate Planted Area (Ha)		% of Planted Area	
	Mature	Immature	Mature	Immature
1989	82.39	-	2.73	-
1990	164.86	-	5.46	-
1991	85.93	-	2.85	-
1992	-	-	-	-
1993	61.18	-	2.03	-
1995	-	-	-	-
1996	97.31	-	3.22	-
2010*)	251.06	-	8.32	-
2012*)	181.78	-	6.02	-
2013*)	841.23	-	27.86	-
2014*)	466.24	-	15.44	-
2015*)	-	56.09	-	1.86
2016*)	-	731.26	-	24.22
Total	2,231.98	787.35	73.92	26.08
GrandTotal	3,019.33		100.00	

Note: *) = Replanting

Source: PT. Sawit Mas Sejahtera, August 2017

1.7 Area of plantation

Table 4: Land use description in 2017

USED AREA	HECTARES
Mature plantation area	2,231.98
Immature plantation area	787.35
Total area planted	3,019.33
Roads	60.17
Emplacement and Mill	5.03
Nursery	14.69
Ditch, swamp, river	58.79

USED AREA	HECTARES
HCV	21.00
Other area (Enclave)	111.02
Reserve area (occupied by community)	462.97
Total leased area	3,753.00

Source: PT. SMS, August 2017

Table 5: Estates and Area Planted in 2017

ESTATE	MATURE (HA)	IMMATURE (HA)
SAWIT MAS ESTATE	2,231.98	787.35

Source: PT. SMS, August 2017

1.8 Approximate tonnages offered for certification (CPO and PK)

Approximate tonnages offered for certification is estimated based on the organisation last six years actual FFB production from Sawit Mas Estate; also last year CPO and PK, OER and KER of Pangkalan Panji Mill.

Table 6: FFB Production Trend 2012 - 2016

Estate	Year	Mature Area (Ha)	Actual FFB Production (MT)
Sawit Mas Estate	2011	2,774.14	76,632.00
	2012	2,840.40	72,515.00
	2013	1,988.35	51,822.00
	2014	1,538.39	48,328.54
	2015	1,765.74	36,279.08
	2016	2,231.98	37,499.90

Source: PT. SMS, 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 (July 2016 – June 2017)					
Own estate: - SMSE	21.433,41	4.411,06	19,88	1.641,80	7,66
Other Supply Base 3 rd Party	51.745,14	10.637,50	19,79	2.461,52	4,75
Total actual production	73.178,55	15.048,56	19,81	4.103,32	5,61
Estimate production (July 2017 – June 2018)					
Own estate: - SMSE	50.178,11	11.039,18	22,00	2.508,91	5,00
Other Supply Base 3 rd Party	25.500,00	5.610,00	22,00	1.275,00	5,00
Total estimate production	75.678,11	16.649,18	22,00	3.783,91	5,00

Source: PT. SMS, August 2017

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

YEAR	MONTH	FFB			CPO			PK		
		SMSE	3RD PARTY	TOTAL	SMSE	3RD PARTY	TOTAL	SMSE	3RD PARTY	TOTAL
2016	JUL	226.94	509.27	736.21	28.23	62.06	90.29	9.22	20.81	30.03
	AUG	978.99	2,565.40	3,544.39	197.21	516.77	713.98	41.75	109.39	151.14
	SEP	1,959.34	6,348.12	8,307.46	376.58	1,220.09	1,596.67	93.05	301.49	394.54
	OCT	3,198.10	8,160.95	11,359.05	636.98	1,625.47	2,262.45	159.99	408.27	568.26
	NOV	2,676.74	5,583.53	8,260.27	544.64	1,136.10	1,680.74	129.18	269.46	398.64
	DEC	2,398.74	3,672.01	6,070.75	489.87	749.89	1,239.76	171.70	188.83	360.53
2017	JAN	2,098.05	3,942.12	6,040.17	442.73	831.88	1,274.61	117.47	220.71	338.18
	FEB	2,055.31	2,983.22	5,038.53	435.29	631.8	1,067.09	101.05	146.66	247.71
	MAR	2,111.67	4,904.77	7,016.44	443.36	1,029.79	1,473.15	504.23	258.02	762.25
	APR	1,932.13	4,045.19	5,977.32	426.88	893.74	1,320.62	107.35	224.74	332.09
	MAY	1,044.68	4,529.20	5,573.88	235.95	1,022.96	1,258.91	122.83	140.24	263.07
	JUN	752.71	4,501.37	5,254.08	153.33	916.96	1,070.29	83.98	172.90	256.88
TOTAL		21,433.41	51,745.14	73,178.55	4,411.05	10,637.50	15,048.55	1,641.80	2,461.52	4,103.32

Source: PT. SMS, August 2017

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

YEAR	MONTH	FFB			CPO			PK		
		SMSE	3RD PARTY	TOTAL	SMSE	3RD PARTY	TOTAL	SMSE	3RD PARTY	TOTAL
2017	JUL	4,356.20	2,500	6,856.20	958.36	550	1,508.36	217.81	125	342.81
	AUG	4,791.82	2,500	7,291.82	1,054.20	550	1,604.20	239.59	125	364.59
	SEP	5,227.43	2,500	7,727.43	1,150.00	550	1,700.03	261.37	125	386.37
	OCT	4,619.79	2,500	7,119.79	1,016.40	550	1,566.35	230.99	125	355.99
	NOV	4,289.60	2,500	6,789.60	943.71	550	1,493.71	214.48	125	339.48
	DEC	3,906.69	2,500	6,406.69	859.5	550	1,409.47	195.33	125	320.33
2018	JAN	3,516.80	1,500	5,016.80	773.7	330	1,103.70	175.84	75	250.84
	FEB	3,991.14	1,500	5,491.14	878.05	330	1,208.05	199.56	75	274.56
	MAR	4,456.44	1,500	5,956.44	980.42	330	1,310.42	222.82	75	297.82
	APR	3,991.14	2,000	5,991.14	878.05	440	1,318.05	199.56	100	299.56
	MAY	4,336.54	2,000	6,336.54	954.04	440	1,394.04	216.83	100	316.83
	JUN	2,694.52	2,000	4,694.52	592.79	440	1,032.79	134.73	100	234.73
TOTAL		50,178.11	25,500	75,678.11	11,039.22	5,610	16,649.17	2,508.91	1275	3,783.91

Source: PT. SMS, 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	11,039.18 MT
Estimated tonnage of certified PK produced	2,508.91 MT

1.9 Other certificates held

Table 10: Certificates Held by Mill and Estates

MILL/ESTATE	OTHER CERTIFICATION HELD
Pangkalan Panji Mill and Sawit Mas Estate	ISPO by SAI Global, Certificate number SPO20015, valid from 04/02/2016 To 03/02/2021
Pangkalan Panji Mill	ISCC by DQS, Germany, Certification number: EU-ISCC-Cert-DE101-15502017, valid from 29/12/2016 to 28/12/2017

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

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	
		Pamenang Plasma	Desa Bukit Bungkul, Kecamatan Renah Pamenang, Kabupaten Merangin, Jambi Province, Indonesia	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	Main audit in September 2017

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
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 with Pelakar Mill since 2017
Sungai Bengkal (SMART)		Sungai Bengkal Estate	Kecamatan Tebo Ilir, Kabupaten Tebo, Jambi Province	2014	Certified

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
	Desa Betung Berdarah Barat ; Kecamatan Tebo Ilir Kabupaten Tebo ; Jambi Province 37572; Indonesia	Muara Kilis Estate	Kecamatan Tebo Tengah, Kabupaten Tebo, Jambi Province	2019	
		Sungai Bengkal KKPA	Kecamatan Tebo Ilir, Kabupaten Tebo, Jambi Province		
		Kilis KKPA	Kecamatan Tebo Tengah, Kabupaten Tebo, Jambi Province		
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		
		Bukit Permai	Sungai Selan Sub-district, Bangka Tengah Regency, Bangka Belitung Province.		
		Bukit Lestari	Sungai Selan Sub-district, Bangka Tengah Regency, Bangka Belitung Province.		

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
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 On behalf PT. Rawa Bangunyan of 1,200.13 ha.

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
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		
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		

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
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 Bangkalan 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
		Sungai Cantung Estate	Bangkalan Melayu Village, Kelumpang Hulu sub distric, Kotabaru District, South Kalimantan Province		

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
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	2018	
		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	
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)	Desa Bagan Jaya, Kecamatan Tempuling, 29261 Kabupaten Indragiri Hilir, Provinsi Riau	Bumi Palma Estate	Bagan Jaya village, sub district of Tempuling, district of Indragiri Hilir, Riau Province	2014	Certified
		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		

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
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)
		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		

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
		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		
		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		

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
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		
		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		

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
		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)	Dusun Bakung, Desa Randai, Kecamatan Marau, Kabupaten Ketapang, West Kalimantan Province	Kencana Kemitraan	Desa Randai, Kecamatan Marau, Kabupaten Ketapang, West Kalimantan Province, Indonesia	2018	
		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	

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
		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	
Sungai Kikim (GAR)	South Sumatera Province	Sungai Kikim Estate	South Sumatera Province	2019	
		Sungai Pangi Estate	South Sumatera Province	2019	

Mill Name	Mill Address	Supply Base Name	Estate Address	Time Bound for Certification	Progress
		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 Province	Sungai Ayawan	Central Kalimantan Province	2020	LUCA Re-submission plan in October 2017
		Sulin Plasma	Central Kalimantan Province	2020	
		Sapiri Plasma	Central Kalimantan Province	2020	
		Sako Plasma	Central Kalimantan Province	2020	

Source : PT SMS, August 2017

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 Limited → PT. Sawit Mas Sejahtera	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 1-0096-11-000-00.	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 13 July 2017	There was a challenging TBP for all its relevant entities. 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. Time-bound plan was planned appropriately.	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) such as Sei Kupang, Hanau and Rantau panjang. - Contruction of the mill (Jalemo Mill) is still processing. - Remediation and compensation procedure is still process approval from RSPO such as Kuayan, Tangar, Sungai Magalau and Sako. - <p>Major Non-conformances :</p> <p>Time bound plan is not revised in accordance with actual conditions</p> <p>Objective evidence :</p>	<p>YES (NCR 2017 – 01 - closed)</p>

NO	CERTIFICATION SYSTEM/ CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS	COMPLIANCE (YES/NO)
			PT Rawa Bangunyanan has been acquisition by PT SMS on January 2017 but during ASA2 audit, the time bound plan showed was version November 2016	
	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>1. Are there isolated lapses in implementation of a time-bound plan? Raise minor non-compliance if found</p> <p>2. Is there systematic failure to precede implementation of the plan? Raise major non-compliance if found</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 	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. For more detail, please refer to Table 11.	YES
4	Requirements for uncertified management units and/or holdings			
	<p>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).</p> <p>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.</p> <p>g. Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p> <p>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.</p> <p>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</p>			
	<p>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).</p>	<ul style="list-style-type: none"> - 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 	YES (NCR 2017-02 - closed)

NO	CERTIFICATION SYSTEM/ CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS	COMPLIANCE (YES/NO)
	<p>b. Has the verification covered all requirements of e-f above?</p> <p>c. Based on the result of verification in point 1 and 2 above, please indicate is there any:</p> <p>i. Replacement of primary forest or any area containing HCV or required to maintain or enhance 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>	<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 Mangalau Mill and its supply bases, date on 28 March – 01 April 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. - RSPO Internal Audit at Sako Mill and its supply bases through Monthly Monitoring of SPO Scorecard System. 	<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 (Land Use Change Analysis) for several units and each units have had a target time line for the completion of its reports and the 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>Major Non-conformance 2017-02</p> <p>Not enough evidences that PT Rawa Bangunyaman has conduct HCV assessment and SIA.</p> <p>Objective evidences :</p> <ul style="list-style-type: none"> a. Based on document review, HCV assessment was conducted in 2013 but only covered Division 1 – 5 Sawit Mas Estate b. In SIA document, not specifically mention about PT Rawa Bangunyaman 	

NO	CERTIFICATION SYSTEM/ CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS	COMPLIANCE (YES/NO)
	<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>			
<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: 18 September 2015

Date of previous audit: 23 – 26 August 2016 (ASA-1) and 1 March 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 2- 4 August 2017. The audit programme was included in the body of report. Audit was conducted in the mill and all supply bases. 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 212.

2.3 Qualification of the lead auditor and audit team member

Eko Prastio Ramadhan, Audit Lead Auditor and audited Social and HCV Aspect

Pras, graduated as Bachelor of Forestry from Forest Conservation and Ecotourism Department, Faculty of Forestry, Bogor Institute of Agriculture (IPB) in 2008. He owned working experience at NGO Birdlife Indonesia since May 2009 – December 2012 as Field Officer, at PT Inoa Konsultindo since May 2013 – November 2013 as Biodiversity Consultant and at PT Salim Ivomas Pratama Tbk since May 2014 – November 2015 as Assistant of Sustainability Department. He has completed training courses for LAT ISO 14001:2015 (July 2016), LAT RSPO P&C (May 2016), Social Impact Assessment (May 2016), RSPO SCC Auditor (2016), LAT ISO 9001:2008 (2015), ISPO Auditor (2015), Introduction to RSPO Supply Chain Certification (2015) and HCV Assessment and Identification (2014). Since 2016 he has had experience for audit RSPO and ISPO audit for palm oil plantation companies.

Nanang Rusmana – Audit team member and audited BMP Agronomy, Processing and Supply Chain Aspect

Nanang, 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.

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

Fitria, 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.

Padma Seputra Purba, Audit team member and audited Environment Aspect

Putra, graduated with Bachelor degree of Forestry, Forest Resources Conservation Department, Faculty of Forestry, Bogor Agriculture Institute in 2008. His working experiences as Sumatran Orangutan Reintroduction Station Coordinator and Radio Telemetry Coordinator at Frankfurt

Zoological Society (2009-2012), and Sustainability Assistant Manager at TSH Resources Berhad (2013-2016). He has completed Lead Auditor Training ISPO (2015), Lead Auditor ISO 9001:2015 (2016), and Lead Auditor Training ISO 14001:2015 (2017).

Ria Gloria – Verifying Auditor for Padmaseputra Purba Audit Team Member and audited Environmental Aspect

Ria, 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 219.

Table 12: List of Internal and External Stakeholder

STAKEHOLDERS	METHODS OF CONSULTATION
Internal stakeholders (mill & estates)	
Union Leader SPP-SPSI	Group discussion

STAKEHOLDERS	METHODS OF CONSULTATION
Head of Gender Committee	Group discussion
Workers (fertilizing, spraying, mill processing, workshop)	Group discussion for workers with similar role, otherwise individually interviewed
Head of Independent Employee Cooperative (Koperasi Sawit Mas Sejahtera)	Group discussion
External Stakeholders (mill & estates)	
Chief of Rimba Balai Village, Pangkalan Panji Village, Telangu Village, Sukalali Village, Kertayu Village, Lebung Village	Individual discussion
FFB Supplier and local contractor (Tan Pik Tju, PT. Kasih Agro Mandiri, PT. Agronusa Bumi Lestari and Normansyah Siregar	Individual discussion
Chief of Seterio Village, Biyuku Village, Tanjung Laut Village, Rimba Terap Village, Rantau Harapan Village.	An invitation letter to comment was sent
Social and Labour Agency of Banyuasin Regency (<i>Dinas Sosial dan Tenaga Kerja Kabupaten Banyuasin</i>)	An invitation letter to comment was sent
Agriculture and Plantation Agency of Banyuasin Regency (<i>Dinas Pertanian dan Perkebunan Kabupaten Banyuasin</i>)	An invitation letter to comment was sent
Environment Agency of Banyuasin Regency (<i>BLHD Kabupaten Banyuasin</i>)	An invitation letter to comment was sent
National Land Agency (<i>Badan Pertanahan Nasional (BPN) Kabupaten Banyuasin</i>)	An invitation letter to comment was sent
Regent of Banyuasin (<i>Bupati Banyuasin</i>)	An invitation letter to comment was sent
District Police (<i>Kepolisian Sektor Banyuasin III</i>)	An invitation letter to comment was sent
District Head (<i>Camat</i>) Banyuasin III.	An invitation letter to comment was sent
NGOs: WWF, Sawit Watch, GAPKI, AMAN	An invitation letter to comment was sent

2.5 Date of next surveillance visit

The next surveillance audit will be conducted around August 2018 or 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. There is no recurrence NC.

3.2 Claim and use of certification mark and or logo

Certified CPO were sold under other scheme (ISCC). During last one year period there is only PK certified product sold under RSPO scheme, refer to table below.

Table 13: Delivery of Certified and Non Certified Product

YEAR	MONTH	CPO				PK			
		RSPO	ISCC	Non Cert	TOTAL	RSPO	ISCC	Non Cert	TOTAL
2016	JUL	-	-	-	-	-	-	-	-
	AUG	-	-	-	-	-	-	-	-
	SEP	-	204	-	204	101.38	-	-	101.38
	OCT	-	1,058.61	-	1058.61	202.23	-	-	202.23
	NOV	-	550.41	-	550.41	299.72	-	-	299.72
	DEC	-	496.35	-	496.35	-	-	-	0
2017	JAN	-	967.28	-	967.28	100.68	-	-	100.68
	FEB	-	1,393.59	-	1393.59	259.75	-	-	259.75
	MAR	-	151.57	-	151.57	360.52	-	-	360.52
	APR	-	-	-	0	20.03	-	-	20.03
	MAY	-	-	-	0	-	-	-	0
	JUN	-	-	-	0	-	-	-	0
TOTAL		-	4,821.81	-	4,821.81	1,344.31	-	-	1,344.31

Source: PT. SMS, 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: <i>For 1.1.1: 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>			
	<p>a. Does the company maintain a list of stakeholders? (E.g. listed by category and stakeholders listed should be site specific)</p>	<p>- Stakeholder list of PT Sawit Mas Sejahtera, updated 18 January 2017</p>	<p>The organization documented and maintained stakeholder list on document "Daftar Stakeholder PT Sawit Mas Sejahtera" updated on 18 January 2017. Stakeholder consists of governance agency, village chief, prominent figure,</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<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"> - SOP/SMART/SENS-CSR/SADV/001 dated 1 July 2014 - SOP/SMART/UMUM/SADV/004 dated 1 July 2014 - List information for stakeholder PPNM Form F/SMART/UMUM/SADV/004/003 updated 11 April 2016 - List information for stakeholder SMSE Form F/SMART/UMUM/SADV/004/003 updated 18 January 2017 	<p>workers organization, local contractor and NGO's. Data and information will be update by SPO Region if there are changes. Stakeholder verification conducted by Stakeholder Analysis and Mapping as mention in SOP FPIC called <i>Keberperanan Pemangku Kepentingan</i> SOP/SMART/SENS-CSR/SADV/001.</p> <p>The Organization has determined the type of information that is available and accessible to all stakeholders. List of information to the public specified in the document "List information for stakeholder" F/SMART/UMUM/SADV/004/003. There are 13 types of information that is available to stakeholders :</p> <ul style="list-style-type: none"> - Number of employees and a list of basic wages of employees (village, sub-district, district Manpower and province, worker, worker union) - NPWP (KPP) - Payment of local taxes/levies (Dispenda) - Document of EIA (BLH District and Province, KLH, NGOs) - Certificate of incorporation and its amendments, areal statement and its production (Disbun District and Province, BPS, BPPT) - Evidence of land tenure (village, subdistrict, Disbun district and province, BPN, NGOs) - Report of HCV identification (Village, BKSDA, BLH District and province, NGOs) - Reports SIA identification (Village, BKSDA, BLH District and province, NGOs) - Report of empowerment (Village, Subdistrict, District, Province, NGOs) - Report of P2K3 (Manpower office district and province) - Document improvement program (Government agencies) - Document RSPO audit report (Village, Subdistrict, District, Province, NGOs) - Document human rights policy (Village, Subdistrict, District, Province, NGOs) <p>All information above can be accessed by interested parties. Provision of information should be known by Estate Manager and approved by the Regional Controller (RC). If the information is confidential trade must go</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>through the approval of Head Office. The relevant stakeholders received information on the RSPO mechanisms for stakeholder involvement, including information on their rights and responsibilities. All information provided in several stakeholders is in accordance with the terms and language used, for example in the form of reports and the contents of the report. Delivery of Information is delivered in Bahasa.</p>	
1.1.2	<p>(M) Records of requests for information and responses to the information requested shall be available. 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? b. Who is the personnel in charge (PIC)? c. Does the SOP cover the elements under 1.1.1? d. Is there a clear time frame for response to request for information? e. Are records of requests for information and responses maintained? 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. 	<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 providing information in the No. SOP/SMART/UMUM/SADV//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</p>	YES

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		<ul style="list-style-type: none"> ▪ Report of the environment, including: EIA, RKL / RPL report RKL / RPL. ▪ Safety Committee (P2K3) Reports. 	<p>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: <i>This concerns management documents relating to environmental, social and legal issues that are relevant to compliance with RSPO Criteria. Management documents will include monitoring reports. The auditors will comment on the adequacy of each of the documents listed in the public summary of the assessment report. Examples of commercially confidential information include financial data such as costs and income, and details relating to customers and/or suppliers. Data that affects personal privacy should also be confidential. One of legal requirements related to personal privacy is Act No. 14 year 2008 regarding Public Disclosure, clause 17 (h): Ongoing disputes (within or outside of a legal mechanism) can be considered as confidential information where disclosure could result in potential negative outcomes for all parties involved. On-going dispute (within or outside law mechanism) can be considered as confidential information if disclosure of information potentially causes negative impact to all related parties. However, affected stakeholders and parties who are working towards resolutions should have access to relevant information.</i></p>			

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<p><i>Examples of information where disclosure could result in potential negative environmental or social outcomes include information on sites of rare species where disclosure could increase the risk of hunting or capture for trade, or sacred sites which a community wishes to maintain as private.</i></p> <p><i>Growers and millers should ensure that sufficient objective evidence exists to demonstrate that the level of measuring and monitoring of the management plan, and information, is appropriate and made available.</i></p>				
	<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 • Pollution prevention and reduction plans (Criterion 5.6); <ul style="list-style-type: none"> - identification of pollutants, management and reduction measures 	<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). • Logbook; "<i>Buku Monitoring Penanganan Keluh Kesah</i>". • Human Right policy, signed by the President Director on 10 November 2011. 	<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 (SOP/SPO/SMART/LH-19), Logbook; "<i>Buku Monitoring Penanganan Keluh Kesah</i>". • 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. 	<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"> • 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"> • 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.</p> <p><i>*1 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"> • 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><i>The policy should be set within the framework of the UN Convention Against Corruption, in particular Article 12.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>Regulations that are related to eradication of corruption are as followings:</i></p> <ol style="list-style-type: none"> 1. Act No. 7 year 2006 regarding Ratification of United Nations Convention Against Corruption 2. Act No.8 year 2010 regarding Prevention and Eradication of Money Laundry. 3. Act No. 13 year 1999 regarding Eradication of Corruption. 4. Presidential Instruction No.1 year 2013 regarding Action for Corruption Prevention and Eradication <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 3 August 2017 	<p>PT. GAR. 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 12 July 2017 (PPNM), and 26 July 2017 (SMSE). And to third parties on and 13 May 2017. During interview with them that its policy has been directly communicated and understood.</p>	<p>YES</p>

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? <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</i></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 17 June 2017 (environment and HCV), 14 June 2017 for mill and 3 July 2017 for estate (OHS). <p>Records of implementation:</p> <ul style="list-style-type: none"> • Notes of Meeting Safety Committee • Quarterly Safety Performance Report 	<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>Agricultural Practises</p> <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</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>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>	<ul style="list-style-type: none"> • 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>and other requirements form (F/SMART/UMUM/SADV/II/002/002) updated 17 June 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><u>OHS:</u></p> <p>PT Sawit Mas Sejahtera has the complete list of legal requirements and the evaluation that updated annually, last updated on 14 June 2017 for mill and 3 July 2017 for 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, 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. SMS 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 • 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><u>Social and labour:</u></p>	

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			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. HCV Ministry Decision of Environmental and Forestry No. SK 130/MENLHK.SETJEN/PKL.0/2017 regarding Function Map Decision of National Peat Ecosystem. Updated on 17 June 2017	
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained.			
	a. Is there a document system which includes the following? - 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 b. Are the documents available to all levels of management?	<ul style="list-style-type: none"> • Procedure "Regulation and Other Requirements" SOP/SMART/UMUM/SADV/I/002, 1 July 2014 • List of environment regulation and other requirements form (F/SMART/UMUM/SADV/I/002/002), updated 17 June 2017 • Evaluation on compliance of regulation and other requirements (F/SMART/UMUM/SADV/I/002/002), updated 17 June 2017 • License of hazardous waste temporary storage (TPS LB3) • License of waste water discharge for land application (LA) • License of surface water utilization • Environment monitoring and measurement reports (RKL/RPL) • List of OHS regulation and other requirements form (F/SMART/UMUM/SADV/I/002/002) updated 12 June 2017 for Mill and 6 February 2017 for estate 	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. The Company has establish procedure "Regulation and Other Requirements" SOP/SMART/UMUM/SADV/I/002, 1 st 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 : - Collection of relevant legislation - Determination of the referenced regulations - Distribution of regulations to related parties - Implementation of regulations and requirements - Maintain freshness regulations The update frequency was conducted annually that last update 17 June 2017 for environment regulatory, on 14 June 2017 for mill and 3 July 2017 for estate (OHS). The administrator/document control in charge at estate/mill were handled several licences and reports as obligation on local requirements, such as:	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		<ul style="list-style-type: none"> Evaluation on compliance of regulation and other requirements (F/SMART/UMUM/SADV/II/002/002) updated 14 June 2017 for mill and 3 July 2017 for estate 	<ul style="list-style-type: none"> Extension of licence of hazardous waste temporary storage (TPS LB3) from Banyuasin Regent No. 338/KPTS/DLH/2017 dated 17 April 2017, valid for 3 years. Licence of waste water application (land application) from Banyuasin Regent No. 933/KPTS/BLH/2014 dated 22 December 2014, valid for 3 years. License of surface water utilization (SIPPAIR) from Governor of South Sumatera No. 130/DPMPTSP.V/VII/2017 dated 13 March 2017, valid for 2 years. Environment monitoring and measurement reports (RKL/RPL) every six months. Licence of lighting unit last checked by Disnaker Banyuasin Regent on 5 September 2016 and regular checking conduct every 2 years. Licence of electrical unit last checked by Disnaker Banyuasin Regent on 4 July 2017 and regular checking conduct annually. 	
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"> PROPER evaluation report for period 1 July 2015 – 30 June 2016 SMK3 internal audit report on 10 – 14 July 2017 	<p>Status of compliance with the applicable environment and OHS laws, regulations, and issues were evaluated and the result indicated that compliance status was justified, such as: monitoring quality of air ambient, air emission, quality of clean water and surface water, quality of waste water, hazardous waste management. OHS i.e. 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> <p>There was external assessment for environmental aspect from BLH to evaluate compliance of environment regulation. The assessment was held on 9 May 2017, and Pangkalan Panji Mill got “Blue” rank for PROPER evaluation result.</p> <p>RSPO internal audit were planned annually. The last audit was on 10 – 14 July 2017 conducted by approved internal auditor. The audit checklist based on RSPO principle and criteria and covered the implementation of the all applied regulations. All the findings have been followed up with evidence. OHS internal audit has been held annually last held on 10 – 14 July 2017</p>	YES

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			based on SMK3 checklist (PP 5/2012) and completed 93.9%.	
2.1.4	<p>A system for tracking any changes in the law shall be available and implemented.</p> <p>Specific Guidance: <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>			
	<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, 1 July 2014 • List of environment regulation and other requirements form (F/SMART/UMUM/SADV/II/002/002), updated 17 June 2017 • Evaluation on compliance of regulation and other requirements (F/SMART/UMUM/SADV/II/002/002), updated 17 June 2017 	<p>Established procedure (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 - 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 17 June 2017 for environment regulatory.</p> <p>Recording updates related regulations applied by the company were available in the document "list and evaluation of regulatory compliance". The copy of legal regulations were available on soft copy and also hard copy.</p>	YES
2.2	<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> <p>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></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>b. 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.</p> <p>c. 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.</p>	<p>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.</p> <p>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</p> <p>A mechanism should be in place to resolve any conflict (Criteria 6.3 and 6.4).</p> <p>Where operations overlap with other rights holders, companies should resolve the issue with the appropriate authorities, consistent with Criteria 6.3 and 6.4.</p> <p>Historical data of land ownership should be provided by the company for a minimum of one period of ownership/control.</p> <p>If there is a claim on customary right, this shall be legally demonstrated.</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>Documents of license and land use right:</p> <ul style="list-style-type: none"> • Location Permit • Plantation Permit • Forest Release Permit (IPKH) • Documents of land use title (HGU certificate) • Building Permit (IMB) • SIA Report • HCV Report • Area Statement of Sawit Mas Estate 2017 	<p>Documents that showing legal ownership of land tenure and the actual legal use of the land was available in the form of concession and HGU license document. Document and License Department of SMART Group keeps the original HGU documents, while Estates keep the copies of HGU certificate. Licenses document were available at Sawit Mas Estate. Following are license documents and land use right (HGU) reviewed during this audit:</p> <ol style="list-style-type: none"> 1. Location Permit In 1988 a company named PT. Lembu Jaya has been developing oil palm plantation in the location, then later in 1996 acquired by PT. Sawit Mas Sejahtera, a member of SMART Group based Minister of Justice Decree #02-10196.HT.01.04.TH'96., so that license documents are still named PT. Lembu Jaya. 	YES

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	<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"> • Governor of South Sumatera Decree #107/KPTS/BKPM/1988 dated Desember 14th, 1988 regarding location permit covering ± 6.000 Ha in Banyuasin III District, Musi Banyuasin Regency (now Banyuasin). • Governor of South Sumatera Decree #55/KPTS/BKPM/1989 dated Juni 20th, 1989 regarding location permit covering ± 10.000 Ha in Sekayu District, Musi Banyuasin Regency. • That the area of ± 6.000 that has been licensed based on Governor of South Sumatera Decree #107/KPTS/BKPM/1988 can only be used of ± 1.600 Ha, so the company re-apply for a location permit and approved by the Governor of South Sumatera Decree #22/KPTS/ BKPM/1990 covering area of ± 1.200 Ha in Banyuasin III District, Musi Banyuasin Regency. • Regent of Musi Banyuasin Decree #0567/ 2004 regarding extension of location permit covering ± 590 Ha area in Kertayu, Pagarkaya, Sungaidua and Setiajaya Village, Sungaikeruh District, Musi Banyuasin Regency, South Sumatera Province. <p>2. Plantation Permit</p> <ul style="list-style-type: none"> • Minister of Agriculture letter #HK.350/E5.504/07.96 dated July 19th, 1996 regarding Principal Approval of Plantation Business with detail: <ul style="list-style-type: none"> - Commodity : Oil palm - Total area : 5,000 Ha - Location : Betung District, Musi Banyuasin Regency, South Sumatera Province - Processing unit : Palm Oil Mill, with capacity of 30 tonne FFB/hour • Minister of Agriculture letter # HK.350/E5.763/09.96 dated September 30th, 1996 regarding Extension of Principal Approval of Plantation Business with detail: <ul style="list-style-type: none"> - Commodity : Oil palm - Total area : 6,000 Ha 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<ul style="list-style-type: none"> - Location : Banyuasin III District, Musi Banyuasin Regency, South Sumatera Province - Processing unit : Palm Oil Mill, with capacity of 30 tonne FFB/hour <p>3. Forest Release Permit (IPKH) For areas which included in the production forest that can be converted (HPK) by Forest Land Use Agreements (TGHK) have been approved in the forest release permit, which is: Decree of the Minister of Forestry #85/Kpts-II/1996 dated March 11th, 1996 located in the Pangkalan Balai forest group, Banyuasin Regency, South Sumatra Province covering an area of 183.193 hectares for the cultivation of oil palm plantations.</p> <p>4. Documents of land use title (HGU certificate). The total land use right is 3,753 Ha, documents showing legal ownership are:</p> <ul style="list-style-type: none"> • Land use right (HGU) #1/1997 PT. Lembu Jaya based on Decree of RI Minister of Justice No.02-10196.HT.01.04.TH'96 dated 7/11/1996 change to PT. Sawit Mas Sejahtera, covering area of 2,110 Ha in Lebung Village, Rantau Bayur District, Musi Banyuasin Regency, South Sumatera Province. • Land use right (HGU) #12/MUBA/2004 PT. Sawit Mas Sejahtera, covering area of 878 Ha in Sungai Dua, Setia Jaya, Kertayu and Tebing Bulang Village, Sungai Keruh District, Musi Banyuasin Regency, South Sumatera Province. • Land use right (HGU) #3/2005 PT. Sawit Mas Sejahtera, covering area of 134 Ha in Betung/Tanjung Laut Village, Betung District, Banyuasin Regency, South Sumatera Province. • Land use right (HGU) #4/2005 PT. Sawit Mas Sejahtera, covering area of 198 Ha in Rimbah Terap/Sedang Village, Betung District, Banyuasin Regency, South Sumatera Province. • Land use right (HGU) #5/2005 PT. Sawit Mas Sejahtera, covering area of 3.6 Ha in Rimbah Terap Village, Betung District, 	

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			<p>Banyuasin Regency, South Sumatera Province.</p> <ul style="list-style-type: none"> • Land use right (HGU) #6/2005 PT. Sawit Mas Sejahtera, covering area of 301 Ha in Biyuku Village, Betung District, Banyuasin Regency, South Sumatera Province. • Land use right (HGU) #7/2005 PT. Sawit Mas Sejahtera, covering area of 119.6 Ha in Stereo Village, Banyuasin III District, Banyuasin Regency, South Sumatera Province. • Land use right (HGU) #8/2005 PT. Sawit Mas Sejahtera, covering area of 8.8 Ha in Stereo Village, Banyuasin III District, Banyuasin Regency, South Sumatera Province. <p>5. Building Permit (IMB)</p> <ul style="list-style-type: none"> - Building Permit (IMB) #427/ 2006 dated August 15th, 2006 Banyuasin Regency, for housing, pump house, workshop, division office, polyclinic, childcare in Pangkalan Balai Village, Banyuasin III District. - Building Permit (IMB) #428/2006 dated August 15th, 2006 Banyuasin Regency, for housing, childcare, pump house, fuel storage, water treatment and security post in Lebung Village, Rantau Bayur District. - Building Permit (IMB) #426/2006 dated August 15th, 2006 Banyuasin Regency, for housing, pesticides warehouse, security post, polyclinic, generator house, fuel storage, school, water treatment, division office, pump house in Tanjung Laut, Betung District. - Building Permit (Surat Izin Bangunan - SIB) #640/28/SIB/VII/1993 dated July 31st, 1993 Musi Banyuasin Regency, for Mill, offices and housing in Pangkalan Panji Village, Banyuasin III District. - Building Permit (Surat Izin Bangunan - SIB) #640/27/SIB/X/1999 dated October 22nd, 1999 Musi Banyuasin Regency, for Mill, office and housing in Sungai Dua Village, Sungai Keruh District and Pangkalan Panji Village, Banyuasin III. <p>Documents that showing actual legal use of the land was available such as Area Statement of Sawit Mas Estate, PT. Sawit Mas Sejahtera, 2017.</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<ul style="list-style-type: none"> Those documents are complete and available during audit. 	
2.2.2	<p>Legal boundaries are demonstrated clearly and maintained.</p> <p>Specific Guidance: 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.</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"> <i>Peta Posisi Patok</i> (Map of peg position) PT. Sawit Mas Sejahtera. SOP/SMART/CERS-EHSD/SADV/I/004 (SOP of HGU/HGB Pegs Maintenance) 	<p>Legal map showing location of boundary marker are available in <i>Peta Posisi Patok</i> (map of peg position) PT. Sawit Mas Sejahtera, scale 1:55.000, projection: Mercator, Grid system: Geographyc, Datum: WGS 84. Sourced from Final Mapping Sawit Mas Estate (SMSE), April 2003.</p> <p>Boundary markers were physically present and observed during audit using GPS, among others:</p> <ul style="list-style-type: none"> No. 15 (02° 49' 22.3" S and 104° 24' 23.5" E) No. 16 (02° 49' 26.3" S and 104° 24' 06.5" E) No. 6 (02° 48' 20.5" S and 104° 24' 01.4" E) <p>There are four (4) smallholders associated with PT. Sawit Mas Estate.</p> <p>Procedure for boundary demarcation and maintenance has been established and described in SOP/SMART/CERS-EHSD/SADV/I/004 (SOP of HGU/HGB Pegs Maintenance).</p>	YES
2.2.3	<p>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>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<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 provided and accepted by parties involved? - 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>	<ul style="list-style-type: none"> • Public consultation with stakeholders on 3 August 2017 • Interview with company representative • 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. SMS 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>	<p>YES</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.			

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	<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 3 August 2017 • Interview with company representative • 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. SMS 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>	<p>NA</p>
2.2.5	<p>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.</p>			
	<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 3 August 2017 • Interview with company representative • 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. SMS 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>	<p>NA</p>
2.2.6	<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:</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p><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: <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>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
2.3.1	(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).			
	<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 map of appropriate scale (1: 10,000)? • 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? 	<ul style="list-style-type: none"> • Public consultation with stakeholders on 3 August 2017 • Interview with company management 	<p>The company have develop a procedure about FPIC and available on SOP FPIC No SOP/SMART/SENS-CSR/SADV/II/003 dated 1 July 2014. Based on public consultation result with stakeholder, it was confirmed there was no existence of customary land and local communities in the concession area of PT. SMS.</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. Organization has a legitimate concession extension SK and through the stages in accordance with applicable regulations. Installation of HGU stakes has also involved the surrounding villages. The company emphasizes deliberations ways and mediation if it necessary to reach agreement inland acquisition.</p>	YES
2.3.2	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: <ul style="list-style-type: none"> a. Evidence of consultation b. Statement of transfer of rights 			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>c. Evidence of compensation See specific guidance 2.3.2</p> <p>Specific Guidance: For 2.3.2 : Copies of negotiated agreements shall include at minimum:</p> <p>a. 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;</p> <p>b. 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;</p> <p>c. 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.</p> <p>d. Evidence that the company has informed the plan for partnership program.</p>			
	<p>a. Are copies of negotiated agreements with affected parties available?</p> <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 	<ul style="list-style-type: none"> • Public consultation with stakeholders on 3 August 2017 • Interview with company management 	<p>Organizations have established procedures of land compensation SOP SOP/NP/SMART/VII/D&L002 dated 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 ensure not be a problem and there is no dispute over land ownership. Procedure was presented to the head of the village around the plantation.</p> <p>The company have develop a procedure about FPIC and available on SOP FPIC No SOP/SMART/SENS-CSR/SADV/II/003 dated 1 July 2014.</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. However land acquisition has been conducted more</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"> - 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 		<p>than 25 years ago, therefore the procedure was not existed yet during land acquisition. There are no customary or user right in the plantation. It has been verified during group discussion with villages head, community leader and young leader around estate.</p> <p>The results of the consultation can be seen that the legal implications, economic, and social environment so that the use of land for plantation development has been understood and accepted by the affected communities, including the implications for the legal status of their land, concessions or compensation for their land.</p>	
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 3 August 2017 • Interview with company 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 3 August 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>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
2.3.4	(M) Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Specific Guidance: <i>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.</i>			
	a. Who is the representative of the community in the negotiation process? b. Is the representative accepted by the community? c. Is the record of appointment to represent the community available and shared with other parties?	- Interview with stakeholder on 3 August 2017	Evidence shows that people have determined their representatives through the local village chief. Based on the proof of compensation delivery also visible signature of the head of the village which is also accompanied by current photo handover compensation, land acquisition has been conducted more than 25 years ago.	YES

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"> • <i>Attention to quality of planting materials;</i> • <i>Crop projection = Fresh Fruit Bunches (FFB) yield trends;</i> • <i>Mill extraction rates = Oil Extraction Rate (OER) trends;</i> • <i>Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends;</i> • <i>Forecast prices;</i> • <i>Financial indicators.</i> <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"> • Economic Feasibility Analysis of 5-year plantation of PT. Sawit Mas Estate period 2015 - 2020 Enacted on 28 September 2015. 	<p>The company has a documented business or management plan with planning period of 5 (five) years on Economic Feasibility Analysis of 5-year plantation of PT Sawit Mas Sejahtera period 2015 – 2020.</p> <p>The Management Plan has include:</p> <ul style="list-style-type: none"> - Land area statement (planting years, non-planted areas, i.e. HCV, conservation areas, enclaves) with updated location maps. Maps area completed with title, legend, source, scale and projections/georeferenced. 	<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"> - Plan for management of third party FFB - 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>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>There is no peat area in PT. Sawit Mas Sejahtera.</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>	

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>Is new information communicated to workers and scheme smallholders (where appropriate)? How is it communicated?</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>	<p>Economic Feasibility Analysis of 5-year plantation of PT. Sawit Mas Sejahtera period 2016 - 2020 Enacted on 28 September 2015.</p>	<p>Replanting Program is available and documented on Economic Feasibility Analysis of 5-year plantation of PT. Sawit Mas Sejahtera period 2016 - 2020 Enacted on 1 July 2016.</p> <p>Replanting Program of PT. Sawit Mas Sejahtera is as follows:</p> <table border="1" data-bbox="1155 1042 1581 1369"> <thead> <tr> <th>Year</th> <th>Plan (Ha)</th> <th>Realisation (Ha)</th> </tr> </thead> <tbody> <tr><td>2010</td><td>257.58</td><td>251.06</td></tr> <tr><td>2011</td><td>-</td><td>-</td></tr> <tr><td>2012</td><td>176.13</td><td>181.78</td></tr> <tr><td>2013</td><td>312.03</td><td>841.23</td></tr> <tr><td>2014</td><td>1,005.12</td><td>466.24</td></tr> <tr><td>2015</td><td>347.52</td><td>56.09</td></tr> <tr><td>2016</td><td>302.08</td><td>731.26</td></tr> <tr><td>2017</td><td>421.29</td><td>285.86</td></tr> <tr><td>2018</td><td>322.05</td><td>-</td></tr> <tr><td>2019</td><td>95.05</td><td>-</td></tr> <tr><td>2020</td><td>112.67</td><td>-</td></tr> </tbody> </table>	Year	Plan (Ha)	Realisation (Ha)	2010	257.58	251.06	2011	-	-	2012	176.13	181.78	2013	312.03	841.23	2014	1,005.12	466.24	2015	347.52	56.09	2016	302.08	731.26	2017	421.29	285.86	2018	322.05	-	2019	95.05	-	2020	112.67	-	<p>YES</p>
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NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>Replanting programme has taken into consideration fragile soils such as peat, lowland and land with slopes above certain limit. However there is no peat land in Sawit Mas Estate area. Longer projection period is available until 2020. Yearly review of the replanting program has been performed in annual management review meeting. Annual management review meeting was performed periodically in January. Minute of last management review meeting which held on 25 July 2017 was available.</p>	

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>	<ul style="list-style-type: none"> • Standard Operational Procedure for Estate operation • Standard Operational Procedure of Palm Oil Process (SOP/SMART/MCMD/II/TM-PKS) PT. SMART Group revision 6 2013 • Work Instructions of Palm Oil Process of SMART Group • Recapitulation Report of FFB Received 2016-2017 • Tank Maintenance Records • Station Operational Records sheet July 2017 • Lab Daily Inspection Report of CPO Product on July 2017 	<p>Standard Operating Procedures for Estates were developed in SOP (Standard Operating Procedure) which revised on 1 September 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. Other than there were also other procedures for several processes including riparian zone management, application of agrochemical. Procedure also described required PPE and other safe working practices.</p> <p>Standard Operational Procedure for Estate are as follows:</p> <ul style="list-style-type: none"> - SOP/SMART/MCAR/I/TA-PPA (<i>Perencanaan Penanaman Areal Baru – Planning of New Area Planting</i>) - SOP/SMART/MCAR/II/TA-PRP (<i>Perencanaan Replanting – Planning of Replanting</i>) - SOP/SMART/MCAR/III/TA-BBT (<i>Pembibitan – Nursery</i>) - SOP/SMART/MCAR/IV/TA-PLB (<i>Pembukaan Lahan Baru – Opening New Area</i>) - SOP/SMART/MCAR/V/TA-TNM (<i>Penanaman – Planting Oil Palm</i>) - SOP/SMART/MCAR/VI/TA-RPL (<i>Replanting</i>) - SOP/SMART/MCAR/VII/TA-HPT (<i>Pengendalian Hama dan Penyakit Tanaman – Pest and Disease Control</i>) 	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/VIII/TA-PGM (<i>Pengendalian Gulma – Weeding Control</i>) - SOP/SMART/MCAR/IX/TA-PPK (<i>Pemupukan – Manuring</i>) - SOP/SMART/MCAR/X/TA-PTB (<i>Pemeliharaan Tanaman Belum Menghasilkan – Immature Upkeep</i>) - SOP/SMART/MCAR/XI/TA-PMP (<i>Persiapan Menjelang Panen – Harvesting Preparation</i>) - SOP/SMART/MCAR/XII/TA-PTM (<i>Pemeliharaan Tanaman Menghasilkan – Mature Upkeep</i>) - SOP/SMART/MCAR/XIII/TA-PNN (<i>Panen – Harvesting</i>) - SOP/SMART/MCAR/XIV/TA-PPT (<i>Pemuatan dan Pengangkutan TBS – FFB Loading and Transport</i>) - SOP/SMART/MCAR/XV/TA-PCH (<i>Pengukuran Curah Hujan dengan Ombrometer – Rainfall Measurement</i>) <p>Procedure of best practice operation of the Pangkalan Panji Mill was available in document of MCMD-2013, Standard Operational Procedure of Palm Oil Process PT SMART Tbk revision 6 issued by Head Office.</p> <p>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> <p>Work Instructions has been developed and posted at work stations within the mill. Records of receiving FFB, sterilization, pressing, clarification and delivery (December 2014) were evident.</p> <p>Standard Operational Procedure of Palm Oil Process PT Sawit Mas Sejahtera revision 6 2013 which is included :</p> <ul style="list-style-type: none"> - Grading - Loading Ramp - Weighing Bridge - Sterilisation Station - Threshing Station 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<ul style="list-style-type: none"> - Pressing Station - Clarification Station - Recycling CPO - Nut and Kernel - Engine Room - Boiler - Water Treatment - Final Effluent - Laboratory - Work Instructions of Palm Oil Process PT SMART - Recapitulation Report of FFB Received. - CPO Tank Maintenance Records - Station Operational Records sheet. - Lab Daily Inspection Report of CPO Product. <p>Hardcopy of procedure are documented in <i>Bahasa Indonesia</i> and 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. All SOPs are appropriate and adequately cover all estate and mill processes and activities. All SOPs are available at the point of use.</p> <p>Sample of receiving FFB was taken on grading process of FFB from Sawit Mas Estate and Tan Pik Tju, Normansyah Siregar, PT. Kasih Agro Mandir and PT. Agronusa Agro Mandiri as third party in July 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 and clarification process during August 2017. 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>Sample of dispatch CPO was taken from delivery on 1 March 2017 (other</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			scheme). The target percentage of FFA, moisture and dirt were <3.00, 0.15, and 0.015. The result shown the parameters measured were matched to the target determined.	
4.1.2	Checking or monitoring of operations procedures is conducted at least once a year.			
	<p>a. Is there a master list of all SOPs?</p> <p>b. How does the company keep track of revisions?</p> <p>c. Is there mechanism for:</p> <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? - Procedure to address non-compliance and corrective action for continuous improvement? 	<ul style="list-style-type: none"> • Standard Operational Procedure for Estate operation in Management Committee Agronomy Research (MCAR) • RSPO Internal Audit Report, 10-14 July 2017 • Report of OIA on 3-10 December 2016. • VPM visit report on 2016 	<p>Master list SOP was evident at Standard Operational Procedure of Palm Oil Process (SOP/SMART/MCMD//TM-PKS) PT. SMART Group revision 6 dated 6 December 2013. There was a control document procedure that arranged the mechanism of revision. Records training per unit for all levels were evident from loading ramp to sterilizer.</p> <p>The company keep track of revisions using register number.</p> <p>The mechanism include as follows:</p> <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. - Procedure to address non-compliance and corrective action for continuous improvement. <p>RSPO Internal audit of PT. SMS was performed on 10-14 July 2017 by a team consist of 1 lead auditor and 4 member auditors. Audit conducted to Pangkalan Panji Mill (PPNM) and Sawit Mas Estate (SMSE). Several non-conformities were rose during internal audit, and corrective action have been taken and non-conformities were closed on 28 July 2017.</p> <p>The company has also audit system to check operational performance which is Operation Internal Audit (OIA). OIA visit in SMSE and PPNM was performed on</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>3-10 December 2016. The report contain visit result and action plan to follow up.</p> <p>There is a mechanism to check the consistency of the implementation of procedures. Periodically, Vice President Mill visit POM review the implementation of the procedures including housekeeping, FFB quality and extraction, processing CPO and clarification, processing kernel, power plant and effluent pond. The last visit in December 2016. There were some evidence findings and there were corrective action. Corrective and Preventive Action Request procedure were sighted as that arranged the mechanism of address NC and issue CA.</p>	
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) • Report of OIA on 3-10 December 2016. • Mill Process Log Sheet 	<p>Record of monitoring and any action taken were maintained and available for SMSE, 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 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) <p>The actions raised were monitored and followed up in estate and mill. The records were maintained and distributed to the related parties. Several actions were related to: EFB application, harvesting control, overtime payment, documentation of stakeholder information and training, biodiversity dissemination, etc. The action plans with target date were evident and all of them were considered closed.</p> <p>The Mill maintains records of monitoring reports, such as shift log sheets with records of operating conditions at each of the mill work stations. A review operation daily report 2016-2017 found that in general the documented procedures has been consistently implemented and monitored with few exceptions.</p> <p>A brief tour to processing facility was done during audit to review a number of work station: receiving and grading, sterilizing, threshing, pressing, clarifying,</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>nut and kernel processing and dispatch. Interview with employees working in those work stations showed that procedures were implemented. Processes were monitored at defined arrangement and records of processes log sheets for 2016-2017 were sighted including: FFB receiving and grading, sterilizing, threshing, pressing and digesting, clarifying, nut and kernel, boiler, quality control (in process, CPO and PK).</p> <p>Records of monitoring and any actions taken have been maintained and kept for more than 12 month. The actions raised were monitored and followed up in related units. The records were maintained and distributed to the related parties. Several actions were related to: asset numbering, daily tank safety, stock monitoring etc. The action plans with target date were evident and all of them were considered closed.</p>	
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>	<p>- Recapitulation Report of FFB Received in 2016 and January – July 2017</p>	<p>Yes, the record of FFB received from external sources was stated clearly in Recapitulation of FFB Received Report. Currently there is two outgrower organisation which supplied FFB to Pangkalan Panji Mill, PT. Sawit Mas Sejahtera, as follows:</p> <ul style="list-style-type: none"> - Tan Pik Tju (TPTX), address: Lrg Sekolah no.101-37 RT.007 Ilir Timur II, Palembang. MR: Hendrik Sutanto - PT. Kasih Agro Mandiri (KAMX), address: Terlangu Village, Sungai Rengit, Banyuasin regency. MR: Heriyatno. - PT. Agronusa Bumi Lestari address: Terlangu Village, Musi, Banyuasin Regency, MR: Heffy Hartono - Normansyah Siregar address: Perum Villa Gardena II Blok K-25 Jl. Rama Raya, Karya Baru RT.45 RW 11, Palembang. <p>Those outgrower are third party supplier that supplies FFB to Pangkalan Panji Mill, PT. Sawit Mas Sejahtera. Based on documented contract regarding sales and purchase of FFB, it was mentioned in:</p> <p>Article (1): FFB sold to PT. SMS must be produce by the related outgrower.</p> <p>Article (4):</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			FFB sold to PT. SMS are come from area that: <ul style="list-style-type: none"> - Has received all permit regarding acquisition of land and plantations business from the authorities. - Cultivated areas are in accordance with applicable law and regulation in Republic of Indonesia and not obtained illegally. Therefore, it was verified that PT. SMS comply with The Republic of Indonesia law on the Prevention and Eradication of Deforestation (UU No.18/2013).	
4.2	Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield. 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> <i>The nutrient recycling strategy should include any use of biomass for by-products or energy production.</i> <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>			
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>			
	a. Are there SOPs for Good Agricultural Practices in managing soil fertility? b. Is there evidence that the SOPs have been implemented and monitored?	SOP/SMART/MCAR/IX/TA-PPK (Pemupukan)	The company has determined SOP for Good Agricultural Practices in managing soil fertility in SOP/SMART/MCAR/IX/TA-PPK (Pemupukan-Manuring). Good agricultural practices in managing soil fertility as contained in the SOPs are implemented. Field observation demonstrated that Estates activities are carried out based on Division Work Program which generated from annual budget. Interview with employees working in those activities showed that procedures were implemented. Activities have been performed at defined interval.	YES
4.2.2	Records of fertilizer inputs shall be available.			
	a. Is records of fertiliser inputs maintained? b. Is there records to proof that the fertiliser program is linked to the agronomic report?	<ul style="list-style-type: none"> • Plan and Realisation of Manuring 2016-2017 • Monthly Report 	Annual fertilizer recommendation has been implemented and monitored. Fertilizer/manuring programme was developed by SMARTRI for all Division. Records of fertiliser inputs are well maintained in document "Rencana dan Realisasi Pemupukan" (Plan and Realisation of Manuring). Fertiliser inputs recorded each semester. Record of manuring realisation in 2016 shows that the realisations are in accordance with the plan/recommendation, whilst for 2017 is in progress.	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR						COMPLIANCE (YES/NO)																																		
			Type of fertiliser	2015		2016		2017 (June)																																			
	c. Is there records of fertilizer usage per tonne of FFB production (>in Summary Table, specific types of fertilizers)?			Plan (Kg)	Actual (Kg)	Plan (Kg)	Actual (Kg)	Plan (Kg)	Actual (Kg)																																		
			Urea	676,900	445,966	516,383	351,609	388.835	293.523																																		
			RP	154,650	204,916	23,377	99,949	0	0																																		
			TSP	365,850	705,360	308,959	260,194	457.787	457.787																																		
			MOP	1,042,100	712,320	744,279	402,203	417.058	367.969																																		
			S. Dolomit	46,200	51,100	35,700	35,638	90.150	90.150																																		
			Kieserite G.	122,100	99,770	4,400	6,045	19.550	19.550																																		
			Kieserite P.	95,150	240,700	128,025	95,047	63.323	32.392																																		
			Borate	12,590	111,308	4,800	28,781	21.905	18.180																																		
			NPK 12.12.17.2	7,956	29,481	7,956	3,818	6.472	6.472																																		
			NPK 15.15.6.4	15,935	35,896	15,935	13,382	305	305																																		
			<p>The records proof that the fertiliser program is linked to the agronomic report, e.g. Monthly Report and Fertilizer Recommendation.</p> <p>Actual FFB tonnage in 2016 SMSE is 21,433.41 MT, therefore actual fertilizer usage per tonne of FFB production are as follows:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Type of Fertiliser</th> <th>Kg/Ton</th> </tr> </thead> <tbody> <tr><td>1</td><td>Urea</td><td>16.40</td></tr> <tr><td>2</td><td>RP</td><td>4.66</td></tr> <tr><td>3</td><td>TSP</td><td>12.14</td></tr> <tr><td>4</td><td>MOP</td><td>18.77</td></tr> <tr><td>5</td><td>S. Dolomit</td><td>1.66</td></tr> <tr><td>6</td><td>Kieserite G.</td><td>0.28</td></tr> <tr><td>7</td><td>Kieserite P.</td><td>4.43</td></tr> <tr><td>8</td><td>Borate</td><td>1.34</td></tr> <tr><td>9</td><td>NPK 12.12.17.2</td><td>0.18</td></tr> <tr><td>10</td><td>NPK 15.15.6.4</td><td>0.62</td></tr> </tbody> </table>							No.	Type of Fertiliser	Kg/Ton	1	Urea	16.40	2	RP	4.66	3	TSP	12.14	4	MOP	18.77	5	S. Dolomit	1.66	6	Kieserite G.	0.28	7	Kieserite P.	4.43	8	Borate	1.34	9	NPK 12.12.17.2	0.18	10	NPK 15.15.6.4	0.62	
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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 "Memorandum Hasil Analisa Laboratorium" (Laboratory Analysis Result) of SMARTRI for soil sample analysis and leaf sample analysis in SMSE year 2014, 2015, 2016 and 2017</p>	<p>SOP for tissue and soil sampling have been defined in SOP/SMART/MCAR/IX/TA-PPK (<i>Pemupukan-Manuring</i>).</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.</p> <ul style="list-style-type: none"> - Evidence of the latest periodic leaf sample analysis in SMSE are available on Memorandum of Laboratory Analysis Result Ref #233/DAUN/LAB-SMARTRI/VI/2016 dated June 10th, 2016 with total number of 56 sample analysed (No. Lab. 7259-7314). Based on request number Ref.34/RFC-SUMSEL/SMARTRI/Int/04/2016 dated April 16th, 2016. - Also available Memorandum of Laboratory Analysis Result Ref #292/DAUN/LAB-SMARTRI/V/2015 dated May 15th, 2015 with total number of 59 sample analysed (No. Lab. 10640-10698). Based on request number Ref.25/RFC-SUMSEL/SMARTRI/Int/04/2015 dated April 1st, 2016. - Evidence of the latest periodic leaf sample analysis in SMSE are available on Memorandum of Laboratory Analysis Result Ref #132/DAUN/LAB-SMARTRI/III/2017 dated 29 March 2017 with total number of 66 sample analysed (No. Lab. 7000-7065). Based on request number #020/RFC-Sumsel/SMARTRI/Int/03/2017 dated received 20 March 2017. - The last soil analysis in SMSE was performed in 2016. Evidence of soil analysis are available on Memorandum of Laboratory Analysis Result Ref #031/TANAH/AL/ANLZ/02/16 dated February 25th, 2016 with total of 138 sample. Based on request number #44/RFC-Sumsel/SMARTRI/Int/8/2013 dated received April 1st, 2014. - Evidence of the latest periodic leaf sample analysis in SMSE are available on Memorandum of Laboratory Analysis Result Ref #126/TANAH/LAB-SMARTRI/OUT-16/V/2017 dated 10 May 2017 with total of 162 sample. Based on request number #02/RFC-Sumsel/SMARTRI/Int/01/2017 dated received 5 September 2017. 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																								
			<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-organik, N, P, K, Na, Ca, Mg, KTK, etc.). Last report of leaf analysis in 2017-2018 will be used as a reference for fertilizer recommendation in 2017-2018. 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"> - 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>	<ul style="list-style-type: none"> • Document of “Rencana dan Realisasi Aplikasi JJK” (Plan and Realisation of EFB Application) year 2016 and 2017 in SMSE. • Field Observation in SMSE 	<p>Some strategies for recycling nutrients contained in the soil by using:</p> <ul style="list-style-type: none"> - Organic Fertilization empty fruit bunch (EFB) - Preparation of the midrib on the path in the block <p>The strategy does include the following:</p> <ul style="list-style-type: none"> ▪ Clear objectives and time-bound targets ▪ Inventory of <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>Record of EFB application in SMSE are as follows:</p> <table border="1" data-bbox="1133 1193 1778 1385"> <thead> <tr> <th rowspan="2">Estate</th> <th colspan="2">Ha</th> <th colspan="2">Tonnage</th> </tr> <tr> <th>Plan</th> <th>Actual</th> <th>Plan</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>437.49</td> <td>50.51</td> <td>13,998.55</td> <td>3,044.80</td> </tr> <tr> <td>2016</td> <td>126.05</td> <td>38.20</td> <td>3,781.60</td> <td>1,146.04</td> </tr> <tr> <td>2017 (June)</td> <td>301.40</td> <td>246.43</td> <td>9,042.00</td> <td>4,150.84</td> </tr> </tbody> </table>	Estate	Ha		Tonnage		Plan	Actual	Plan	Actual	2015	437.49	50.51	13,998.55	3,044.80	2016	126.05	38.20	3,781.60	1,146.04	2017 (June)	301.40	246.43	9,042.00	4,150.84	YES
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			Record of POME application in SMSE are as follows: <table border="1" data-bbox="1131 379 1892 595"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Ha</th> <th colspan="2">M³</th> </tr> <tr> <th>Plan</th> <th>Actual</th> <th>Plan</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>171.84</td> <td>476.40</td> <td>42,960.00</td> <td>98.587.50</td> </tr> <tr> <td>2016</td> <td>171.84</td> <td>348.28</td> <td>42,960.00</td> <td>43,213.50</td> </tr> <tr> <td>2017 (June)</td> <td>171.84</td> <td>57.26</td> <td>42,960.00</td> <td>21,247.60</td> </tr> </tbody> </table>	Year	Ha		M ³		Plan	Actual	Plan	Actual	2015	171.84	476.40	42,960.00	98.587.50	2016	171.84	348.28	42,960.00	43,213.50	2017 (June)	171.84	57.26	42,960.00	21,247.60																							
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4.3	Guidance: <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>	Practices minimise and control erosion and degradation of soils.																																																
4.3.1	(M) Maps of any fragile soils shall be available.																																																	
	a. Is there soil maps showing presence of fragile soils and problem soils (refer to 4.3.6)? b. Are maps georeferenced and of appropriate scale (1:50,000)?	<ul style="list-style-type: none"> Semi-detail soil map of PT. SMS, scale 1 : 75,000 Field Observation at SMSE 	Soil type and topography of PT. Sawit Mas Sejahtera Principal Business Approval (SPUP) based on semi-detail Soil Map were as follows: <table border="1" data-bbox="1131 948 1792 1399"> <thead> <tr> <th>Soil Type</th> <th>Topography (%)</th> <th>Area (Ha)</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Typic Hapludults</td> <td>0 – 8</td> <td>473,79</td> <td>9,78</td> </tr> <tr> <td>Typic Hapludults</td> <td>8 – 15</td> <td>540,66</td> <td>11,16</td> </tr> <tr> <td>Typic Trophaquepts</td> <td>0 – 3</td> <td rowspan="2">423,26</td> <td rowspan="2">8,74</td> </tr> <tr> <td>Typic Sulfaquents</td> <td>0 – 3</td> </tr> <tr> <td>Typic Trophaquepts</td> <td>0 – 8</td> <td>36,76</td> <td>0,75</td> </tr> <tr> <td>Typic Hapludults</td> <td>15 – 30</td> <td>600,16</td> <td>12,39</td> </tr> <tr> <td>Typic Hapludults</td> <td>> 30</td> <td>74,80</td> <td>1,54</td> </tr> <tr> <td>Histic Trophaquepts</td> <td>0 – 3</td> <td rowspan="2">166,43</td> <td rowspan="2">3,44</td> </tr> <tr> <td>Terric Trophemists</td> <td>0 – 3</td> </tr> <tr> <td>Typic Hapludults</td> <td>0 – 8</td> <td>1.792,07</td> <td>36,99</td> </tr> <tr> <td>Typic Hapludults</td> <td>8 – 15</td> <td rowspan="2">736,73</td> <td rowspan="2">15,21</td> </tr> <tr> <td>Typic Hapludults</td> <td>8 – 15</td> </tr> </tbody> </table>	Soil Type	Topography (%)	Area (Ha)	%	Typic Hapludults	0 – 8	473,79	9,78	Typic Hapludults	8 – 15	540,66	11,16	Typic Trophaquepts	0 – 3	423,26	8,74	Typic Sulfaquents	0 – 3	Typic Trophaquepts	0 – 8	36,76	0,75	Typic Hapludults	15 – 30	600,16	12,39	Typic Hapludults	> 30	74,80	1,54	Histic Trophaquepts	0 – 3	166,43	3,44	Terric Trophemists	0 – 3	Typic Hapludults	0 – 8	1.792,07	36,99	Typic Hapludults	8 – 15	736,73	15,21	Typic Hapludults	8 – 15	YES
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			TOTAL		4.844,27	100,00	
			Base on the soil map and field observation there were no fragile soils in Sawit Mas Estate, PT. Sawit Mas Sejahtera.				
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: 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</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 <p>c. Is there proof of records of field inspection on SOP implementation?</p>	<ul style="list-style-type: none"> • SOP/SMART/MCAR//TA-PPA (Procedure Preparation of New Area Planting) • Field Observation at SMSE 	<p>Based on semi-detail soil map, table of soil characteristic and field observation there are 15 – 30 % slopes in Sawit Mas Estate. The company has established procedure to manage plantation on some class of slope. The procedure describes management strategy for minimising and controlling erosion. The organisation does not recommend plantings on slopes > 40% or > 22°. When the slope area was planted, system for planting on slopes area is provided by considering soil and climate specific through terracing, determining of base line, levelling of terrace, and determining of planting space. Practices to control and minimize erosion have been applied by terracing and planting legume cover crop. Evidence of terracing and cultivation of legume cover crop was sight at immature areas (planting year 2013/replanting).</p>				YES
4.3.3	A road maintenance programme shall be in place.						

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																								
	<p>a. Is there a road maintenance programme in place with supporting budget and resources?</p> <p>b. Is there road maintenance records?</p>	<ul style="list-style-type: none"> Road Maintenance Programme of SMSE. Field Observation at SMSE 	<p>Sawit Mas Estate has established annual programme of mechanical road maintenance for main road, collection road and secondary road. Besides according to annual program, road maintenance activity was also conducted according to road condition as well as manual road maintenance. Mechanical road maintenance uses heavy equipment – motor grader and compactor. The mechanical road maintenance programme was provided for all division. Manual and mechanical road maintenance realisation was recorded including complex area maintained, distance of road maintained, diesel fuel consumption and quantity of gravel.</p> <p>Plan and realisation of road hardening 2015 was available as well as plan for 2016. Plan and Realisation of Grading and Compact for 2016-2017 were available. Manual road maintenance programme also was provided in Division Work Programme. Manual road maintenance was implemented based on Division Work Programme or road condition.</p> <p>Plan and realisation of road hardening 2015, 2016 and 2017 are as follows:</p> <table border="1" data-bbox="1133 826 1877 1018"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Plan</th> <th colspan="2">Realisation</th> </tr> <tr> <th>Road length (m)</th> <th>Material used (m³)</th> <th>Road length (m)</th> <th>Material used (m³)</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>20,273</td> <td>12,866</td> <td>19,132</td> <td>12,455</td> </tr> <tr> <td>2016</td> <td>26,985</td> <td>17,126</td> <td>1,141</td> <td>411</td> </tr> <tr> <td>2017</td> <td>25,952</td> <td>12,406</td> <td>3,112</td> <td>2,467</td> </tr> </tbody> </table> <p>For Y2016 there is no realization of road maintenance by contractors, because throughout 2016 the rainfall is more than 9 days/month, so the road maintenance was done manually by the company. Y2017, road maintenance has been implemented by contractors, until the audit the achievement is 3,112 meters.</p> <p>During field observation it was sight that all roads, culverts and bridges were in satisfactory condition demonstrated that road maintenance was well implemented.</p>	Year	Plan		Realisation		Road length (m)	Material used (m ³)	Road length (m)	Material used (m ³)	2015	20,273	12,866	19,132	12,455	2016	26,985	17,126	1,141	411	2017	25,952	12,406	3,112	2,467	<p>YES</p>
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4.3.4	<p>(M) Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <p>Specific Guidance: <i>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 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). Regulations regarding water table on peat may refer, but not limited, to:</i></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) 			
	<p>a. Is there an SOP to provide guidance on subsidence management?</p> <p>b. Does the SOP make reference to the RSPO BMPs on peat?</p> <p>c. How is subsidence being monitored?</p> <p>d. Are there records of subsidence monitoring?</p> <p>e. How is subsidence being minimised?</p> <p>f. Is there a water management programme and evidence of implementation?</p> <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</i></p>	<ul style="list-style-type: none"> • Semi-detail soil map of PT. SMS, scale 1 : 75,000 • Field Observation at SMSE 	<p>Base on Semi-detail soil map of PT. SMS, scale 1: 75,000 and field observation there were no peat soils in Sawit Mas Estate, PT. SMS.</p>	<p>N/A</p>



NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>water collection drains, 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> <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. 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. SMS, scale 1 : 75,000 • Field Observation at SMSE 	<p>Base on Semi-detail soil map of PT. SMS, scale 1: 75,000 and field observation there were no peat soils in Sawit Mas Estate, PT. SMS.</p>	N/A
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>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	a. Is there a management strategy in place for other fragile and problem soils? b. Does the management strategy include SOPs for the management of other fragile and problem soils? c. Is inspection and implementation records available?	<ul style="list-style-type: none"> Semi-detail soil map of PT. SMS, scale 1 : 75,000 Field Observation at SMSE 	Base on Semi-detail soil map of PT. SMS, scale 1: 75,000 and field observation there were no other fragile and problem soils in Sawit Mas Estate, PT. SMS.	NA
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 	<ul style="list-style-type: none"> Documented procedure regarding SOP Management and Monitoring Water Resources (SOP/SMART/BCOS-EHSD/SADV/1/004 dated 1 July 2014) License of surface water utilization Water analysis measurement for period semester II 2016 and semester I 2017 by UPTB environment laboratory of BLH Sumatra Selatan Records of water consumption period 2016 and 2017 (YTD June) at 	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 Pangkalan Panji mill were from rain water reservoir, while estate housing was using ground water. The water was utilize for mill operations (include boilers, processes and domestics usage) that through the water treatment plant (using physicals and chemicals method) and the ground water was utilize for estate operations such as housing, mixing, and spraying. License of surface water utilization (SIPPAIR) from Governor of South Sumatera No. 130/DPMPSTSP.V/VII/2017 dated 13 March 2017, valid for 2 years. Retribution payment to local revenue offices of South Sumatera (Dinas Pendapatan Daerah Sumatera Selatan) was evidence for period 2016 and 2017 (YTD June). Flow meters were installed at mill to monitor water usage. The monitoring of	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																		
	<p>c. Have the identified actions in the plan been implemented?</p>	<p>mill</p>	<p>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="1155 549 1872 791"> <thead> <tr> <th>Water usage (m3)</th> <th>2016</th> <th>2017 (June)</th> </tr> </thead> <tbody> <tr> <td>Estate</td> <td>197,812</td> <td>99.785</td> </tr> <tr> <td>Mill process usage</td> <td>55,351.90</td> <td>30,648.65</td> </tr> <tr> <td>FFB process (ton)</td> <td>43,205.81</td> <td>34.900.42</td> </tr> <tr> <td>M3/ton FFB</td> <td>1.28</td> <td>0.88</td> </tr> <tr> <td>Mill domestic usage</td> <td>2,574</td> <td>1,432.98</td> </tr> </tbody> </table> <p>It was noted that mill water use per tonne of FFB for period January to December 2016 (1.28 m³/tonne FFB) was increased being compared with period January – September 2015 (0.76 m³/tonne FFB). But overall, along year 2016 Pangkalan Panji Mill has been saved water 15.61% or 20.466 m³/ton FFB.</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. Along year 2016 Pangkalan Panji Mill has been saved water 15.61% or 20.466 m³/ton FFB.</p> <p>Ground water quality was monitored annually, last checked on May 2017 by <i>UPTB Laboratorium Lingkungan Badan Lingkungan Hidup Provinsi Sumatera Selatan (Environment laboratory of BLH of South Sumatera)</i> and the result was conformed with Permenkes (Minister of Health Regulation) #416/1990; river stream at block F65, B62, and A63 was monitored every semester against Governor of South Sumatra Regulation No.16/2005, and reservoir rain water quality were monitored every semester against the standard of <i>Permenkes (Minister of Health Regulation) #492/2010 by UPTB Laboratorium Lingkungan Badan Lingkungan Hidup Provinsi Sumatera Selatan (Environment laboratory</i></p>	Water usage (m3)	2016	2017 (June)	Estate	197,812	99.785	Mill process usage	55,351.90	30,648.65	FFB process (ton)	43,205.81	34.900.42	M3/ton FFB	1.28	0.88	Mill domestic usage	2,574	1,432.98	
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			<p>of BLH of South Sumatera), last checked on May 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.</p>	
4.4.2	<p>(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.</p> <p>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.</p> <p>Growers and millers should address the effects of their use of water and the effects of their activities on local water resources.</p>			
	<p>a. Is there a map identifying water courses and wetlands?</p> <p>b. Are the water courses and wetlands protected?</p> <p>c. Are the riparian and buffer zones maintained and restored in existing plantation and replanting areas?</p> <p>d. Is there SOP for riparian and buffer zone protection?</p> <p>e. Has the SOP been implemented?</p>	<ul style="list-style-type: none"> • Procedure for riparian area management SOP/SPO/SMART/LH-07 and Protection of riparian zones SOP/SPO/SMART/LH-06. • Program of management and monitoring of high conservation value areas year 2016 and 2017 • Company policy and rules about protection to biodiversity (flora fauna) and high conservation value area 	<p>Company has established the procedure for riparian area management SOP/SPO/SMART/LH-07 and Protection of riparian zones SOP/SPO/SMART/LH-06.</p> <p>Estate has made efforts to protect water sources such as rivers, streams and reservoirs/lakes which were designated as high conservation value areas. Protection and management efforts that have been made by the company established in the program of management and monitoring of high conservation value areas, such as :</p> <ul style="list-style-type: none"> - Installation the attribute of high conservation value areas in riparian zone, springs and reservoirs/lakes - Installation of signboard/mark for riparian areas - Marking boundaries application ban pesticides/herbicides along the riparian zone - Dissemination application ban pesticides/herbicides in riparian zones to all employees - Monitoring and maintenance of riparian areas regularly - Planting plants barriers to erosion - Monitoring and maintenance of erosion control plants <p>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.</p>	YES

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4.4.3	<p>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)</p> <p>Specific Guidances: For 4.4.3 : The references and standard may refer, but not limited to: 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. 			

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	No	River Type		Cross-Section Projection	Outside Settlement		Inside Settlement	
				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	
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.								
a.	Is the mill effluent treatment process in place?	<ul style="list-style-type: none"> Waste water analysis measurement period 2016 and January – June 2017 License of waste water discharge for land application (LA) from Banyuasin Regent No.933/KPTS/BLH/2014 dated 22 December 2014, valid for 3 years, and covered 319.57 Ha. Mill site visit POME and Land Application site visit 	<p>Pangkalan Panji Mill waste water (POME) was processed through a series of waste water treatment ponds using five ponds that used multi feedings system. POME is monitored monthly as required by permit from Banyuasin Regent No.933/KPTS/BLH/2014 dated 22 December 2014 valid through 3 years, KepmenLH (Decree of Minister of Environment) #28/2003 and #29/2003 required that BOD <5,000 mg/L and pH 6 - 9. Total land for land application is 319.57 Ha.</p> <p>The results of POME monitoring were reviewed including measurement of BOD, COD, pH, N Total, TSS, oil and fat for period July – December 2016 and January – June 2017. Measurement by UPTB Laboratorium Lingkungan Badan Lingkungan Hidup Provinsi Sumatera Selatan (Environment Laboratory of BLH of South Sumatera), result BOD below the value limit <5,000 mg/l (average</p>	YES				
b.	Is there a process in place for checking and monitoring water discharge quality, particularly BOD?							
c.	Is the water discharge quality in compliance with national regulations?							
d.	Does the mill have a license for treatment, discharge or land application of mill effluent, and is							

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	the mill in compliant with the requirements of the license?		2,000 – 4,000 mg/l) and pH 6 – 9 (average 7). The result of discharge effluent that used as land application conforms to the limits for parameters of the government regulation. Several conditions of WWT operation are monitored periodically, e.g. checking of waste water pump, checking of flow meter, checking of waste water level in pond, cleaning of pond area, etc.													
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/II/004) dated 1 July 2014 Mill water usage monthly monitoring records 2016 and 2017 (YTD June) 	<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>Records of mill water usage:</p> <table border="1" data-bbox="1155 799 1872 959"> <thead> <tr> <th>Water usage (m3)</th> <th>2016</th> <th>2017 (YTD June)</th> </tr> </thead> <tbody> <tr> <td>Mill process usage</td> <td>55,351.90</td> <td>30,648.65</td> </tr> <tr> <td>FFB process (ton)</td> <td>43,205.81</td> <td>34,900.42</td> </tr> <tr> <td>M3/ton FFB</td> <td>1.28</td> <td>0.88</td> </tr> </tbody> </table> <p>Budget for water consumption was 0.6 m³/tonne FFB every year. It was noted that mill water use per tonne of FFB for period January to December 2016 was increased being compared with budget, and for period January – September 2017.</p> <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>	Water usage (m3)	2016	2017 (YTD June)	Mill process usage	55,351.90	30,648.65	FFB process (ton)	43,205.81	34,900.42	M3/ton FFB	1.28	0.88	YES
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4.5	<p>Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p> <p>Guidance: Growers should apply recognised IPM techniques, incorporating cultural, biological, mechanical and physical methods to minimise the use of chemicals.</p>															

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<p><i>Native species should be used in biological control where possible.</i> <i>Regulations to be referred are such as:</i> <i>a. Guidance for Advancement of Pesticides usage, Directorate General of Infrastructure and Facilities, Ministry of Agriculture (2011)</i> <i>b. 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, mechanical and physical methods)? • 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"> • Procedures Integrated Pest Management (IPM) SOP/SMART/MCAR/VII/TA-HPT and SOP/SMART/MCAR/ VIII/TA-PGM • Result Data of Butterfly Picking (light trap), 2016-2017 • Census records of Rat density in SMSE, 2016-2017, observed records for period January to July 2017 • Recapitulation data of nettle Caterpillar (<i>Ulat Pemakan Daun Kelapa Sawit</i>, e.g. <i>Setora nitens</i>, <i>Setothosea asigna</i>, <i>Darna trima</i>, <i>Metisa plana</i>, <i>Mahasena Corbetti</i>, etc) consist of census result (every 2 months) and control activity such as hand picking, application of <i>Cordyceps militaris</i> fungi and use of light traps. • Recapitulation Data of <i>Oryctes</i> Census 2016 and 2017 • Monitoring of Barn Own and Nest box, dated July 31st, 2017. <p>Monitoring of beneficial plant upkeep, dated August 2nd, 2017.</p>	<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. The procedure has include:</p> <ul style="list-style-type: none"> • Identification of potential pests and thresholds • Techniques to be used (cultural, biological, mechanical and physical methods) • The native species used as part of the biological control method • Reducing the use of chemicals over a period of time • Avoidance of prophylactic use of pesticides • Minimization of pesticide use • Review on the plans to suit the present condition such as replanting <p>The organization has documented and implemented an IPM system includes setting out of technique to be implemented, chemical to be used, locations to be applied, and time frame for implementation. Programme for IPM was established annually in Division Work Programme for each division. IPM programme includes pest and diseases detection, census 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 caterpillar, <i>Oryctes rhinoceros</i> (beetle), Ganoderm 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</p>	YES

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			<p>was recorded including area of census, type of caterpillar, quantity of caterpillar and level of attack.</p> <p>Based on Division Work Program July 2016 to July 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. Some of the monitoring activities, the Census of Caterpillar in 2016, to monitor the fire caterpillar populations with type <i>Tosea asigna</i> and <i>Setora nitens</i>. So far there were no medium and high attacks of caterpillar.</p> <p>Recapitulation Data of Oryctes Census mentioned that no medium and high attacks of Oryctes rhinoceros. Average in 2016 there was 2.45 larva per prone in rotation 1 and 1.02 larva per prone in rotation 2. Whilst in 2017 there was 0.11 larva per prone in rotation 1 and 0.02 larva per prone in rotation 2.</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 July 2016 to July 2017 there was no result in Sawit Mas Estate pest detection that exceeds the threshold. Caterpillar population to date July 2016 in Division 1 is 0.74 larva per prone and Division 2 is 1.13 larva per prone, whilst no caterpillar detected in other divisions.</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. Based on Monitoring of beneficial plant upkeep, dated 2 August 2017 it was 3,019.33 Ha covered by 1,247 mandays.</p> <p>Leguminous Cover Crops were planted for suppressing 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 Sawit Mas Estate, possibly due to natural biological control of rat by development of <i>Tyto alba</i>. Monitoring of <i>Tyto alba</i> updated July 2017 noted that there were 93 active owl nests with 77 mature owls, 6 owlets</p>	

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			and 14 eggs. Rat damage assessment had been carried out by FFB crop checker during crop quality inspection. There was no rat found during field observation.	
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, 7 November 2016 • Training attendance list, 7 November 2016 	The latest training of IPM performed to SMSE employees (assistant, group leader and worker who conduct IPM) on 7 November 2016 by SMARTRI. List of participant attendance was sighted. Training module was also observed covered IPM technique and implementation. Training module included information on types of pest, chemical control, biological control, cultural control and physical control methods. Personnel interviewed during field observation were verified has received training of IPM.	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"> • GAR Social and Environment Policy, dated September 8th, 2015 • Memorandum from President Director dated August 13th, 2015. • List of Agrochemicals used by PT. Sawit Mas Sejahtera 2016-2017 which approved and registered by Agriculture Department 	<p>The company has policy on safe use of chemical including pesticides which sated in GAR Social and Environment Policy, dated September 8th, 2015. The company has also established memorandum that the use of paraquat is prohibited. It was verified that no paraquat been used for weed control and based on observations in pesticides warehouse, the paraquat stock was empty.</p> <p>The procedures SOP/SMART/MCAR/VII/TA-HPT (<i>Pengendalian Hama dan Penyakit Tanaman-Pest and Disease Control</i>) and SOP/SMART/MCAR/VIII/TA-PGM (<i>Pengendalian Gulma-Weed Control</i>) has</p>	YES

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	<ul style="list-style-type: none"> i. Measures to avoid the development of resistance (such as pesticide rotation) should be applied. ii. Is there a list of all pesticide with target species and justification of use? iii. The justification should consider less harmful alternatives and IPM. c. Is there evidence of implementation of SOP on the ground? 	<ul style="list-style-type: none"> • Register number refer to Pesticide Commission Book “<i>Buku Komisi Pestisida</i>” • Field observation in block N39 Division IV. 	<p>mentioned the use of selective products that are specific to target pests, weeds, or diseases and which have minimal effect on non-target species and measures to avoid the development of resistance (such as pesticide rotation) should be applied.</p> <p>The company only used approved and registered agrochemical, permitted by the relevant authority issued by The Pesticides Commission of the Agricultural Ministry of the Republic of Indonesia. As seen on the records, agrochemicals used by SMSE were include the following:</p> <ul style="list-style-type: none"> • Erkafuron 20 WG (Metsulfuron methyl), License RI. 01030120134861 expired date 12 December 2018. • Rolifos 150 SL, active ingredient Glufosinate Ammonium 150 g/l (glufosinate active 137 g/l equivalent), license No. RI.01030120103683, valid until May 13th, 2020. • Roll up 480 SL (Isopropil Amina Glifosat 480 g/l), License RI. 01030120042133, Expired date 12 December 2018. • Starane 290 EC (Fluroxipir Methylephthyl ester 30%), License RI.0103011988854 expired date 4 April 2019 • Garlon 670 EC (Triklpir 480 g/l) – license RI. 0103011984695 expired date 9 September 2018. <p>Based on field observation, it was noted that there were no agrochemicals being used which were not registered during this audit, and the activity was in line with SOP.</p>	
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.			
	<ul style="list-style-type: none"> a. Does the company have a pesticide application program? b. Is records of pesticides use available? 	<ul style="list-style-type: none"> • Annual Plan 2017 • Monthly Report • Pesticides Toxicity Data 	<p>The company have detail pesticide application program for a year period in Annual Plan (Budget).</p> <p>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>	YES

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	<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>		<p>Below is pesticide record of SMSE for period 2015, 2016 and 2017 (January to July):</p> <p>2015</p> <table border="1" data-bbox="1133 501 1899 818"> <thead> <tr> <th>Type of Pesticide</th> <th>UOM</th> <th>Volume</th> <th>Application Area (Ha)</th> <th>Pesticides Unit</th> </tr> </thead> <tbody> <tr> <td>Erkafuron 20 WG</td> <td>Kg</td> <td>65.56</td> <td>10,084.00</td> <td>0.00000000434</td> </tr> <tr> <td>Rolixone 276 SL</td> <td>Ltr</td> <td>1,268.76</td> <td>10,147.40</td> <td>0.000000361074</td> </tr> <tr> <td>Roll Up 480 SL</td> <td>Ltr</td> <td>1,984.45</td> <td>15,872.12</td> <td>0.00000010023</td> </tr> <tr> <td>Garlon 480 EC</td> <td>Ltr</td> <td>166.12</td> <td>332.24</td> <td>0.00000001749</td> </tr> <tr> <td>Starane 200 EC</td> <td>Ltr</td> <td>422.75</td> <td>13,418.89</td> <td>0.000000003906</td> </tr> <tr> <td>Decis 25 EC</td> <td>Ltr</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Cymbus 50 EC</td> <td>Ltr</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>2016</p> <table border="1" data-bbox="1133 882 1899 1200"> <thead> <tr> <th>Type of Pesticide</th> <th>UOM</th> <th>Volume</th> <th>Application Area (Ha)</th> <th>Pesticides Unit</th> </tr> </thead> <tbody> <tr> <td>Erkafuron 20 WG</td> <td>Kg</td> <td>77.93</td> <td>5,994.31</td> <td>0.000144827496</td> </tr> <tr> <td>Rolifos 150 SL</td> <td>Ltr</td> <td>711.56</td> <td>2,846.24</td> <td>0.003018904095</td> </tr> <tr> <td>Roll Up 480 SL</td> <td>Ltr</td> <td>4,101.90</td> <td>16,407.60</td> <td>0.274213604963</td> </tr> <tr> <td>Garlon 480 EC</td> <td>Ltr</td> <td>120.79</td> <td>120.79</td> <td>0.000360945559</td> </tr> <tr> <td>Starane 200 EC</td> <td>Ltr</td> <td>778.61</td> <td>12,358.81</td> <td>0.008385879646</td> </tr> <tr> <td>Decis 25 EC</td> <td>Ltr</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Cymbus 50 EC</td> <td>Ltr</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>2017 (January-July)</p> <table border="1" data-bbox="1133 1264 1899 1390"> <thead> <tr> <th>Type of Pesticide</th> <th>UOM</th> <th>Volume</th> <th>Application Area (Ha)</th> <th>Pesticides Unit</th> </tr> </thead> <tbody> <tr> <td>Erkafuron 20 WG</td> <td>Kg</td> <td>9.13</td> <td>216.92</td> <td>0.000011722824</td> </tr> </tbody> </table>					Type of Pesticide	UOM	Volume	Application Area (Ha)	Pesticides Unit	Erkafuron 20 WG	Kg	65.56	10,084.00	0.00000000434	Rolixone 276 SL	Ltr	1,268.76	10,147.40	0.000000361074	Roll Up 480 SL	Ltr	1,984.45	15,872.12	0.00000010023	Garlon 480 EC	Ltr	166.12	332.24	0.00000001749	Starane 200 EC	Ltr	422.75	13,418.89	0.000000003906	Decis 25 EC	Ltr	0	0	0	Cymbus 50 EC	Ltr	0	0	0	Type of Pesticide	UOM	Volume	Application Area (Ha)	Pesticides Unit	Erkafuron 20 WG	Kg	77.93	5,994.31	0.000144827496	Rolifos 150 SL	Ltr	711.56	2,846.24	0.003018904095	Roll Up 480 SL	Ltr	4,101.90	16,407.60	0.274213604963	Garlon 480 EC	Ltr	120.79	120.79	0.000360945559	Starane 200 EC	Ltr	778.61	12,358.81	0.008385879646	Decis 25 EC	Ltr	0	0	0	Cymbus 50 EC	Ltr	0	0	0	Type of Pesticide	UOM	Volume	Application Area (Ha)	Pesticides Unit	Erkafuron 20 WG	Kg	9.13	216.92	0.000011722824	
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4.6.3	<p>(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.</p> <p>Specific Guidance: For 4.6.3: Justification of the use of such pesticides will be included in the public summary report.</p>																																	
	<p>a. Does the company have an IPM plan?</p> <p>b. Has that plan been implemented?</p> <p>c. Is the effectiveness of the IPM plan monitored?</p> <p>d. Are there records showing that the use of pesticides have been minimised in accordance with Integrated Pest Management (IPM) plan?</p> <p>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"> Annual Plan 2017 Monthly Report Pesticides Toxicity Data 	<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>	YES																														
4.6.4	<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:</p>																																	

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<p><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 Pesticida).</i></p>				
	<p>a. Does the company have a complete listing of WHO class 1A, class 1B, and Stockholm or Rotterdam Conventions pesticide?</p> <p>b. Is there a policy, procedure or management plan committing to 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"> • GAR Social and Environment Policy, dated September 8th, 2015 • Memorandum from President Director dated August 13th, 2015. 	<p>The company has policy on safe use of chemical including pesticides which sated in GAR Social and Environment Policy, dated September 8th, 2015. The company has also established memorandum that the use of paraquat is prohibited. It was verified that no paraquat been used for weed control.</p>	<p>YES</p>
<p>4.6.5</p>	<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>	<ul style="list-style-type: none"> • Training record and certificates of limited pesticides uses for sprayer worker. • Field observations to spraying activities in (pesticide/herbicides 	<p>Agrochemicals have been applied and handled by trained spraying workers who have received usage of limited pesticide training. Training was delivered by Pesticides Commission of South Sumatera on November 7 to 8th, 2016 and SMARTRI Staff on November 10th, 2015 for SMSE spraying worker. Training record and certificates were sighted for all sprayers interviewed in SMSE.</p>	<p>YES</p>

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	<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> <p>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?</p> <p>f. Are pesticides always applied in accordance with the product label?</p> <p>g. Are MSDS for pesticides used readily available for easy reference?</p> <p>h. Is appropriate safety and application equipment provided and used?</p> <p>i. Is PPE used appropriate according to recommendations in any risk assessments done?</p> <p>j. Is appropriate PPE provided and used, and can it be easily replaced if damaged?</p> <p>k. Does the management checked the workers usage of appropriate PPEs?</p>	<p>usage) block P41 Division IV SMSE</p> <ul style="list-style-type: none"> MSDS of All type Agrochemical 	<p>Training covered handling of concentrate agrochemical and spraying method including pesticide hazard.</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-leafs weeds, Metil Metsulfuron is for wide-leaf weeds.</p> <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 SMSE 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. All precautions attached to the products properly observed, applied, and understood by workers. All applications of agrochemicals were in accordance with the product label and storage instruction. MSDS of all product was understood by workers.</p>	
4.6.6	(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).			

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<p>Specific guidance: For 4.6.6: Some regulations regarding pesticides are: a. Government Regulation No. 18 year 1999 regarding Toxic and Hazardous Materials Management b. 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. c. FAO International Code of Conduct on the distribution and use of pesticides and its guidance and supported by relevant industrial guidance (see Annex 1). d. Regulation of the Minister of Agriculture No. 01/Permentan/OT.140 /1/2007 regarding List of Banned and Restricted Pesticide (based on active ingredients). e. Regulation of the Minister of Agriculture No. 24/Permentan/SR.140/4/2011 regarding Requirement and Mechanism to Register Pesticide. f. Stockholm Convention regarding Consistent Organic Pollutant which had been ratified with Act No. 19 year 2009 g. Guidance for Advancement of Pesticides usage, Directorate General of Infrastructure and Facilities, Ministry of Agriculture (2011)</p>				
	<p>a. Has the SOP for pesticide storage been documented and implemented? b. Are all pesticides stored according to recognised best practices? c. Is there evidence that empty pesticide containers are properly stored and disposed off and not used for other purposes? 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"> • Document of work instruction ex-pesticide containers handling (IK/SMART/LEMS-EHSD/SADV/002/001) • Records of hazardous wastes manifest • Hazardous wastes storage (TPS LB3) monthly report • Site visit to estate divisions warehouse (chemicals, fertilizer, and TPS LB3) • Licence of hazardous waste temporary storage (TPS LB3) • Company Profile of PT. Primanru Jaya 	<p>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. EHS patrol was regularly performed monitor possible spill. All empty pesticides containers were triple rinsed, the jerry can were reused to spraying activities, while other unused containers were categorized as B3 (hazardous waste) sent and kept to hazardous waste temporary warehouse (TPS LB3), then will managed by third party (PT Primanru Jaya) that also licensed to managed contaminated agrochemicals containers as statement letters from environment and forestry ministry No. SK.1/Menlhk/Setjen/PLB.3/I/2017 dated 1 January 2017, and valid for 5 years.</p> <p>Records of manifest hazardous waste were evident for period 26 September 2016 and 30 March 2017, also the records of received the hazardous wastes from each estate divisions to hazardous waste temporary storage (TPS B3) were evident.</p> <p>Liquid waste from agrochemical was reused for the next spraying application as regulate within the work instruction ex-pesticide containers handling</p>	<p>YES</p>

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			(IK/SMART/LEMS-EHSD/SADV/002/001).	
4.6.7	Application of pesticides shall be by proven methods that minimise risk and negative impacts.			
	<p>a. Is there work instruction for pesticide application?</p> <p>b. Is there training provided on work instruction including risk and impacts of pesticide applications?</p>	<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. • MSDS of All type of Agrochemical 	<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 and Starane) 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 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. The organization no longer use paraquat.</p>	YES
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>	<ul style="list-style-type: none"> • Monthly Report 2016-2017 • Field observation at SMSE 	Based on observed Monthly Report of Sawit Mas Estate and field observation during audit, there are no pesticides applied aerially.	N/A

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	c. Are the identified affected communities informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application?			
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> <p><i>Note: Interview with workers and smallholders on their knowledge and skills in pesticides handling.</i></p>	<ul style="list-style-type: none"> • Training records (attendance list, certificate and module) of Limited Pesticides Uses. • MSDS of all agrochemical used Pesticide application area warning signs, installed for 2 weeks in area applied 	<p>There is no scheme smallholder associated with PT. Sawit Mas Sejahtera. All 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. And based on field observation, the workers have understood the company's procedures regarding pesticide applications</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 anyone can't enter the location.</p>	YES
4.6.10	Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated			
	<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>	<ul style="list-style-type: none"> • Price Information dated 1 August 2017 • Interview with FFB supplier 3 August 2017 	<p>FFB price was determined by FFB Purchase HO/JKT after reviewing FFB price determined by Plantation Agency of South Sumatera Province ("<i>Berita Acara Hasil Rapat Tim Penetapan Harga Pembelian TBS Kelapa Sawit Provinsi Sumatera Selatan</i>"). FFB purchase price determined for PPNM is always higher than price determined by Plantation Agency (DISBUN), the reason is to attract the supplier to supply more FFB to the mill.</p>	YES

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	d. How was the complaint handled? e. What was the solution? a.		<p>There are only four supplier that supplied FFB to PPNM, which is:</p> <ul style="list-style-type: none"> - Tan Pik Tju - PT. Kasih Agro Mandiri - PT. Agronusa Bumi Lestari - Normansyah Siregar <p>The organisation informed FFB through short message service. The information was sent directly from FFB Purchase HO/JKT to the related supplier and cc to Mill Unit Head. The last price update was informed on 18 July 2017 which determined the price is IDR 1,590 per Kg. Current DISBUN highest price is IDR 1,557.52 per Kg.</p> <p>Based on interview with FFB supplier, there is one complaint from FFB supplier regarding late payment, it has been verified to the company the late of payment due to incomplete document from FFB supplier.</p>	
4.6.11	(M) Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available			
	a. Is there an updated list of pesticide operators? b. Is there records of annual medical surveillance of pesticide operators? c. Is there medical and treatment records of all pesticide operators?	<ul style="list-style-type: none"> • List of pesticide operator update 3 July 2017 • MCU recapitulation report (F/SMART/HESSEHSD/SADV/012/004) 	<p>List of pesticides operator was shown and updated periodically. There were 89 operators listed covered 5 division at SMSE. Specific health surveillance has been performed for all pesticide operators included cholinesterase and 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, laboratory operator, and WTP operator. The MCU report was evident. The specific health surveillance was planned to be conducted twice a year. MCU was held by internal doctor. The last medical check-up at estate was held on 15 – 16 May 2017 at estate and on 15 May 2017 at mill. From MCU recapitulation report all workers were fit to work. Dissemination of health surveillance results have also been conducted to the workers.</p>	YES

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4.6.12	(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? 	<ol style="list-style-type: none"> 1. Internal Memorandum No 001/MEMO-VPA PSM2/04/2011 date 8 April 2011 concerning pregnant and lactating women workers. 2. Field observation and interview to female workers 	<p>Based on list of spraying team and interview with workers, there are female workers handling pesticides. The Pregnancy analyse was conducted by organization to ensure that there are no pregnancy sprayers. It was carried out based on monthly menstruation leave records. It was observed that menstruation leave was taken overall female sprayer. According to pregnancy analysis result was indicate that there are no pregnancy female pesticide-sprayer.</p> <p>Internal Memorandum No 001/MEMO-VPA PSM2/04/2011 dated 8 April 2011 regarding the employee is pregnant and breast-feeding. It stated that Pregnant and lactating women employee are not allowed to work as a pesticide/herbicide sprayers</p>	YES
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? 	<ul style="list-style-type: none"> • Health and Safety Policy • OHS Target and Plan 2017 (F/SAMRT/HESS-EHSD/SADV/003/002) update 10 January 2017 	<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</p>	YES

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	<ul style="list-style-type: none"> • 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)? <p>c. Is there evidence of implementation of the plan?</p> <p>d. Is the effectiveness of the health and safety plan monitored?</p> <p>e. Is the health and safety plan made publicly available?</p> <p>f. Is there an action plan if targets are not achieved?</p>	<ul style="list-style-type: none"> • 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 9 November 2016 by "UPTD Balai Hiperkes dan Keselamatan Kerja Disnaker South Sumatera" • Valid permit of lifting equipment, machinery etc. • Safety Working Permit Records • Observations of OHS implementation 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. 	<p>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, 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 80%.</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 was held at sterilizer, press, kernel, boiler station, tractor, and engine room; the result was inline with Permenakertrans 11/2013.</p> <p>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.</p> <p>Paramedic named Dessy Widiyanti from Division IV has been trained hyperkes on 10 – 14 March 2014. 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 and boiler operator valid through February 2018.</p>	
4.7.2	<p>(M) A documented risk assessment shall be available and its implementation shall be recorded.</p> <p>Specific Guidance: <i>For 4.7.2: All precautions attached to products shall be properly observed, understood, and applied.</i></p>			

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	<p>a. Have risk assessments been conducted for all operations where health and safety is an issue?</p> <p>b. Does the risk assessment cover all the organization's processes and activities?</p> <p>c. If any accidents had occurred, were these included in the risk assessments with action plans to prevent further recurrence?</p> <p>d. Have the procedures and action plans been documented and implemented to address the identified issues?</p> <p>e. Have all precautions attached to products been properly observed and applied to the workers?</p>	<ul style="list-style-type: none"> • SOP Hazard Identification Risk Assessment Determining Control (HIRAC/ISBPR) – SOP/SMART/HESS-EHSD/SADV/I/002 dated 1 July 2014) • Documented procedure SOP/SMART/HESS-EHSD/SADV/I/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 14 April 2017 • WI Storage Tank Cleaning (IK/SMART/MCMD/I/TM-PKS/11) • Procedure SOP/SMK3/SMART/LH-02 	<p>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 14 April 2017.</p> <p>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.</p> <p>Estates risk assessment covers processes and activities such as: spraying, fertilizing, weeding, replanting, road maintenance, firefighting simulation harvesting, transportation, warehouse, workshop, infrastructure, polyclinic, etc. It also covered all the risk attached to the products.</p> <p>Several OHS procedures related to the risk assessment were established such as:</p> <ul style="list-style-type: none"> • Fire Fighting Procedure • 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</p>	<p>YES</p>

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			<p>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-EHSD/SADV/1/2015 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 20 March 2017 for tank No.1 and 21 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 19 – 21 July 2017 for SMSE and 6 February 2017 for Pangkalan Panji Mill. Evacuation routes and emergency flowcharts have been socialized during simulation. Emergency signs and boards were</p>	

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			<p>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>			
	<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"> • List attendance of Basic Safety Training • SOP PPE Management (SOP/SMART/HESS-EHSD/SADV/I/010) dated 1 July 2014 • PPE distribution records 	<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 24 May 2017, emergency respond procedure on 19 February 2017, firefighting training on 7 April 2017, 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.</p>	YES

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	<ul style="list-style-type: none"> Does the organization maintain a list of PPE distribution? Are workers observed wearing appropriate PPE? 		<p>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 25 July 2017 mask for security, 11 July 2017 gloves for process workers, and 8 July 2017 earplug for compound and WTP operators.</p> <p>Spraying workers in division IV named Wagiyem, Pindayanti, Saripa, Mursolin, Parti, and Rahimawati 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>	
4.7.4	<p>(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</p> <p>Specific Guidance: For 4.7.4 : <i>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.</i></p>			
	<p>a. Has the company identified the responsible person/persons to implement OSH?</p> <p>b. Are meetings between the responsible persons and workers conducted on a regular basis, or as required by law, if any?</p> <p>c. Are minutes of meeting recording attendees and issues discussed available?</p> <p>d. Are concerns of all parties about health, safety and welfare discussed at these meetings?</p>	<ul style="list-style-type: none"> Approval Letter of Safety Committee from local government Disnakertrans Banyuasin Regent, No. 08/SK/Nakertrans/2017 dated 25 July 2017 for mill and No.KEP-560/4411/P2K3-34/Nakertrans/3/2016 dated 27 December 2016 for estate. Notes of Meeting Safety Committee (P2K3) 2016 and January – June 2017, last meeting held on 16 June 2017 	<p>Estate:</p> <p>The safety committee (P2K3) at estate was evident and been approved by local authority Disnakertrans Banyuasin Regent No.08/SK/Nakertrans/2017 dated 25 July 2017. The responsible person was identified as Chief of P2K3 (Zulhendry as estate manager) and secretary (Ikhদিনa Arbi as AK3U/OHS expert) and 15 members that covered evaluation division, monitoring division, research division, counselling division, and health and safety division. P2K3 secretary named Ikhদিনa Arbi has decree letter as AK3U from Ministry of Labour No. KEP.7633/M/DJPPK/VII/2014 dated 16 July 2014 valid for 3 years. There was renewal for AK3U Ikhদিনa Arby by Delta Indonesia based on reference No.528/DIP-Sket/VIII/2017 date 2 August 2017.</p> <p>Mill</p> <p>Safety committee (P2K3) at mill was evidence from Disnakertrans Banyuasin Regent No.KEP-560/4411/P2K3-34/Nakertrans/3/2016 dated 27 December</p>	YES

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	<p><i>Note to Auditor: Interviews with workers reflect compliance to a-d above.</i></p>		<p>2016. Masulin as chief of P2K3 and Yaya Zakaria as P2K3 secretary based on decree letter from ministry of labour No.Ser.13.8417/AK3/U/VII/2014 dated 16 July 2014 valid for 3 years. There was renewal for AK3U Yaya Zakaria by Delta Indonesia based on reference No.528/DIP-Sket/VIII/2017 date 2 August 2017. Safety committee has 14 members that covered evaluation division, monitoring division, research division, counselling division, and health and safety division.</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: 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.? • Are accidents investigated and action taken to prevent recurrence? 	<ul style="list-style-type: none"> • Emergency procedure (SOP/SMART/UMUM/SADV/I/005 dated 1 July 2014) • Incident investigation Procedure (SOP/SMART/HESS-EHSD/SADV/I/005 dated 1 July 2014) • Record of first aid training on 24 May 2017 • List attendance of emergency simulation • Record of accident investigation Incident investigation reports 	<p>Emergency respond procedure written in Bahasa Indonesia was described by SOP/SMART/UMUM/SADV/I/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 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</p>	<p>NO (Minor NCR 2017 – 03)</p>

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	<ul style="list-style-type: none"> • 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>	<p>form (F/SMART/HESS-EHSD/SADV//005/002)</p>	<p>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 19 February 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. There were 1 accident for period 2017 at mill and zero accident at estate, 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 24 May 2017. Paramedic was trained Hiperkes on 10 – 14 March 2014 named Dessy Widiyanti. There were first aider at mill and estate that have been certified as first aider from Ministry of Manpower named Parwoto, Sukono, Sutrisno, Wahyudi, and Imam Sukarto from estate; Kurniadi and Heru Kristiawan from mill. The certificate licence valid through 14 December 2021. The First Aid equipment were available at worksites such as harvesting area, spraying area, mill, office etc. and were checked in accordance with local regulation Permenaker 15/2008.</p> <p>Minor Non-conformances :</p> <p>Not all tools are ready to use for emergency condition</p> <p>Objective evidence:</p>	

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			Based on field observation, the eyewash was not ready to use at knapsack cleaning room Division 4.	
4.7.6	All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).			
	<p>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.</p> <p>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)?</p> <p>c. Is there evidence that the insurance policies are valid?</p>	<ul style="list-style-type: none"> • Bank slip payment of medical care and accident insurance (BPJS) period January – June 2017 • Worker medical records 	All workers (permanent, contract workers (PKWT, and casual workers (BHL)) were covered by accident and medical care insurance (BPJS Ketenagakerjaan and BPJS Kesehatan). Slip payment for the insurance were available for payment in June 2017 for 363 casual workers, 162 contract workers, and 517 permanent employees for estate and 77 employees for Mill. The insurances were still valid as seen by the recent slip payment in January – June 2017 for estate and mill.	YES
4.7.7	<p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.</p> <p>Specific Guidance For 4.7.7: <i>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.</i></p>			
	a. Are occupational injuries recorded using Lost Time Accident (LTA) metrics?	<ul style="list-style-type: none"> • Accident reports and investigation • Frequency rate and severity rate calculation table (YTD July 2017) 	Lost Time Accidents metrics were using to record the accidents and injuries during year 2017. The Lost Time accidents and injuries were determined according to Decree of the Minister of Manpower and Transmigration No. 609	YES

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			<p>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= total lost time accident x 1.000.000/total man hour • SR=total lost time hours x 1.000.000/total man hour <p>The calculated FR and SR for mill and estates 2017 were stated as below: FR=0; SR=0 for estate and FR=12; SR=1,151 for mill.</p> <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>	
4.8	<p>All staff, workers, smallholders and contract workers are appropriately trained.</p> <p>Guidance: <i>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 (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.</i></p> <p><i>The training programme should include productivity and best management practice, and be appropriate to the scale of the organisation.</i></p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>Growers and millers should demonstrate training activities for schemes smallholders who provide Fresh Fruit Bunches (FFB) on a contracted basis.</i></p> <p><i>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)</i></p> <p><i>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).</i></p>			

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4.8.1	(M) Records of training program related to the aspects of RSPO Principles and Criteria shall be available.			
	<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, formal training conducted and the list of participants attending these formal training; • 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 	<ul style="list-style-type: none"> • Training Identification Matrix year 2017 updated on 24 January 2017 for Mill and 3 July 2017 for Estate • Training Programme 2017 • 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"> - Dissemination of social and environment policy (January) - Chemical handling and MSDS dissemination (May) - Training welder certification (May) - Fire fighter simulation (April) - Handling chemical spill simulation (May) - Earthquake simulation (April) - Fire extinguisher training use (April) - Training first aid (May) - Dissemination of OHS policy, procedures, WI, waste management (May) - Dissemination of PPE, Risk Assessment (April) - Dissemination of gender committee (May) - Dissemination OHS aspect to all contractor (January) - Dissemination of evacuation route (April, May) - Dissemination of equality of work and prohibition of employing children (February) - Dissemination of GHG aspect and zero burning policy (February) - Training for generator operator (July) - Training LSU (January) 	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>including the most vulnerable groups (e.g. young workers, pregnant women);</p> <ul style="list-style-type: none"> ○ 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, and smallholders and contract workers to verify that the training has been conducted effectively.</i></p>		<p>The list of attendance and the training handout were evident such as:</p> <ul style="list-style-type: none"> - Emergency response training for earthquake, firefighter, and working accident at work area (7 April 2017) - Refreshment of first aid simulation (24 May 2017) - Firefighting simulation (19 February 2017) - Dissemination and emergency response of hazardous spill simulation (23 May 2017) - Training operational and generator maintenance by PT Tractor Nusantara (26 July 2017) <p>Based on interview to workers (spraying workers at block P41 Division IV and harvesting workers at block N39 Division IV) during audit they were aware the need of the training and they were assisted by information provided during training.</p>	
4.8.2	Records of training for each employee shall be maintained.			
	<p>a. Are training records maintained for each employee?</p>	<ul style="list-style-type: none"> ● Training Programme 2017 ● Personal Training Records of Sutrisno Wakiban (operator sterilizer), Hariyanto (laboratory analyst), Bambang (operator generator) 	<p>Evidence of training for key persons were verified and sighted and the records were maintained for each employee such as for Sutrisno Wakiban as operator sterilizer, Hariyanto as laboratory analyst, and Bambang as operator generator.</p> <p>The training which has been completed by each person was recorded in Personal Training Record. Training realisation records are sighted such as hazardous substance handling training, calibration training, operational and maintenance of generator training, etc. 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><i>b. Environment components which may structurally change and these changes are considered significant by the communities surrounding the operational areas, such as:</i></p> <ul style="list-style-type: none"> <i>• Ecosystem function(s);</i> <i>• Land ownership and tenure;</i> <i>• Job and business opportunities;</i> <i>• Community's standard of living;</i> <i>• Public health</i> <p><i>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.</i></p> <p><i>The environmental impact assessment should cover the following activities, where they are undertaken:</i></p> <ul style="list-style-type: none"> <i>a. Building new roads, processing mills or other infrastructure;</i> <i>b. Putting in drainage or irrigation systems;</i> <i>c. Replanting and/or expansion of planting areas;</i> <i>d. Management of mill effluents (Criterion 4.4);</i> <i>e. Clearing of remaining natural vegetation;</i> <i>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).</i> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>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).</i></p> <p><i>The Strategic Environment Study Result (KLHS) by the government, shall be placed as main consideration while conducting replanting</i></p> <p><i>Regulations related to the environment documents, are such as:</i></p> <ol style="list-style-type: none"> <i>1. Government Regulation (PP) No. 27 of 2012 regarding Environment Permit</i> 	

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 Ministry of Agriculture (No. 001/ANDAL/BA/6/1994) on June 24th, 1994. • Documented RKL and RPL approved by Ministry of Agriculture (No. 051/RKL-RPL/III/95) on March 30th, 1995. • RKL/RPL report 	<p>Initial Environmental Impact Assessment documents (ANDAL, RKL and RPL) which were approved by ministry of agriculture No. 001/ANDAL/BA/6/1994 on June 24th, 1994 and No. 051/RKL-RPL/III/95) on March 30th, 1995 for PT Sawit Mas Sejahtera Mill and Estate were available cover 17,200 Ha. There was guidance letter for RKL RPL addendum from BLH Sumatra Selatan Province to PT Sawit Mas Sejahtera No. 660/1081/BAN.LH/II/2015 dated 10 July 2015, RKL RPL addendum was held because there was change of legal covered area (HGU) from 6,205 Ha to be 4,844 Ha and change of waste water management from discharge to the river to be land application.</p> <p>The EIA (ANDAL, RKL and RPL) has been conducted and documented according to local requirements and include consultation with relevant stakeholders (such as village head, and socialite) to identify impacts and to develop any mitigation measures. The consultation result and the mitigation has been state at EIA documents such as at Sekayu and Musi Banyuasin III.</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? 	<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 of estate (F/SMSE/LEMS-EHSD/SADV/001/001 updated 1 August 2017) • Environment aspect and impact list of mill (F/SMART/LEMS-EHSD/SADV/001/001 updated 20 July 2017) 	<p>Sawit Mas Sejahtera Mill and Estate has ensured that all activities with 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 of mill and estate was performed on 20 July 2017 and 1 August 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>	
5.1.2	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.			
	<ul style="list-style-type: none"> a. Is there an environmental management plan in place? b. Is the environmental management plan documented to include the following: <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). 	<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 of estate (F/SMSE/LEMS-EHSD/SADV/001/001 updated 1 August 2017) • Environment aspect and 	<p>Pangkalan Panji Mill and Estate 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 20 July 2017 and 1 August 2017. 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 plan based on EIA (RKL RPL) that covered:</p> <ul style="list-style-type: none"> • Monitoring water quality of river stream at block F65, B62, and A63 every 6 month • Monitoring waste water (POME) every month 	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	c. Has the environmental management plan been implemented?	<p>impact list of mill (F/SMART/LEMS-EHSD/SADV/001/001 updated 20 July 2017)</p> <ul style="list-style-type: none"> Program and evaluation waste management (F/SMART/LEMS-EHSD/SADV/002/007) dated 4 August 2016 	<ul style="list-style-type: none"> Monitoring erosion rate with stick indicator checked monthly and laboratory analyse every year Monitoring air ambient quality at mill and emplacement every 6 months Monitoring wildlife and pest existence every 6 months <p>RKL-RPL report for 2 nd Semester 2016 and 1 st Semester 2017 were sighted and reported to BLH South Sumatera Province, Banyuasin Regent, and Ministry of Environment and Forestry and. Receipt note was also sighted.</p> <p>Pangkalan Panji Mill and Estate 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, and throw the domestic waste to landfill (TPSA) Lamp conversion from TL to SL Reused liquid waste from pesticides for the next spraying applications. 	
5.1.3	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>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</p>	Environmental management plan 2017	<p>PT Sawit Mas Sejahtera Mill and Estates has identification the environmental aspect and impact assessment and reviewed annually (Updated 20 July 2017 and 1 August 2017). 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 plan based on EIA (RKL RPL) that covered:</p> <ul style="list-style-type: none"> Monitoring water quality of river stream at block F65, B62, and A63 every 6 month Monitoring waste water (POME) every month 	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>monitoring and where there are operational changes that may have positive and negative environmental impacts?</p>		<ul style="list-style-type: none"> • Monitoring erosion rate with stick indicator checked monthly and laboratory analyse every year • Monitoring air ambient quality at mill and emplacement every 6 months • Monitoring wildlife and pest existence every 6 months 	
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></p> <p><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></p> <p><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>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p>Specific Guidance: <i>This information will cover:</i></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><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>a. Report of the Identification and Analysis of the Existence of High Conservation Value (HCV) area at PT Sawit Mas Sejahtera, 2013".</p>	<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 Sawit Mas Sejahtera Region South Sumatera, Unit SMSE 2013".</p> <p>HCV Assessment was conducted internally (by Environmental team of PT. SMART Tbk (parent company)) and using HCV Toolkit Indonesia 2008. The team consist of five members as following :</p> <ol style="list-style-type: none"> 1. Dr. Kunkun J. Gurmaya as Lead Assessor (Biodiversity specialist) – Lead Assessor 2. Febia Arisnagara (Ecology flora specialist) - Assistant assessor 3. Dede M. Nasir (Socio-culture and GIS specialist) - Assistant assessor 4. Nugroho Wahyu W. (Ecology and Environmental Services specialist) - Assistant assessor 5. Toni Asmawan (Environmental Services specialist) - Assistant assessor <p>Lead assessor and assistant assessor have been approved by RSPO according to the list of RSPO Approved HCV Assessors date 29 May 2012. Field survey HCV identification conducted on July 10th to 14th, 2012 and and public consultation was held on February 27th, 2014. Assessment covered:</p> <ul style="list-style-type: none"> - Presence of protected areas that could be significantly affected by the grower or miller; 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<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> <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>		<ul style="list-style-type: none"> - 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>Based on the assessment report, in SMSE there are five (5) types of HCV been identified such as HCV 1.1, HCV 1.2, HCV 1.3, HCV 4.1 and HCV 6 cover total area of 21 Ha. For HCV 1.1, 1.3 and 4.1 located in same area called Danau Kongar.</p> <p>Has been identified ten (10) protected wildlife species (based on PP No. 7/1999) such as <i>Beruang madu (Helarctos malayanus)</i>, <i>trenggiling (Manis javanica)</i>, <i>Macan akar (Felis bengalensis)</i>, <i>elang bondol (Haliastur indus)</i>, <i>elang tikus (Elaenus caeruleus)</i>, <i>cekakak belukar (Halcyon smyrnensis)</i>, <i>kangkareng hitam (Anthracoceros malayanus)</i>, and <i>kuntul kerbau (Bubulcus ibis)</i>; 13 wildlife species are listed as Appendix II (based on Appendix CITES) such as <i>Beruang madu (Helarctos malayanus)</i>, <i>trenggiling (Manis javanica)</i>, <i>Macan akar (Felis bengalensis)</i>, <i>biawak (Varanus salvator)</i> and etc; two species that listed as Vulnerable in redlist IUCN, <i>Babi hutan (Sus barbatus)</i> and <i>Beruang madu (Helarctos malayanus)</i>, also one species that listed as Near Threatened, <i>Lutung (Trachypithecus cristatus)</i>.</p> <p>HCV assessments results has been compared to Endemic Bird Area (EBA) and <i>Peta Status Kawasan Hutan Kabupaten Banyuasin Provinsi Sumatera Selatan</i>.</p> <p>HCV area has been mapped into “Peta Nilai Konservasi Tinggi Areal PT Sawit Mas Sejahtera” scale : 1:30.000</p> <p>Reports the identification results have been reviewed by internal management and peer review by Resit Sozer (Independent Consultant) in May 2013. Records of the results of the review and improvement recorded in the report (annex).</p> <p>Assessment conducted on the whole plantation that has been embedded and the areas around the plantation include rivers, forests, and others.</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:</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)									
	<p><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>												
	<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</p>	<ul style="list-style-type: none"> - Report of the Identification and Analysis of the Existence of High Conservation Value (HCV) area at PT Sawit Mas Sejahtera, 2013". - Monitoring reports - Patrol reports - Socialization records to employees and stakeholder - Management plan HCV SMSE 2016 and 2017 	<p>HCV assessment results in the area of PT SMS identified HCV areas as follows:</p> <table border="1" data-bbox="1178 595 1906 1257"> <thead> <tr> <th data-bbox="1178 595 1294 667">Type of HCV</th> <th data-bbox="1294 595 1664 667">Description</th> <th data-bbox="1664 595 1906 667">Total area (ha)</th> </tr> </thead> <tbody> <tr> <td data-bbox="1178 667 1294 818">HCV 1.1</td> <td data-bbox="1294 667 1664 818">Protected areas perform many functions, including conserving biodiversity</td> <td data-bbox="1664 667 1906 818">20,8 (overlap with HCV 1.3 and 4.1 area)</td> </tr> <tr> <td data-bbox="1178 818 1294 1257">HCV 1.2</td> <td data-bbox="1294 818 1664 1257">Endangered Species 3 kind of Mammals : Beruang madu (<i>Helarctos malayanus</i>), Trenggiling (<i>Manis javanica</i>) and macan akar (<i>Felis bengalensis</i>) 8 kind of Aves : Elang bondol (<i>Haliastur indus</i>), Elang tikus (<i>Elanus hypoleucus</i>), Kangkareng hitam (<i>Aceros cassidix</i>), Kuntul kerbau (<i>Bubulcus ibis</i>), Cekakak belukar (<i>Halcyon Smyrnensis</i>), Burung madu polos (<i>Anthreptes simplex</i>), Madu kelapa (<i>Anthreptes malacensis</i>)</td> <td data-bbox="1664 818 1906 1257"></td> </tr> </tbody> </table>	Type of HCV	Description	Total area (ha)	HCV 1.1	Protected areas perform many functions, including conserving biodiversity	20,8 (overlap with HCV 1.3 and 4.1 area)	HCV 1.2	Endangered Species 3 kind of Mammals : Beruang madu (<i>Helarctos malayanus</i>), Trenggiling (<i>Manis javanica</i>) and macan akar (<i>Felis bengalensis</i>) 8 kind of Aves : Elang bondol (<i>Haliastur indus</i>), Elang tikus (<i>Elanus hypoleucus</i>), Kangkareng hitam (<i>Aceros cassidix</i>), Kuntul kerbau (<i>Bubulcus ibis</i>), Cekakak belukar (<i>Halcyon Smyrnensis</i>), Burung madu polos (<i>Anthreptes simplex</i>), Madu kelapa (<i>Anthreptes malacensis</i>)		<p>YES</p>
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NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR			COMPLIANCE (YES/NO)											
	mitigation plan (especially along areas bordering natural area)?			<table border="1"> <tr> <td data-bbox="1178 316 1294 855">HCV 1.3</td> <td data-bbox="1294 316 1664 855">Areas that Contain Habitat for Viable Populations of Endangered, Restricted Range or Protected Species. There were identified a kind of protected species in around of Kongar lake and around of estate such as : 3 kind of Mammals : Beruang madu (<i>Helarctos malayanus</i>), Trenggiling (<i>Manis javanica</i>) and macan akar (<i>Felis bengalensis</i>) 8 kind of Aves : Elang bondol (<i>Haliastur indus</i>), Elang tikus (<i>Elanus hypoleucus</i>), Kangkareng hitam (<i>Aceros cassidix</i>), Kuntul kerbau (<i>Bubulcus ibis</i>), Cekakak belukar (<i>Halcyon Smymensis</i>), Burung madu peles (<i>Anthracoceros</i>)</td> <td data-bbox="1664 316 1906 855">20,8 (overlap with HCV 4.1 area)</td> </tr> <tr> <td data-bbox="1178 855 1294 1007">HCV 4.1</td> <td data-bbox="1294 855 1664 1007">Areas or Ecosystems Important for the Provision of Water and Prevention of Floods for Downstream Communities. There was identified Water catchment</td> <td data-bbox="1664 855 1906 1007">20,8</td> </tr> <tr> <td data-bbox="1178 1007 1294 1158">HCV 6.</td> <td data-bbox="1294 1007 1664 1158">Areas Critical for Maintaining the Cultural Identity of Local Communities. There were identified Sacred graves and public graves within concession</td> <td data-bbox="1664 1007 1906 1158">0,2</td> </tr> <tr> <td colspan="2" data-bbox="1178 1158 1664 1214">Total Area</td> <td data-bbox="1664 1158 1906 1214">21</td> </tr> </table>	HCV 1.3	Areas that Contain Habitat for Viable Populations of Endangered, Restricted Range or Protected Species. There were identified a kind of protected species in around of Kongar lake and around of estate such as : 3 kind of Mammals : Beruang madu (<i>Helarctos malayanus</i>), Trenggiling (<i>Manis javanica</i>) and macan akar (<i>Felis bengalensis</i>) 8 kind of Aves : Elang bondol (<i>Haliastur indus</i>), Elang tikus (<i>Elanus hypoleucus</i>), Kangkareng hitam (<i>Aceros cassidix</i>), Kuntul kerbau (<i>Bubulcus ibis</i>), Cekakak belukar (<i>Halcyon Smymensis</i>), Burung madu peles (<i>Anthracoceros</i>)	20,8 (overlap with HCV 4.1 area)	HCV 4.1	Areas or Ecosystems Important for the Provision of Water and Prevention of Floods for Downstream Communities. There was identified Water catchment	20,8	HCV 6.	Areas Critical for Maintaining the Cultural Identity of Local Communities. There were identified Sacred graves and public graves within concession	0,2	Total Area		21	
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<p>To manage and monitor the areas identified HCVs in PT SMS, the company has establish the management plan HCV which created yearly in the "Management plan HCV" SMSE 2016 and 2017. HCV management program such as :</p> <ul style="list-style-type: none"> ✓ Monitoring and maintenance of HCV attributes in all type of HCV area ✓ Install and repair boundary markers of HCV in all type of HCV area 																	

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			<ul style="list-style-type: none"> ✓ Dissemination of HCV to employees and contractors ✓ Dissemination of HCV to the public stakeholders ✓ Training HCV ✓ Monitoring and maintenance of HCV areas ✓ Routine Patrol ✓ Monitoring and management of protected species (HCV 1.3) ✓ Planting plants barriers to erosion in Lake Buffer zone (HCV 4.1) ✓ Monitoring and maintenance of erosion control plants (HCV 4.1) ✓ Install and monitoring of erosion stakes in HCV 4.1 ✓ Rehabilitation in 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 evidence that programs have been implemented such as:</p> <ul style="list-style-type: none"> - Report of HCV Areas Management and Monitoring PT SMS Semester 2 Y2016 and Semester 1 Y2017 - Report of triwulan HCV monitoring in SMSE period March and June 2017 - Monthly report of HCV patrol in SMSE period January – July 2017 - Form of Seed Recapitulation for HCV Area Rehabilitation - Monthly report of Flora Fauna Monitoring in SMSE period January – July 2017 - Dissemination of HCV to employees in Division 1 - 5 SMSE on 17 July 2017, attendance and minutes of socialization was available. - Dissemination of HCV to employees in PPNM on 23 – 27 January 2017, attendance and minutes of socialization was available. <p>Dissemination of HCV and protected species to stakeholder such as Local NGO's KP2L (Kepengawasan Program Pembangunan dan Lingkungan) on 13 April 2017; local security (Polsek Jirak) on 17 March 2017; Environmental agency of Banyuasin Regency (BLH Kabupaten Banyuasin) on 22 February 2017; Local sub-district head (Camat Sungai Keruh) on 17 March 2017; Kertayu village on 29 March 2017; Agriculture faculty of Tridinanti University on 5 April 2017 and Forestry faculty of Tridinanti University on 17 March 2017.</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"> - Company policy No 002/SMD OPS/III/2009 date 6 January 2009 about Protection of Riparian Buffer Zone - Circulate Letter No 002/SE-SMD OPS/IX/2010 date 20 September 2010 about Protected Wildlife - Internal Memo No 1231/M-Int/MDSP-VIC/XI/11 date 25 November 2011 about Zero Tolerance Policy For Endangered Animal 	<p>Internal Memo No 1231/M-Int/MDSP-VIC/XI/11 date 25 November 2011 about Zero Tolerance Policy For Endangered Animal stated:</p> <ul style="list-style-type: none"> a. No keeping, hurting and killing protected wildlife that found in estate and mill b. If anyone keeping the protected wildlife than he/she should report and hand over it to BKSDA c. Violation to this policy will be punish with maximum in disciplinary sanction up to authority. <p>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). There are no cases found regarding this,</p> <p>HCV Monitoring Form has been filled monthly by a skilled and trained HCV operators. In PT SMS, there are five HCV operators, such as :</p> <ul style="list-style-type: none"> a. Mr. M. Sofyan Siregar (HCV PIC SMSE), assignment letter assigned by Estate Manager, Mr. Weny Lisan, letter No. 004/EM-SMSE/IX/2016 dated 18 February 2016 b. Mr. Mahrudin (HCV Security), assignment letter by Estate Manager, Mr. Weny Lisan, dated 2 January 2013 c. Mr. Hayatullah (HCV Security), assignment letter by Estate Manager, Mr. Weny Lisan, dated 2 January 2013 d. Hendra Gunawan (HCV Security), assignment letter by Estate Manager, Mr. Weny Lisan, dated 25 February 2016 e. M. Ulwan Rifai (HCV Security), assignment letter by Estate Manager, Mr. Weny Lisan, dated 2 January 2015 <p>Job descriptions for HCV operators are :</p> <ul style="list-style-type: none"> a. To ensure HCV requirements with applicable law and regulations b. Report to Top Management (RC) to analyse and as basis to perfection of for HCV Areas Management and Monitoring policy <p>Job descriptions for HCV security is to conduct HCV patrol and evaluate it.</p>	YES

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			<p>HCV operators has been trained by Mr. Harun Surbekti (EHSD JKT) in 18 February 2016 and every year re-trained. The realization of programme was well recorded and has been verified during the assessment.</p>	
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>	<ol style="list-style-type: none"> 1. Report of the Identification and Analysis of the Existence of High Conservation Value (HCV) area at PT Sawit Mas Sejahtera, 2013". 2. Monitoring reports 3. Patrol reports 4. Socialization records to employees and stakeholder 	<p>Monitoring of HCV was conducted once a week, 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 Animals and 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 or mill operations was well monitored, documented and reported routinely to <i>BKSDA Palembang</i>.</p> <p>Monitoring results show that the conditions of HCV area and HCV attributes were in good condition and there were no destructive activities in HCV area.</p> <p>Monitoring results of protected animals (PP No. 7 year 1999, RTE species, Appendix CITES) was well documented every month. Beside that, there are HCV Area Monitoring conducted every semester. Protected species found in Semester 1 Y2017 are <i>Burung-madu sriganti (Nectarinia jugularis)</i> and <i>Cekakak belukar (Halcyon smynensis)</i>. Meanwhile, in semester 2 Y2016 was found 6 protected species such as <i>Raja-udang meninting (Alcedo meninting)</i>, <i>Burung-madu sriganti (Nectarinia jugularis)</i>, <i>Kuntul (Bubulcus ibis)</i>, <i>Cangak abu (Ardea cinerea)</i> dan <i>Cekakak belukar (Halcyon smynensis)</i>.</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</p>	YES

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			feedback advice and recommendations to the management plan, i.e.: <ul style="list-style-type: none"> - Riparian buffer zone rehabilitation with local plant and prepare nursery for rehabilitation - Improve the socialization to the employees and local community - Repair the HCV sign board which damaged or lose - Increasing the protected wildlife monitoring di plantation area 	
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: 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).</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 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>	<ul style="list-style-type: none"> • Document of cooperation between the management and local community to take care and maintain sacred grave, dated August, 18th 2016 • Public consultation on 3 August 2017 	<p>There was HCV 6 identified in the concessions PT SMS in the form of shrine graves. Maintenance and protection of graves area has been agreed with the local community. PT SMS 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 with the villagers and public figure from Pangkalan Panji Village for maintenance and management of graves in block B07 and C66. It was evident by cooperation document for maintain shrine graves in 2016 between company and community leaders. It was verified during public consultation on 3 August 2017.</p>	YES
5.3	<p>Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p> <p>Guidance: The waste management and disposal plan should include measures for: a. Identifying and monitoring sources of waste and pollution.</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>b. 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).</p> <p>c. 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.</p> <p>Use of open fire for waste disposal should be avoided.</p> <p>Regulations relate to waste management, such as:</p> <ol style="list-style-type: none"> 1. Government Regulation No. 18 year 1999 regarding Management of Toxic and Hazardous Waste (B3) 2. 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). 3. 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) 4. Government Regulation No. 81 year 2012 regarding Management of Domestic Waste 5. Decree of the Minister of Environment No. 51 year 1995 regarding Waste Water Standard for Industries 6. 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. 7. Decree of the Minister of Environment No. 29 year 2003 regarding Guidance for Permit Requirements and Administration for Utilising POME on Oil Palm Plantation 8. Decree of the Minister of Environment No. 112 year 2003 regarding Domestic Waste Water Standard 9. Decree of the Head of Bapedal No. 255/Bapedal/08/1996 regarding Procedure and Requirements for Storing and Collecting Used Oil 10. Guidance for Use of Pesticides, Directorate General of Infrastructure and Facilities, Ministry of Agriculture, 2011 			
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"> • Waste Management procedure (SOP/SMART/LEMS-EHSD/SADV/II/002) dated 1 July 2016 • Documented procedure of Environmental aspect and impact evaluation (SOPSMART/LEMS-EHSD/SADV/001/001) dated 1 July 2014 	<p>Identification of waste and pollution sources from Pangkalan Panji Mill and Estate activities was evident. The source of pollution, type and control method of waste was documented on procedure SOP/SMART/LEMS-EHSD/SADV/II/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, POME, boiler ash, chemical container, lubricant, used rags, lamps, batteries, and gaseous emissions, etc. 2. Estate wastes, such as: agrochemicals, ex-pesticides containers, fertilizer container, chemicals rinsed waters discharge and land application flatbed, etc. 	YES

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			3. Medical wastes, such as: drugs, needles, cottons, etc. 4. Domestic waste water 5. Public facilities wastes, such as: plastic, can, bottle, etc. 6. Office wastes, such as: plastic, can, bottle, office tools, etc.	
5.3.2	(M) There shall be evidence that all chemicals and their empty containers are disposed of responsibly			
	a. Is there an inventory of chemicals and their containers that are used and kept on site? 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) c. Are collection and disposal records of chemicals and their containers maintained?	<ul style="list-style-type: none"> • A. Documented procedure for waste management SOP/SMART/LEMS-EHSD/SADV/II/002 • Record of hazardous and non-hazardous waste • Manifest of disposal hazardous waste • Observation to temporary storage of hazardous waste • Permit of temporary storage of hazardous waste from Head of Banyuasin Regent No. 338/KPTS/DLH/2017 dated 17 April 2017, and valid for 3 years • Permit of temporary storage of hazardous waste from Head of Musi Banyuasin Regent One-door Integrated Services No. 126, dated 7 March 2017, and valid for 5 years • Logbook of LB3 Period July – December 2016 and January – June 2017 	The disposal methods were described on documented procedure SOP/SMART/LEMS-EHSD/SADV/II/002 waste management detailed disposed methods as follows: <ol style="list-style-type: none"> 1. Zero burning 2. Reduce, reuse, recycle 3. Disposal <p>All empty agrochemical containers were triple rinsed, the jerry can were reused to spraying activities, while unused containers were stored in the designated area and categorized as hazardous waste (B3). Records of chemical containers quantity disposed were evident. Liquid waste from agrochemical was reused for the next spraying application.</p> <p>While the ex-fertilizer sacks was also rinsed and reuse for fertiliser distribute "untilan" and TPH/FFB collection area at estate operations. Several ex-chemicals materials containers that use at mills operations such as laboratory chemicals ex-containers, boiler additive liquids, lubricants, workshop materials, use battery, etc. were categorized as hazardous wastes that stored at hazardous waste temporary warehouse (TPS B3) that will be 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 27 September 2016 and 30 March 2017. Other records sighted, such as "Laporan Pengelolaan Limbah B3" for period July – December 2016 and January – June 2017. Last transport on 30 March 2017 for used oil, used batteries, used filters, used lamps, use rags, used chemical containers by using truck no. B 9942 GYT. 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>Extension license of hazardous wastes temporary storage (license for 3 temporary</p>	YES (Major NCR 2017 -04 closed)

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			<p>storages at mill, division I, and division IV) as issued from Head of Banyuasin Regent No. 338/KPTS/DLH/2017 dated 17 April 2017 valid for 3 years, defined that waste storage period was 180 days for category I, and 365 days for category II . The license include: used oil, used batteries, used lamps, used filters, and used rags.</p> <p>License of hazardous wastes temporary storage (at division V) from Head of Musi Banyuasin Regent One-door Integrated Services (Kepala Kantor Pelayanan Terpadu Satu Pintu Kabupaten Musi Banyuasin) No. 126 dated 7 March 2017 valid for 5 years, defined that waste storage period was 180 days for Category I, and 365 days for Category II . The license include: used oil, used batteries, used lamps, used filters, and used rags.</p> <p>Major Non-conformance:</p> <ul style="list-style-type: none"> • Field observation showing that fertilizer sacks were found in empty water tub and mixed with inorganic waste at the worker housing (Division IV). • Field observation showing that jerry can and chemical container were used to collect water at the worker housing (Division IV). • No data of chemical container being reused and stored. • Based on document review of chemical used on quarter II 2017 and contaminated packaging log book on quarter II 2017, there was no stock data of chemical container “Starane” and “Erkafuron” that have been used. 	
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. 	<ul style="list-style-type: none"> • Documented procedure SOP/SMART/LEMS-EHSD/SADV/II/002 dated 1 July 2016 waste management • Permit of temporary storage of hazardous waste from Head of Banyuasin Regent No. 338/KPTS/DLH/2017 dated 17 April 2017, and valid for 3 years • Permit of temporary storage of hazardous waste from Head of 	<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 Estate also established waste register, which described wastes generated from each activity/location, its classification (organic, inorganic or hazardous), and its control measure. Mill and Estate including housing has provided different colour or name of waste bin for each type of waste. Organic and inorganic wastes from Mill and Estate including housing were disposed to landfill in the Estate area. Areas of organic and inorganic wastes disposal was far from housing, in the flood-free area and not in swamp area and completed with warning sign not burning wastes. The new landfill (TPSA) opened by 1 August 2016.</p>	<p>NO (Minor NCR 2017 -05)</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>through animal feeding programmes)?</p> <ul style="list-style-type: none"> • 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> <p>d. Is there evidence that waste has not been disposed off using open fire?</p>	<p>Musi Banyuasin Regent One-door Integrated Services No. 126, dated 7 March 2017, and valid for 5 years</p> <ul style="list-style-type: none"> • Contract documents with PT Primanru Jaya as the transporter • Manifest of disposal hazardous waste for period September 2016 and March 2017. • Logbook LB3 Period July – December 2016 and January – June 2017 • Site visit to estate divisions offices and mill operations 	<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. Solid from decanter were used for fertiliser in Pangkalan Panji Estates. Fibre and Shell was used for boiler feed.</p> <p>Hazardous wastes generated by Mill and Estate are used oil, used oil filter, used battery, used rags, medical waste and used lamp. Temporary storage of hazardous waste was available to collect hazardous waste prior to be transported by licensed vendor. There are 3 temporary storage of hazardous waste (at mill, division I, and division IV) still held valid permit from Head of Banyuasin Regent No. 338/KPTS/DLH/2017 dated 17 April 2017 valid for 3 years, and 1 temporary storage at Division V with valid permit from Head of Musi Banyuasin Regent One-door Integrated Services (Kepala Kantor Pelayanan Terpadu Satu Pintu Kabupaten Musi Banyuasin) No. 125 dated 7 March 2017 valid for 5 years.</p> <p>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 September 2016 and March 2017. Hazardous waste was reported to BLH South Sumatera Province, Banyuasin Regent, Musi Banyuasin Regent, and Ministry of Environment and Forestry Jakarta. Receipt note of report was also sighted. Others records sighted, such as Logbook of LB3 Period July – September 2016; October – December 2016, and January – March 2017; April – June 2017.</p> <p>Major Non-conformance:</p> <p>a. Based on field observation in worker housing (Division IV), waste segregation activities have not been done (mixing of organic and inorganic waste), as well as organic trash bins were not available.</p>	
5.4	<p>Efficiency of fossil fuel use and the use of renewable energy is optimised.</p> <p>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></p> <p><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-</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)															
<p><i>site contract workers, including all transport and machinery operations.</i></p> <p><i>If possible, the feasibility of collecting and using biogas should be studied.</i></p>																			
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p>																		
	<p>a. Is there a plan for improving efficiency of the use of fossil fuels and to optimise renewable energy?</p> <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 of fibre and shell usage period 2016 and 2017 (YTD June) • Records for monthly calculation regarding the usage of fossil fuel at estate and mill within period 2016 and 2017 (YTD June) 	<p>Pangkalan Panji mill and estate 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 organization owned; there were also sighted the records of usage the diesel fuel for vehicle at estate and diesel fuel at mill engines for period 2016 and 2017 (YTD June).</p> <p>Volume of fibre and shell used for boiler feed is estimated annually. Record sighted for 2016 and 2017 (YTD June). Total energy generated by steam turbine generator for Pangkalan Panji 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 906 1877 1086"> <thead> <tr> <th>Renewable Energy (Fibre and shell)</th> <th>2016</th> <th>2017 (June)</th> </tr> </thead> <tbody> <tr> <td>Per tonnage CPO (Kcal/Ton CPO)</td> <td>37.68</td> <td>30.44</td> </tr> <tr> <td>Fossil fuel efficiency substitute by fibre and shell (litre)</td> <td>212,314</td> <td>203,720</td> </tr> </tbody> </table> <p>The records were also sighted for fossil fuel consumption monthly calculation within period 2016 and 2017 (YTD June) regarding the usage of fossil fuel at estate and mill.</p> <p>Mill usage for fossil fuels was lower than estate caused the usage of fibre and shell and also the vehicles usage at estate was more excessive then mill, for details please see table below:</p> <table border="1" data-bbox="1167 1318 1917 1396"> <thead> <tr> <th>Fossil fuels</th> <th>2016</th> <th>2017 (June)</th> </tr> </thead> <tbody> <tr> <td>Estate (litre)</td> <td>214,258</td> <td>228,925</td> </tr> </tbody> </table>	Renewable Energy (Fibre and shell)	2016	2017 (June)	Per tonnage CPO (Kcal/Ton CPO)	37.68	30.44	Fossil fuel efficiency substitute by fibre and shell (litre)	212,314	203,720	Fossil fuels	2016	2017 (June)	Estate (litre)	214,258	228,925	<p>YES</p>
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NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)						
			<table border="1" data-bbox="1167 320 1917 395"> <tr> <td>Mill (litre)</td> <td>106,176</td> <td>55,281</td> </tr> <tr> <td>Per tonnage FFB (litre)</td> <td>4.96</td> <td>6.56</td> </tr> </table> <p>It was also note that fossil fuel usage (mill and estate) for periode 2016 was decreased than periode 2015. But, estate fossil fuel usage was increased in 2017 caused the vehicle usage at estate more excessive than in 2016.</p> <p>So far there is a plan regarding feasibility of collecting and using biogas, however it still on management discussion.</p>	Mill (litre)	106,176	55,281	Per tonnage FFB (litre)	4.96	6.56	
Mill (litre)	106,176	55,281								
Per tonnage FFB (litre)	4.96	6.56								
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										
	<p>(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> <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>	<ul style="list-style-type: none"> • Procedure replanting SOP/SMART/MCAR/VI/TA-RPL • MCAR Book • Memo No.071/SMD OPS/IX/2007 • Contract document with CV. Selamat Mandiri Pratama 	<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. Last replanting activity was held on 2015 at division V covered 285.86 Ha. There was contract document No. SMSE/SPK/Feb-17/001 with third party (CV. Selamat Mandiri Pratama) who did replanting by chipping activity dated 14 February 2017. No fire used for preparing land for replanting.</p>	YES						

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	e. Is there training programmes for associated smallholders on zero burning where appropriate?			
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 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>	- interview with stakeholder, staff, and workers	Based on evidence on field and interview with stakeholder, staff, and workers, it verified that fire has not been used for preparing land for replanting.	N/A
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: <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>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
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: For 5.6.1: Assessment document covers identification of pollutant and emission sources, and evaluation of potential pollution level.</p>			
	<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 of estate (F/SMSE/LEMS-EHSD/SADV/001/001 updated 1 August 2017) Environment aspect and impact list of mill (F/SMART/LEMS-EHSD/SADV/001/001 updated 20 July 2017) RKL RPL report 	<p>Identification of pollution and emission sources at Pangkalan Panji Mill 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 Pangkalan Panji mill and estate was reviewed and updated on 20 July 2017 and 1 August 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 emission against Environment Ministry Decree #21/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>	YES
5.6.2	<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>	<ul style="list-style-type: none"> Identification of greenhouse gas (GHG) emissions sources and its control were documented (PT BPL-BPTE/SOP/31) and from ISCC Greenhouse Gas Emissions reduction plan 	<p>Identification of greenhouse gas (GHG) emissions sources at Pangkalan Panji Mill and Sawit Mas Estate of PT. SMS activities was evident. The information of GHG sources at Mill and Estate 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>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)						
	<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>	<p>2017</p> <ul style="list-style-type: none"> • Periodical reports of third party (UPTB environment laboratory Sumatra Selatan) measurement for emissions from movable and not-movable sources also odourless measurement. • 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 • The results of monitoring of waste water effluent to land application for period July 2016 to June 2017 	<ol style="list-style-type: none"> 1. Methane from POME pounds 2. Fossil fuel 3. Emission from vehicles and engines 4. Electric use 5. Chemical use <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 composting to reduce chemical fertilizers • Optimize Land Application (LA) 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 • Maintenance all generator and heavy equipments • Changing the type of fluorescent lamp into SL type lightning • Zero Burning Socialization 5. Estate effort: <ul style="list-style-type: none"> • Optimization of pest control by natural enemies to reduce the uses of chemical pesticides as well as Integrated Pest Management (IPM). • Planting of LCC (legume cover crop) can reduce weeds, thereby reducing the uses of herbicides. • Optimizing the use of heavy equipment • Zero Burning Socialization • Saving Electricity Socialization <p>There are also established the GHG reduction plan period 2017 completed with objectives, targets and timelines as below:</p> <table border="1" data-bbox="1122 1321 1877 1351"> <thead> <tr> <th>No</th> <th>Program</th> <th>Target 2017</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	No	Program	Target 2017				
No	Program	Target 2017								

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR			COMPLIANCE (YES/NO)
			1	Reduce usage of solar fossil fuel	Maximum 90% usage from budget	
			2	Reduce usage of generator for operational	Reduce emission from generator usage minimum 30 kgCO ₂ e/month	
			4	Using energy saver lamps	Changing the type of fluorescent lamp into SL type lightning 10%/year	
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>Pangkalan Panji Mill waste water was processed through multi-feedings waste water treatment ponds: five anaerobic ponds. Process parameter monitoring and maintenance of the ponds were sighted. Quality of waste water effluent is monitored quarterly in line with the requirements of land application permit from Banyuasin Regent. 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 waste water pump, checking of flow meter, checking of waste water level in pond, cleaning of pond area, etc.</p>				

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)						
	<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><i>Please refer to specific guidance for GHG requirements.</i></p>	<p>Email and calculation of GHG RSPO calculation Year assessment June 2016 – July 2017 reporting date 27 July 2017</p>	<p>The GHG emission calculation for Pangkalan Panji Mill of PT Sawit Mas Sejahtera uses PalmGHG V 3.0.1. as RSPO requirement. The reporting was conducted periodically to the RSPO interest (Ms. Devaladevi Sivaceyon) by sustainability staff. The reports of summary emissions was sighted that summarized as below:</p> <table border="1" data-bbox="1357 472 1727 635"> <thead> <tr> <th>Product</th> <th>tCO2e/t product</th> </tr> </thead> <tbody> <tr> <td>CPO</td> <td>1.43</td> </tr> <tr> <td>PK</td> <td>1.43</td> </tr> </tbody> </table> <p>The latest report was reported to RSPO on 27 July 2017, the reported was also sighted during audit.</p> <p>There are evident the measurement periodical report include air ambience quality; and emissions of vehicles and other engines (boilers, generators, etc.). The last measurement was performed on Semester I 2017 by <i>UPTB Laboratorium Lingkungan Badan Lingkungan Hidup Provinsi Sumatera Selatan</i> (Environment Laboratory of BLH Sumatra Selatan). 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>	Product	tCO2e/t product	CPO	1.43	PK	1.43	<p>YES</p>
Product	tCO2e/t product									
CPO	1.43									
PK	1.43									

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 Identification Report “<i>Penilaian Dampak Sosial Perkebunan dan Pabrik Kelapa Sawit Kab. Banyuasin dan Kab. Musi Banyuasin Provinsi Sumatera Selatan, February 2014</i>” • Public consultation notulen, February 27th, 2014. • Memorandum letter regarding SIA 	<p>Organization has conducted a survey for Social Impact Assessment (SIA) in 9 – 17 September 2013. Results of these activities recorded and documented in -Social Impact Identification Report “<i>Penilaian Dampak Sosial Perkebunan dan Pabrik Kelapa Sawit Kab. Banyuasin dan Kab. Musi Banyuasin Provinsi Sumatera Selatan, February 2014</i>”. The SIA covered several factors, such as demography, economics matters, social, cultures, religion, and health aspects.</p> <p>Social Impact Assessment implementation team comprised of:</p> <ul style="list-style-type: none"> - Suma Nugraha SE (Team Leader) - Irwan Budi Susanto S.Sos (Member) - Laurentius Vita Baskara S.Sos (Member) <p>All of them are internal team from SCDV Departement.</p> <p>Village where the implementation of Social Impact Assessment are:</p> <ol style="list-style-type: none"> a) Langkan village, b) Pangkalan Panji village, c) Rantau Harapan village, d) Rimba Balai village, e) Terlangu village, f) Setereo village, g) Rimba Terap village, h) Sedang village, i) Tanjung Laut village, j) Biyuku village, k) Tebing Bulan village, l) Sungai Dua village, m) Setia Jaya village, and n) Jirak village 	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>Records of meeting with stakeholders and public consultation was sighted, attendance register in meeting stakeholder also available. Public consultation was performed in February 27th, 2014. Resume of public consultation and stakeholder meeting was documented in Annex of SIA document.</p> <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.</p> <p>Social impacts for internal parties :</p> <ul style="list-style-type: none"> a. Economy, employees have a permanent salary b. Education, employee's kids can go to school nearby plantation c. Employees reduction because of inadequate competency and skill d. Employees reduction because of replanting e. Health, ISPA is the majority disease suffered by the employees f. Public facilities <p>Due to special audit by SAI Global in 1 March 2017, the company has issued Memorandum #008/MMS/04/2017 dated 12 April 2017 regarding compliance of SIA and HCV documents with RSPO P&C 2013 and INA NI 2016, and followed up with dissemination to social impact assessor on 18 April 2017. The memorandum also mentioned the obligation of participatory of all stakeholders to be explicitly described in the monitoring report.</p>	
6.1.2	(M) There shall be evidence that the assessment has been conducted with the participation of affected parties.			
	<ul style="list-style-type: none"> a. Does the assessment involve consultation with the affected parties? Who are the affected parties? 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 	<ul style="list-style-type: none"> 1. Social Impact Identification Report "Penilaian Dampak Sosial Perkebunan dan Pabrik Kelapa Sawit Kab. Banyuasin dan Kab. Musi Banyuasin Provinsi Sumatera Selatan, February 2014" 2. Record of questionnaires and interview with stakeholder, 2013 3. Record of Public consultation with all stakeholder, 2013 	<p>Based on the results of the Social Impact Assessment report, it appears that the assessment also includes stakeholders, community leaders figure, and related government agencies 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 in 9 – 17 September 2013. Scope of assessment covered 14 villages. Evidence of participatory action from local communities was also sighted in related SIA documentation including photos,</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	identification of impacts, review of findings and planning for mitigation?		questionnaires, public consultation attendance list and notulen. 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. Noted there are 158 sample respondents from communities affected by the activities of PT SMS. 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.	
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. 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"> a. Document review b. Field observation c. Interview d. FGD (Focus Group Discussion) e. 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"> a. Is there any documented record to outline the plan on mitigation, implementation and monitoring according to the SIA report? b. Have plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts been developed? 	<ul style="list-style-type: none"> • Social Impact Identification Report “Penilaian Dampak Sosial Perkebunan dan Pabrik Kelapa Sawit Kab. Banyuasin dan Kab. Musi Banyuasin Provinsi Sumatera Selatan, February 2014” • Review of social impact management and monitoring in 2016 	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 consultation (stakeholder, contractors and etc), 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	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<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>	<p>(Revision), PT. SMS</p> <ul style="list-style-type: none"> Memorandum #008/MMS/04/2017 dated 12 April 2017 regarding compliance of SIA and HCV documents with RSPO P&C 2013 and INA NI 2016 	<p>conducted by organization and described in the report of social impact management and monitoring plan in 2016 (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 - 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>	
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: <i>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:</i></p> <p>a. <i>Document review</i> b. <i>Field observation</i> c. <i>Interview</i> d. <i>FGD (Focus Group Discussion)</i> e. <i>Participatory mapping</i></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 the plan reviewed every two years?</i></p> <p>b. <i>Has the plan been updated as necessary (i.e. in cases where the</i></p>	<ul style="list-style-type: none"> SOP/SMART/SIGS-CSR/SADV/II/002, on 01 July 2014 	<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</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>review has concluded that changes should be made to current practices)?</i></p> <p>c. <i>Have the changes to the plan been implemented?</i></p> <p>d. <i>Is there evidence that the review has been done with the participation of the affected parties?</i></p> <p>e. <i>Has the process been recorded/documentated?</i></p>	<ul style="list-style-type: none"> Review of social impact management and monitoring in 2016 (Revision), PT. SMS 	<p>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 (stakeholder, contractors and etc). The review process has documented, such as: Minutes of meeting, attendance list, photo, etc.</p>	
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).			
	<p>a. Are there schemed smallholders involved?</p> <p>b. Have they been considered and involved in the whole process of the SIA?</p> <p>c. What are the main impacts affecting these smallholders?</p>	Based on interview with company representative	Based on interview with company representative during audit, there were no out grower schemes in PT Sawit Mas Sejahtera. The third party (independent small holders) sold FFB to the Mill based on the agreed price and did not have special agreement with the organisation.	N/A
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: <i>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.</i></p> <p><i>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.</i></p> <p><i>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.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
6.2.1	(M) Communication and consultation procedures shall be documented			
	<p>a. Does the company maintain a list of local communities and other affected or interested parties?</p> <p>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?</p> <p>c. Is the FPIC approach incorporated in the SOP for communication and consultation with the local communities and other affected or interested parties?</p> <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"> • List stakeholders updated 18 January 2017 • Procedure for communication and consultation SOP/ISPO/SMART/LH-19, on 01 July 2010 • Logbook of Stakeholder Aspiration (Communication and Consultation) • Minutes of meeting 22 December 2016 • Public consultation with stakeholders on 3 August 2017 	<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 always done regularly update data (annually), the last performed update on 18 January 2017.</p> <p>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.</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 22 December 2016.</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</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			mechanism for communication and consultation at PT. SMS	
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"> Assignment Letter as PIC Social PT Sawit Mas Sejahtera Jobs descriptions Interview with stakeholder on 3 August 2017 	<p>PT Sawit Mas Sejahtera has appointed one of its staff in each site to become PIC Social:</p> <p>a. Mr Mas'ulin (Factory Manager) as PPNM PIC Social, assignment letter No 002/SK-ISCC/PC-SUMSEL 1/IV/2016 dated 1 April 2016</p> <p>b. Mr Weny Lisan (Estate Manager) as SMSE PIC Social, assignment letter No 005/RC-SUMSEL 1/01/2012 dated 2 January 2013</p> <p>Job description PIC Social are :</p> <p>a. Accommodate and participate in social impact analysis</p> <p>b. Responsibility to Top Management about communication and consultation process with stakeholder</p> <p>c. Build good relationship with local communities, public figure, social organization and governance body.</p> <p>d. Coordinate with HR Ops about manpower</p> <p>Based on public consultation, affected parties have access and know who is the responsible for communication.</p>	YES
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; 	<ul style="list-style-type: none"> List of stakeholders on 18 January 2017 Logbook of Stakeholder Aspiration (Communication and Consultation) Public consultation with stakeholders on 3 August 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 18 January 2017.</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</p>	YES

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	<ul style="list-style-type: none"> Record of actions taken in response to input from stakeholders. 		communicated with stakeholders, both directly and indirectly (by mail or phone).	
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>Dispute resolution mechanisms should be established through open and consensual agreements with relevant affected parties.</p> <p>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. For scheme and independent smallholders, refer to 'Guidance for Independent Smallholders under Group Certification', June 2010, and 'Guidance on Scheme Smallholders', July 2009.</p> <p>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.</p> <p>Conflict resolution process with the community is still continued although transfer of company's ownership occurs.</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: For 6.3.1: The system should aim to reduce the risks of reprisal. For 6.3.2: Records can be in the form of evidence from process or end-result of the resolution</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>	<ol style="list-style-type: none"> SOP/SMART/SIGS-CSR/SADV/II/03 date 1 July 2014 Public consultation with stakeholder during audit PKB Chapter XII Article 43 of the Settlement laments Complaint and Grievances Form Period January – July 2017 	<p>Documented procedure for complaints and grievances was established SOP <i>Penanganan Keluhan dan Ketidakpuasan</i> (Complaints and Grievances) SOP/SMART/SIGS-CSR/SADV/II/03 date 1 July 2014. Administration Head (KTU) is the one who responsible to receive complaints and grievances, internal and external.</p> <p>Company guarantee the anonymity of the reporter and whistle blower. If, can't be settle internally then will be settle in bipartite negotiation. For external complaints will be respond in 1 month time after the complaint receive.</p> <p>SPO Region monitor the handling of complaints and grievances every month and record it in Complaint and Grievances Form Period January – July 2017 (<i>Form</i></p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<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> <p>k. Where a resolution is not found mutually, is there a process for complaints to be brought to the RSPO Complaints System?</p>		<p><i>Monitoring Penanganan Keluhan dan Ketidakpuasan</i>) and report it to Estate/Factory Manager, after that the form will send to Head Office. In this period, there are no complaints and grievances recorded.</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 22 December 2016.</p> <p>Mechanisms of complaints and grievances of workers described in Chapter XII PKB Article 43 of the Settlement laments.</p> <p>In the event of employee complaints of employment, working conditions and employment situation will be resolved amicably by direct supervisor no later than 3 days and if unresolved forwarded to higher management hierarchy longer than 7 days. If the settlement is not bringing results, the worker may submit the matter to the SPSI to discuss with the company; if it cannot be resolved as well as internal (bipartite) the settlement efforts are channelled through the procedure of Law No. 2 in 2004.</p>	
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>a. Complaint and Grievances Form Period January – July 2017</p>	<p>SPO Region monitor the handling of complaints and grievances every month and record it in Complaint and Grievances Form Period January – June 2017 (<i>Form Monitoring Penanganan Keluhan dan Ketidakpuasan</i>) and report it to Estate/Factory Manager, after that the form will send to Head Office. Period January – July 2017, there are no complaints and grievances recorded.</p> <p>The complainants, SPO Region, SPO Officer, Estate/Mill Manager and KTU has</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	c. Who has access to the documentation of the process and/or outcomes?		access to the documentation of the process/outcomes.	
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>			
	<p>a. Are procedures for identifying legal, customary or user rights in place?</p> <p>b. Are procedures for identifying people entitled to compensation in place?</p> <p>c. Are those procedures jointly developed, agreed and accepted by local communities?</p>	<p>a. SOP/NP/SMART/VII/D&L002 dated 1 July 2010</p> <p>b. SOP/SMART/SENS-CSR/SADV/I/003 dated 1 July 2014</p> <p>c. Minutes and attendance dissemination of company procedure and policy</p>	<p>The company have develop a procedure about FPIC and available on SOP FPIC No SOP/SMART/SENS-CSR/SADV/I/003 dated 1 July 2014. Based on public consultation result with stakeholder, it was confirmed there was no existence of customary land and local communities in the concession area of PT.SMS. Organizations have established procedures of land compensation SOP SOP/NP/SMART/VII/D&L002 dated 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 ensure not be a problem and there is no dispute over land ownership. Procedure was presented to the head of the village around the plantation. Dissemination of code of ethics policy and social procedure including land compensation procedure has been carried out :</p> <p>a. On 18 July 2017 for employees in SMSE</p> <p>b. on 12 July 2017 for employees in PPNM</p> <p>c. on 13 May 2017 for local contractor,</p> <p>d. on 22 December 2016 socialization about policy, procedure and land compensation to stakeholder</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
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>			
	<p>a. Has a procedure for calculating and distributing fair compensation (monetary or otherwise) been established and implemented?</p> <p>b. Are the procedures jointly developed, agreed, accepted and clearly understood by affected parties?</p> <p>c. Is the procedure monitored and evaluated in a participatory way? Have corrective actions been taken as a result of this evaluation?</p> <p>d. Does this procedure take into account the following:</p> <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>a. SOP/NP/SMART/VII/D&L002 dated 1 July 2010</p> <p>b. Public consultation results with stakeholder on 2 August 2017</p> <p>c. Minutes of meeting and attendance list of public consultation on 22 December 2016</p>	<p>Organizations have established procedures of land compensation SOP SOP/NP/SMART/VII/D&L002 dated 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 ensure not be a problem and there is no dispute over land ownership. Procedure was presented to the head of the village around the plantation. Dissemination of policy, procedure and land compensation to stakeholder to stakeholder was held on 22 December 2016.</p> <p>Procedure monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. Related procedure has considered difference between gender, ownership and access to land, transmigrants against long-established communities, legal document against communal ownership, including ethnics.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	e. Where there are schemed smallholders, is there effort to ensure equal opportunity has been provided to.			
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> <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> <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></p>			
6.5.1	(M) Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.			
	a. What types of employment arrangements are there in the company? (E.g. contractual,	<ul style="list-style-type: none"> - Employee payment slip - SK Gubernur Sumatera Selatan (South Sumatra Governor Decision Letter) No : 	<p>Payment of wages in 2016 based on the SK Gubernur Sumatera Selatan (South Sumatra Governor Decision Letter) No: 772/KPTS/DISNAKERTRANS/2016 dated 27 December 2016 on the establishment of UMSP 2017 for sectoral (agriculture, forestry and fishing is Rp. 2.430.000 per month.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>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>	<p>772/KPTS/DISNAKERTRANS/2016 dated 27 December 2016</p> <ul style="list-style-type: none"> - Circulate letter 026/Deputy Sumsel/1/HR PSM 2/01/2017 dated 1 January 2017 about Permanent Workers (SKU) wages - Circulate letter No 025/Deputy Sumsel/1/HR PSM 2/01/2017 dated 1 January 2017 about PHL workers wages is Rp. 97.200 - Joint Agreement or PKB (<i>Perjanjian Kerja Bersama</i>) PT SMS with SPSI, SB SMS Period 2015-2017 with SK Disnakertrans No 560/292/NAKERTRANS/3/2016 dated 10 November 2015 	<p>In Pangkalan Panji Mill there are 2 types of worker status, SKU and PKWT. Meanwhile, in Sawit Mas Estate there are 3 types of worker status, SKU, PKWT and BHL. All workers will receive payment slip in the end of month, in order to acknowledge their income.</p> <p>Beside basic salary, SKU workers get monthly Non-fixed aid called "Family Aid" with details below :</p> <ul style="list-style-type: none"> a. Workers alone : Rp. 75.000/month b. One legal wife: Rp. 45.000/month c. Children (until 3): Rp. 37.500/month <p>Based on Circulate letter No 025/Deputy Sumsel/1/HR PSM 2/01/2017 dated 1 January 2017 about BHL workers wages is Rp. 97.200 per day (7 hours per day). For PKWT workers get a minimum wages.</p> <p>Recordings are available in the employee's salary slip salary payment. Salary payments are divided into two times a month is a big payday every 25th and small payday every 10th of each month.</p> <p>Overtime wages stipulated in Article 10 PKB (Joint Agreement) which regulates the calculation of overtime and overtime pay under the rules of Kepmenaker No. 232. Overtime hourly wage = 1/173 x wage per month.</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</p>	<ul style="list-style-type: none"> • PKB 2015-2017 • <i>Peraturan Perusahaan</i> (PP) • Contract workers (BHL, PKWT and SKU) 	<p>Agreement / contract of employment for workers, has been included in the PKB in 2015-2017 period. PKB has been endorsed by Disnakertrans Kabupaten Banyuasin, in which explains:</p> <ul style="list-style-type: none"> - The provisions concerning wages - Wages follow government regulations, the UMP / UMSK 	

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	<p>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 • 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>	<ul style="list-style-type: none"> • Interview with employees on 3 August 2017 	<ul style="list-style-type: none"> - 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 (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>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>The company have contract with third parties, such as :</p> <ol style="list-style-type: none"> a. CV Selamat Mandiri Pratama, contract No SMSE/SPK-17/001-Land Preparation Divisi 5, contract period February 2017 – 15 July 2017 b. PT Yoko Andalan Perkasa, contract No 049/CEO-2/LOA-SMSE/05/17, contract period 1 July 2017 – 1 November 2017 <p>There is no breach by companya regarding payment.</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>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<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 PT SMS - Site visit and field observation in emplacement PT SMS 	<p>Public facilities were provided by the organisation and covered residential facilities, day care, kindergarten, 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. Primary school was located in the nearest village about 10-15 minutes by motorcycle.</p> <p>If the clinic cannot handle, it will be referred to Puskesmas (Governance Clinic) to be treated. If, they cannot handle it, it will be referred to RSUD (Hospital).</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. Checking the water is routinely performed in the laboratory.</p>	<p>YES</p>
<p>6.5.4</p>	<p>There shall be demonstrable efforts to improve workers' access to adequate, sufficient and affordable food</p> <p>Specific Guidance: <i>For 6.5.4: 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>	<p>Interview with workers on 3 August 2017</p>	<p>The Organisation has made a real effort to monitor and improve workers' access to adequate food; it is seen to provide transportation to the nearest market every week. The plantation is located near the state road which connects Palembang and Jambi; it only took 1.5 hour to Palembang (the province capital). Many vendors sight around the plantation selling vegetables and daily needs. Based on interview with workers, they were satisfied with recent condition related to adequate, sufficient and affordable food</p>	<p>YES</p>
<p>6.6</p>	<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</i></p>			

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	<p><i>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	(M) A record of the company's policy in understandable language recognising freedom of association, shall be available			
	<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. 094/CEO2-SE/12/2010 dated December 14, 2010 - Interview with workers on 3 August 2017 - Registration of KASBI from DISNAKRETRANS no.560/1149/Nakertrans/03/2013, dated 8 May 2013 - Registration of SBSI from DISNAKRETRANS no.560/1150/Nakertrans/03/2013, dated 8 May 2013 - Registration of SPSI from DISNAKRETRANS no.560/2641/Nakertrans/03/2013, dated 11 October 2013 	<p>The company has a written policy “the freedom of association” in PKB Article 3 “the recognition of the rights of the company and the union labour” and in Article 4 “leeway for trade union labour officials”.</p> <p>The company also issued a policy through circulars letter (SE) No. 094/CEO2-SE/12/2010 dated December 14, 2010 which concerning the freedom of association in the organization of workers/labourers. Referring to the UU No. 21 years 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/labourers who are the basic rights of workers as stipulated in the law.</p> <p>There are 3 Union in PT SMS such as SPSI, SBSI and KASBI and has been registered to Disnakertrans (Labour Agency) :</p> <ul style="list-style-type: none"> a. SPSI (<i>Serikat Pekerja Seluruh Indonesia</i>), member is workers in SMSE with amount of 246 peoples. Monthly contribution Rp. 3.000/month b. SBSI (<i>Serikat Buruh Sejahtera Indonesia</i>), member is workers in SMSE and PPNM with amount of 120 peoples. Monthly contribution Rp. 10.000/month c. KASBI (<i>Kongres Aliansi Serikat Buruh Indonesia</i>), member is workers in SMSE with amount of 196 peoples. Monthly contribution Rp. 25.000/month. <p>All workers given freedom to choose their union.</p>	YES

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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>	<p>- Minutes meeting of bipartite meeting on 20 May 2017</p>	<p>Based on the information the chairman of the union, the union meeting conducted in accordance with the requirements of temporary and existing issues, the recording of this meeting with the unions, among others: the attendance list and note taker.</p> <p>Several meetings were conducted with the unions, among others:</p> <ul style="list-style-type: none"> - Bipartite meeting between KASBI and company regarding employees bonuses 	YES
6.7	<p>Children are not employed or exploited.</p> <p>Guidance: <i>Growers and millers clearly define the minimum working age and working hours, based on existing regulations, such as:</i></p> <ol style="list-style-type: none"> 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 <p><i>It is advisable to do socialisation to all level of operations regarding prohibition on employing children.</i></p>			
6.7.1	(M) There shall be documented evidence that minimum age requirements are met.			
	<p>a. Is the minimum working age for workers together with working hours clearly defined in the company's recruitment policy?</p> <p>b. Are workers employed above the minimum school leaving age of the country or who are at least 15 years of age?</p> <p>c. Is there evidence that the nature of work for workers under 18 is in</p>	<ul style="list-style-type: none"> - Circular Letter No. 002/SE-HRDV/03/09 date 31 March 2009 - Interview with workers on 3 August 2017 - List of employee data per July 2017 	<p>The minimum working age at PT. SMART has established in HRD Circular Letter No. 002/SE-HRDV/03/09 date 31 March 2009 and PKB 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.</p> <p>Based on a list of labour in July 2017 at PPNM and SMSE, that no employees under the age of 18 years. Socialization about minimum working age was conducted by staff to employee on period of February – May 2017.</p> <p>During the interview and the field observations on 3 August 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</p>	YES

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	accordance with International Labour Organisation (ILO) Convention 138? d. Does ground verification show evidence of employment of workers below the minimum working age?		employment with the company.	
6.8	Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited. 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> <i>Notwithstanding national legislation and regulation, medical conditions should not be used in a discriminatory way.</i> <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>			
6.8.1	(M) A company's policy on equal opportunity and treatment for work shall be available and documented.			
	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)? b. Is the policy made publicly available for the relevant stakeholders? c. Is there evidence that the policy has been implemented?	<ul style="list-style-type: none"> - Circular letter No. 096/CEO2-SE/12/2010, 14 December 2010 - Circular letter No. 268/CEO2/HR PSM 2/10/2015, 1 October 2015 - List of information for stakeholder F/SMART/UMUM/SADV/004/003 	Policies on equal opportunities and treatment to get the job described in the Circular No.096/CEO2-SE/12/2010, 14 December 2010, on the implementation in relation industrial 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 field work. Circular letter No. 268/CEO2/HR PSM 2/10/2015, 1 October 2015 is revision of Circular letter No. 096/CEO2-SE/12/2010, stated 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, physical condition, gender, sexual orientation, membership of union, political affiliation and age in all types of field work". This policy is publicly available and stakeholder can access it upon request.	YES
6.8.2	(M) Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated.			

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	<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> <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>	<ul style="list-style-type: none"> - List of employee PT SMS per July 2017 - Circular No.096/CEO2-SE/12/2010, 14 December 2010 - Interview with workers on 3 August 2017 	<p>Worker list of Mill and Estate mentioned that all workers came from different back grounds (race, religion, gender). Worker proportion based on ethnic among others: Javanese, Sundanese, Nias, Flores, Batak, Melayu and Bugis. There are no migrant workers in PT SMS.</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 (local worker and migrant worker), no discrimination was identified based on religion, ethnic, gender. Based on review of BHL attendance records, no BHL works for 21 days within 3 months.</p> <p>Based on interview with workers, there are complaints about MCU and H-1 leave for women workers, but no complaints regarding discrimination.</p>	<p>YES</p>
<p>6.8.3</p>	<p>Records of evidence that equal opportunity and treatment for work shall be available</p> <p>Specific Guidance: For 6.8.3: Recruitment and promotion are based on skills, capabilities, qualities and health conditions</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</p>	<ul style="list-style-type: none"> - Document of Job Description, Job competencies - Job vacancy announcement - Recorded of recruitment process from job announcement, selection process and test, medical test and admission - Interview with workers on 25 August 2016 - Circulate Letter No 113/HR PSM2/05/2015 dated 1 April 2015 	<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. This has been arranged in Circulate Letter No 113/HR PSM2/05/2015 dated 1 April 2015. There are 4 sections such as New Workers Selection Process, PHL Workers Acceptance Process, PKWT Workers Acceptance Process and Permanent Workers Acceptance Process.</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</p>	<p>YES</p>

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	fitness necessary for the job? How is this evidenced?		<p>accordance with national laws has been evaluated by the organisation as described in criterion 2.1.</p> <p>In 2017 there are 12 candidate who follow recruitment process and all of them passed the recruitment process. Records was sighted during audit. In 2017 until audit time no BHL promoted to SKU.</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> <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>	<ul style="list-style-type: none"> - SE No.003/CEO2-SE/01/2011 date January 10 year 2011 - Interview with Gender Committee - SOP/NP/SMART/XII/MCAR001, complaint mechanism for sexual harassment - Notulen of Socialization of sexual harassment 	<p>Policy on the prevention of sexual harassment written in SE No.003/CEO2-SE/01/2011 date January 10 year 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 ---- gender 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>	YES

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	<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; • 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>Socialization of sexual harassment policy was performed to all employees on 26 May 2017.</p> <p>Based on workers interview and group discussion, it was concluded that there was no sexual harassment and violence within the organisation.</p> <p>Gender committee was established by the organisation. Each estate and mill has appointed representative for gender committee. The committee consider matters such as; socialization 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 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>			

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	<i>For 6.9.2: see Indicator 4.6.12</i>			
	<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"> • Circulate Letter No 095/CEO2-SE/12/2010 dated 14 December 2010 • Internal Memorandum No 001/MEMO-VPA PSM2/04/2011 date 8 April 2011 concerning pregnant and lactating women workers • PKB Article 13 about reproductive right • Gender committee in PT SMS • Work program Gender committee 2017 • Minutes and attendance dissemination of company procedure and policy • Interview with workers 	<p>Policy to protect women reproduction rights has been also stated in Circulate Letter No 095/CEO2-SE/12/2010 dated 14 December 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 2013. 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> <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.</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 Mill/Estate Manager.</p> <p>Internal Memorandum No 001/MEMO-VPA PSM2/04/2011 date 8 April 2011 concerning pregnant and lactating women workers. It stated that Pregnant and lactating women employee are not allowed to work as a pesticide/herbicide sprayers.</p> <p>Dissemination of company procedure and policy has been carried out on 26 May 2017, but during interview with workers there are several workers who questioned about H1 and H2 leave. For details, see public consultation issues on Appendix D.</p>	<p>YES</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</p>	<ol style="list-style-type: none"> 1. SOP/SMART/SIGS-CSR/SADV/II/03 date 1 July 2014 2. Public consultation with stakeholder 	<p>Documented procedure for complaints and grievances was established SOP <i>Penanganan Keluhan dan Ketidakpuasan</i> (Complaints and Grievances) SOP/SMART/SIGS-CSR/SADV/II/03 date 1 July 2014. Administration Head (KTU)</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>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>	<p>during audit</p> <p>3. PKB Chapter XII Article 43 of the Settlement laments</p> <p>4. Complaints and Grievances Monitoring Form Period January – July 2017</p> <p>5. Minutes and attendance dissemination of company procedure and policy</p>	<p>is the one who responsible to receive complaints and grievances, internal and external.</p> <p>Company guarantee the anonymity of the reporter and whistle blower. If, can't be settle internally then will be settle in bipartite negotiation. For external complaints will be respond in 1 month time after the complaint receive.</p> <p>SPO Region monitor the handling of complaints and grievances every month and record it in Complaints and Grievances Monitoring Form Period January – July 2017 (<i>Form Monitoring Penanganan Keluhan dan Ketidakpuasan</i>) and report it to Estate/Factory Manager, after that the form will send to Head Office. Period January – July 2017, there are no complaints and grievances recorded.</p> <p>The procedure was made already accommodate all stakeholders and with understandable language (Indonesian). Dissemination company policy and procedure has been carried out :</p> <ol style="list-style-type: none"> a. On 18 July 2017 for employees in SMSE b. on 12 July 2017 for employees in PPNM c. on 13 May 2017 for local contractor, d. on 22 December 2016 socialization about policy, procedure and land compensation to stakeholder <p>In the event of employee complaints of employment, working conditions and employment situation will be resolved amicably by direct supervisor no later than 3 days and if unresolved forwarded to higher management hierarchy longer than 7 days. If the settlement is not bringing results, the worker may submit the matter to the SPSI to discuss with the company, if it cannot be resolved as well as internal (bipartite) the settlement efforts are channelled through the procedure of Law No. 2 in 2004.</p>	
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>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<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: For 6.10.1: FFB pricing in Indonesia refers to the Regulation of the Minister of Agriculture No. 14/Permentan/OT.140/2/2013</p>			
	<p>f. How is the price of FFB determined?</p> <p>g. Is current and past prices paid for Fresh Fruit Bunches (FFB) publicly available? How?</p> <p>h. Was there any complaints on FFB pricing?</p> <p>i. How was the complaint handled?</p> <p>j. What was the solution?</p>	<ul style="list-style-type: none"> Price Information dated 1 August 2017 Interview with FFB supplier 3 August 2017 	<p>FFB price was determined by FFB Purchase HO/JKT after reviewing FFB price determined by Plantation Agency of South Sumatera Province (“Berita Acara Hasil Rapat Tim Penetapan Harga Pembelian TBS Kelapa Sawit Provinsi Sumatera Selatan”). FFB purchase price determined for PPNM is always higher than price determined by Plantation Agency (DISBUN), the reason is to attract the supplier to supply more FFB to the mill.</p> <p>There are only four supplier that supplied FFB to PPNM, which is:</p> <ul style="list-style-type: none"> Tan Pik Tju PT. Kasih Agro Mandiri PT. Agronusa Bumi Lestari Normansyah Siregar <p>The organisation informed FFB through short message service. The information was sent directly from FFB Purchase HO/JKT to the related supplier and cc to Mill Unit Head. The last price update was informed on 18 July 2017 which determined the price is IDR 1,590 per Kg. Current DISBUN highest price is IDR 1,557.52 per Kg.</p> <p>Based on interview with FFB supplier, there is one complaint from FFB supplier regarding late payment, it has been verified to the company the late of payment due to incomplete document from FFB supplier.</p>	<p>YES</p>
6.10.2	<p>(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>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<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> <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>	<ul style="list-style-type: none"> • Recapitulation of FFB Received from Tan Pik Tju and Normansyah Siregar period July 2017 • Statement Letter from Tan Pik Tju and Normansyah Siregar dated 1 January 2017 • Receipt No.023/TPT-PENJ/VI/2017 dated 6 July 2017 IDR 246,194,000 for 154,839 Kg FFB. • Invoice from PT. Kasih Agro Mandiri No.036/INV-KAM/VI/2017 dated 29 June 2017, IDR 961,782,073 for 631,090.60 Kg FFB. • Invoice from PT. Agronusa Bumi Lestari No. ABL-000405 dated 22 June 2017, IDR 195,919,954 for 128,556.40 Kg FFB. • Invoice from Normansyah Siregar No. 025/INV/NMS/06/17 dated 30 June 2017, IDR 155,976,870 for 99,521 Kg FFB • Application for Funds Transfer on June 2017 for all FFB supplier. 	<p>The mill record and resume the FFB purchased from third party supplier or middleman in weekly basis then reported to FFB Purchase HO/JKT. FFB Purchase HO/JKT then create receipt as the basic of payment. Finance department then issued Application for Funds Transfer.</p> <p>Statement Letter from FFB supplier dated March 8th, 2016 as evidence that the supplier has understood FFB pricing and pricing mechanisms for FFB. Suppliers has understood that:</p> <ul style="list-style-type: none"> a. FFB supplied must have 7 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 South Sumatera to attract the supplier to supply more FFB to the mill.</p> <p>Outgrower recycling waste (e.g. EFB) is not practiced.</p>	<p>YES</p>
<p>6.10.3</p>	<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. Involvement of smallholders institutions on the evaluation of weigh instrument by authorised local agency. 			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<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> <p>c. Are all contractual agreements fair, legal and transparent?</p> <p>d. Who keeps the contractual agreements?</p>	<ul style="list-style-type: none"> • Statement Letter from Tan Pik Tju and Normansyah Siregar dated 1 January 2017 • Interview with FFB supplier • 	<p>Agreement between Pangkalan Panji Mill and FFB supplier are described in Statement letter and FFB Purchase letter. FFB purchasing agreement were established in <i>Bahasa Indonesia</i>. Based on signed letter and interview with FFB supplier, it verified that all parties understand the contractual agreements they enter into as evidence in the signature of both parties. The contract also fair, legal and transparent.</p> <p>Agreement are fair, legal and transparent containing FFB legality, requirement, price and payment method. Both parties kept the agreement, although based on interview with FFB supplier there is one complaint from FFB supplier regarding late payment, but it has been verified to the company the late of payment due to incomplete document from FFB supplier.</p>	<p>YES</p>
6.10.4	<p>Agreed payments shall be made in a timely manner.</p>			
	<p>a. How all payments are made to the smallholders/middle men?</p> <p>b. What is the mode of recording/documenting transactions between millers with middlemen and/or smallholders?</p> <p>c. Have agreed payments been made in a timely manner?</p>	<ul style="list-style-type: none"> • Recapitulation of FFB Received from Tan Pik Tju and Normansyah Siregar period July 2017 • Statement Letter from Tan Pik Tju and Normansyah Siregar dated 1 January 2017 • Receipt No.023/TPT-PENJ/VI/2017 dated 6 July 2017 IDR 246,194,000 for 154,839 Kg FFB. • Invoice from PT. Kasih Agro Mandiri No.036/INV-KAM/VI/2017 dated 29 June 2017, IDR 961,782,073 for 631,090.60 Kg FFB. • Invoice from PT. Agronusa Bumi Lestari No. ABL-000405 dated 22 June 2017, IDR 195,919,954 for 128,556.40 Kg FFB. • Invoice from Normansyah Siregar No. 025/INV/NMS/06/17 dated 30 June 	<p>Payment are made through bank transfer. The mill record and resume the FFB purchased from third party supplier or middleman in weekly basis then reported to FFB Purchase HO/JKT. FFB Purchase HO/JKT then create receipt as the basic of payment. Finance department then issued Application for Funds Transfer.</p> <p>KTU of Pangkalan Panji Mill kept all transaction and payment records. Agreed payments been made in a timely manner which is in weekly basis (7 working day). Based on interview with FFB supplier, there is one complaint from FFB supplier regarding late payment, it has been verified to the company the late of payment due to incomplete document from FFB supplier.</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		2017, IDR 155,976,870 for 99,521 Kg FFB • Application for Funds Transfer on June 2017 for all FFB supplier.		
6.11	<p>Growers and millers contribute to local sustainable development where appropriate.</p> <p>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></p> <p><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></p> <p><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></p> <p><i>State plantations refer to Act No. 19 year 2003 regarding State Owned Company (BUMN) clause 9 (1).</i></p>			
6.11.1	Records of Contributions to local development based on the results of consultation with local communities shall be available.			
	a. Have the local development needs and priorities been identified in consultation with local communities? (refer also to C 6.2) b. What are the contributions made to local development? Are they in accordance with the results of consultation? c. Are there efforts to improve or maximise employment opportunities at the company for local communities?	<ul style="list-style-type: none"> - CSR Program PT SMS year 2016 and 2017 - Realization of CSR Program year 2016 and 2017 - Review Social Impacts PT Sawit Mas Sejahtera Period 2016 - Public consultation on 3 August 2017 	<p>Records of organization contribution to regional development were evident, among either: agreement contract, and social assistance list.</p> <p>CSR program was provided by the organization and deployed in to CSR program. Activity of CSR was identified by the estate/mills, 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. Evidence of the implementation of CSR program is also evidenced by confirmation from the stakeholders during the public consultation on 3 August 2017. However company have to keep trying to improve and develop CSR programs based on the needs of local communities.</p> <p>Company's contribution towards improving the local economy around is also quite large it can be seen by the number of local employees who work in the company. Where candidates for employment are of equal merit, organization has preference</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>always been given to members of local communities.</p> <p>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>To improve the manpower recruitment for local communities, company through Manager conduct communication to head of village. In social impact monitoring, CSR program was evaluated with participation of villagers.</p> <p>Realization of CSR program in 2016 - 2017 are :</p> <ul style="list-style-type: none"> a. Education b. Health c. Economy d. Maintenance of infrastructure e. Religion activities f. Social, recreation and sports activities 	
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.			
	<ul style="list-style-type: none"> a. Is there a complete registry of independent smallholders in the supply base? b. Have efforts been made to improve the farming practices of independent smallholders? c. Where there are schemed smallholders, have efforts and/or resources been allocated to improve smallholder productivity? 	Public consultation with stakeholder on 3 August 2017	There was no smallholder scheme during the audit in PT Sawit Mas Sejahtera	N/A

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
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		(M) There shall be evidence that no forms of forced or trafficked labour are used.		
	<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 workers' countries of origin? If yes, does it jeopardise decent living wage?</p>	<ul style="list-style-type: none"> ▪ PKB 2015 - 2017 ▪ Contract worker (PKWT and BHL) ▪ Interview with worker representative on 3 August 2017 ▪ List of workers 	<p>Organization has established and documented policy about force or trafficked labour in Social and Environment Policy article 3.1 stated " Acknowledge, Respect, and Strengthen workers right. Company forbid child labour, forced labour, provide work contract in language that understand by workers and make sure the payment give to workers in simple ways, on time and clear.</p> <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</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	f. Are there restrictions on workers from leaving the mill or estate or their housing facilities outside working hours? 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? h. What are the penalties imposed if the workers were terminated or fired before their contract expires? i. Who keeps the workers passports or identity documents? j. If workers do not keep their passports or identity documents, is this legally allowed? k. What is the process for workers' to hand over their passports or identity documents to the company? l. Do workers have unrestricted access to their passports or identity documents? Describe how workers are able to access their documents?		PT SMS.	
6.12.2	It shall be demonstrated that no contract substitution has occurred. Specific Guidance: For 6.12.2: <i>Contract substitution is the change of initial contract without prior consultation and agreement from the workers.</i>			
	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	<ul style="list-style-type: none"> ▪ Interview with worker representative on 3 August 2017 ▪ List of workers 	There was no substitution contract 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)
	<p>to the one signed in the country of origin?</p> <p>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?</p>			
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> <p>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></p>			
	<p>a. What is the company's policy and procedures for temporary or foreign/migrant workers? Does the special labour policy include:</p> <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? <p>b. Have the policies and procedures been implemented?</p>	<ul style="list-style-type: none"> ▪ Interview with worker representative on 3 August 2017 ▪ List of workers 	<p>There was no temporary or foreign/migrant workers occurred. Workers get the job and contract conforms to agreement between company and its workers.</p>	NA
6.13 ²	<p>Growers and millers respect human rights.</p> <p>Guidance: See Criteria 1.2, 2.1 and 6.3 <i>All levels of operations include contracted third parties (e.g. those involved in security).</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<i>Regulations related to the Human Rights refer to the Act No. 39 year 1999 regarding Human Rights.</i>			
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 and Environment Policy dated 8 September 2015 - Minutes and attendance of dissemination of company policy and procedure 	<p>Organization has established and documented policy about human rights in Social and Environment Policy dated 8 September 2015 article 2.2.3 stated that "We commitment to upheld and promote General Requirements of Human Rights PBB to all wokers, contractor, local communities in all company operation unit. This policy has been disseminated to all employees and the community around of Companies. Evidence of dissemination, list of attendance of all employees and the community was sighted. Dissemination company policy and procedure has been carried out :</p> <ul style="list-style-type: none"> a. On 18 July 2017 for employees in SMSE b. on 12 July 2017 for employees in PPNM c. on 13 May 2017 for local contractor, d. on 22 December 2016 socialization about policy, procedure and land compensation to stakeholder 	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>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
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"> • SIA, 2014 • Review of SIA, 2016 	<p>There was no new planting since November 2005. There was only replanting.</p>	<p>NA</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<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? 			

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"> • SIA, 2014 • Review of SIA, 2016 	There was no new planting since November 2005. There was only replanting.	NA
7.1.3	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. 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>			
	<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"> • Interview with company management 	There was no new planting since November 2005. There was only replanting.	NA
7.2	Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<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"> • Soil map 	<p>There was no new planting since November 2005. There was only replanting.</p>	<p>NA</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"> • Soil map 	There was no new planting since November 2005. There was only replanting.	NA

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>			
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> <p>Specific Guidance:</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p>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> <p>f. Where land has been cleared since November 2005, and without a prior</p>	<ul style="list-style-type: none"> HCV PT SMS 	<p>There was no new planting since November 2005. There was only replanting.</p>	<p>NA</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	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?			
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.			
	<p>a. Is the prepared HCV assessment comprehensive? Was the assessment prepared in consultation with the affected stakeholders prior to any conversion or new planting?</p> <p>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)</p>	<ul style="list-style-type: none"> HCV PT SMS 	There was no new planting since November 2005. There was only replanting.	NA
7.3.3	Records of land preparation and clearing dates shall be available.			
	a. Are the dates of land preparation and commencement recorded?	Interview with company management	There was no new planting since November 2005. There was only replanting.	NA
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?	HCV PT SMS	There was no new planting since November 2005. There was only replanting.	NA

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>b. Does the action plan reference the grower's relevant operational procedures (see Criterion 5.2)?</p>			
7.3.5	<p>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).</p> <p>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></p>			
	<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>HCV PT SMS</p>	<p>There was no new planting since November 2005. There was only replanting.</p>	<p>NA</p>
7.4	<p>Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.</p> <p>Guidance: <i>The process of identifying fragile and marginal soil should be conducted after getting Plantation Business Permit (IUP)</i></p> <p><i>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.</i></p> <p><i>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:</i></p> <p>a. <i>Within designated cultivation area</i></p> <p>b. <i>Whereas the proportion of ≤ 3 m depth of peat and mineral soil (if any) is minimal 70% of the total concession area</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>c. The mineral soil below peat layer is not quartz sand or acidic sulfate soil</p> <p>d. The peat soils maturity level is mature (sapric)</p> <p>e. The fertility level is eutropic</p> <p>Cultivation on peatland must also comply with Government Regulation No 71 year 2014 concerning the Protection and Management of Peatland Ecosystems</p> <p>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.</p> <p>Soil conservation measures (such as terracing, individual terrace, legume cover crops, silt pit, frond stacking, etc.) should be conducted.</p> <p>Soil suitability should be determined using crop and environmental suitability criteria.</p> <p>Those identified as marginal and/or problematic should be avoided if the soil cannot be improved through agricultural cultivation.</p> <p>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.</p> <p>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.</p> <p>Fragile soils on which extensive planting shall be avoided include peat soils, mangrove sites and other wetland areas.</p> <p>This activity should be integrated with the social and environmental impact assessment (SEIA) required by Criterion 7.1.</p> <p>Excessive planting on fragile soil refer to Annex 2 Generic RSPO P&C, 2013.</p> <p>Wetland definition refers to RAMSAR.</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>	<ul style="list-style-type: none"> • Soil map 	There was no new planting since November 2005. There was only replanting.	NA

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	d. Have the maps been incorporated for use in the social and environmental impact assessment (SEIA)? e. Is there evidence that planting on extensive areas of peat soils and other fragile soils have been avoided?			
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.			
	a. Are there plans to protect planted areas on fragile and marginal soils, including peat from adverse impacts? b. Does the plan take into consideration specific control and NI thresholds, including: <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. c. Has the plan been implemented?	<ul style="list-style-type: none"> • Soil map 	There was no new planting since November 2005. There was only replanting.	NA
7.5	<p>No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</p> <p>Guidance: <i>This activity should be integrated with the Social and Environmental Impact Assessment (SEIA) required by Criterion 7.1.</i></p> <p><i>Where new plantings are considered to be acceptable by the communities, management plans and operations should minimise the adverse impacts (such as disturbing sacred sites) and promote positive ones. Agreements with indigenous people, local communities and other stakeholders should be made without coercion or other undue influence (see Guidance for Criterion 2.3).</i></p> <p><i>Where communities decline to release lands rights on these terms the grower or miller must explore legal alternatives such as leasing or renting or securing community land or enclaving or other mutually agreed schemes or decide not to go ahead with its proposed development.</i></p> <p><i>Relevant stakeholders include those affected by or concerned with the new plantings.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p><i>Free, prior and informed consent (FPIC) should be applied to all RSPO members throughout the supply chain. Please refer to FPIC guidelines approved by the RSPO (RSPO endorsed Free, Prior and Informed Consent Guide for RSPO Members, November 2015).</i></p> <p><i>Customary and user rights shall be demonstrated through participatory mapping as part of the FPIC process.</i></p> <p><i>Verification evidence may be in the form of documents on socialization to the affected community, agreement or disagreement from the community, communication and consultation with the community.</i></p>	
7.5.1				
	<p>a. Does the new planting area include 'local people's land'?</p> <p>b. If yes, has the community given their consent?</p> <p>c. Is there evidence to demonstrate that the consent/agreement has been given?</p> <p>d. Has the community been given the opportunity to say 'no' to the proposed development?</p> <p>e. Are the principles of the FPIC process followed?</p>	<ul style="list-style-type: none"> • Social Impact Assessment at PT. SMS 	<p>Based on HCV and SIA report and interview with stakeholders during audit, that there was no local people's land in plantation area.</p>	<p>NA</p>
7.6				
7.6.1				

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Does the SEIA include the identification and assessment of legal, customary and user rights of the area?</p> <p>b. Does the company have SOPs to identify and assess any legal, customary and user rights of the local peoples?</p> <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"> • Social Impact Assessment at PT. SMS • HCV Assessment PT SMS • Interview stakeholder on 3 August 2017 	<p>Based on HCV and SIA report and interview with stakeholders during audit, that there was no local people's land in plantation area.</p>	<p>NA</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>There was no new planting since November 2005. There was only replanting.</p>	<p>NA</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
7.6.3	(M) Records of calculation system and distribution of fair compensation shall be available			
	a. Does the company have a system in place to calculate and distribute fair compensation (monetary or otherwise)? b. Is the system documented and publicly made available? c. Does the system follow and respect the FPIC principles?	<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. 	There was no new planting since November 2005. There was only replanting.	NA
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 3 August 2017 	There was no new planting since November 2005. There was only replanting.	NA
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. 	There was no new planting since November 2005. There was only replanting.	NA
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:			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p>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. 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.</p>				
	<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 (Konsultasi dan Komunikasi) SOP/SMART/UMUM/SADV/II/04. 	<p>There was no new planting since November 2005. There was only replanting.</p>	<p>NA</p>
7.7	<p>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.</p>			
7.7.1	<p>(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>			
	<p>a. Is there evidence of land preparation by burning?</p>	<p>Interview with company management</p>	<p>There was no new planting since November 2005. There was only replanting.</p>	<p>NA</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>b. (The auditors shall conduct site verification of the newly planted site 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>			
7.7.2	<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 <i>For 7.7.2 : 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</p>	<ul style="list-style-type: none"> • Interview with company management 	<p>There was no new planting since November 2005. There was only replanting.</p>	<p>NA</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>on Zero Burning' 2003, or comparable guidelines in other regions?</p> <p>b. Was the activity incorporated in the SEIA report?</p> <p>c. What were the mitigation measures? Was it implemented?</p>			
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</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<i>stock within the new development area, including set aside areas (non- planted area) for one rotation period.</i>			
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: <i>GHG identification and estimates can be integrated into existing processes such as HCV and soil assessments.</i></p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>Parties seeking to use an alternative tool for new plantings will have to demonstrate its equivalence to the RSPO for endorsement.</i></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>	Interview with company management	There was no new planting since November 2005. There was only replanting.	NA
7.8.2	<p>Records of a plan to minimize net GHG emissions shall be available.</p> <p>Specific Guidance: For 7.8.2: <i>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.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>Growers and millers should plan to implement RSPO best management practices for the minimization of emissions during the development of new plantations</i></p> <p><i>Some efforts to minimise net GHG emissions, but not limited to:</i></p> <ul style="list-style-type: none"> <i>a. Avoiding high carbon stock area</i> <i>b. Enriching HCV</i> <i>c. Improving carbon sequestration</i> <i>d. Minimising use of fossil fuel</i> <i>e. 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>Interview with company management</p>	<p>There was no new planting since November 2005. There was only replanting.</p>	<p>NA</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"> • Monitoring progress of Innovation implementation 2016 and 2017 • OIA report 3-10 December 2016 • VPM visit report on 15-21 July 2017 • Internal Audit RSPO-SCCS 10-14 July 2017 	<p>For manage continual improvement, there were some internal audits. Operations internal audit was held on 10-14 July 2017 at Pangkalan Panji Mill and 3-10 December 2016 at Sawit Mas Estate based on job letter from CEO. All findings have been closed with evidence. Based on VPM visit report on 15-21 July 2017 there were 4 finding and all of them have been followed up. The company have mechanism to improve practices in line with new information and techniques through internal audits and meetings.</p> <p>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 committed not to use Paraquat based on Memorandum from President Director 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. – Development of shadow nest box to increase the population of barn owl (<i>Tyto alba</i>) to control pest (rat) – Create three in one equipment for harvesting administration to control FFB easier – Three in one tools for harvesting Clerk • Environmental <ul style="list-style-type: none"> ○ Domestic and mill Solid Wastes : <ul style="list-style-type: none"> - The use of fibre and shells for boiler fuel - Separation of organic / inorganic - Provision of garbage bins - Preparation of landfill ○ Plantation activities wastes <ul style="list-style-type: none"> - Utilization of the palm stem to control erosion 	<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"> - Reuse of former fertilizers and pesticides packaging - Reuse used water form pesticide container cleaning ○ Medical clinic Waste <ul style="list-style-type: none"> - Provide special trash and toxic and infectious waste sent to hospital medical waste management ● Waste reduction <ul style="list-style-type: none"> ○ Mill wastes which utilized to estate <ul style="list-style-type: none"> - Application of empty bunch - Land application from the liquid wastes - Waste water application using pipes over bed system ○ Hazardous wastes <ul style="list-style-type: none"> - Reuse of some chemicals - Reuse liquid waste from pesticide for the next spraying application ○ Waste junk (scrap) <ul style="list-style-type: none"> - Used scrap collected in a specific location and sold to collectors periodically ● Pollution and greenhouse gas (GHG) emissions <ul style="list-style-type: none"> ○ Create equipment for hose winder ○ Create lori's safety in the drum tippler ● OHS <p>Some innovation that implemented in 2017 such as:</p> <ul style="list-style-type: none"> - Create emergency stop at fruit recycling conveyor press station - Create mechanic system at lock cantilever - Create bushing lori polyplus ● Social <p>The company has developed social procedure and policy regarding social, worker, manpower. Social impacts was monitored every year with participation of stakeholder. Social Impact Assessment was conduct in 2014 and has been review in 2016. All procedure and policy regarding stakeholder and workers has been socialized. To handle complaints and grievance from external stakeholder,</p> 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>company has appointed one of its staff in each site as PIC Social (Social Officer). The improvement in social are, the stakeholder easily can access information from company and can communicate directly with company management.</p>	

3.3.2 Mill Supply Chain Requirements

PART A COMPANY DETAIL

Company Name (covered by certification): PT. Sawit Mas Sejahtera – Pangkalan Panji Mill		
RSPO member name: GOLDEN AGRI RESOURCES	RSPO member number: 1-0096-11-000-00	
RSPO IT Platform Registration number: RSPO_PO1000001612		
Site Address: Pangkalan Panji Village, Banyuasin III District, Banyuasin Regency, South Sumatera Province, Indonesia		
Management Representative: Mr. Mas Ulin		
Site type: Palm Oil Mill		
Site capacity: 30 MT per hour		
Certified palm product sold: CPO (nill) and 1,344.31 MT of PK		
Certified palm product used: 21,433.41 MT FFB		
App/Cert No: FMS40039	Audit Type: ASA2	
SAI Global Auditor/Team: Nanang Rusmana	Audit Date: 2/08/2017	Activity/Audit No: WI-851490
<p>Audit objectives To verify the volume of certified and uncertified FFB entering the mill and sold volume of RSPO certified producers.</p>		

Supply Chain Model:	Module E - CPO Mills (MB) Mass Balance
Pertinent record period:	July 2016 to June 2017
Estimated tonnage of certified palm product produced:	11,039.22 MT CPO and 2,508.91 MT PK
Estimated of tonnage of non-certified palm product produced	5,610.00 MT CPO and 1,275.00 MT PK
String description:	Palm Oil Mill
Outsource activity(ies) (if any):	None
Independent third party(ies) performing outsource activity(ies): name, address and Capability	None

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		
<p>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.</p>		

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
E.2 Explanation		
<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>Yes it has.</p> <p>ASA1: Estimated CPO: 7,365.01 MT Estimated PK: 1,748.28 MT</p> <p>ASA2 Estimated CPO: 6,790.68 MT Estimated PK: 1,616.83 MT</p> <p>ASA3 Estimated CPO: 11,039.22 MT Estimated PK: 2,508.91 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>Yes, the figure does 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>C</p>

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
<p>c. Does the actual tonnage produced have to then be recorded in each subsequent annual surveillance report ?</p>	<p>Actual tonnage produced during July 2016 to June 2017 are as follows:</p> <p>Stage 2: Actual CPO: 9,841.96 MT Actual PK: 2,348.50 MT</p> <p>ASA1 Actual CPO: 5,287.02 MT Actual PK: 1,333.77 MT</p> <p>ASA2 Actual CPO: 4,411.05 MT Actual PK: 1,641.80 MT</p>	<p>C</p>
<p>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).</p>		
<p>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)?</p>	<p>The mill is under Golden Agri Resources (GAR) which is registered as RSPO member, with membership number 1-0096-11-000-00. The mill has also been registered in RSPO IT Platform, with register number RSPO_PO1000001612.</p>	<p>C</p>
<p>b. The mill must also meet all reporting requirements for the appropriate supply chain through the RSPO supply chain</p>	<p>The mill also has met all reporting requirements for the appropriate supply</p>	<p>C</p>

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
managing organization (RSPO IT platform or book and claim)?	chain through the RSPO supply chain managing organization (RSPO IT platform). Based on document review and check to palm trace web site all transaction has been announced.	
E.3 Documented Procedure		
<p>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:</p> <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. 		
<p>a. Does the site have written procedures and/or work instructions in place to ensure the implementation of all elements specified in these requirements ?</p>	<p>The site has written procedure and work instruction in place to ensure the implementation of all elements specified in these requirements.</p> <p>The procedure are as follows:</p> <ul style="list-style-type: none"> - PT.SMS-PPNM/SOP/27 (RSPO Supply Chain Model Mass Balance) Rev 01 dated June 2nd, 2015. 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 sources are implementing sustainable principal and criteria. Scope of the procedure are FFB receiving as raw material until delivery of product from palm oil mill. Supply Chain system implemented based on principles of Mass Balance. - PT.SMS-PPNM/SOP/28 (Reporting of RSPO Certified Product) Rev.01, dated June 2nd, 2015. As a guidance for making report of RSPO product in Mill, KCP and Bulking compliance to RSPO requirement. Scope of the procedure are FFB receiving as raw material until delivery of product 	<p>C</p>

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	from palm oil mill.	
b. Are procedures / work instructions completely covering the implementation of all the elements in these requirements?	The procedures were up to date covering all the element of RSPO SCC requirement, including purchasing and goods in, recording and mass balancing, and sales goods out. As evidence the procedures were updated in June 2 nd , 2015. The implementation was appropriate with existing procedure.	C
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 ?	Personnel who having overall responsibility and authority over the implementation of these requirements and compliance with all applicable requirements is Factory Manager (Mr. Mas Ulin). Mill Unit Head (Factory Manager) of Pangkalan Panji Mill then appointed KTU (Mr. Sationo) as Traceability Officer based on decree #002/SK/FM-PPNM/II/2016 dated February 1 st , 2016.	C
d. Is the person able to demonstrate awareness of the site's procedures for the implementation of this standard?	The personnel were having awareness and knowledge of RSPO SCC standard since he already have trained on May 25 th , 2016. The person is able to demonstrate awareness of the site's procedures for the implementation of RSPO supply chain standard. Dissemination and training of Supply Chain certification requirement was also held on June 2 nd , 2016 to all employees responsible in this requirement, such as laboratory staff, grading, weighbridge clerk, security, office admin, processing and workshop.	C
E.3.2. The site shall have documented procedures for receiving and processing certified and non-certified FFBS.		
a. Has the site had documented procedures for receiving certified FFBS ?	The procedure PT.SMS-PPNM/SOP/27 (RSPO Supply Chain Model Mass Balance) Rev 01 dated June 2 nd , 2015 has defined procedures for receiving certified and non-certified FFBS.	C
b. Has the site had documented procedures for receiving non-certified FFBS?	The procedure PT.SMS-PPNM/SOP/27 (RSPO Supply Chain Model Mass Balance) Rev 01 dated June 2 nd , 2015 has defined procedures for receiving	C

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	certified and non-certified FFBs.	
c. Has the site had documented procedures for processing certified FFBs?	The procedure PT.SMS-PPNM/SOP/27 (RSPO Supply Chain Model Mass Balance) Rev 01 dated June 2 nd , 2015 has defined procedures for processing certified and non certified FFBs.	C
d. Has the site had documented procedures for processing non-certified FFBs?	The procedure PT.SMS-PPNM/SOP/27 (RSPO Supply Chain Model Mass Balance) Rev 01 dated June 2 nd , 2015 has defined procedures for processing certified and non-certified FFBs.	C
E.4 Purchasing and Goods In		
E.4.1. The site shall verify and document the volumes of certified and non-certified FFBs received.		
a. Does the site verify and document the volumes of certified FFBs received ?	KTU of Pangkalan Panji Mill as Traceability Officer has verify and documented the volumes of certified and non-certified FFB received. FFB documentation from certified estate is “ <i>Surat Pengantar Buah</i> ” (FFB Delivery Note), which contain number of bunches, location, vehicle identity, etc. FFB received are daily recorded in “ <i>Laporan Penerimaan TBS</i> ” (FFB Receiving Record) and recapitulated monthly in “ <i>Laporan Harian Penerimaan dan Produksi</i> ” (Daily Report of Receiving and Production).	C
b. Does the site shall verify and document the volumes of non-certified FFBs received ?	KTU of Pangkalan Panji Mill as Traceability Officer has verify and documented the volumes of certified and non-certified FFB received. FFB documentation from certified estate is “ <i>Surat Pengantar Buah</i> ” (FFB Delivery Note), which contain number of bunches, location, vehicle identity, etc. FFB received are daily recorded in “ <i>Laporan Penerimaan TBS</i> ” (FFB Receiving Record) and recapitulated monthly in “ <i>Laporan Harian Penerimaan dan Produksi</i> ” (Daily Report of Receiving and Production).	C

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
E.4.2. The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.		
a. Does the site inform the CB immediately if there is a projected overproduction of certified tonnage?	Based on procedure PT.SMS-PPNM/SOP/28 (Reporting of RSPO Certified Product) Rev.01, dated June 2 nd , 2015 chapter 6.2 page 6, the site will inform the CB immediately if there is a projected overproduction of certified tonnage.	C
E.5 Records Keeping		
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.		
a. Does the site record and balance all receipts of RSPO certified FFB on a three-monthly basis?	The site recorded daily FFB received, CPO and PK produced and delivered in “ <i>Laporan Harian Penerimaan dan Produksi</i> ” (Daily Report of Receiving and Production), recapitulated it in monthly basis and balance it in three monthly basis in document “ <i>Laporan Mass Balance CPO and PK</i> ” (Mass Balance Report of CPO and PK. Observed document shown that the record is balance.	C
b. The site shall record and balance all deliveries of RSPO certified CPO and PK on a three-monthly basis ?	The site recorded daily CPO and PK delivery in “ <i>Laporan Harian Penerimaan dan Produksi</i> ” (Daily Report of Receiving and Production), recapitulated it in monthly basis and balance it in three monthly basis in document “ <i>Laporan Mass Balance CPO and PK</i> ” (Mass Balance Report of CPO and PK. Observed document shown that the record is balance.	C

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
<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>C</p>
<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.(ie product can be sold before it is in stock.)</p>	<p>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 procedure PT.SMS-PPNM/SOP/28 (Reporting of RSPO Certified Product) Rev.01, dated June 2nd, 2015 chapter 6.2 page 5 has described the mechanism of “sell short”, however for safety reason the site has never practiced it.</p> <p>The mill delivered PK to Tarahan Bulking Station, PT. Sumber Indah Perkasa (Teluk Betung - Lampung). The Bulking Station is already certified for RSPO Supply Chain by GUT Cert Gmbh with certificate number O-16-10778 valid from January 23rd, 2015 to January 22nd, 2020, issued on March 30th, 2016. The mill was sold CPO certified in Y2017, but for the other scheme (ISCC). PK Transportation become the buyer’s responsibility as mentioned in the SPK/DO.</p>	<p>C</p>
<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>	<p>The mill delivered Palm Kernel to independent KCP based on sales document e.g. Delivery Note #2450/KER/LK/16/06/0002 dated June 10th, 2016 (15,020 Kg) following Sales contracts DIC/2450/080616/0001, DO: 01/CMM/PK/VI/2016.</p> <p>Palm Kernel are delivered to PT. Sumber Indah Perkasa, Jetty Tarahan, Teluk Betung, Lampung.</p>	<p>C</p>
<p>b. Does the mill have to ensure that the crush is covered through a signed and enforceable agreement ?</p>	<p>The crush and also related quality product was mentioned in the contract/DO.</p>	<p>C</p>

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?	Yes
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?	Yes
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,	Yes

Supply Chain Certification System		Status (Yes / No)
	including any documented policies and procedures, to meet the intent and requirements of the RSPO Supply Chain Certification Standard?	
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
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 is the certification can continue.

Audit recommendations are always subject to ratification by RSPO.

This report was prepared by: Eko Prastio Ramadhan, Nanang Rusmana, Padmaseputra Purba, 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

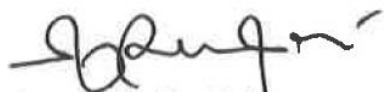
Please sign below to acknowledge receipt of the assessment visit described in this report and confirm the acceptance of the assessment report contents including assessment findings.

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



Management Representative
Date 29.12.2017

Signed for and on behalf of PT. SAI Global Indonesia



Inge Triwulandari
Technical Manager
Date 29.12.2017

Appendix “A” – Audit Record

Date	Auditor	Audit meetings plus functions/ processes/ areas/ *shifts audited:	# Shifts*	Times* From – To
02/08/2017		Day 1 – Wednesday		
	All	Travelling Jakarta – Palembang (GA 102)		GA 102 07.35 – 08.45
	All	Travelling Palembang - Site		09.30 – 12.00
	All	Opening Meeting		14.00 – 14.30
		<u>Sawit Mas Estate</u>		
	Nanang	<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 • Criteria: 8.1 		14.30 – 17.00
	Pras	<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 • Indicator: 4.4.2 • Criteria: 4.6.12 • Criteria: 5.2 (all indicators) • 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 		14.30 – 17.00
	Putra, Ria	<u>Environment</u> <ul style="list-style-type: none"> • Criteria: 2.1 all indicators for environmental aspects • Indicators: 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: 8.1 		14.30 – 17.00
	Fitria	<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 		14.30 – 17.00
03/08/2017		Day 2 – Thursday		
		<u>Sawit Mas Estate</u>		

Audit Report

Date	Auditor	Audit meetings plus functions/ processes/ areas/ *shifts audited:	# Shifts*	Times* From – To
	Nanang	<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: 8.1 		08.00 – 12.00
	Pras	<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 • Indicator: 4.4.2 • Criteria: 4.6.12 • Criteria: 5.2 (all indicators) • 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 		08.00 – 12.00
		Consultation public with external stakeholders		10.00 – 11.00
	Putra, Ria	<u>Environment</u> <ul style="list-style-type: none"> • Criteria: 2.1 all indicators for environmental aspects • Indicators: 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: 8.1 		08.00 – 12.00
	Fitria	<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 – 12.00
	All	Break		12.00 – 14.00
		<u>Pangkalan Panji Mill</u>		
	Nanang	<u>Processing BMP and Legality</u> RSPO <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 		14.00 – 17.00
	Pras	<u>Supply Chain (Mass Balance – Module E) & RSPO Certification System 4.2.4</u> Social RSPO <ul style="list-style-type: none"> • Criteria: 1.1; 1.2; 1.3 all indicators • Criteria: 2.1.1 for social aspect 		14.00 – 17.00

Audit Report

Date	Auditor	Audit meetings plus functions/ processes/ areas/ *shifts audited:	# Shifts*	Times* From – To
		<ul style="list-style-type: none"> • 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 <p>Interview with employee, gender committee, and labour union (Sawit Mas Estate and Pangkalan Panji Mill)</p>		
	Putra, Ria	<u>Environment</u> <ul style="list-style-type: none"> • Criteria: 2.1 all indicators for environmental aspects • Indicators: 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 		14.00 – 17.00
	Fitria	<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 		14.00 – 17.00
04/08/2017		Day 3 – Friday		
	All	Document review (Sawit Mas Estate and Pangkalan Panji Mill)		08.00 – 09.30
	All	Report preparation/Auditor discussion		09.30 – 10.00
	All	Closing meeting		10.00 – 11.30
	All	Break		11.30 – 13.30
	All	Travelling Site - Palembang		13.30 – 17.00
	All	Travel Palembang – Jakarta (GA 117)		GA 117 18.40 – 19.50

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

RSPO Principle and Criteria, Indonesian National Interpretation

Certification audit

There is no non-conformities issued on previous audit

ASA 1 : 23 – 26 August 2016 (by SAI Global)

No	RSPO Criterion	Details	Corrective Action	PIC	Completion Date	Status
1.	2.2.2	It was found inconsistency of implementation of SOP for boundary demarcation and maintenance.	<ul style="list-style-type: none"> Established schedule so that Division Assistant together with PMNP and D&L team periodically check physical HGU pegs number comply with map issued by PMNP and D&L team and maintenance of the marking periodically 	Estate Manager	03/08/2017	Closed

Special Audit – 1 March 2017 (by SAI Global)

No NC minor raised, only Major NCRs and all of them have been closed.

No	RSPO Criterion	Details	Corrective Action	PIC	Completion Date	Status
1.	5.2.1	Inconsistencies were found in HCV Assessment Report (Internal, 2013) and HCV Management and Monitoring Report (Internal, 2016).	Sustainability Plantation Landscape Head issued Memorandum No. 008/MMS/04/2017 dated 12 April 2017 affirming that all HCV Identification activity on new area must pay attention to the recommendation from HCV-RN Quality Panel. The Memorandum has been disseminated to internal HCV Assessor on 13 April 2017 via Lotus Notes.	Sustainability Dept.	13/04/2017	Closed
2	6.1.1 and 6.1.2	Social Impact Assessment of PT. Sawit Mas Sejahtera was conducted by internal team in 2014, inconsistencies were found in SIA Report.	a. The company has issued Memorandum #008/MMS/04/2017 dated 12 April 2017 regarding compliance of SIA and HCV documents with RSPO P&C 2013 and INA NI 2016, and followed up with dissemination to social impact assessor on 18 April 2017. With this, it expected SIA document and its monitoring cover all operational activities.	13/04/2017	Closed	Closed

AUDIT REPORT

No	RSPO Criterion	Details	Corrective Action	PIC	Completion Date	Status
			b. Memorandum #008/MMS/04/2017 dated 12 April 2017 also mentioned the obligation of participatory of all stakeholders to be explicitly described in the monitoring report and complete the documentation according to the SOP/SMART/ SIGS- CSR/SADV/I/001 regarding Social Impact Assessment.			
3	6.5.1		There was inconsistency whether pay and conditions for employees comply with the existing manpower regulations. Minimum monthly salary was not met for all workers and specifically workers with BHB type contract (mostly loose fruits pickers).	HRD	13/04/2017	Closed

AUDIT REPORT
Appendix “C” – Nonconformities and Opportunity for Improvement Summary

RSPO Principle and Criteria, Indonesian National Interpretation

Organisation Name:		PT Sawit Mas Sejahtera			Location:		Pangkalan Panji Village, Banyuasin III District, Banyuasin Regency, South Sumatera Province, Indonesia		
Date:	4/08/2017	Audit team leader:	Eko Prastio R		Activity/Report ID:	WI 952786	License/Certificate No.:	FMS40039	
Organisation’s acknowledgement of receipt of NCR			Employee Name:	Riki and Suma Nugraha			Date NCR Accepted:	07/08/2017 and 18/08/2017 (for 4.2.4)	
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:	
2017-01	RSPO Certification System 2007 Criterion 4.2.4 point c	Major	<p>Non-conformance : Time bound plan is not revised in accordance with actual conditions</p> <p>Objective evidence : PT Rawa Bangunyaman has been acquisition by PT SMS on January 2017 but during ASA2 audit, the time bound plan showed was version November 2016</p>	<p>Due Date: 3/10/2017</p> <p>SAI Follow up Method: Evidence submitted to Team Leader</p>	<p>Correction: Composing RSPO Time bound plan for PT SMS (PT RBN Area)</p>	<p>Root Cause : Acquisition of PT RBN by PT SMS was not well informed to Sustainability Policy and Compliance Division</p> <p>Corrective Action : Sustainability Policy and Compliance Division and CD&L (Central Document&Liaisons) conduct a coordination meeting with top management to agreed every new acquisition</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 11/09/2017</p>	<p>Verification of Effectiveness: Company have made a new RSPO Time Bound Plan that include PT Rawa Bangunyaman that cover areas of 1,200.13 hectares. This TBP updated on 10 August 2017.</p> <p>Coordination meeting with top management conduct in monthly basis and the next one will be in October 2017.</p> <p>Status : Closed</p> <p>Name Eko Prastio Ramadhan</p> <p>Date: 11/09/2017</p>	

AUDIT REPORT

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:
2017-02	RSPO Certification System 2007 Criterion 4.2.4 point e and f	Major	<p>Non-conformance : Not enough evidences that PT Rawa Bangunyaman has conduct HCV assessment and SIA.</p> <p>Objective evidence :</p> <ul style="list-style-type: none"> Based on document review, HCV assessment was conducted in 2013 but only covered Division 1 – 5 Sawit Mas Estate In SIA document, not specifically mention about PT Rawa Bangunyaman 	<p>Due Date: 3/10/2017</p> <p>SAI Follow up Method: Evidence submitted to Team Leader</p>	<p>Correction: Composing HCV and SIA timeline</p>	<p>Root Cause : HCV and SIA assessment was conducted in 2013, meanwhile PT RBN has not been acquired by PT SMS in that time.</p> <p>Corrective Action : Conduct HCV and SIA assessment based on timeline</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 11/09/2017</p>	<p>Verification of Effectiveness: Company have made a timeline for conducting HCV and SIA assessment. HCV timeline is from September 2017 – September 2018. Start from :</p> <ol style="list-style-type: none"> desk study surveys data analysis draft report public consultation report revision submission to ALS report revision (if any) final report <p>Right now, company have nine HCV assessor registered in HCVRN.</p> <p>For SIA assessment, the timeline start from September 2017 – Januari 2018.</p> <p>HCV and SIA timeline have been approved by Gotz Martin (Division Head of Sustainability Implementation) and Widodo C Yuwono (Social Baseline Head)</p> <p>Status : Closed</p> <p>Name Eko Prastio Ramadhan</p> <p>Date: 11/09/2017</p>

AUDIT REPORT

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:
2017-03	RSPO P&C INA-NI Indicator 4.7.5	Minor	<p>Non-conforming situation: Not all tools are ready to use for emergency condition</p> <p>Objective evidence: Based on field observation, the eyewash was not ready to use at knapsack cleaning room Division 4.</p>	<p>Due Date: Next audit</p> <p>SAI Follow up Method: Onsite</p>	<p>Correction: Afdeling assistant replacing the rusty eyewash pressure control valve with the plastic faucet</p>	<p>Root Cause:</p> <ol style="list-style-type: none"> 1. Eyewasher can't be use because the pressure control in rusty condition 2. Lack of monitoring of shower and eyewasher in Division 4 office <p>Corrective Action:</p> <ol style="list-style-type: none"> 1. Assistant and supervisor monitor and check all equipment's weekly 	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 11/09/2017</p>	<p>Verification of Effectiveness: Will be check in next audit</p> <p>Status : Open</p> <p>Name Eko Prastio Ramadhan</p> <p>Date: 11/09/2017</p>

AUDIT REPORT

2017-04	RSPO P&C INA-NI 5.3.2	Major	<p>Non-conformance : Inconsistency in terms of chemical container management.</p> <p>Objective evidence :</p> <ol style="list-style-type: none"> Field observation showing that fertilizer bags were found in empty water tub and mixed with inorganic waste at the worker housing (Division IV). Field observation showing that jerry can and chemical container were used to collect water at the worker housing (Division IV). No data of chemical container being reused and stored. Based on document review of chemical used on triwulan II 2017 and contaminated packaging log book on triwulan II 2017, there was no stock data of chemical container "Starane" and "Erkafuron" that have been used. 	<p>Due Date: 03.10.2017</p> <p>SAI Follow up Method: Onsite</p>	<p>Correction:</p> <ol style="list-style-type: none"> Transfer the used fertilizer rags from empty water tub to fertilizer rags storage and documented it. Beside that, the company conduct dissemination about WI of Used Fertilizer Rags Washing to Supervisor and workers (fertilizer section) Collect and transfer the used chemical container to hazardous waste storage and re-dissemination about chemical containers Record all of chemical containers that being used and chemical containers that stored in hazardous waste storage. Input the data regarding contaminated containers into Triwulan II and III Report 2017 	<p>Root Cause:</p> <ol style="list-style-type: none"> Fertilizer Supervisor not double-check the amount of fertilizer rag that being used in accordance to WI Ex Fertilizer Rags Washing Treatment. Employees bought used pestiside container from outside for personal purpose Afdeling assistant not yet record the chemical container re-use into logbook due to other operational activities. SPO Officer not yet record the chemical container (starane and erkafuron) in triwulan II 2017 due to other operational activities. 	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko P. Ramadhan</p> <p>Date: 11/09/2017</p>	<p>Verification of Effectiveness:</p> <ol style="list-style-type: none"> The company have transferred the used fertilizer rags on 5 August 2017. Records of transfer was reviewed and acknowledge by Askep and Afdeling assistant e.g. transfer letter on 12 August 2017 and 15 August 2017. Dissemination has been conducted on 8 September 2017 in all division. Transfer letter of used chemical container into hazardous waste storage on 5 August 2017. For program <i>Jum'at Bersih</i>, the company have issued Circular Letter No : 03/EM – SMSE/03/2017 dated 29 March 2017 and have socialized it on 18 August 2017. All chemical container that being re-used recorded in "Buku Catatan Pengendalian Limbah Kemasan Agrokimia Sawit Mas Estate" example : 3 pcs containers of Rollup re-used for spraying container in Division 3 and 4.
						<p>Corrective Action:</p> <ol style="list-style-type: none"> Keep records of fertilizer rags that being delivered by fertilizer supervisor and <i>krani</i> where the amount shall be the same before and after 		<ol style="list-style-type: none"> Based on Hazardous Waste Management Report Triwulan 2 2007, Starane container are 238 pcs and Erkafuron are 75 pcs. Based on field observation di emplacement Divison 4, it was

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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:
						<p>application. This records shall be acknowledge by Afdeling Assistant.</p> <ol style="list-style-type: none"> 2. Monitor and check the workers housing in weekly basis (Jum;at Bersih) to ensure that no chemical containers used by the workers 3. The company make a water reservoir so the workers not using chemical containers no more 4. Afdeling assistant records all chemical containers that being used and report it to SPO officer. <p>SPO officer with help of Environment officer monitor and check the records of contaminated containers and then report it to local governance</p>		<p>found used fertilizer rags was stored in separated area, water tub is clean and water reservoir is already build.</p> <p>Status : Closed</p> <p>Name Eko P. Ramadhan</p> <p>Date: 11/09/2017</p>

AUDIT REPORT

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:
2017-05	RSPO P&C INA-NI Indicator 5.3.3	Minor	<p>Non-conformance : Inconsistency in terms of organic and inorganic waste management.</p> <p>Objective evidence : Based on field observation in worker housing (Division IV), waste sorting activities have not been done (mixing of organic and inorganic waste), as well as organic trash bins were not available.</p>	<p>Due Date: Next audit</p> <p>SAI Follow up Method:</p>	<p>Correction: Dissemination regarding domestic waste handling in Division 4 emplacement and make a hole behind the house for organic waste</p>	<p>Root Cause: Not all employees in Division 4 emplacement understand about domestic waste handling due to lack of evaluation from supervisor and afdelling assistant</p> <p>Corrective Action: Afdeling assistant conduct a weekly activities called "Jum'at Bersih" to monitor and check the emplacement condition. this programs also one of tools to ensure that workers fully understand about domestic waste handling.</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 11/09/2017</p>	<p>Verification of Effectiveness: Will be check in next audit</p> <p>Status : Open</p> <p>Name Eko Prastio Ramadhan</p> <p>Date: 11/09/2017</p>

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Appendix “D” – Stakeholder’s issues and comment

Date and Time : 3 August 2017
 Location : PT. Sawit Mas Sejahtera (Sawit Mas Estate and Pangkalan Panji Mill)
 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	PT Sawit Mas Sejahtera response and action to be taken	SAI Global audit observation	Relevant documentation
03.08.2017	Gender committee	<ul style="list-style-type: none"> - Committee gender activities are socialization about sexual harassment - Each unit have its own Committee Gender - Until now, there is no case or complaint from women workers regarding sexual harassment - Women workers in nursing condition is prohibited worked in high risk job (fertilizer, sprayer and etc) <p>Issue :</p> <ol style="list-style-type: none"> 1. Women workers get H-1 leave but they must be in clinic 	<p>In accordance with Article 81 UU No 13/2003, women workers can get H-1 and H-2 leave from company and supported by leave letter from paramedics. If doctor/nurse suggest them to rest or need treatment then they can take a rest in clinic</p>	<p>Document review was conducted to check records regarding committee gender and women H-1/H-2 leave.</p>	<ul style="list-style-type: none"> - Committee gender programs and realization - H-1 leave notification from clinic

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Date	Stakeholder	Feedback and or request	PT Sawit Mas Sejahtera response and action to be taken	SAI Global audit observation	Relevant documentation
03.08.2017	Workers (harvester, sprayer, process operator of Mill, Maintenance operator, etc.)	<ol style="list-style-type: none"> 1. Salary comply to national law (decent living wages) 2. SKU workers get payment slip, meanwhile PKWT and PHL workers signed the wage payment ledger 3. SKU workers get payment cut for social insurance, health insurance, workers union contribution and tax 4. Facilities provided by company are housing complex, water, electricity, school bus and etc. 5. MCU held every 6 month, last one was held on May 2017 6. Domestic waste transported by company 7. Zero burning 8. Riparian buffer zone is prohibited for chemical treatment 9. Hunting protected wildlife is prohibited 10. Workers tell their complaints directly to their supervisor 11. PPE will be change if the old ones is damaged 12. Worker's house will be repaired upon request to Supervisor. If the material is ready in the storage then it will repaired as soon as possible. <p>Issues :</p> <ol style="list-style-type: none"> 1. MCU results not informed to workers 2. Women workers with status PHL still work eventhough she is in H1 condition 	<ol style="list-style-type: none"> 1. The company have disseminated the MCU results and sign by the workers 2. For every women workers who want take H1 leave should be show their recommendation letter from clinic. Beside that, PHL workers wage is based on workdays so most of them still work to get bigger wages. 	Document review was conducted to check records regarding MCU dissemination and PHL H1 leave.	<ul style="list-style-type: none"> - MCU dissemination - PHL H1 leave

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Date	Stakeholder	Feedback and or request	PT Sawit Mas Sejahtera response and action to be taken	SAI Global audit observation	Relevant documentation
03.08.2017	Workers Union	<ol style="list-style-type: none"> 1. There are 3 Union in PT SMS such as SPSI, SBSI and KASBI 2. All of unions have the same functions 3. Each of unions have different member 4. PHL Workers get social/health insurance 5. PKWT and PHL workers have contract 6. Salary comply to national law (decent living wages) and every workers get a payment slip 7. PKB that use is PKB Period 2016 - 2018 8. Workers get a monthly subsidy as much as Rp. 35.000 per month for PLN/Electricity 9. Domestic waste transported routinely, in Estate every day and in Mill every 3 day 10. Work attendances using finger print system. If workers late, he/she will get warning letter and salary cut 11. Workers tell their complaints directly to their supervisor 12. Right now, only security team who get overtime bonus because the plantation productivity in decline position <p>Issue :</p> <ol style="list-style-type: none"> 1. Workers are not getting bonuses since 2016 for no apparent reason. Bonus has become annual habit and in PKB mentioned that things that have become a habit then should continue. The unions have held bipartite meetings but there is no agreement so that they brought into tripartite negotiations. 	<ol style="list-style-type: none"> 1. The company not giving bonus because: <ol style="list-style-type: none"> a. Global economic crisis which direct or indirectly effect the palm oil company b. Production was decrease because of replanting activities c. Bonus is not normative things for employees because the decision to give or not give bonus is the company rights 	The resolution of this issues is waiting for recommendation letter from Dinas Tenaga Kerja Kabupaten Banyuasin	

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Date	Stakeholder	Feedback and or request	PT Sawit Mas Sejahtera response and action to be taken	SAI Global audit observation	Relevant documentation
			<ol style="list-style-type: none"> 2. Bipartite meeting was held and continue with mediation with Dinas Tenaga Kerja Kabupaten Banyuasin 3. Tripartit meeting was held again on 14 August 2017 and no agreement reached in that meeting. So, right now waiting for memorandum letter from Dinas Tenaga Kerja Kabupaten Banyuasin 		
03.08.2017	Stakeholder (Head of Village, Public figure, contractor, etc.)	<p>Issues :</p> <ol style="list-style-type: none"> 1. Local communities wants there is joint cooperation between PT SMS, PT KAM and local governance regarding road repair in Desa Rimba Balai. 2. Implementation of "Tanah Kas Desa" for each village (10 ha per village) not yet conducted. 3. The company should take more consideration/attention to head of village. 4. Road Desa Rimba Terab to Tanjung Laut is not accessible again. 5. If there is minor crime (<i>Tipiring</i>), the 	<ol style="list-style-type: none"> 1. Road maintenance was conducted on March 2017 with length of 2.68 kilometers. Based on <i>Rapat Musyawarah Pemantapan, Pemeliharaan dan Perbaikan jalan Desa Rimba Balai</i> dated 14 March 2017, the road was responsibility of PT Waskita Karya because that road is the access to highway construction. 2. "Tanah Kas Desa" building is waiting for location mapping by Regency Head and its Appointment Letter. 3. Incentive nominal for village head is based on company budget 4. There is new road access to Tanjung Laut so road from Desa Rimab Terab is not functional no more 5. All unlawful acts are left to law 	All document was reviewed	

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Date	Stakeholder	Feedback and or request	PT Sawit Mas Sejahtera response and action to be taken	SAI Global audit observation	Relevant documentation
		<p>company should be communicated with village officials before take to authority.</p> <p>6. Local contractors payment is not in accordance with contract where it should be 2 weeks but actual is 2 months after goods accepted.</p> <p>7. In 2014, local governace have asked the company to provide areal (3 hectares) in Desa Sedang for high school. Until now, there are no respond from the company. Educational body want to help but the areal is in HGU company so they can't do anything.</p> <p>8. Transparency in CSR program to local communities beside proposal from villages.</p>	<p>enforcement. The company does not intervene in the lega process.</p> <p>6. Payment will be conduct if all supporting document were accepted and right in accordance to specification</p> <p>7. The company have look for the replacement areal in Desa Sedang and Rimba Terab but villager in Desa Sedang decline it. Meanwhile, the allocated areal in Desa Sedang, the proposed price is triple from its normal price.</p> <p>8. The company have annual CSR programs such as road maintenance, health donation and etc. CSR programs is one of publicly document, so it can be seen by stakeholder with written request before.</p>		

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.