

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

Stage-1     Stage-2     Surveillance     Re-Certification

Name of Management Organisation : Rantau Panjang Factory, PT Guthrie Pecconina Indonesia subsidiary of Sime Darby Plantation Sdn Bhd

Plantation Name : Rantau Panjang Estate; Bumiayu Estate; Napal Estate; Karang Ringin Estate; Mangun Jaya Estate

Location : Rantau Panjang Village, Lawang Wetan Subdistrict, Musi Banyuasin District, South Sumatera Province, Indonesia

Certificate Code : **MUTU-RSPO/017**

Date of Certificate Issue : 20 November 2017      Date of License Issue : 20 November 2017

Date of Certificate Expiry : 19 November 2022      Date of License Expiry : 19 November 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved By
RC	15 – 20 May 2017	Oktovianus Rusmin (Lead Auditor), Muhammad Rinaldi, Sofyan Hadi Lubis, Dwi Haryati, Afiffuddin	Ganapathy Ramasamy	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
RC	20 November 2017

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Figure 1. Location Map of PT Guthrie Pecconina Indonesia



Figure 2. Operational Map of PT Guthrie Pecconina Indonesia

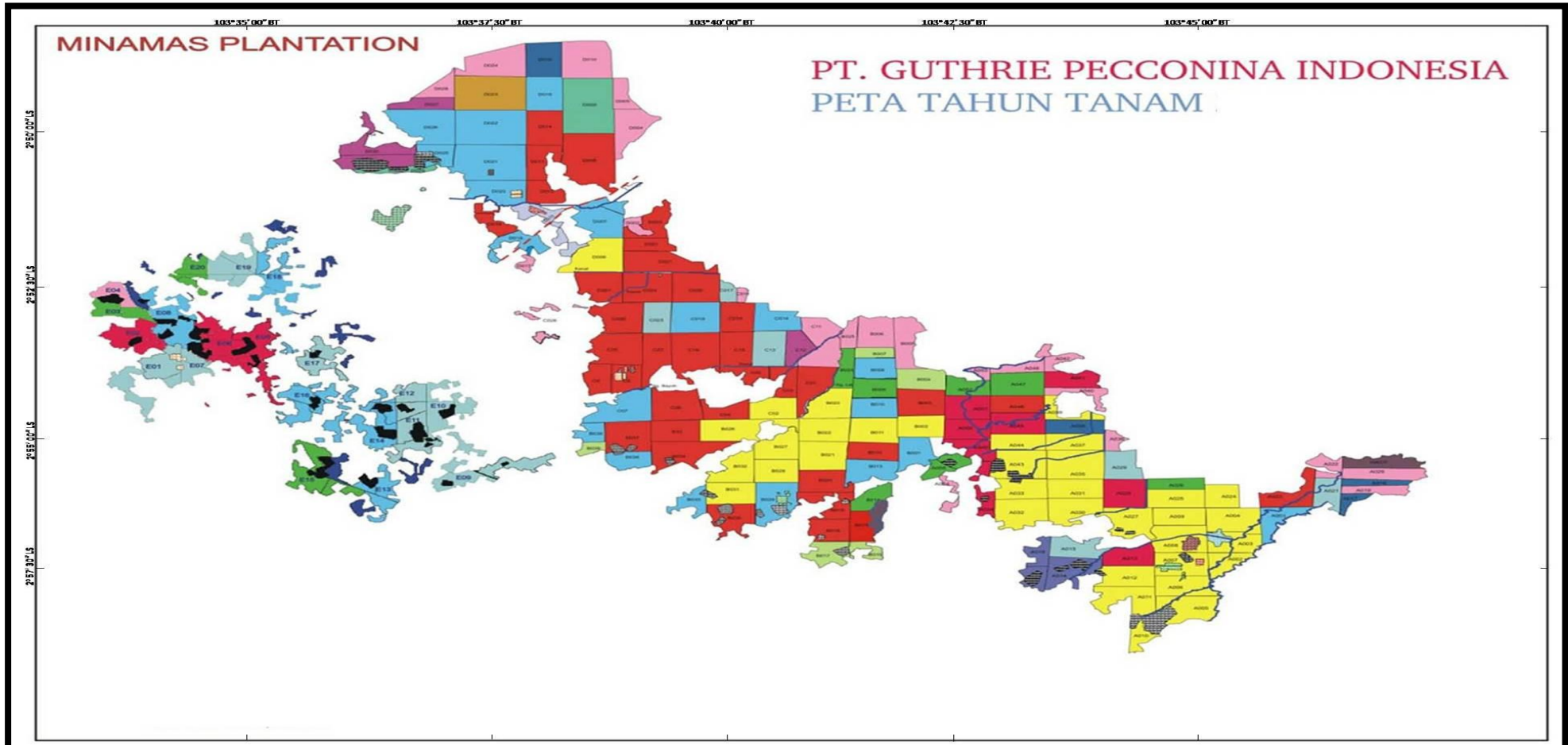
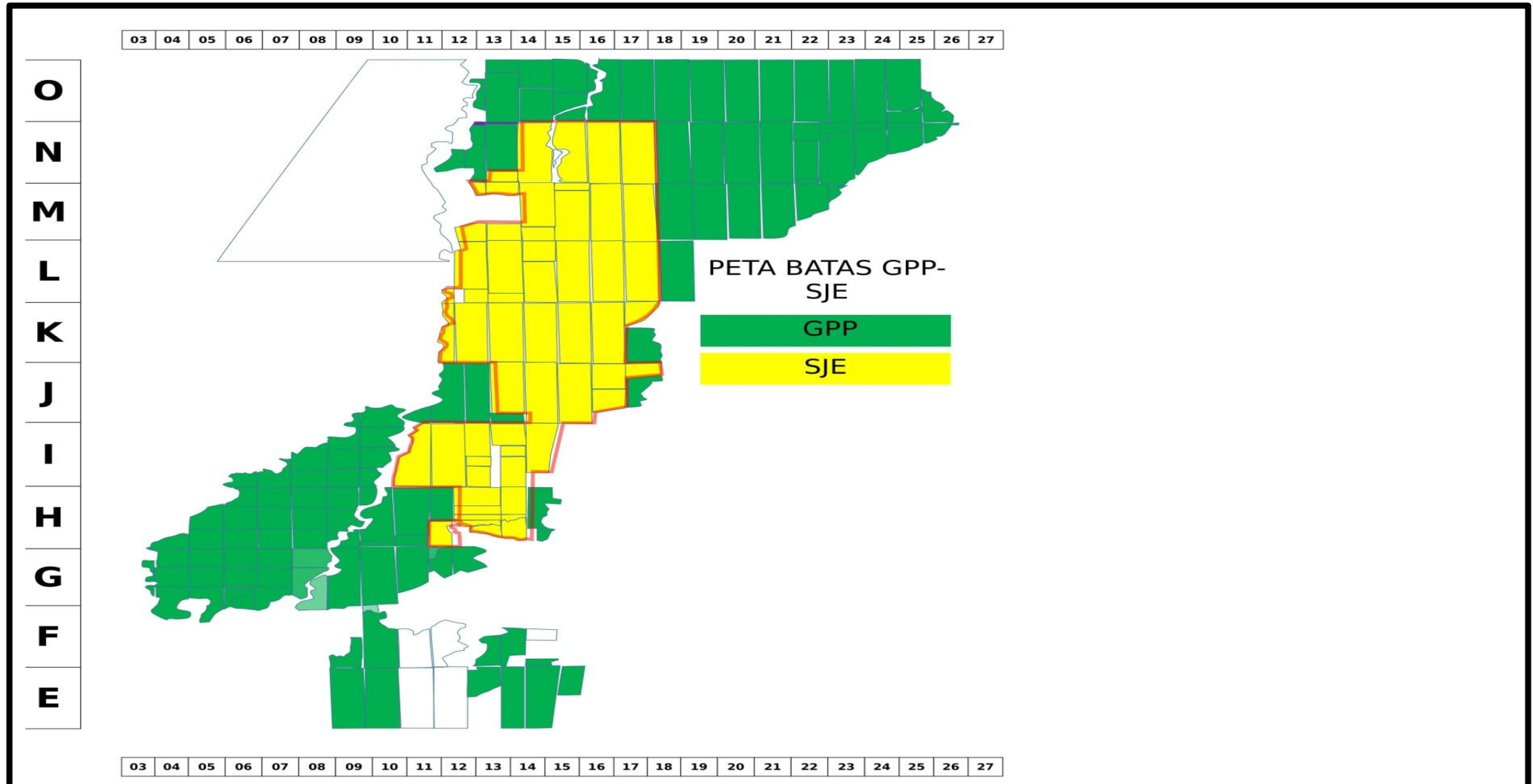




Figure 3. Operational Map of Sungai Jernih Estate & Guthrie Pecconina Smallholder



**Glossary**

ASA	: Annual Surveillance Assessment	LTA	: Lost Time Accident
ASEAN	: Association of South East Asian Nations	MJE	: Mangun Jaya Estate
BOD	: Biological Oxygen Demand	MOP	: Muriate of Potash
BSS	: Block Spraying System	MRC	: Minamas Research Centre
BYE	: Bumi Ayu Estate	MSDS	: Material Safety Data Sheet
CB	: Certificate Body	NAE	: Napal Estate
CH	: Certificate Holder	NGO	: Non Government Organization
CPO	: Crude Palm Oil	OER	: Oil Extarction Rate
EFB	: Empty Fruit Bunch	OFI	: Oppurtunity for Improvement
EHS	: Environment Safety and Health	OHS	: Occupational Health and Safety
EIA	: Environmental Impact Assessment	PIC	: Person in Charge
EWS	: Early Warning System	PK	: Palm Kernel
FFB	: Fresh Fruit Bunch	POME	: Palm Oil Mill Effluent
FR	: Frequency Rate	PPE	: Personal Protection Equipment
GM	: General Manager	PSD	: Plantation Services Departement
GPP	: Guthrie Pecconina Plasma	PSQM	: Plantation Sustainability and Quality Management
GPI	: Guthrie Pecconina Indonesia	RJE	: Rantau Panjang Estate
HCV	: High Conservation Value	RJF	: Rantau Panjang Factory
HGU	: <i>Hak Guna Usaha</i> (Land Use Permit)	RSPO	: Roundtable on Sustainable Palm Oil
HPO	: Head Platation Operations	SGM	: <i>Senior General Manager</i>
HPUI	: <i>Head Plantation Upstream Indonesia</i>	SIA	: Social Impact Assessment
HRM	: Human Resource Management	SJE	: Sungai Jernih Estate
IPM	: Integrated Pest Management	SOP	: Standart Operating System
ISPO	: Indonesian Sustainable Palm Oil	SOU	: Strategic Operation Unit
KER	: Kernel Extarction Rate	SR	: Severity Rate
KRE	: Karang Ringin Estate	WHO	: World Health Organization
LC	: Land Clearing	WTP	: Water Treatment Plant
LCC	: Land Cover Crop	WWTP	: Waste Water Treatment Plant
LLRP	: Long Range Replanting Programme		

<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT</b>			
<b>1.1 Assessment Standard Used</b>			
<ul style="list-style-type: none"> <li>• <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016)</i></li> <li>• <i>RSPO Supply Chain Certification Standard for Organisation seeking or holding certification. Adopted by the RSPO Board of Governors on 21<sup>st</sup> November 2014 (Module D / E for CPO Mill).</i></li> <li>• <i>RSPO Certification System (Approved by RSPO Executive Board 26 June 2007).</i></li> </ul>			
<b>1.2 Organisation Information</b>			
1.2.1	Organisation name listed in the certificate	PT Guthrie Peconina Indonesia Subsidiary of Sime Darby Plantation Sdn Bhd	
1.2.2	Contact person	Mohamad Pirabaharan	
1.2.3	Organisation address and site address	RSPO registered company: No 2, Plantation Tower, PJU 1A/7Street, Petaling Jaya, Malaysia 47301.  Liaison Office: The Plaza Lt. 36, JL. MH Thamrin Kav. 28-30, Jakarta 10350	
1.2.4	Telephone	(+62-21)-29926000	
1.2.5	Fax	(+62-21)-29922685	
1.2.6	E-mail	<a href="mailto:mohamad.pirabaharan@simedarby.com">mohamad.pirabaharan@simedarby.com</a>	
1.2.7	Web page address	<a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan (Head of PSQM)	
1.2.9	Registered as RSPO member	1 – 0008 – 04 – 000 – 00 7 September 2004	
<b>1.3 Type of Assessment</b>			
1.3.1	Scope of Assessment and Number of Management Unit	One Palm Oil Mill and seven supply base estates: Rantau Panjang Factory (RJF), Rantau Panjang Estate (RJE), Bumiayu Estate (BYE), Karang Ringin Estae (KRE), Napal Estae (NAE), Mangun Jaya Estate (MJE)	
1.3.2	Type of certificate	Single	
<b>1.4 Locations of Mill and Plantation</b>			
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Rantau Panjang Factory	Village of Rantau Panjang, Sub District of Lawang Wetan, District of Musi Banyuasin, Province of South Sumatera.	S 02° 54' 59"      E 103° 44' 52"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Rantau Panjang	Village of Rantau Panjang, Village of	S 2° 55' 20"      E 103° 44' 43"

Estate	Karang Anyar, Village of Talang Piase; Sub District of Lawang Wetan; District of Musi Banyuasin; Province of South Sumatera		
Bumi Ayu Estate	Village of Bumi Ayu; Sub District of Lawang Wetan; District of Musi Banyuasin; Province of South Sumatera	S 2° 53' 49"	E 103° 40' 37"
Napal Estate	Village of Napal; Sub District of Lawang Wetan; District of Musi Banyuasin; Province of South Sumatera	S 2° 51' 35"	E 103° 38' 49"
Karang Ringin Estate	Village of Karang Ringin and Village of Ulak Teberau; Sub District of Lawang Wetan; District of Musi Banyuasin; Province of South Sumatera	S 2° 48' 39"	E 103° 37' 45"
Mangun Jaya Estate	Village of Rantau Kasih and Village of Pangkalan Jaya; Sub District of Lawang Wetan; District of Musi Banyuasin; Province of South Sumatera	S 2° 51' 11"	E 103° 34' 16"

**1.5 Description of Area Statement**

1.5.1	Tenure	
	• State	10,139.91 Ha
	• Community	- Ha
1.5.2	<b>Area Statement</b>	<b>PT.GPI (Ha)</b>
	• <b>Total area</b>	10,139.91
	• Mature area	6,167.20
	• Immature area	782.99
	• Replanting 2017	296.89
	• Mill	12.88
	• Emplishment / Workers Quarter	32.01
	• Infrastructure (road, bridge, ditch)	205.94
	• Nursery	28.22
	• Others Area (hill, river, valley, swamp, etc)	107.33
	• Occupation Area	2,049.61
	• Reserve Area	355.67
	• Enclave	45.79
	• HCV	55.38

**1.6 Planting Year and Cycles**

1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					Total
		RJE	BYE	NAE	KRE	MJE	
	1998	963.94	757.18	61.84	-	-	1,782.96



1999	233.20	687.37	851.83	156.79	139.45	<b>2,068.64</b>
2000	184.16	428.96	106.78	682.16	-	<b>1,402.06</b>
2001	47.44	-	5.64	-	-	<b>53.08</b>
2002	49.93	139.56	-	-	-	<b>189.49</b>
2003	-	-	-	131.90	-	<b>131.90</b>
2004	-	-	-	132.11	-	<b>132.11</b>
2005	-	-	-	67.57	-	<b>67.57</b>
2007	-	-	-	153.41	-	<b>153.41</b>
2008	-	185.98	-	-	-	<b>185.98</b>
2015	133.50	-	-	-	-	<b>133.50</b>
2016	469.39	-	-	180.10	-	<b>649.49</b>
2017	20.29	87.26	-	189.34	-	<b>296.89</b>
<b>TOTAL</b>	<b>2,101.85</b>	<b>2,286.31</b>	<b>1,026.09</b>	<b>1,693.38</b>	<b>139.45</b>	<b>7,247.08</b>

1.6.2 New Planting area after January 2010 - Ha

1.6.3 Planting Cycle 2<sup>nd</sup> Cycle

### 1.7 Description of Mill and Supply Base

#### 1.7.1 Description of Mill

Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
			Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
Rantau Panjang Factory	60	182,078	37,147	20.40	9,583	5.26

\*Source : Processing month May 2016 – April 2017

#### 1.7.2 Description of Certification Scope of Supply Base

Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
					FFB (tonnes/year)	%
Rantau Panjang Estate	2,679.74	2,101.85	34,891.90	16.60	34,644.94	99.29
Bumi Ayu Estate	2,960.98	2,286.31	44,319.40	19.38	44,302.83	99.96
Napal Estate	1,597.46	1,026.09	19,485.79	18.99	19,140.05	98.23
Karang Ringin Estate	2,762.28	1,693.38	21,118.30	12.47	21,118.30	100.00
Mangun Jaya Estate	139.45	139.45	1,966.77	14.10	1,900.76	96.64
<b>TOTAL</b>	<b>10,139.91</b>	<b>7,247.08</b>	<b>121,782.16</b>	<b>16.80</b>	<b>121,106.88</b>	<b>99.45</b>

\*Source : Processing month May 2016 – April 2017

#### 1.7.3 FFB description from other source

Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	Number of smallholders	Production Area (Ha)	Supplied to Mill
				FFB (tonnes/year)
Guthrie Pecconina Plasma (GPP) (RSPO Non-Certified)	Scheme Smallholders of PT.GPI	745	1,342.68	7,000.60

PT. GPI (HGU on process) (RSPO Non-Certified)	Subsidiary of Sime Darby Plantation Sdn Bhd	-	4,504.14	54,172.99
<b>TOTAL</b>				<b>61,173.59</b>

\*Source : Processing month May 2016 – April 2017

1.7.4	Product categories	<b>FFB, CPO, PK</b>
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**1.8 Estimate Tonnage of Certified Product**

1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim 16 March 2016 to 15 March 2017 (tonnes/year)	Actual certified product 16 March 2016 to 15 February 2017 (tonnes/year)
	• FFB Production	229,594	182,078
	• CPO Production	52,807	37,147
	• Palm Kernel (PK) Production	11,480	9,583

**1.8.2 Product selling**

	<b>Tonnage of selling product</b>	<b>Actual selling product period 16 March 2016 until April 2017</b>
	• CSPO	-
	• CSPK	599.36
	• CPO under other scheme trading (e.g ISCC, RFS)	-
	• CPO under conventional trading (if any)	38,608.10
	• PK under other scheme	-
	• PK under conventional trading (if any)	8,518.87

**1.8.3 Estimate of Certified FFB Claim**

Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
Rantau Panjang Estate	2,679.74	2,101.85	37,683	17.93
Bumi Ayu Estate	2,960.98	2,286.31	47,864	20.94
Napal Estate	1,597.46	1,026.09	21,044	20.51
Karang Ringin Estate	2,762.28	1,693.38	22,808	13.47
Mangun Jaya Estate	139.45	139.45	2,124	15.23
<b>TOTAL</b>	<b>10,139.91</b>	<b>7,247.08</b>	<b>131,523</b>	<b>18.15</b>

*\*Projected FFB production for 12 months of certificate*

**1.8.4 Estimate of Certified Palm Product Claim**

Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
			Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
Rantau Panjang Factory	60	131,523	27,620	21.0	6,576	5.0

*\*Projected CSPO and CSPK production for 12 months of certificate*

**1.9 Other Certifications**

Indonesian Sustainable Palm Oil (ISPO)	ISPO certificate of PT Guthrie Peconina Indonesia from Mutuagung Lestari No. MUTU-ISPO/017 valid from 16 March 2012 to 15 March 2017.
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1.10 Time Bound Plan							
1.10.1 Time Bound Plan for Other Management Units							
Management Unit		HGU on Process		Supply Base	Time Bound Plan	Location	Status
Mill	Time Bound Plan	Ha	Time Bound Plan				
<b>INDONESIA</b>							
Sekunvir. PT. Indotruba Tengah	2010			Sekunvir	2010	Seruyan and West Kotawaringin District – Central Kalimantan	Certified
				Seruyan	2010		Certified
Manggala. PT. Tunggal Mitra Plantations	2010			Manggala 1	2010	Rokan Hilir District – Riau	Certified
				Manggala 2	2010		Certified
				Manggala 3	2010		Certified
Bukit Ajong PT. Sime Indo Agro	2010	1,652	2019	West	2010	Sanggau District –West Kalimantan	Certified
				East	2010		Certified
				Sei Mawang	2018		-
				East Plasma	2010		Certified
				West Plasma	2010		Certified
Teluk Siak. PT. Aneka Inti Persada	2011	421.31	2020	Teluk Siak	2011	Pekanbaru, Siak District – Riau	Certified
				Pinang Sebatang	2011		Certified
				Aneka Persada	2011		Certified
Sungai Pinang. PT. Bina Sains Cemerlang	2012	308.25	2020	Sungai Pinang	2012	Musi Rawas District – South Sumatera	Certified
				Bukit Pinang	2012		Certified
Pematang. PT. Teguh Sempurna	2011			Pematang	2011	Seruyan and East Kotawaringin Dist rict – Central Kalimantan	Certified
				Kawan Batu	2011		Certified
				Hatan Tiring	2011		Certified
				Batang Garing	2011		Certified
Alur Dumai. PT. Lahan Tani Sakti	2011			Alur Dumai	2011	Rokan Hilir District – Riau	Certified
Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011			Teluk Bakau	2011	Indra Hilir District – Riau	Certified
				Nusa Perkasa	2011		Certified
				Nusa Lestari	2011		Certified
Mandah. PT. Bhumireksa Nusa Sejati	2014			Mandah	2011	Indra Hilir District – Riau	Certified
				Rotan Semelur	2011		Certified
Angsana Mini. PT. Sajang Heulang	2011			KKPA-1 PT.SHE	2013	Tanah Bumbu District – South Kalimantan	Certified
				Pantai Bonati	2011		Certified
Angsana.	2011			Angsana	2011	Tanah	Certified

PT Ladangrumpun Suburabadi				Gunung Sari	2011	Bumbu District – South Kalimantan	Certified
				KKPA-4 PT.SHE	2013		Certified
Mustika. PT Sajang Heulang	2013			Mustika		Tanah Bumbu District – South Kalimantan	Certified
				KKPA-2 PT.SHE	2013		Certified
				KKPA-3 PT.SHE	2013		Certified
				KKPA-5 PT.SHE	2013		Certified
				SAP 1	2020		ST-2
Gunung Aru. PT Bersama Sejahtera Sakti	2011	765	2020	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
				Gunung Kemas	2011		Certified
				Laut Timur	2011		Certified
				Pantai Timur	2011		Certified
				KKPA BSS	2020		-
Bebunga. PT. Langgeng Muaramakmur	2011	1,162	2020	Sungai Cengal	2011	Kotabaru District – South Kalimantan	Certified
				Bebunga	2011		Certified
				KKPA Sungai Cengal	2014		Certified
Sukamandang PT Kridatama Lancar	2011			Sukamandang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
				Sapiri	2011		Certified
				Barasdanum	2011		Certified
				Kuala Kuayan	2011		Certified
Pondok Labu. PT Paripurna Swakarsa	2012	1,120	2020	Binturung	2012	Kotabaru District – South Kalimantan	Certified
				Pondok Labu	2012		Certified
				Rampa	2012		Certified
				Sesulung	2012		Certified
Selabak. PT Swadaya Andhika	2012	63	2020	Selabak	2012	Kotabaru District – South Kalimantan	Certified
				Randi	2012		Certified
				Sangkoh	2012		Certified
				Lanting	2012		Certified
Rantau. PT Laguna Mandiri	2012			Rantau	2012	Kotabaru District – South Kalimantan	Certified
				Matalok	2012		Certified
Betung. PT Laguna Mandiri	2014			Betung	2012	Kotabaru District – South Kalimantan	Certified
				Sekayu	2012		Certified
Ungkaya. PT Tamaco Graha Krida	2012			Ungkaya	2012	Morowali District – Sulawesi Tengah	Certified
				Plasma TGK	2015		Certified
Ladang Panjang. PT Bahari Gembira Ria	2012	1,639	2020	Ladang Panjang	2012	Muaro Jambi District - Jambi	Certified
				Plasma BGR	2020		-
Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	4,133	2020	Rantau Panjang	2012	Musi Banyuasin District – South Sumatera	Certified
				Bumi Ayu	2012		Certified
				Karang Ringin	2012		Certified
				Napal	2012		Certified
				Mangun Jaya	2012		Certified
				Sungai Jernih Estate and GPI KKPA	2017		-

Blang Simpo. PT Perkasa Subur Sakti	2013	1,286	2020	Tamiang (PT PPP)	2013	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified
				Batang Ara (PT PSK)	2013		Certified
				Blang Simpo-01	2013		Certified
				Blang Simpo-02	2013		Certified
MAS. PT Mitra Austral Sejahtera	2020			MAS 1	2018	Sanggau District – West Kalimantan	-
				MAS 1	2018		-
				MAS 1	2018		-
				Plasma MAS	2020		-
Lembiru. PT Sandika Nata Palma	2014			Lembiru	2014	Ketapang District – West Kalimantan	Certified
				Awatan	2014		Certified
				Karya Palma	2018		-
				KKPA SNP	2020		-
				Pelanjau (PT BAL)	2018		-
				Sungai Putih (PT BAL)	2018		-
				Baturus (PT BAL)	2018		-
				KKPA BAL	2020		-
<b>MALAYSIA</b>							
Sg Dingin SOU 1	2010			Bukit Hijau	2010	Kerangan, Kedah	Certified
				Padang Buluh	2010		Certified
				Bukit Selangor	2010		Certified
				Sg Dingin	2010		Certified
				Jentayu	2010		Certified
				Anak Kuli	2010		Certified
				Somme	2010		Certified
Chersonese SOU 2	2011			Chersonese	2011	Kuala Kurau, Perak	Certified
				Holyrood	2011		Certified
				Kalumpong	2011		Certified
				Tali Ayer	2011		Certified
Elphil SOU 3	2011			Kinta Kellas	2011	Sg Siput, Perak	Certified
				Elphil	2011		Certified
				Kamuning	2011		Certified
Flemington SOU 4	2011			Flemington	2011	Teluk Intan, Perak	Certified
				Bagan Datoh	2011		Certified
				Sabak Bernam	2011		Certified
				Sg Samak	2011		Certified
Seri Intan SOU 5	2011			Seri Intan (Main Division)	2011	Teluk Intan, Perak	Certified
				Sabrang	2011		Certified
				Sg Wangi	2011		Certified
				Sogomana (Main Division)	2011		Certified
Selaba SOU 5	2011			Seri Intan (Selaba Division)	2011	Teluk Intan, Perak	Certified
				Sogomana (Cashwood & Sg Beruas Division)	2011		Certified
				Bikam	2011		Certified
				Clumy	2011		Certified
Tennamaram	2011			Tennamaram	2011	Bestari Jaya,	Certified



SOU 6				Sungei Buloh	2011	Selangor	Certified
				Bkt Talang	2011		Certified
Bkt Kerayong SOU 7	2011			Bkt Kerayong	2011	Kapar, Selangor	Certified
				Bkt Cherakah	2011		Certified
				Bkt Rajah	2011		Certified
				Bkt Lagong	2011		Certified
				Elmina	2011		Certified
East SOU 8	2010			East	2010	Carey Island, Selangor	Certified
				Dusun Durian	2010		Certified
				Sepang	2010		Certified
West - SOU 9	2010			West	2010	Carey Island, Selangor	Certified
Bukit Putri - SOU 10	2011			Bukit Putri	2011	Raub, Pahang	Certified
Kerduau SOU 11	2011			Kerduau	2011	Temerloh, Pahang	Certified
				Jentar	2011		Certified
				Mentakab	2011		Certified
				Sg Mai	2011		Certified
				Chenor	2011		Certified
Jabor - SOU 12	2011			Jabor	2011	Kuantan, Pahang	Certified
Labu SOU 13	2011			Labu	2011	Nilai, Negeri Sembilan	Certified
				New Labu	2011		Certified
				Bradwall	2011		Certified
Tanah Merah SOU 14	2010			Tanah Merah	2010	Port Dickson, Negeri Sembilan	Certified
				Sua Betong	2010		Certified
				Bukit Pelandok	2010		Certified
Sua Betong SOU 15	2014			Salak	2014	Port Dickson, Negeri Sembilan	Certified
				Sengkang	2014		Certified
				Siliau	2014		Certified
				PD Lukut	2014		Certified
				Sungai Baru	2014		Certified
				Tampin Linggi	2014		Certified
Kok Foh SOU 16	2011			Bukit Pilah	2011	Bahau, Negeri Sembilan	Certified
				Kok Foh	2011		Certified
				Muar River	2011		Certified
				St. Helier	2011		Certified
				Pertang	2011		Certified
				Sg Gemas	2011		Certified
				Sg Sebaling	2011		Certified
				Sg Senarut	2011		Certified
Kempas SOU 17	2010			Kempas	2010	Jasin, Melaka	Certified
				Kemuning	2010		Certified
				Tangkah	2010		Certified
Diamond Jubilee SOU 18	2011			Bukit Asahan	2011	Jasin, Melaka	Certified
				Diamond Jubilee	2011		Certified
				Serkam	2011		Certified
Pagoh SOU 19	2014			Pagoh	2014	Muar, Johor	Certified
				Lanadron	2014		Certified

				Pengkalan Bukit	2014		Certified
				Welch	2014		Certified
Chaah SOU 20	2010			North Labis	2010	Chaah, Johor	Certified
				Cha'ah	2010		Certified
				Sg Simpang Kiri	2010		Certified
Gunung Mas SOU 21	2010			Gunung Mas	2010	Kluang, Johor	Certified
				Kempas Klebang	2010		Certified
				Bukit Paloh	2010		Certified
				Yong Peng	2010		Certified
Bukit Benut SOU 22	2011			Bukit Benut	2011	Kluang, Johor	Certified
				CEP Niyor	2011		Certified
				Lambak / Elaeis	2011		Certified
Ulu Remis SOU 23	2011			Pekan	2011	Layang-layang, Johor	Certified
				Sembrong	2011		Certified
				Tun Dr. Ismail	2011		Certified
				Ulu Remis	2011		Certified
				Bukit Badak	2011		Certified
				Cenas	2011		Certified
Hadapan SOU 24	2011			CEP Rengam	2011	Layang-layang, Johor	Certified
				Kulai	2011		Certified
				Layang	2011		Certified
				Seri Pulai	2011		Certified
Sandakan Bay SOU 26	2008			Tun Tan Siew Sin	2008	Sandakan, Sabah	Certified
				Tunku	2008		Certified
				Tigowis	2008		Certified
				Sentosa	2008		Certified
				Saguliud	2008		Certified
Melalap SOU 27	2011			Melalap	2011	Tenom, Sabah	Certified
				Sapong	2011		Certified
Binuang SOU 28	2009			Tingkayu	2009	Kunak, Sabah	Certified
				Sungang	2009		Certified
				Jelata Bumi	2009		Certified
				Binuang	2009		Certified
Giram SOU 29	2009			Mostyn	2009	Kunak, Sabah	Certified
				Giram	2009		Certified
Merotai SOU 30	2009			Imam	2009	Tawau, Sabah	Certified
				Merotai	2009		Certified
				Table	2009		Certified
				Tiger	2009		Certified
Lavang SOU 31	2011			Belian	2011	Bintulu, Serawak	Certified
				Kelida	2011		Certified
				Lavang	2011		Certified
				Lavang (SE)	2011		Certified
				Rasan	2011		Certified
Rajawali SOU 32	2011			Rajawali	2011	Bintulu, Serawak	Certified
				Samudera	2011		Certified

				Semarak	2011		Certified
				Bayu	2011		Certified
Derawan SOU 33	2011			Takau	2011	Bintulu, Serawak	Certified
				Damai	2011		Certified
				Derawan	2011		Certified
				Sahua	2011		Certified
Pekaka SOU 34	2011			Chartquest	2011	Bintulu, Serawak	Certified
				Dulang	2011		Certified
				Peroh	2011		Certified
				Pekaka	2011		Certified
				Ruai	2011		Certified

Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia.

A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and Sime Darby Plantation Sdn Bhd targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.

There was change of the Time Bound Plan under Sime Darby on 15 April 2016 cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still unresolved from the Serikat Petani Kelapa Sawit (SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTU has consider that Sime Darby still comply with the RSPO requirement for partial certification.

**1.10.2 Progress of Associated Smallholders and Outgrowers for Certifiable Standard**

The KKPA (Guthrie Pecconina Plasma) has been included in this assessment scope.

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1 Assessment Team</b>	
<b>RC</b>	<p><b>1. Oktovianus Rusmin (Lead Auditor).</b> Bachelor's Degree in Social &amp; Political Sciences Department of Anthropology. The working experience, consist of: Coastal Project-Department of Anthropology in Indonesian University (Pilot Project of Mangrove Rehabilitation in coastal area of South Sulawesi) as Social Supervisor (1999-2001), Center of Anhtropology-Indonesian University (Research and Publication) as Researcher (2002 – 2014), The Forest Trust-Indonesia (Consultant of Sustainable Forest Management) as Social Advisor (2004 – 2010) and eForest Consultant (HCV Identification and Social Impact Assessment) as staff (2010 – 2011). Already participated in several training, consist of: Forest Management Auditor (FSC Standard), Environmental Management System ISO 14001, ISO 9001:2008, Conflict Resolution, Human Right, Verification System of Wood Legality, Training Lead Auditor of ISPO &amp; RSPO Scheme. Had participate in Sustainable Forest Certification (Eco Labelling Indonesia Standard), Gap Analysis of FSC Standard. He was numerously involved in audit of sustainable palm oil certification since 2011 for Indonesian Sustainable Palm Oil (ISPO) and RSPO Scheme in Indonesia &amp; Malaysia as Auditor and <i>Lead Auditor</i>. The aspect of audited consist of : Social/Conflict Resolution, Land Use Legality, Conservation and Supply Chain Certification System (SCCS). During this audit, he verified Land Use Legality and Social/Conflict aspect.</p> <p><b>2. Muhammad Rinaldi (Auditor).</b> Indonesian citizen, Diploma of Oil Palm Plantation. He has experience 4 years working as Assistant Agronomy since 2007. He has attended training RSPO Lead Auditor, training of Auditor ISPO, training of Lead Auditor ISO 9001-2008, training of ISO 14000, training of HCV identification, training of OHS system management, training of potential and conflict resolution. Experienced in auditing in relevant scheme (ISPO) since 2014 with the aspects of land legality, environmental, social, occupational health and safety, Best Management Practices, Conservation and worker welfare. During this audit he verified SCCS, Health/Safety &amp; Planning.</p> <p><b>3. Sofyan Hadi Lubis (Auditor).</b> Master's Program in Environmental and Natural Resource Management and Bachelor of Social Economic Agriculture. Has been involved as a researcher at the Research Centre of Forestry and Climate Change and Cooperation IPB-ETH Zurich Swiss-NUS Singapore regarding carbon stock analysis. The training has been followed, among other climate change mitigation and adaptation for agricultural productivity in Southeast Asia, Asian Carbon Update and Network and Climate Change Mitigation and Adaptation for Agricultural Productivity, Environmental Impact Assessment (EIA), Lead Auditor ISPO (Indonesian Sustainable Palm Oil), IHT-RSPO, ISO 9001, HCV, ISO 14001, Calculation of Greenhouse Gases (GHG), ISCC Plantation Audit and Land Use Assessment, Green Industry and ISCC EU and Plus Basic Training. Furthermore, he also worked as a staff environmental consulting firm and currently working as an auditor in the certification body (PT Mutuagung Lestari). He has has conducted audits for ISPO scheme, RSPO and ISCC in oil palm plantations, Indonesia as an auditor. During this audit, he verified environment, conservation, and GHG aspect.</p> <p><b>4. Dwi Haryati (Auditor).</b> Indonesian citizens. Bachelor of Agriculture Department of Agriculture – Program study : Agronomy. Has experience on Palm Oil Plantation as Sustainability staff. Training have been followed : Training Auditor ISPO, Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 &amp; 17065, HCV, General Health Safety Expert, Health Safety Management System, Workhshop GHG by the ISPO Commission, IHT Palm Oil Mill Processing, Awareness RSPO, IHT Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest. RSPO audit experience since March 2015 and ISPO since May 2014. Aspects to be audited: best management practices, Occupational Health and Safety (K3), Social Worker. During this audit , she verified Social/Worker Right &amp; Transparency Information.</p> <p><b>5. Afiffuddin (Auditor Trainee).</b> Indonesian citizen, Diploma III majoring Palm Oil Plantation. Five years working experience since 2010 at Oil Palm Plantation Company in Indonesia as agronomy operational staff and followed several trainings namely : Basic Plantation Management Program , Indonesian Sustainable Palm Oil (ISPO), OHS General Expert, OHS System Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015). He has been involved in several audit activities related to sustainable palm oil certification since 2016 covering Best Management Practices aspect, health and safety aspect and worker welfare aspect. During this audit, he verified Best Management Practices of Estate.</p>
<b>2.2 Assessment Methodology, Assessment Process and Locations of Assessment</b>	

2.2.1	<b>Figure of person days to implement assessment</b>
RC	<p>Number of auditors : 4 auditor and 1 trainee auditor          Number of days for Re-Certification at site : 6 days          Number of working days for Re-Certification at site : 24 Working days</p>
2.2.2	<b>Assessment Process</b>
RC	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. <b>Guthrie Pecconina Indonesia subsidiary of Sime Darby Plantation Sdn Bhd</b> to the requirements of <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016); RSPO Supply Chain Certification Standard for Organisation seeking or holding certification. Adopted by the RSPO Board of Governors on 21<sup>st</sup> November 2014 (Module D / E for CPO Mill) and RSPO Certification System (Approved by RSPO Executive Board 26 June 2007).</i></p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results <b>Re-Certification</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase <b>ASA-1.1</b>.</p> <p>Improvement of findings from main assesment findings were observed by auditors at this <b>Re-Certification</b> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>Re-Certification</b>.</p> <p>The assessment program please find Appendix 2</p>
2.2.3	<b>Location of Assessment</b>
RC	<p>Number of units in this certification activity is 5 estates, which supply the raw material (FFB) to Rantau Panjang Factory. In conducting the assessment, the team of auditors used the 0.8<math>\sqrt{v}</math> formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are Rantau Panjang Factory (RJF) and 2 Estates (Rantau Panjang Estate and Bumi Ayu Estate)</p> <p>The locations visited are presented in the following:  <u><b>Rantau Panjang Estate :</b></u></p> <ol style="list-style-type: none"> <li>1. <b>Main Nursery.</b> Interview with Nursery Officer related to type and age of seeds, nursery management with other related documents.</li> <li>2. <b>Blok A02.</b> Observation related land area conservation (LCC)</li> <li>3. <b>Block D8/9 Division I.</b> Observation related to River Buffer Zone Protection and Wildlife Protection</li> <li>4. <b>Block E04:</b> <ul style="list-style-type: none"> <li>• Observation and interview with Harvesting Supervisor and workers related to harvesting procedure accordance to SOP, PPE implementation, OHS implementation, socialization HCV area, and payment system.</li> <li>• Interview with IPM officer related to pest identification, IPM knowledge in accordance with SOP and IPM training.</li> </ul> </li> <li>5. <b>Block F07.</b> Observation pest control for rat with owl, location and monitoring Barn Owl Box (BOB).</li> <li>6. <b>Blok F09 / A013 Division I.</b> Observation related to land application.</li> <li>7. <b>Block E14.</b> Observation and interview with spraying supervisor and workers related to pesticide knowledge according to SOP, PPE implementation, OHS implementation, socialization HCV area, first aid training, first aid kit and MSDS of materials.</li> <li>8. <b>Block F17.</b> Observation and interview with Rantau Panjang Assistant related to replanting procedure (zero burning), LCC application, Empty Bunch application and host plant for natural enemies in the form of <i>Turnera</i> and <i>Antigonon</i> plants.</li> <li>9. <b>Landfill Area.</b> Observation related to standard procedure for landfill according to SOP. Block F15. Observation subsidence mark for peatland in Rantau Panjang Estate.</li> </ol>



10. **Talang Piase Village.** Interview the head of village and community representation related to social interaction between company and community surround, another social issues
11. **Boundary Poles Inspection.** Boundary poles sampling check consist of pole 136, 134, 133, 132, 111 (136, 135 and 11 exist physically, whereas 132, 133, 134 do not exist physically, the area of own estate boundary areas with other parties are separate by by trenches. The poles were installed in good condition and the poles numbers can be read clearly.
12. **Worker Housing RJE and RJF.** Observation of employee facilities, management of domestic waste, emergency response facilities, provision of clean water.
13. **Daycare at Afdeling 1.** Observation related to given facility, emergency response facilities and interviews with employees in relation to work hours, wages, access to daily needs, policies, protection of reproductive rights for women workers.
14. **Workshop.** Observation and interviews with employees related to management of hazardous waste and hazardous material, provision of ppe, training, emergency response facilities.
15. **Fire Extinguishers Warehouse.** Observation on the availability and condition of fire extinguishers and preparedness of fire-fighting team.
16. **Agrochemicals Warehouse.** Observation related to management of agrochemical material and waste, emergency response facilities and the types of pesticides used.
17. **Hazardous Waste Temporary Warehouse.** Observation related to hazardous waste management, record of hazardous waste, the condition of buildings and supporting facilities.
18. **Fuel, Oil, Liquid warehouse.** Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health related to OHS and waste management.
19. **Fertilizer Warehouse.** Observations relating to the implementation of storage fertilizer material, MSDS, Health safety and labor management.
20. **PPE Warehouse of Spraying team and mixing area.** Observation the conditions PPE of warehouse and PPE handling.

**Bumi Ayu Estate :**

21. **Block I 23/24 Division I.** Observation related to River Buffer Zone Protection and Wildlife Protection
22. **Block I33.** Observation of the 2016 planting area, unburned land clearing and empty fruit bunch application of immature plant area
23. **Block I34-I35.** Observation of replanting activities by mechanization (without burning)
24. **Block I35.** Observation of Watergate location.
25. **Block J32.** Observation of replanting activities by mechanization (without burning)
26. **Block J26a :**
  - Observation and interview with Harvesting Clerk related to duties and responsibilities, documentation of FFB delivery, employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.
  - Observation of natural enemies' use of mouse pests (Barn Owl Box).
27. **Blok K20 Divisi I.** Observation related to River Buffer Zone Protection and Wildlife Protection
28. **Block K22 :**
  - Interview with IPM Officer (1 person) related to IPM knowledge in accordance with SOP and IPM training.
  - Observation in Manuring Activity related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.
  - Interview with Fertilizer application Supervisor related to first aid training, first aid kit and MSDS of the material.
29. **Block K27.** Peatland observation and management (monitoring of surface water measurements and soil surface degradation)
30. **Block L20 Division I.** Filed observation related to disposal of domestic waste.
31. **Talang Latas Village.** Interview the head of village and community representation related to social interaction between company and community surround, and another social issue.
32. **Boundary Poles Inspection.** Boundary poles sampling check consist of pole number 88, 89, 90, 101, 104, all of boundary area was separate by trenches. The poles were installed in good condition and the poles numbers can be read clearly.

33. **Warehouse complex (Agrochemical storage, Fuel and Lubricant Storage, Fertilizer Storage, Workshop).** Observation and interview related to wages, training, PPE, work accident, and complaint mechanism.
34. **Daycare.** Observation and interview on first aid kit, worker wages, mechanism of complaint, workers welfare, and medical insurance.
35. **Health Units at BYE.** Observation on first aid mechanism, medical waste management and work accident record monitoring.
36. **Fire Extinguishers Warehouse.** Observation on the availability and condition of fire extinguishers and preparedness of fire-fighting team.
37. **Hazardous Waste Temporary Warehouse.** Observation related to hazardous waste management, record of hazardous waste, the condition of buildings and supporting facilities.
38. **PPE Warehouse of Spraying team and mixing area.** Observation the conditions PPE of warehouse and PPE handling.

**Rantau Panjang Factory :**

39. **Sterilizer Station.** Observation related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.
40. **Tippler Station.** Observation related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.
41. **Press Station.** Observation related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.
42. **Clarification Station.** Observation related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.
43. **Boiler Station.** Observation related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.
44. **Engine Room Station.** Observation related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure. **Security Post.** Interview with 2 security personnel related to FFB received mechanism and security procedure in the transportation of FFB, CPO and Kernel.
45. **Weight Bridge.** Observation and interview of 1 personnel related to FFB received mechanism, CPO & PK delivery and documented system.
46. **Loading Ramp.** Observation and interview with 3 sortation personnel related to personnel understanding about sortation procedure, worker welfare.
47. **Temporary hazardous waste warehouse.** Observations related the process of temporary storage before being sent to the third party, building condition, emergency response equipment, symbol and label of hazardous waste.
48. **Chemical Warehouse.** Field observations related to condition in the chemical warehouses and management of hazardous and toxic materials.
49. **Water Treatment Plant (WTP) station.** Observation related to water consumption and implementation of OHS, and understanding of safe working
50. **Water Reservoir.** Observation related to water consumption and implementation of OHS.
51. **WWTP.** Observations related to the management of effluent, including implementation of OHS.
52. **SLUD FIT and FAT PIT.** Observations related to the management of effluent, including implementation of OHS.
53. **Empy Bunch Area (EBA).** Observations and interviews related to the management of EFB.
54. **Workshop.** Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities.

**Stakeholder visit :**

1. Environment Agency Musi Banyuasin district. Interviews related to environmental documents, environmental permits, environmental management and monitoring reporting, emission source management and environmental pollution issues, etc.
2. Labour Agency Musi Banyuasin district. Interviews related to Occupational Safety and Health, Employment and Industrial Relations.
3. National Land Agency Musi Banyuasin district. Interviews related to the rights of the land being managed and the existence of conflicts or land disputes with other parties, etc.

	<p>4. Plantation Agency Musi Banyuasin district. Interviews related to the assessment of plantation business; Owned business license (capacity and area of the estate), partnership with the community, corporate obligations of existing business licenses, peatland management, regional status, land use change, overlapping areas, land fires, etc.</p>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>RC</b>	<p>Summary of stakeholder consultation process            Consultation of stakeholders for PT. Guthrie Pecconina Indonesia was held by:</p> <ol style="list-style-type: none"> <li>1. Public announcement at web <a href="http://www.mutucertification.com">www.mutucertification.com</a> and <a href="http://www.rspo.org">www.rspo.org</a> on 30 March 2017.</li> <li>2. Consultation meeting and interview with government agencies in Musi Banyuasin District on 16 May 2017.</li> <li>3. Consultation meeting and interview with Surrounding Village (Talang Piase Village, Talang Latas Village, and Gajah Mati Village) on 16 – 18 May 2017.</li> <li>4. Consultation meeting and interview with Internal Stakeholder (Committee gender, labour union and local contractor) on 16 – 19 May 2017.</li> <li>5. Consultation by email with NGO (Sawit Watch, WWF, WALHI) 10 May 2017.</li> </ol>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ( <b>ASA-1.1</b> ) will be determined one year after this <b>Re-Certification</b> (March -2018).

**3.0 ASSESSMENT FINDINGS**

**3.1 Summary of Assessment Report of the RSPO Certification**

MUTUAGUNG LESTARI has conducted an assessment of **Rantau Panjang Factory – PT. Guthrie Pecconina Indonesia subsidiary of Sime Darby Plantation Sdn Bhd** operation consisting of *one (1) mill and five (5) oil palm estates*.

During the assessment, there were nine (9) Nonconformities were assigned against Major Compliance Indicators; two (2) nonconformities were assigned against Minor Compliance Indicators; and one (1) nonconformance against supply chain requirement for CPO mill and seven (7) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (*document record/photographic*). Those corrective actions taken that consist of nine (9) Major non-conformities and two (2) Minor non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that **Rantau Panjang Factory – PT. Guthrie Pecconina Indonesia subsidiary of Sime Darby Plantation Sdn Bhd** complied with the requirements of **Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill)**.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **Issued**

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>	
<b>1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<p><b>1.1.1</b>            Certificate holder has list of stakeholders that consist of local government, central government, NGO, village, local communities, hospital, supplier, school, assurance, bank and contractors. Management also has personnel in charge which is appointed to reform the list of stakeholders and communicate with stakeholders. PIC which is appointed to provide and update information is unit manager and designated assistant.            Based on interview with community of villages, if they need information they will submit a letter to the company. According to them, the company always responds each letter submitted. Based on verification of document, management unit has disseminated the type of information that stakeholder can be accessed on May 13, 2017 to social community Talang Latar village.</p> <p><b>1.1.2</b>            Management has procedure to respond the stakeholders that contained in procedure Communication and Consultation No. RSPO/6.2/KKM. All the communication include information request from the public is kept in data base administration of sustainability department and recorded in a log book stakeholder / community. The time period to respond information request is 10 working days. Based on verification document and interview with external stakeholders, management always responds the information request no longer than 10 working days.            The company appointed manager of the operational unit to respond any requests for information from stakeholders. Procedure explained that the manager unit provides maximum limit of 10 days to respond to the letter. Each record request information is kept in the estate office personnel. The response of the request for information has been addressed by</p>	

the management unit in a timely manner (no more than 10 days from the receipt of the letter). **OFI.No.01.** The certificate holder has opportunity to ensure that all requests for information have been recorded and responded.

Information records in information books, which are available in each unit management. Public and institution consultation with local communities revealed that company has delivered socialization related to consultation and communication mechanism/ procedure.

**Status : Comply**

**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**

The Certificate Holder (CH) has a list of information that can be accessed by stakeholders in the SOP of Right to Access Information which has been revised on February 20, 2016. The documents that can be accessed by the public including: Land Use Title; Trade Business Permit / Plantation Business Permit / Business Location Permit; Licensing, HCV Area; SIA; EIA; Documents of Occupational Health and Safety; Employee data which is not related to the wages; Production Data; Waste Data; Human Rights Policies, RSPO reports.

Results of interviews with stakeholders, known that the villagers understand how to obtain informations from the company.

Based on the Smallholders Plantation Management Report in Sinar Delima Cooperative, it is recognized that the FFB price and payment information is contained in the document and every month the cooperative has acknowledged and approved the calculation in that Report.

Based on interview with Mudah Rasan Cooperative and members/smallholders, explaining that currently there is no payment of FFB result due to the absence of Credit Agreement. For this moments, earnings for farmers in the form of bailouts

**Status: Comply**

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

**1.3.1**

The management unit showed a Business Ethics Policy approved by GM, SGM, and Head Plantation Office (HPO) on May 24, 2007. Besides the business ethics, the management unit also makes the work ethic that governs the individuals basic attitudes and the individuals behavior inside and outside the company, besides including the prohibition of corruption, bribery and fraud also arranged on the code of conducts. That document which is available in bahasa, explains fair conduct of business, and provide information in accordance with applicable laws

Dissemination of code of integrity and ethical behaviour disseminated by specific socialisation or morning briefing to all level of workers . Based on interview with workers, labor union, representatives of gender committees know about code of integrity and ethical behavior.

**Status: Comply**

**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

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

**2.1.1**

Compliance for Land Use Legalities

The Certificate Holder has shown the evidence of land use legalities in accordance with Laws No 05 on 1960 about Main Agrarian Regulation, consist of:

Certificate of Land Use Right (Sertifikat Hak Guna Usaha/HGU):

- The own state of PT Guthrie Peconina, covering 5 estates (Rantau Panjang, Bumi Ayu, Mangun Jaya, Napal and Karang Ringin): Decision of Head of National Land Agency No 11 / HGU / BPN / 2003 dated January 31, 2003, located at Musi Banyuasin Regency o, Province of South Sumatra. HGU area of 10,139.91
- The HGU Certificate for Sungai Jernih Estate is still in process, during the audit has been shown the Field Map document with the total area of 890.97 Ha (1: 10,000 scale, December 02, 2011), issued by the National Land Agency of South Sumatra Regional Office, Field of Measurement and Mapping Survey.



Plantation Business License (Ijin Usaha Perkebunan/IUP):

- Plantation Business License (IUP) from the Investment Coordinating Board no. 336 / T / Agriculture / Industry / 2004 dated 27 October 2004 for plantations covering an area of 10,139.91 Ha.
- Decree of Regent of Musi Banyuasin Number: 01239 / KPTS / IUP / DISBUN / 2013 dated November 15, 2013 concerning the Granting of Plantation Business License of PT Guthrie Pecconina Indonesia, for oil palm plantation covering 3,413.73 Ha in Mangunjaya village , Rantau Kasih Village and Muara Punjung Village, District Babat Toman, Musi Banyuasin Regency, South Sumatra (IUP for Mangunjaya Estate)
- Sungai Jernih Estate & Guthrie Pecconina Plasma (Full Manage; Decision by Head of Musi Banyuasin District, Number: 0265 Year of 2010, February 25, 2010 concerning the Granting of Plantation Business License of PT Guthrie for an area 2000 Ha, consist of 800 Ha for own estate and 1,200 Ha for smallholder program. Location at Gajah Mati Village, Sungai Keruh sub district, Musi Banyuasin District Province of South Sumatera
- Decision by Head of Musi Banyuasin District, Number: 2012/KPTS/IUP/DISBUN/ 2011 dated February 18, 2011 concerning the Granting of Plantation Business License of PT Guthrie Pecconina Indonesia, total Area: 4,000 Ha consist of 1,600 Ha for own estate and 2,400 Ha for smallholder program. Location at Village of Lumpatan, Kayuara, Serasan Jaya, Gajah Mati, sub District of Sekayu and Sungai Keruh, Musi Banyuasin District Province of South Sumatera

The certificate holder shows evidence of compliance with relevant laws and regulations related to Best Management Practices, including :

- The certificate holder has plant machinery permits, such as Boiler License (Steam Boiler), Steam Turbine, Electrical Installation and Compressor from Musi Banyuasin Manpower Office.
- The certificate holder does not open the land by burning according to Law no. 18 of 2004.
- Controlling the reduction of peat soil surface by setting the water level according to Government Regulation No. 150 of 2000 on the control of soil damage for biomass production.
- Based on field observation in chemical storage and spraying activities and document review, it is known that the certificate holder has used the pesticide which registered in "Komisi Pestisida". This is in accordance with Plantation Act 39/2015.

During audit, the company able to show compliance for the environmental regulations, for example:

- The company has environmental document (SEIA and RKL/RPL). It has been In accordance with government regulations (*UU No. 23 / 1997 related to environmental management; UU No. 29 / 2000 related to biodiversity protection; PP No. 20 / 1990 related to air pollution control, PP No. 27 / 1999 related to SEIA; etc.*)
- The company has hazardous waste storage licensed by District Government (Decision Letter No. 376 / 2016, dated March 13, 2014 with validity period of 5 years). It has been in accordance with government regulations (*PP No. 101 / 2014 related to hazardous waste management*).
- The company has land application licensed by District Government (Decision Letter No. 346 / 2016, date June 03, 2016 with validity period of 3 years). It has been in accordance with government regulations (*PP No. 82 / 2001 related to water quality management; and PP No. 28 / 2003 related to land application permit*).
- The company has conducted water river analysis in accordance with national regulations (*PP No. 82 / 2001*).
- The company has conducted emission analysis in accordance with national regulations (*Peraturan Menteri Lingkungan Hidup No. 07 / 2007 for Boilers and No. 13 / 1995 for Generator*).
- The company has conducted effluent analysis in accordance with national regulations (*Keputusan Menteri lingkungan Hidup No. 28 / 2003 related to water quality management*).

Compliance for Manpower regulations.

1. Based on the document verification of memorandum GM HRM no. 083 / HRM-13 / IV / 2017 it is known that wage determination refers to Provincial sector minimum wage according to Decree Governor of Sumsel No.102 / KPTS / Disnakertrans / 2017. This is not in accordance with Circular Letter no. SE-560/143 / DISNAKERTRANS / 2017 concerning Implementation of Minimum Wage in the region of Musi Banyuasin Regency.

2. Based on verification of Daily Time Attendance documents and interviews with sprayer daily contract workers Division II of Sungai Jernih Estate (SJE), it is known that there are workers who have worked more than 21 days for 3 consecutive months or more, but have not yet been appointed workers Status of Non-Specific Time Work Agreement (PKWTT). It is not in accordance with the Regulation Of Labour Ministry No.100 of 2014 article 10 about provisions on the Working Agreement of Certain Time (PKWT).
3. Based on the document review Letter of Work Agreement No.Est / SPK / GPI-SJE / 2017 / III / 004, there are harvest activities undertaken by third parties (on behalf of the contractor Rudi Hartono). The Indonesian Palm Oil Entrepreneurs Association (GAPKI) determined that harvesting work is the main work. This is not in accordance with the Regulation Of Labour Ministry No.19 of 2012 on the terms submission some work to other companies.
4. Based on the study of operator License documents, it is known that there are 6 expired operator license have expired for example operator license A. Kundori (Operator Backhoe Loader) has been exhausted on March 16, 2016. This is not in accordance with Permenakertrans No 09 Year 2010.

The Company has shown compliance with the regulatory related to OHS include:

- It has been reported OHS Committee reports and work accidents report according to regulations.
- Have Doctor and Paramedic with "HIPERKES" certificate
- Have enroll all workers became participants of BPJS.
- Have licensed Boiler's Operator, welder and electrical technician according to regulations
- Has compliance to Article 3 of the Safety Act for example has HIRAC, has procedure of handling emergency responses, has provide the PPE to the workers.

The Certificate Holder has not been able to show compliance with regulations, such as:

1. Based on document verification of GM-HRM No.083/HRM-13/IV/2017, it is known that wage determination refers to Province Sectoral Minimum Wage according to South Sumatera Governor's Decree No.102/KPTS/Disnakertrans/2017. This is not in accordance with Circular Letter no. SE-560/143/DISNAKERTRANS/2017 from Labor Agency related to Implementation of Minimum Wage in Musi Banyuasin District that stated Plantation sector must use minimum Wage in accordance with Governor's Decree no. 743 of 2016 related Minimum Wage of Musi Banyuasin Regency.
2. Based on verification of daily attendance documents and interviews with daily paid workers for pesticide and fertilizer applicator in Divisi II Sungai Jernih Estate (SJE), it is known that there are workers who have worked for more than 21 days in 3 months or more, however the workers have not been appointed as permanent workers. This is not accordance with the Regulation of Labor Minister No.100 in 2014 article No.10 about contract workers.
3. Based on the document review of Work Agreement No.Est/SPK/GPI-SJE/2017/III/004, there are harvest activities has been taken by third parties. The Indonesian Palm Oil Entrepreneurs Association (GAPKI) determined that harvesting is main activity. This is not accordance with Decree of Labor Minister No.19 in 2012 about terms of transfer some work to another company.
4. Based on document review of license of heavy equipment operators, known that there are 6 operator license expired, example on behalf of A. Kundori (Backhoe Loader Operator)has been expired since March 16<sup>th</sup>, 2016. This is not accordance with Decree of Labor Minister No.09 in 2010.

**Non-Conformity No. 2017.01 with Major Category**

**2.1.2**

SOP about regulation requirements does not change from the previous assessment that listed on SOP of Regulation Requirements (SOP-003/GPI/2012). PSD Department (Plantation Support Department) and ESH Manager is responsible for identifying, making summaries, updating, evaluating the fulfillment of all legal requirements, and communicate with all unit.

**2.1.3 & 2.1.4**

The Certificate Holder has conducted an audit of legal compliance conducted on January 2, 2017 by PSD staff and recorded in the Compliance Regulatory Evaluation document. Based on the document, there are 127 regulations was

evaluated for all estate and GPP. In the document also shows that the CH has evaluated the regulation changes, such as Decree of Labor Minister No. 37 of 2016 related to OHS of Pressure Vessel, Decree of Labor Minister No. 9 of 2016 related to OHS to work at altitude and Governor's Decree no. 743 of 2016 related Minimum Wage of Musi Banyuasin Regency.

**2.1.1 Status: Non-Conformity No. 2017.01 with Major Category**

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

**Indicator 2.2.1**

The Certificate Holder has shown the evidence of land use legalities, consist of:

Land Use Legalities

Certificate of Land Use Right:

- The own state of PT Guthrie Pecconina, covering 5 estates (Rantau Panjang, Bumi Ayu, Mangun Jaya, Napal and Karang Ringin): Decision of Head of National Land Agency No 11 / HGU / BPN / 2003 dated January 31, 2003, located at Musi Banyuasin Regency o, Province of South Sumatra. HGU area of 10,139.91
- The HGU Certificate for Sungai Jernih Estate is still in process, during the audit has been shown the Field Map document with the total area of 890.97 Ha (1: 10,000 scale, December 02, 2011), issued by the National Land Agency of South Sumatra Regional Office, Field of Measurement and Mapping Survey.

Plantation Business License:

- Plantation Business License (IUP) from the Investment Coordinating Board no. 336 / T / Agriculture / Industry / 2004 dated 27 October 2004 for plantations covering an area of 10,139.91 Ha.
- Decree of Regent of Musi Banyuasin Number: 01239 / KPTS / IUP / DISBUN / 2013 dated November 15, 2013 concerning the Granting of Plantation Business License of PT Guthrie Pecconina Indonesia, for oil palm plantation covering 3,413.73 Ha in Mangunjaya village, Rantau Kasih Village and Muara Punjung Village, District Babat Toman, Musi Banyuasin Regency, South Sumatra (IUP for Mangunjaya Estate)
- Sungai Jernih Estate & Guthrie Pecconina Plasma (Full Manage; Decision by Head of Musi Banyuasin District, Number: 0265 Year of 2010, February 25, 2010 concerning the Granting of Plantation Business License of PT Guthrie for an area 2000 Ha, consist of 800 Ha for own estate and 1,200 Ha for smallholder program. Location at Gajah Mati Village, Sungai Keruh sub district, Musi Banyuasin District Province of South Sumatera
- Decision by Head of Musi Banyuasin District, Number: 2012/KPTS/IUP/DISBUN/ 2011 dated February 18, 2011 concerning the Granting of Plantation Business License of PT Guthrie Pecconina Indonesia, total Area: 4,000 Ha consist of 1,600 Ha for own estate and 2,400 Ha for smallholder program. Location at Village of Lumpatan, Kayuara, Serasan Jaya, Gajah Mati, sub District of Sekayu and Sungai Keruh, Musi Banyuasin District Province of South Sumatera

**2.2.2**

The Certificate Holder has Guidelines for Boundary Poles Maintenance (Memorandum by Chairman SOU 23 Rantau Panjang, dated 25 October 2016). This guidance was explained that the boundary poles monitoring conducted regularly every 6 months. These document as guidance for maintenance periodically the boundary poles.

Based on inspection of boundaries poles in Rantau Panjang Estate, consisting of pole number 136, 134, 133, 132, 111 (136, 135 and 11 exist physically, whereas 132, 133, 134 do not exist physically, the area of own estate boundary areas with other parties are separate by by trenches. Most of poles that shown in a good condition and appropriate to the coordinates of the GPS data point by the National Land Agency. Likewise, also the sampling boundary poles in Bumi Ayu Estate, consisting of Pole number 88, 89, 90, 101, 104, all of boundary area was separate by trenches. Through the boundary poles sampling in Sungai Jernih Estate, consist of pole 08, 09, 10, 11 & 12, all the poles sampling in a good condition and the number can read clearly and all boundary area was separate by collection road for FFB loading

**2.2.3, 2.2.4 & 2.2.5**

The Certificate Holder has the procedure of Land Dispute Resolution ((SOP-004/GPI/2012, effective since December 2012). Based on document verification (Map & Area Statements) and consulting in the surrounding villages, during 2016 indicated no land dispute between the company and another party. Stakeholder consultation with local stakeholder consist of Head Village and Informal Leader in Head of Talang Piase, Talang Latas and Gajah Mati was knew that there is no significant issues of land conflict among the management unit and another party in surround of plantation area.

**2.2.6**

The company had Inter Office Number: 043/GRAS-IM/II/2016 dated of 2 February 2016. These Policies related to Prohibition of Contractually Army using, The main point was explained in these policy, consist of point that the company will not using of Contractually Army in conflict resolution and will not tolerance of anarchism in conflict resolution process. Based on field visit observation during the audit process, stakeholder consultation with Head of Village at Talang Piase, Talang Latas and Gajah Mati, there is no indication of Contractually Army using plantation area of PT Guthrie Pecconina Indonesia.

**Status: Comply**

**2.3**

**Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.**

**2.3.1**

Based on document verification of High Conservation Value Identification and Social Impact Assessment in PT Guthrie Pecconina Indonesia and also stakeholder consultation with Head of Talang Piase, Talang Latas and Gajah Mati, that known there is no land of the company was under of customary right. Since ASA-4 period till Re-certification period, there is no new land compensation process, the compensation process has been done in the early period of plantation development. The land acquisition or compensation documentation process was filed in each estate

**2.3.2 & 2.3.3**

PT Guthrie Pecconina Indonesia was acquired/take over by Sime Darby Sdn Bhd in 2002. The land acquisition process was carried out by the previous management of PT GPI (former owner) and has been managed since 1998. Based on document verification and information from Plantation Service Department staff of Minamas Plantation in PT Guthrie Pecconina Indonesia, that known since period of ASA-4 2016 till Re-Certification period on May 2017 no more compensation process. The documentation of land compensation process in early period was filled in each estate and format in Indonesian language. There document consist of Land Location Map, Statement of Land Right Release by the owner, Receive of payment, Official Letter of land compensation process was signed by related party. The related party was consist of the Company Representation, Land Owner and witnessed by Head of Village.

**2.3.4**

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

**Status: Comply**

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

**3.1**

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

**3.1.1**

The CH has a work plan for the next 3 years in the 2016-2017 Budget document & Projection years 2018-2021 which are made per unit of management include for Guthrie Pecconina Plasma. In the document has explained that the operational area plan has not changed, the production of TBS, CPO and PK, yield / ha, the projected extraction of CPO & PK, the cost for ESH, social and environmental management and operations.

In addition, the CH has Data of PT. GPI Business Plan period 2016/2017 - 2020/2021 which describes the number of seeds, FFB production, OER, Production Cost, price of CPO, Revenue, replanting and CPO Production.

The CH has conducted an evaluation of the estimated budget which is conducted every month. Evaluation is recorded in Performance Monitoring documents -Simplified EVP-M3. In the document explaining that the difference between realization activities and budget as well as to explain the evaluation of these differences.

The company has not yet conducted an drainability assessment of the extinction on peatlands. The certificate holder has coordinated with the Minamas Research Center (MRC Department) to conduct peatland area assessment in accordance with Inter Office Mail number 609 / EM-KRE / V / 2017 dated May 12, 2017. However, the Ch has plan for controlling



flooding for example maintenance for drainage in peat area and built new drainage on replanting area. The plan is listed on 2016-2017 Budget document & Projection years 2018-2021.

**3.1.2**

The CH replanting program has not changed from the previous assessment listed in the Long Range Replanting Program for the years 2014-2030. Replanting progress listed in the replanting realization document and areal statement, for example, there is a realization in RJE for the year 2014/2015 covering 251.39 Ha; year 2015/2016 covering 277.57 Ha and year 2016/2017 covering 416.53 Ha.

**Status: Comply**

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

**4.1**

**Operating procedures are appropriately documented and consistently implemented and monitored.**

**4.1.1**

The certificate holder has a documented procedure for the mill and estate. The estate procedure starts from the procedure of plant material, then the technique of nursery, fertilization, weed control, integrated pest management to harvesting and transporting it contained in the document of Standard Operating Procedure (SOP) of Agronomy Reference of Oil Palm Plantation, document number 110 / EST- ARM / 13, dated September 1, 2013 signed by Head, Plantation Upstream Indonesia Minamas. The document has been distributed on September 16, 2013 to all leaders of the estate and mill units. The certificate holder also has a procedure for the process of receiving fresh fruit bunches to dispatch the CPO and kernels listed in the technical guidelines of the palm oil mills Part I and II, Minamas Plantation dated April 30, 2007. Operational procedures in general have been socialized to all employees in accordance with their respective fields of work.

Based on field observations at Rantau Panjang Estate, Bumi Ayu Estate and Sungai Jernih Estate - Guthrie Pecconina Plasma on harvesting, fertilizing and spraying activities were found that employees can demonstrate how to work in accordance with existing procedures. Mill employees during field visits such as sterilizer operators, boiler operators and press operators can also explain tasks and responsibilities in accordance with existing work procedures.

However, based on field observations to the nursery area of the Sungai Jernih Estate and a review of the last stock seed document dated May 19, 2017, it is known that there are seeds that exceed the age of planting (69 - 78 months). This is not in accordance with the Agronomy Reference for Oil Palm Planting, No. 110 / EST-ARM / 13 Part 2 number 12, stating that the seedlings should be planted at the age of 11 - 13 months. **Non-Conformity No. 2017.02 with Major Category.**

**4.1.2**

The certificate holder routinely conducts activities of inspection or monitoring of activities in accordance with the operating procedures performed every 6 months or at least once a year. The certificate holder has procedures for the documentation and supervision systems contained in the document. 724 / TQEM-SPM / 09 CHAPTER III point 3.1 which explains that sustainable plantation management guidelines will be documented and supervised by BPA-System & Procedure Department (led by General Manager of Business Planning & System Procedure). The procedure also describes the implementation of internal audits, external audits, management evaluations, evaluation levels, evaluation responses and revisions of the procedures outlined in Chapter VII Implementation and Monitoring. Officers performing the audit and evaluation have the competencies as determined by the certificate holder.

The certificate holder has trained workers at various levels, such as safely driving engineering training, on 12 July 2016, the place of Bumi Ayu Estate Traction Workshop, attended by 20 participants and training of integrated census and pest management officers, on 13 July 2016 on block I28 in Bumi Ayu Estate with 6 participants attending.

Internal surveillance ranging from the smallest scope is done by the foreman to the manager level and beyond.

Internal operational audits regularly supervise the implementation of SOPs that have been set at least 6 months, for example, conducted in Rantau Panjang Estate on 17 to 25 January 2017 for the second semester of 2016/2017 period.

**4.1.3**

The certificate holder owns and demonstrates the results of the monitoring activities along with the evaluation and follow-up contained in one form namely the Working Paper of Conclusion Inspection. Internal measurements and monitoring records by the Plantation Advisor (PA) Departments are located in the unit office, for example, the findings of the internal audit dated 19 to 26 July 2016 at Bumi Ayu Estate are Material Safety Data Sheet (MSDS) documents for agrochemical materials available in incomplete warehouse. The certificate holder shows the corrective action requesting an incomplete MSDS document to the purchasing section that was implemented in August 2016.



**4.1.4**

Rantau Panjang Factory only receives FFB from Own Estate and GPP Estate. There is no acceptance of fruit from third parties. Based on interviews with weighbridge and grading workers, it was explained that there was no outside FFB acceptance.

**4.1.1** | **Status: Non-Conformity No. 2017.02 with Major Category**

**4.2**

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

**4.2.1**

The certificate holder already has a procedure related to fertilization activities contained in the Agricultural Reference Manual (ARM) document (No. Doc. 110 / EST-ARM / 13) Section 8 concerning the Fertilization of Oil Palm Crops which includes technical fertilization, empty fruit bunch application and compost application on Immature plants and mature plants, fertilizer placement and fertilizer application of 'focal feeding' on marginal soils.

Implementation of the SOP is monitored periodically with an operational audit or Plantation Advisory. In addition, the implementation of fertilization supervised by the foreman, assistant and re-evaluation by the manager. From the results of the visit in the field of Bumi Ayu Estate block K22 and Sungai Jernih Estate block J14, found fertilization work with manual system dosage refers to fertilizer recommendations. The foreman records the results of the work in accordance with the actual work of the day.

**4.2.2**

The certificate holder has documented the use of fertilizer in each estate, such as HGFB fertilizer, CCM 44 and CCM 25. For example, based on recommendation documents and fertilizer realization of first semester (until April 2017) Sungai Jernih Estate and Guthrie Pecconina Plasma, the realization of fertilization in the Sungai Jernih Estate and Guthrie Pecconina Plasma HGFB has not been realized, CCM 44 398,781 tons of budget 509,593 tons and CCM 25 of 13,457 from the budget of 17,223 tons.

**4.2.3**

The certificate holder owns and shows recordings of soil and leaf analysis activities periodically in accordance with soil and leaf sampling procedures such as the implementation of soil and leaf sampling, analysis of soil and leaf samples at Minamas Research Center Laboratory, soil sampling at depth 0-30 cm and 30-60 cm and field visits.

The certificate holder shows the soil and leaf samples taken by Minamas Research Center (MRC) Laboratory Services Teluk Siak, among others, the soil analysis test report dated February 24, 2017 and the analysis report of plant tissue analysis dated 2 August 2016.

**4.2.4**

The certificate holder recycles the nutrients by applying the palm oil mill effluent, empty fruit bunch and the replanting residue. Based on the results of field visits on replanting activities in Block J32 of Division 2 Bumi Ayu Estate, it is known that chipping of palm stems is left to rot which is also useful as a soil nutrient addition. Based on the results of the visit on the application of palm oil mill effluent in Block A13, Division 1 of Rantau Panjang Estate, it is known that the application of palm oil mill effluent to the field by leaving the last 2 beds as a container in case of rain. Based on field observation on 2016 planting area in Block I33, Division 2 Bumi Ayu Estate, it is known that the empty fruit bunch was applied to immature plant area with dosage of 180 - 200 kg / palm and applied on circle of palm evenly. The certificate holder has documented the activities of palm oil mill effluent and empty fruit bunch, for example, at Bumi Ayu Estate Block K19 July 2016 to April 2017 period has applied 569.03 ton empty fruit bunch and application of palm oil mill effluent in Rantau Panjang Estate in January 2016 to April 2017, has been applied as much as 31,507 m3.

**Status: Comply**

**4.3**

**Practices minimize and control erosion and degradation of soils.**

**4.3.1**

Based on the document review, it is known that the certificate holder has a semi-detailed soil survey document by Param Agricultural Soil Surveys in 2008 which has a marginal land map of 1: 100,000 scale. From the map, it was identified about 31 types of soil (Malaysian land nomenclature). Of the types of soils are grouped into four groups of "management soil" ie groups A, B, C, and E in each estate, for example in Rantau Panjang Estate has four land groups (A, B, C, E).

Based on field observations, it is known in Rantau Panjang Estae and Bumi Ayu Estate that there are areas with peat soil, such as those found in block F15 Rantau Panjang Estate and block K27 Bumi Ayu Estate.

**4.3.2**

The certificate holder has a slope protection policy and a river buffer zone, document number SOP 724 / TQEM-SPMS / 09 dated August 27, 2010 authorized by the CEO. Procedures explain slope criteria, slope policy and erosion prevention. Based on the result of document review and field observation at Rantau Panjang Estate, Bumi Ayu Estate and Sungai Jernih Estate-Guthrie Pecconina Plasma, it is known that there are no slopes / steep slopes. The area is known to be flat-wavy.

**4.3.3**

The certificate holder has a road maintenance and road hoarding program for example at Bumi Ayu Estate in Roads & Bridges document from January 2016 to April 2017 which explains the programmed 20,930 meter and realized 93,275 meters. Based on the results of interviews with the management, it is known that the realization is greater because there are roads that are located in flood prone areas so there should be more intensive maintenance (map of plan and realization attached).

Based on the results of field observation, along the sample locations in block K22, J26A, K27, I35, J32 at Bumi Ayu Estate and blocks I13, J14, K18 and I13 in Sungai Jernih Estate - Guthrie Pecconina Plasma, it is known that road maintenance is done by road hoarding, Using heavy equipment such as Road Graders, manual maintenance by opening puddles and pruning palm fronds on the sidewalk. In areas at risk of flooding the certificate holder has been working on the creation of flood retaining embankments.

**4.3.4**

The certificate holder shows the SOP of management in the land subsidence regulation contained in the SOP Reference Manual on Agronomy of Oil Palm Planting. Policy: 110 / EST-ARM / 13 last revision on September 1, 2013 in section 10 on Management of Water On Coastal Areas and Planting on Peatlands. The document describes water management, water table monitoring and peat subsidency. The decrease of ground level is monitored by using subsidence stakes placed in the middle of the peatland block and monitoring is done once every 6 months and is recorded in a special monitoring book.

Based on field observations at Bumi Ayu Estate and Rantau Panjang Estate, it is known that the certificate holder undertakes the reduction of the land surface by adjusting the water level. Currently the company is doing by making Watergate to regulate the water discharge. Then the company also makes a block / stop bund block with overflow system.

**4.3.5**

Currently, the certificate holder has not yet conducted an assessment of the extinction on peatlands. The certificate holder has coordinated with the Minamas Research Center (MRC Department) to conduct peatland area assessment in accordance with Inter Office Mail number 609 / EM-KRE / V / 2017 dated May 12, 2017.

**4.3.6**

The fragile soil and critical land owned by certificate holders in the form of peatlands. The certificate holder own and demonstrates the strategy for managing fragile soils and other critical lands, as stated in the SOP document Reference Manual on Agronomy of Oil Palm Planting. Policy: 110 / EST-ARM / 13 last revision on September 1, 2013 in section 10 on Management of Water On Coastal Areas and Planting on Peatlands. The document describes water management, water table monitoring and peat subsidency.

Based on the results of the document review, it is known that the certificate holder has a record of inspection and implementation in accordance with the procedures for managing the peat area, such as having monitoring of peat soil degradation 1 year 2 times the measurement and monitoring the level of water level conducted every day.

Based on field observations in K27 Bumi Ayu Estate block, it is known that the area is a peat area and is equipped with subsidence and pizeometer pegs.

<b>Status: Comply</b>
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**4.4**

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

**Indicator 4.4.1**

Based on document review, water management plan are explained in:

- Sustainable Plantation Management Guidelines with document no: 724/TQEM-SPMS/09, dated 27/08/2010). In the procedure explained that water management is implemented by: making riparian boundary markers as well as chemical application, 50 meter for small rivers and 100 meter for large rivers.
- Memorandum from Head Plantation Officer (HPO), dated 08/03/2010 related to management and monitoring river buffer zone area. In the procedure explained that water management is implemented by: no application with inorganic fertilizer, weeding is not conducted with chemically but manual practice.
- RKL/RPL document. In the procedure explained that water management is implemented by: conducted water river analysis, ground water analysis every 6 months.

Based on interview with management representative, there are no changes procedures related to water management. The procedures used are still the same as the previous audit activities.

#### **Indicator 4.4.2**

The company has RKL/RPL document. Document explained that water management is implemented by: conducted water river analysis, ground water analysis every 6 months.

RJF has conducted water management in accordance with waste management plan. i.e. conducted water river and ground water analysis by accredited laboratory (*UPTB. Lab. Lingkungan, BLHD*). Latest analysis results on 17/10/2016 (certificate no: 168/SHU-LLK/VI/BLHPP/2016) and 29/01/2017 (certificate no: 660/0138SPPC-ALC/II/2017). The analysis results are in accordance with Indonesia regulation (*PP No. 82 / 2001 and Permenkes 416/1990*).

The company has Memorandum from Head Plantation Officer (HPO), dated 08/03/2010 related to management and monitoring river buffer zone area. The procedure explained that water protection is implemented by: no application with inorganic fertilizer, weeding is not conducted with chemically but manual practice.

Based on field observation at Block D9/10 Division I RJE, known that the river buffer zone area are demarcated with red paint about 5 three palm trees from the edge of the water body, as indication no chemical application is permitted at these palms. It was confirmed through interview with sprayers from RJE that no spraying is carried out at these palms. Estate has also installed signboard in the field with information mentioned in the signboard is about river protection from chemical activity.

However, water bodies protection including river buffer zone is not fully implemented in accordance with the police established by the company (namely: Memorandum from Head Plantation Officer (HPO), dated 08/03/2010 related to management and monitoring river buffer zone area). This is evidenced by:

- Field observation at Block K20 Division I Bumi Ayu Estate (BYE), it was found chemical fertilization in Sungai Putih riparian.
- Field observation at Block H09 Division I Guthrie Pecconina Plasma (GPP), it was found former herbicide application in Sungai Keruh riparian. Based on document review of *Buku Kegiatan Mandor*, herbicide application was conducted on 12/04/2017.
- Field observation at Block J14 Sungai Jernih Estate (SJE), it was found fertilizer workers who wash PPE and clothers inside river.

Based on the explanation, it is found **Non-Conformity No. 2017.03 with Major Category**.

#### **Indicator 4.4.3**

The Rantau Panjang Factory (RJF) has conducted effluent discharge quality analysis by accredited laboratory (UPTB Laboratorium Lingkungan Badan Lingkungan Hidup Musi Banyuasin District). Based on the document period of January 2016 - March 2017, known that the test results are in accordance with Indonesia regulation (*KepmenLH No. 28 Tahun 2003*).

Based on interview with management representative, known that the mill effluent analysis was conducted once a month. Based on interview with local community, known that there was no pollution issues caused by WWTP activities.

The RJF has license from MUBA District to discharge mill effluent to ground land / Land Application (Decision Letter No. 346 / 2016, on 03/062016 with validity period of 3 years). Total mill effluent disposal to ground land (Land Application) period 2016 = 98315 m<sup>3</sup>.

**Indicator 4.4.4**

Based on document of water consumption per FFB period Jan – Dec 2016, known that the total water consumption = 1.09 m<sup>3</sup> per tFFB. Water consumption is still in accordance with the budget set up by mill management = 1.19 m<sup>3</sup> per tFFB. Based on field observation at Water Treatment Plant (WTP) station, known that the operator has recorded water consumption through observation at measuring instrument (flow meter).

However, water consumption of Rantau Panjang Factory (RJF) is inconsistent with The Water Resources Management Permit (Decision Letter No. 370/Kpts/M/2016) set by the Ministry of public Works and Peoples Housing, Director General of Water Resources on 13/06/2016 with the provision of Maximum Debit 20143 m<sup>3</sup> / month.

Based on document review of water consumption period June 206 – Mei 2017, found water consumption exceeds the stipulated requirement, for example: September 2016 = 20.425 m<sup>3</sup> / month, October 2016 = 33.345 m<sup>3</sup> / month, November 2016 = 22.158 m<sup>3</sup> / bulan, etc.

Based on the explanation, it is found non-conformity **Non-Conformity No.2017.04 with Minor Category.**

<b>4.4.2</b>	<b>Status: Non-Conformity No.2017.03 with Major Category.</b>
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<b>4.4.4</b>	<b>Non-Conformity No.2017.04 with Minor Category.</b>
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**4.5**

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

**4.5.1**

The certificate holder performs the detection by receiving a report from the worker then a census is done to determine the actual attack rate through the sampling result. If the census indicates the attack is above the threshold then the control will be applied by the certificate holder. Based on the results of the review of nettle caterpillar census documents and rat census from July 2016 to April 2017, the results of the census showed no pests of both pests of mice and caterpillar pests that exceeded the specified threshold.

Based on field observations at Rantau Panjang Estate, Bumi Ayu Estate and Sungai Jernih Estate - Guthrie Pecconina Plasma, no significant pest attacks are found and workers say pest attacks are rare.

**4.5.2**

The certificate holder shows the training notes provided to the labor involved in the integrated pest control process, such as the training of caterpillar census officers and rodents at Rantau Panjang Estate on 27 February 2017 attended by 9 participants and training on control of pest and disease dated 29 April 2016 in Sungai Jernih Estate which was attended by 28 participants.

Based on field observations and interviews with spraying workers and census officers at Rantau Panjang Estate, Bumi Ayu Estate and Sungai Jernih Estate Guthrie Pecconina Plasma, it is known that workers have been trained in pest and disease control and understand the procedures that certificate holders have established.

	<b>Status: Comply</b>
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**4.6**

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

**4.6.1**

The certificate holder has procedures related to chemical activities such as spray work and pest control. The procedure is contained in the Agricultural Reference Manual (ARM) (110 / EST-ARM / 13) on plant protection from pests and diseases and weed control in general, such as the spray width on the circle is 2 meters. In addition, the procedure also explains general weed controls that pesticides are used selectively for specific targets, described dosage per ha, and dilution dosage. The certificate holder also uses pesticides listed on the pesticide commission according to the actual targets and targets in the field. Based on the results of field observations in the Sungai Jernih Estate Block I13 found spraying activities using pesticides made from active ingredient Floroksipir and Triklorpir Butolsil Ethyl Ester to control wide-leaved weeds in the circle of palm.

**4.6.2**

The certificate holder documents the use of pesticides, for example for use in the Rantau Panjang Estate period 2016/2017, the use of Ammonium glycosinate active ingredients of 0.62 liters / ha and 0.0107 liters / ton of fresh fruit bunches, Triklopir Butolsil Ethyl Ester active ingredients of 0.21 liters / ha and 0.0071 Liter / ton of fresh fruit bunches. The certificate holder records the use of pesticides including the active ingredients used and the LD50 of the active ingredient, the targeted area, the number of active ingredients applied per ha and the number of applications.

**4.6.3**

The certificate holder operates an integrated pest control system by collaborating on biological and chemical controls. The use of chemical techniques is not done in a preventive manner, however based on the results of early warning systems of detection and census. Biological pest control is done by applying the development of natural enemies of owls to control the pest population of rats. The development of useful plants such as *Turnera subulata* and *Antigonon leptopus* is also used as a biological control technique as a living place for predator caterpillars. Based on the results of field visit in block J26A, Division 1, Bumi Ayu Estate, found the installation of an owl cage with active conditions. Based on field visits at Bumi Ayu Estate and in Sungai Jernih Estate on operational activities, it was found beneficial plant development of *Turnera subulata* and *Antigonon leptopus* at the visit site. Based on Program Document and Realization of Herbicides & Pesticides on 2014-2017, it is known that the company does not use pesticide for controlling pest and disease.

**4.6.4**

The certificate holder has a complete list of Pesticides belonging to the World Health Organization Class 1A or 1B, or those listed in the Stockholm or Rotterdam Conventions. The list is listed in appendix 2 of SOP Sustainable Plantations Management Manual No. Policy 724 / TQEM-SPMS / 09 was issued August 27, 2010. The certificate holder also does not use paraquat and pesticides classified as class 1A or 1B. This is affirmed by the policy of not using Paraquat contained in the memorandum document of Head Plantations Operation (number: POD-UM-127 / X / 2008 dated November 4, 2008) regarding the Substitute Recommendation for the Application of Paraquat-Gramoxone Active Ingredients in Minamas environment.

Based on the results of field observations on spraying activities at Rantau Panjang Estate, Bumi Ayu Estate and Sungai Jernih Estate and visitation in herbicide storage, there is no use of pesticides (WHO class 1A and 1B) or paraquat. It is also acknowledged by the foreman and spray employees during a field visit at Rantau Panjang Estate, Bumi Ayu Estate and Sungai Jernih Estate, that the certificate holder does not use pesticides made of paraquat.

**4.6.5, 4.6.7 & 4.6.9**

The CH has SOP of Hazardous Material Handling (SOP-024/GPI/2012 dated on December 01, 2012), has approved by the Chairman of SOU. In addition, the company has identified the risk for pesticide application in HIRAC document.

Based on interviews with 11 workers and a foreman on spraying activity in Rantau Panjang Estate and Sungai Jernih Estate, explained that the workers have received training in accordance with the procedure about spraying techniques, for example the workers can explain width of circle in accordance with procedure and risks that may occur in the spraying activities include toxicity, skin irritation up to the environmental pollution. Workers also explained that pesticide mixing is conducted in the special place and after work, all of equipment and PPE was washed and stored in a special place that is in the House of Block Spraying System.

Based on a visit to spray activities that using Kleen Up pesticides, the workers have been equipped with PPE with type of shoes, safety goggles, apron, shirts and trousers, masks and gloves made from rubber. The type of PPE is in accordance with the recommendations in the MSDS of Kleen Up pesticides.

**Indicator 4.6.6**

The company has pesticide management procedure date 05.01/2015. In addition, there is also hazardous waste management procedure with document no: SOP/025/GPI/2012 dated 01/11/2012. The procedure explained that the pesticide containers are stored at hazardous waste temporary located in estate and then recorded on hazardous waste



logbook.

The company also has hazardous waste collection assigned by Chairman of SOU23 Rantau Panjang dated 20/02/2016. The procedure explained that the pesticide containers should be sent to hazardous waste licensed located in RJE, after that recorded on hazardous waste logbook by RJE officer and then periodically submitted to registered contractor. In addition, there is also waste source identification and management document period 2016-2017 assigned by Chairman of SOU23 Rantau Panjang. The procedure explained that the pesticide containers are stored at hazardous waste licensed.

Based on field observation at hazardous waste temporary in estate, known that the pesticide containers has been sent to hazardous waste store licensed in RJE. Based on field observation to Housing Complex known that there was no found use of pesticide containers for other purposes such as: bins, flower pots and water containers.

**4.6.8**

Based on field visits and interviews with workers, the company never did the application of pesticides from the air. Applications are done by using a sprayer.

**4.6.10**

Related to pesticide management procedure able to see in **Indicator 4.6.4**

The company has conducted socialization related to Hazardous Waste management including pesticides containers to workers, community and other on 13 February 2016, 23 February 2017, 07 March 2017 (RJE) and 07 February 2017 (BYE). In addition, based on interview known that the Hazardous Waste officers have understood management of Hazardous Waste including pesticide containers.

Hazardous waste officers is able to show the schedule waste document. **Sighted:** #hazardous waste logbook/hazardous waste bind card; #receipt of handover hazardous waste estate to hazardous waste store licensed on RJE; #hazardous waste manifest; #receipt of reporting to environment agency.

**4.6.11**

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

- BYE: 11 workers (10 women, 1 male)
- RJE: 41 workers (35 Women, 6 men)
- SJE: 23 workers (16 Women, 7 men)

The CH shows health checks for pesticide operators by checking the blood chemistry conducted by the Company Doctor. The last implementation was conducted in February 2017 with the result that all spray workers are still in normal condition and fit to work. Based on interviews with spray workers and paramedics, explained that health checks are always done 2 times a year and so far there are no spray workers are sick because pesticides exposure. The workers also known of the result of medical checkup.

**4.6.12**

The prohibition policy on pregnant and breast-feeding women to handle pesticides has not changed in the previous assessment contained in the SOU and Company Doctor Circular Letter related to the policy on women's reproductive rights dated July 1, 2010 in which it is clear that pregnant and breast-feeding women are prohibited from spraying and fertilizing work.

Based on interviews with woman workers of pesticide applicator in RJE and SJE, it is known that women workers has understood that workers are not allowed to carry out activities related to chemicals if she is pregnant or breast-feeding.

**Status: Comply**



**4.7****An occupational health and safety plan is documented, effectively communicated and implemented.****4.7.1**

The policy related to OHS unchanged from previous assessments listed on OHS policy approved by the Head Plantation Upstream Indonesia December 2011. OHS Policy is socialized through "Safety Townhall" activities conducted every year. For example RJE conducted on January 26, 2017; SJE and GPP conducted on February 08, 2017.

Based on interviews with harvest and spray workers in BYE and RJE, it is explained that all workers must attend at "safety townhall" activities. In the event explained the policy of OHS, the use of PPE and the notification about safety.

The CH shows OHS Work Program for the year 2016/17 approved by the Estate Manager. Implementation evidence of OHS plans, example Guiding Committee of OHS meeting every three months, checking emergency response tools, and medical checkup for all workers that conducted on February 2017. Evaluation work program carried out at the end of the program for discussing the achievement of the activities carried out. The evaluation of OHS work plan is done during OHS Committee meetings conducted every 3 months and the CH also monitors the implementation of the OHS plan.

**4.7.2**

The CH has had a Risk Assessment document for the identification and analysis of potential hazards in all areas of work of plantations and mill. Last HIRAC evaluation was conducted on 10 February 2017 for Plantation HIRAC and 01 December 2016 for Mill HIRAC.

Based on a visit to spray activities that using Kleen Up pesticides, the workers have been equipped with PPE with type of shoes, safety goggles, apron, shirts and trousers, masks and gloves made from rubber. The type of PPE is in accordance with the recommendations in the MSDS of Kleen Up pesticides.

**4.7.3**

The certificate Holder showed evidences of operational training activities, among others:

- Training of IPM Handling conduct on 29 April 2016 in SJE & GPP
- Training about FFB transportation conduct on February 2016

Based on interviews with workers, it is known that the worker can explain the risks according to the type of activity, for example the boiler operator knows the signs of unsafe conditions in the boiler machine in accordance with the procedure and the harvest workers can explain the safe distance to cut the fruit under the tree.

The CH has SOP of PPE (No.SPO/040/GPI/16) has been authorized by all Estate Manager. The SOP describe the types of PPE for every activity (Estate and Factory), PPE provided by company and PPE that cannot be used/broken/torn should be replaced, but this has not been implemented consistently. Based on field observation, document review and interviews with worker in RJE, RJF, BYE, SJE and GPP, it is known :

- The CH not provides boots for workers in harvesting and fertilizer activity at Sungai Jernih Estate & GPP.
- Harvesting workers in RJE and BYE wore shoes not boot.
- Spraying workers in SJE used broken/torn boots.
- In RJF, 4 out of 10 workers interviewed wore torn boots and 1 out of 10 workers wore boots (not safety boots)
- Workers in fertilizing activity at SJE do not use apron.

**Non-conformity No 2017.05 with Major Category****4.7.4**

The person in charge for the implementation of OHS is listed in OHS Committee structure. The structure is formed for each unit management. The entire structure has been approved by the Labor Agency. The structure has been accordance with Labor Minister Decree No. 04 of 1987.

Based on the OHS Committee work program, it is known that the OHS Committee meeting done every three months, there is evidence of implementation OHS Committee meeting in the form of the minutes and the attendance list which contained in the OHS Committee report documents, for example, the RJE conduct the last meeting on March 13, 2017, followed by 11 of OHS Committee and worker representatives, among others, foreman I, operator and Head of Mechanical. Discussions related to the incidence of work accidents, the addition of sign boards and health checks.

**4.7.5 & 4.7.7**

Emergency response procedures and works accidents in the company remain unchanged from the previous assessment, for example:

- SOP of Accidents recording Data (SOP-012/GPI-2012 dated on 01 December 2012)
- SOP of Surviving worker in work accident Handling (SOP-022/GPI-2012 dated on 01 December 2012)
- SOP of Fire Fighting and Prevention describes the Fire Response Team, Fire Control, Reporting and administration of Genesis.

Based on field visits and interviews with the harvesting, spraying and fertilizer foreman in RJE, SJE and BYE, it is known that the foreman has earned training about First Aid and could explain how handling accidents. All of foremen has been equipped with first aid kit. In addition, based on visits in Warehouses, Workshops, Hazardous Waste Storage, it is known that there is a box of First Aid. The certificate holder has the opportunity to evaluate the contents of the First Aid box in accordance with the rules and work risks.

The CH shows the Work Accident Monitoring that describes the last 12 months of work accidents for the period of January 2016 - December 2016. The document describes the identity of the victim, accident type, accident category, work lost day, accident type. For example, for data in RJF there is 1 work accident 2000 days lost work (calculation according to regulation), in SJE& GPP there is 1 accident with 45 days lost work, in RJE there are 17 accidents with 3 days lost work and in BYE there is 1 accident Work with 5 days lost work. The CH has opportunity to re-ensure the recording of the accident.

The CH has reported work accidents to the Labor Agency of Musi Banyuasin Regency in the OHS Committee Report every 3 months, in accordance with Labor Minister Decree No. 03 of 1998, for example evidence of reporting of the OHS Committee Report for the period January-March 2017 on 18 April 2017 for RJE, 10 April 2017 for BYE, dated 02 April 2017 for RJF and in 10 April 2017 for SJE & GPP.

The CH shows the accident investigation documents for all accident which contain accident data, victim identities, victim conditions, chronology, investigation cause and recommendations. For example, an accident at RJF on July 15, 2016 on behalf of Sujarwo because the right foot entered the rotating engine causing the loss of all right foot toes. The CH has shown evidence of improvements in the form of training on the application of LOTO for all mill workers, evaluation of SOP and HIRAC.

**4.7.6**

The CH is able to show the evidence of payment of contributions for accident insurance period April 2017 that were included in the *BPJS Ketenagakerjaan* for all workers. Based on interviews with workers, explained that the workers have a *BPJS Ketenagakerjaan* membership card. For medical care of employees, the company has a clinic equipped with the company doctor and paramedic.

Based on work accident data, there are work accidents that cause permanent disability, such as the accident at RJF on July 15, 2016 on behalf of Sujarwo because the right foot entered the rotating engine causing the loss of all right foot toes. The CH has shown the progress of payment claims from work accident insurance in the form of the submission of the *BPJS Ketenagakerjaan* Work Accident Report (Form No.3 dated July 22, 2016 and Form No.3B.KK dated March 12, 2017). Based on interviews with victims, it was explained that the treatment is not charged and salary payments are still made during the treatment period. The RJF management unit has the opportunity to re-ensure the progress of Sujarwo's work accident insurance claim. **OFI**

<b>4.7.3</b>	<b>Status: Non-Conformity No. 2017.05 with Major Category</b>
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**4.8**

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

**4.8.1**

The certificate holder shows the training program 2017, among others: OSH Regulations, HSE policy, Company policy, chemical hazard potential and control, HIRAC and risk assessment, reporting Incident accidents, harvest procedures, spraying and fertilization procedures, first aid and simulations, safe driving techniques, pesticide handling, emergency response, MSDS, use of fire extinguishers, health and hygiene, spray treatment and calibration, PPE training, vehicle maintenance, TBS transport procedures, pressurized gas cylinder procedures, LOTO, electrical work safety, RISE, TPM, INPOC and maintenance tool factory.

It has not yet demonstrated a training program that has covered all aspects of RSPO P & C for workers, such as HCV and SCCS training. **Non-Conformity No.2017.06 with Major Category.**

The management unit shows several documents related to the training implementation documentation such as: harvesting procedures (December 2016), first aid and simulations (August 2016), emergency countermeasures (August 2016), Use of APAR (Dec 2016), Spray Treatment and Calibration (December) TBS transport procedure (February 2016).

**4.8.2**

Certificate holder shown the reports of realization in the form of minute of training along with materials, attendance list and photos. Training records for all employees and contractors are recorded that have been implemented and attended by employees; records of the training have been stored and maintained by the company.

**4.8.1 Status: Non-Conformity No.2017.06 with Major Category**

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

**5.1**

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

**5.1.1**

The Company has EIA documents assigned by the Agribusiness Agency of Agriculture Department on February 8, 1999. The scope of the study including a backup area of 96,626 ha, the total of estate area is 87,000 hectares, 9 POM units with each capacity of 60 tons of TBS / hour.

In 2010, the company revised the Document of Environmental Management Plan / Environmental Monitoring Plan assigned by environmental agency on MUBA District on November 5, 2010. The revision is related to the plan of effluent utilization in land application.

The EIA document includes assessing the impacts of roads, factories, infrastructure, drainage, waste management, flora and fauna, etc. While for Replanting has been studied in a special report namely: "social and environment impact assessment period 2015-2018 for Rantau Panjang & Karang Ringin Estate and social and environment impact assessment period 2016-2019 for Bumi Ayu Estate.

EIA analysis was prepared by consultant that has competence and awarded the EIA certificate.

Interview with environmental agency in MUBA District, obtained information that the environmental study (EIA and RKL/RPL) have passed public consultation with local communities.

**5.1.2**

Implementation of environmental management has been conducted in accordance with the environmental management plan document (RKL), for example: land application, use of fiber and shell as fuel, stored hazardous waste on hazardous waste storage licensed, distribution of PPE (earplug / earmuff) to workers in the location of high noise, wildlife monitoring. However, environment management is not fully implemented in accordance with the RKL plan document. This is evidenced by:

- Field observation, there was found contamination of mill effluent around WWTP which was sources from leakage of Pat Pit pipeline.
- Field observation, there was found contamination of mill effluent into the empty bunch area (EBA) which is sourced from Sludge Pit.

**Non-Conformity No. 2017.07 with Minor Category.**

**5.1.3**

Implementation of environmental monitoring has been conducted in accordance with the environmental monitoring plan document (RPL), for example: conducted water river analysis, conducted emission analysis, conducted mill effluent analysis, etc. The monitoring conducted once 6 months and reported periodically to environment agency for evaluation.

<p><b>5.1.2 Status: Non-Conformity No. 2017.07 with Minor Category.</b></p>	
<p><b>5.2 The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced</b></p>	
<p><b>5.2.1</b>          The company has conducted HCV assessment for all operational areas of PT GPI (10,139.91 Ha) by the RSPO Approve Assessor on November 2009. In the document obtained information that the area of HCV = 109.11 Ha (actual 54.40 Ha and potential 54.71 Ha), which consists of riparian, forested areas and graves. In addition, the company has conducted HCV assessment for all operational areas of Plasma / KKPA (6000 Ha) by the RSPO Approve Assessor on September 2011. In the document obtained information that the area of HCV = 507.2 Ha.          HCV assessment already includes identification of wildlife / species of RTE based on conservation status according to IUCN, CITES and PP No. 7 of 1999.          There have been identified for plants Kempas (<i>Koompasia malaccensis</i>), Sialang (<i>Koompasia excelsa</i>), Tampuy (<i>Baccaurea macrocatpa</i>), Bungur (<i>Lagerstomia speciosa</i>) dan Tembesu (<i>Fragrae fragrans</i>).          For animals identified monyet ekor panjang (<i>Macaca fascicularis</i>), macan akar (<i>Felis bangalensis</i>), burung raja udang (<i>Alceda atthis</i>), biawak (<i>Varanus nebulosus</i>)          The HCV study has passed the public consultation phase involving local communities, <i>Koperasi Unit Desa</i> and related institutions #Sighted: available photo and attendance list public consultation on 23/07/2011 and 27/07/2011.</p> <p><b>5.2.2</b>          Types of activities that have been implemented to increase biodiversity are: Making annual monitoring program plan, monitoring wildlife &amp; vegetation species periodically, installation signboard and maintenance, socialization periodically and making sanction and evaluation.          HCV and wildlife species have been monitored in accordance with the program plan of 2016. Monitoring results such as: still encountered wildlife, was no fires; was no logging, was no traps wildlife in the HCV area, HCV signboard still available, and there was a yellow line of riparian.          HCV and animal monitoring officers are certified:          RJE – Mr. Sumarlin (Decision Letter No. 13.Mgr-RJE//2015 dated 12/01/2015          BYE – Mr. Ahmat Kori (Decision Letter No. 082.A/EM/BYE/V/2013 dated 01/05/2013          GPP – Mr. Ebik Kailani (Decision Letter No. MGR-GPP-SJE//2015 dated 17/01/2015</p> <p><b>5.2.3</b>          The HCV study including wildlife species has passed the public consultation phase involving local communities, <i>Koperasi Unit Desa</i> and related institutions on 23/07/2011 and 27/07/2011. In addition, the company also has conducted socialization related to wildlife species protection, latest dated 06/01/2017 in SJE, and 07/03/2017 in RJE.          The socialization of wildlife species to employees and surrounding villagers is also conducted through signboards installed in strategic areas in estate and factory sites.          HCV and wildlife species have been monitored in accordance with the program plan of 2016. Monitoring results and field observation to Housing Complex, it was found was not found activities to have captured, harmed, collected or killed any wildlife species.</p> <p><b>5.2.4</b>          The RTE Species Monitoring is conducted monthly by HCV officers who have received HCV training. The results of the monitoring have been documented in the animal monitoring report of the period 2016 with the result of no activities to catch, maintain or kill animals protected by state or non-protected regulations. The results of animal monitoring of the period 2016 serve as input for the development of animal management program plans for the period of 2017.</p>	

<b>5.2.5</b>	<p>HCV and wildlife species have been monitored in accordance with the program plan of 2016. The monitoring results provide recommendations for improvements to the next program. Based on HCV documents review and interviews with local community as well as field observation, there was no identified HCV area overlapping with local community rights.</p>
<b>Status: Comply</b>	
<b>5.3</b>	<b>Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</b>
<b>5.3.1</b>	<p>The company has identified the source of waste and management in 2016-2017. Based on the document obtained information about product and source waste / pollution.</p> <p>Waste product such as: Schedule Waste (used batteries, used oil, used lubricants, duster, filters contaminated with waste schedule, used electric, used pesticides / herbicides, pesticides containers), domestic waste (paper, plastic, organic waste), clinical waste (medical waste), solid waste (scrap metal, EFB, fiber, shell, domestic waste), etc.</p> <p>Sources of waste such as: workshop, generator, chemical mixing area, schedule waste store, office, store, clinic, estate and mill activities.</p>
<b>5.3.2</b>	<p>Based on field observation to Housing Complex known that there was no found use of pesticide containers for other purposes such as: bins, flower pots and water containers.</p> <p>However, hazardous management has not been fully implemented in accordance with the policies assigned by the company. Based on field observation in Workshop RJF, there was found used oil and oil containers located in warehouse.</p> <p><b>Non-Conformity No. 2017.08 with Major Category.</b></p>
<b>5.3.3</b>	<p>Waste management has been implemented in accordance with the management plans period 2016/2017. This is evidenced by:</p> <ul style="list-style-type: none"> <li>• Field observation at hazardous waste temporary in estate, known that the pesticide containers has been sent to hazardous waste store licensed in RJF.</li> <li>• Field observation to Housing Complex known that there was no found use of pesticide containers for other purposes such as: bins, flower pots and water containers. Domestic waste (rubbish) disposed at Landfill area.</li> <li>• Field observation to Landfill Area, known that the Rubbish has been well management, and there was no hazardous waste found disposed to Landfill Area.</li> <li>• Field observation to RJF, known that the fibers and shell is used as fuel to reduce fossil fuel consumption and maximize renewable energy.</li> <li>• Field visit to land application Block F09 /A013 Division I, there was no leaks and spill out to river.</li> </ul> <p>Based on field observation to Housing Complex, it was not found the domestic waste (rubbish) burning activities. Domestic waste (rubbish) is managed by disposed at Landfill area.</p>
<b>5.3.2</b>	<b>Status: Non-Conformity No. 2017.08 with Major Category.</b>
<b>5.4</b>	<b>Efficiency of fossil fuel use and the use of renewable energy is optimised.</b>
<b>5.4.1</b>	<p>The company has monitored the use of renewable energy came from fiber and shell. Mill has record of energy used from fossil fuel and renewable energy. Renewable energy used came from shell and fiber. Records are available from period of January – December 2016, i.e:</p> <ul style="list-style-type: none"> <li>• Des 2016: FFB processed was 21486 MT, fiber usage was 2793 MT, shell usage was 859 MT, and total renewable energy usage was 0.17 MT / ton FFB.</li> <li>• Nov 2016: FFB processed was 21102 MT, fiber usage was 2743 MT, shell usage was 844 MT, and total renewable energy usage was 0.17 MT / ton FFB.</li> <li>• Oct 2016: FFB processed was 29509 MT, fiber usage was 3836 MT, shell usage was 1180 MT, and total renewable energy usage was 0.17 MT / ton FFB.</li> </ul>



Status: Comply

**5.5**

**Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.**

**5.5.1 & 5.5.2**

The CH is still consistent in the implementation of Zero Burning system for land clearing activities in accordance with the SOP of Land Clearing at Minamas Plantation. This is shown in replanting activities in 2016 in RJE Block F17, it is known that replanting is done by chopping the palm oil stems and stacked in the hole. There is no indication of any burning activity in the replanting area. There is no indication of any burning activity in the replanting area.

Status: Comply

**5.6**

**Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.**

**5.6.1**

Sources of pollution are follow as: Boiler, Generators, machinery factory exhaust, transportation, POME, pesticides and vertilizer. Types of pollution are follow as; emission, effluent, noise, etc.

RJF has conducted noise levels testing at an accredited laboratory (UPTB Environmental Agency Laboratory, SUMSEL). The results of noise levels testing on ambient semester I / 2017, it is known in accordance with relevant regulations. While on each station, it is known not in accordance with relevant regulation.

The Company has conducted an evaluation and follow up on noise testing results that are not in accordance with the SUMSEL regulation, which is described in the RKL / RPL implementation report for second semester of 2016. The report has also been sent to Environmental Agency. In the report described the efforts undertaken for high noise mitigation, among others: regularly performing machine repair, APD ear protection, and conducting periodic noise level testing. In addition, the company has also conducted routine health checks for employees working in high-noise areas.

**5.6.2**

Implementation of emission including in GHG emission mitigation has been conducted in accordance with the management plan. This is evidenced by:

- Conducted smoke emissions analysis by accredited laboratory (UPTB Lab. BLH SUMSEL Province.). Latest analysis dated on Jan 2016 at Chimney No. 2 and Generator No. 2 & 3. The test results in accordance with government regulations (*Paraturan Menteri Lingkungan Hidup No. 07 / 2007 for Boilers and No. 13 / 1995 for Generator*, for example: Opacities (<20 %), NO2 (287 mg/Nm3), SO2 (144 mg/Nm3), Particle 19.9 mg/Mn3), etc.)
- Fiber and shells was used as fuel for the boiler. Total fiber used for boiler 21960 Mt and total shell used to boiler 6757 Mt for period Jan – Des 2016.
- Land application with total debit period Jan – Des 2016 = 98.315 Mt
- Enrichment of tress on the river border area, mill area and housing complex area.
- Distribution PPE type of earplug to workers

In addition, the company (Palm Oil Mill) has conducted effluent discharge quality analysis to accredited laboratory (UPTB Lab. BLH MUBA District). Based on the document period of January 2016 - March 2017, known that the test results are in accordance with quality standards (BOD < 5000 mg/l).

**5.6.3**

Rantau Panjang Mill and supply bases has calculated GHG emissions for period 2016 using the RSPO PalmGHG calculator, as follow as:

Emmision per product	tCO2e/tProduct
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CPO	2.27
PK	2.27

Production	t/yr
FFB processed	168564.05
CPO produced	34765.25
PK produced	8370.17

Extraction	%
OER	20.62
KER	4.97

Land use	Ha
Planted area	12376.07
Planted on peat	1002.21
Conservation (forested)	93.59
Conservation (non-forested)	0

Summary of field emission and Sinks

Description	Own plantatio		Group plantation		3 <sup>rd</sup> party	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emissions Sources</b>						
Land conversion	76913.65	0.46	0	0	0	0
CO <sub>2</sub> emmisions from fertilizer	31740.42	0.19	0	0	0	0
NO <sub>2</sub> emissions	13572.34	0.08	0	0	0	0
Fuel consumption	2567.55	0.02	0	0	0	0
Peat oxidation	52962.98	0.32	0	0	0	0
<b>Sinks</b>						
Crop sequestration	-	-0.67	0	0	0	0
Sequestration in Conservation area	113532.96	0	0	0	0	0
Total	63377.6	0.38	0	0	0	0

Summary of Mill Emission and Credits

Emissions	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
POME	33041.41	0.2
Fuel Consumption	1302.32	0.01
Grid Electricity Utilization	0	0
Credits		

Export of Grid Electricity to Housing & Grid	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	34343.73	0.2

POME Treatment

Emissions	%
Divert to compost	0
Divert to anaerobic digestion	100

POME Diverted to Anaerobic Digestion

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

Status: Comply

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

**6.1**

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

**6.1.1**

The Certificate Holder has document of Social Impact Assessment. The assessment process was done on January 2010 and the scopes of study are impact of plantation and mill operation to workers and community adjacent of plantation area. The assessment and reported was finalized by AKSENTA. These documents was explained of negative and positive impact of plantation and mill operation to social aspect and the recommendation for negative impact reduction and increasing of positive impact. There was showed also the minutes meeting of consultation process with community surround. The evidence was consisting of Attendant List of village member on Focus Group Discussion as phase of data gathering for Social Impact Assessment Report.

There was also available document of Social Impact Assessment for smallholder's plantation of Guthrie Pecconinan Plasma (GPP). The study and report finalized conducted by AKSENTA consultant on 22 - 28 July 2011.

At October 2015 was conducted Study of Social and Environment Impact of Replanting of PT Guthrie Pecconina Indonesia Period of 2015 – 2018 in Karang Ringing and Rantau Panjang Estate. Through in August 2016 also was conduct of Study of Social and Environment Impact of Replanting of PT Guthrie Pecconina Indonesia Period of 2016 – 2019 in Bumi Ayu and Naval Estate. These study was carried out by Aksenta consultant, The report describes the stages of replanting, and indication of any impact replanting which can affect to the environmental and social conditions, both in the around of replanting area and area surround of plantation area. The study is aim to identify the environmental and social impacts, activities that become the source of the impact, components and or the parties potentially affected, options to mitigate environmental and social impacts.

**6.1.2**

The Social Impact Assessment has been done with involve of related party, consist of community surround, head of village and informal leader (customary leader). There was showed documentation of assessment process, for instance the Attendant List of data gathering in village surround of PT Guthrie Pecconina Indonesia on 5 Januari 2010 and also in

surround area of Sungai Jernih Estate and smallholder program (Guthrie Pecconina Plasma) on 23 July 2011.

**6.1.3**

It has been shown the document of Local Community Program at PT Guthrie Pecconina Indonesia which describes about the impact aspect of plantation management from factory operation that is in the form of Community Unrest (Based on Matrix of RKL / RPL 2nd Semester 2 of 2016, ie July - December 2016). The impact management plan is conducted by collecting information from surrounding villagers.

**6.1.4**

The Certificate Holder was shown the document of Identification Plan and Social Impact Program with community surround. The document is in the form of a questionnaire in the implementation of monitoring and evaluation of Social impacts management and monitoring plan covering the aspects of Community Fidgetiness and Replanting Impacts covered in the RKL / RPL document of Period 1 (January - June 2016).

**6.1.5**

Has been shown the document of Smallholder Partnership Social Impact Study of PT Guthrie Pecconina Indonesia (Guthrie Pecconina Plasma/GPP) in Musi Banyuasin District, South Sumatera Province, conducted by AKSENTA consultant on 22 - 28 July 2011. It has been shown evidence of recording meeting / discussion with the parties on the 23 July 2011 (Attendance s List and Photo).

**Status: Comply**

**6.2**

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

**6.2.1**

The Certificate Holder has procedure of communication and consultation with the communities the estate described in SOP Communications / Consultation with Communities (RSPO / 6.2 / KKM). The procedure explained If there is something that would communicate with the unit manager. Kasie should record the incoming mail in the Communications Register or guide book consultation with the community.

Based on interview with stakeholder from village known that they already knew how to communicate with the company.

**6.2.2 & 6.2.3**

The certificate holder has a special officer responsible for consultation with local communities and government are unit manager. Certificate holder has a list of stakeholder that consist of local goverment, central goverment, NGO, village, local communities,hospital, supplier, scholl, assurance, bank and contractors.

**Status: Comply**

**6.3**

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

**6.3.1**

The Certificate Holder has system for dealing the dispute and complaint. These system was refer to several procedures, consist of ; Public Complaints Handling Procedure (SOP-05/GPI/2012, valid since 1 December 2012); Employee Complaints Procedure(SOP-006/GPI/2012, valid since 1 December 2012); Communications/Community Consultations Procedure (SOP-007/GPI/2012, valid since 1 December 2012), the procedures also equipped with a Flow Chart. This procedure was explained that the company will protect the whistleblower and there are no sanctions for them. When the cases did not handled enough in estate unit, the cases will continue to next level of management, including to jurisdiction level or another way (including RSPO system) based on the agreement each parties. This procedure was completed with flow chart of Form of Complaint Handling Data.

**6.3.2**

Based on verification of complaint document and information by management unit representative that known in period of one year from ASA-4 till Re-Certification, there was no grievances from another parties. Stakeholder consultation with external stakeholders consist of related agency in Musi Banyuasin District, Head of Village and community representation adjacent the plantation area (Talang Piase, Talang Latas and Gajah Mati), Local Contractor, and also *focus group discussion* (FGD) with internal stakeholder (Gender Committee and Workers Union), there was no significant complaint from related parties.

	<b>Status: Comply</b>	
<p><b>6.4</b></p>		
<p><b>Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b></p>		
<p><b>6.4.1 &amp; 4.6.2</b></p>		
<p>The Certificate Holder has Procedure of Land Occupation Compensation was issued by Minamas Plantation (Policy No. 343/PSD-OKUP/11) was revised based on from related parties. These procedures explained that in the processes of compensation or restitution of land, the company guided by the Social Policy document Minamas Plantation outlined in Sustainable Plantation Management Guideline No. Policy: 724 / TQEM-SPMS / 09, Rev.00, dated August 27, 2010 page 13 point 3: Plantation Upstream Indonesia ensure that any negotiations relating to compensation for the loss of the rights of a person authorized under the Act has been made with a documented system that enables local communities and other stakeholders to express their opinion through their own representative institutions. Likewise in land acquisition procedures Occupational (Policy No. 343 / PSD-OKUP/11), explained that the land acquisition occupational Negotiations with land owners (based on legal documents) carried by the Manager of Plantation Services-Region and Manager Estate and witnessed by officials village or related parties.</p>		
<p>The Procedure of Land Occupation Compensation as guidance for land compensation process. The documents requirement in land compensation shall signed by land owner, management unit representative, Head of sub District, Notary and Head of Village. These documents shall included of photograph, Map, Letter of land release by the owner, Official Report was signed by related parties consist of land owner and management unit representative, witnessed by Head of Village and Sub District. The process of payment for land or land compensation shall complete with receive and photograph as documentation evidence.</p>		
<p><b>6.4.3</b></p>		
<p>PT Guthrie Pecconina Indonesia was taking over by management of Sime Darby Sdn Bhd in 2002. The land acquisition process was carried out by the previous management of PT Guthrie Pecconina (former owner) and has been managed since 1998. The company was documented all of land compensation process. The documentation comprise of Map, Negotiation result (minutes of meeting), Land Release Letter, Payment Receive was filled in estate office based on land location. Based on Information Request Procedure (RSPO/1.1/PI), the documentation of land compensation process are categorized as limited access and should approved by Plantation Service Department and Manager of Estate if any related parties will access this document. Theses document can access with letter of Information Request from another parties to the company.</p>		
	<b>Status: Comply</b>	
<p><b>6.5</b></p>		
<p><b>Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</b></p>		
<p><b>6.5.1</b></p>		
<p>The Company has provisions on minimum wage determination based on South Sumatra Governor Decree No.772 / KPTS / DISNAKERTRANS / 2016 concerning Sectoral Minimum Wage Province of South SUmatara in 2017. It was decided that Sectoral Minimum Wage Province in 2017 sector of agriculture, animal husbandry, forestry, hunting and fisheries amounted to Rp 2.430.000 per month. However there is a circular letter from the Labour Agency no SE-560/143 / DISNAKERTRANS / 2017 on the implementation of Minimum Wage 2017 in the area of Musi Banyuasin Regency. This circular informs the adoption of wages in January 2017 referring to Sectoral Minimum Wage Province while wages from February to December 2017 in the sectors of agriculture, animal husbandry, forestry, hunting and fisheries, wage application based on Musi Banyuasin Regency Minimum Wage in 2017 of Rp 2,469 .550. This makes the observation in the next year that the certificate holder has the opportunity to apply the minimum wage in 2017 in accordance with the applicable regulations. (Observation). <b>OFI No.07</b></p>		
<p><b>6.5.2</b></p>		
<p>Status of workers in the company is permanent workers and contract workers. Labor laws for workers in the company consists of:</p>		
<p>1. Company regulations set by BKS-PPS (Cooperation Agency of Sumatera Plantation Companies) with the central Board is SPSI (Indonesian Workers Union) Agriculture and Plantation throughout Indonesia in the period of April 21,</p>		

2015 up to April 21, 2017 which valid for permanent employees.

2. Collective Labor Agreement as agreed between Minamas Plantation with bipartite cooperation Institute and Chairman of Workers Union of Plantation Company from each Company for the period of 2014 to 2016. The Collective Labor Agreement has been registered to the General Director of Industrial Relations and Social Security for Labor on July 11, 2014.

Sungai Jemih Estate (SJE) has not been able to show a work agreement for all daily contract workers. This has not been in accordance with the Regulation of Labour Ministry Republic Indonesia No.100 year 2004 article 12 concerning Implementation of Working Agreement on Certain Time (PKWT). **Non-Conformity No. 2017.09 with Major category.**

**6.5.3**

The certificate holder provides facility and infrastructure for personnel welfare, such as housing, polyclinic, clean water, education facilities, worship venue, and access to electricity. Field observation at housing complex in Rantau Panjang and Bumi Ayu Estate show that the facilities and infrastructures are available. Based on the interview with employees mentioned that the infrastructures provided by company.

Based on observations in the housing still found garbage that has not been transported and the condition of drains and ditches are stagnant. The management unit shows the progress of the repair of stagnant waterways that have arrived at the tender process of the contractor. This will be re-observed in subsequent audit activities. **OFI.No. 07.** The certificate holder has the opportunity to repair the sanitary from the bathroom and gutter that is stagnant in RJE, BYE, RJF housing.

**6.5.4**

Certificate Holder facilitates employees to access adequate food supply by establishing market during the payment day. Moreover, there are some markets in surrounding villages. Personnel have an issue to access good food with reasonable price. Based on field visit and interview with Employees, company does not prohibited personnel to be a vendor, like selling staple food. Subsequently, there is no difficulty to access food.

**6.5.2** | **Status: Non-Conformity No. 2017.09 with Major category**

**6.6**

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

**6.6.1**

In the social policy signed by HPUI in December 2011 on points 5 described that Plantation Upstream Indonesia is respected the rights of every staff / employees to form and join the workers union of their choice and to negotiate collectively.

Based on interview with workers representatives known that the company already have freedom of association for employees. Based on interview with estate workers, it could be concluded that company has facilitate freedom of association according to worker aspiration.

**6.6.2**

Records of union worker meetings have been documented for example: Rantau Panjang Factory meeting on 21<sup>th</sup> January 2017 which discusses the distribution of rice and changes of working hours and recording of meetings between management Bumi Ayu Estate and PUK SP SPSI BYE on March 29, 2016 regarding lamp application.

The results of interviews with workers known that the worker has known the policy on freedom of association and workers also have known about the functioning of the worker union. The meeting between the company and the workers is conducted routinely or whenever there is a problem that must be discussed.

**Status: Comply**

**6.7**

**Children are not employed or exploited.**

**6.7.1**

The company has had a social policy which stated that Plantation Upstream Indonesia is not allowed to use forced labor (force labor) or minors labor (children). In addition, in documents of Collective Labor Agreement in 2014 to 2016 Article 16 also stated that the general requirements that must be met in the recruitment of workers, among others, at least 18 years old.

Based on interviews with worker union, explained that in the company does not workers who are under 18 years. Every workers recruitment must be complement with national identity cards.

Based on the results of field observations on the operational activities of the Mill and the estates, it was not found workers



aged under 18 years. Furthermore employees also understand that minimum age for employees to be hired is 18 years old. Results of the interview with internal stakeholder (union worker, gender committee and workers) it was mentioned that there are no issues related to child labor working in the company.	
<b>Status: Comply</b>	
<b>6.8</b> <b>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b>	
<b>6.8.1</b> The Company has a social policy which stated that every staff / employees should be handled fairly in everything relating to the recruitment, promotions, restrictions and conditions of employment without regard to personal issues such as race, degrees, ethnicity, gender, skin color (defects / imperfect), a membership organization, and political views, religious and / or age. It is revealed that the hired employees have diverse educational, ethnic and religious backgrounds. Interview with village representative revealed that company opens work opportunity for local communities (in mill and estate). This can be considered as positive impact over company's existence for local communities. There is no complaint related to discrimination from local communities.	
<b>6.8.2; 6.8.3</b> Document verification and interview with management employees recruitment is based on company requirement without considering ethnic, religious, and racial. All prospective employees have rights for employment opportunity according with their educational background and company requirement. Moreover, result of interview with employees also reveals that there is no indication of discrimination against employees. Interview with unit management submitted that the selection process and recruitment of candidates is done in accordance with the applicable procedures in the company, starting from the signing of the agreements, the evaluation of the performance, until the appointment becomes permanent workers.	
<b>Status: Comply</b>	
<b>6.9</b> <b>There is no harassment or abuse in the work place, and reproductive rights are protected.</b>	
<b>6.9.1 and 6.9.2</b> Certificate holder has a policy to protect reproductive rights and prevent all forms of sexual harassment and violence. Policy regarding sexual harassment is still the same as the previous assessment that listed social policy. The policy stated that the development and implementation of policies to protect female workers from crime and sexual harassment as well as protecting the rights associated with female reproduction. The company has had a Gender Committee as a forum to ensure the policies of female workers protection are implemented The results of interviews with gender committee in Rantau Panjang Estate, Sungai Jernih estate and representatives of female workers (sprayers) known that the company has formed a gender committee to handle the issues of female workers. In addition, also delivered that the company is given the reproductive rights, such as menstruation and pregnant leave in accordance with the applicable procedures.	
<b>6.9.3</b> Complaints and response mechanism is not change from previous assessment that listed on the SOP of Employee Complaints Handling. Based on document verification of Complaints Book, there are no complaints related to sexual harassment and violence. Based on information from gender committee, that the handling of issues about sexual harassment and violence will be resolved together with gender committee and the identity of reporter will be protected.	
<b>Status: Comply</b>	
<b>6.10</b> <b>Growers and mills deal fairly and transparently with smallholders and other local businesses.</b>	
<b>6.10.1 &amp; 6.10.2</b> Based on the letter of Cooperation Agreement with Sinar Delima and Mudah Rasan Jaya cooperatives, the determination of the purchase price of FFB from the smallholder's plantation follows the FFB price that determination by the Government of Musi Banyuasin Regency. Pricing is done 2 times a month.  CH can show Document of FFB price of Musi Banyuasin Regency Year 2017. Price determination is based on price of CPO and kernel and also adjusted age of plant. In the document explains the prices from January-April 2017, for the period March 2017 the price of FFB between Rp 1,630-1,896 for the period 1 (date 06) and Rp. 1,552.72 - Rp. 1,795.98	



for period 2 (date 16).

Based on the Smallholders Plantation Management Report, it is recognized that the FFB price information is contained in the document and every month the cooperative has acknowledged and approved the calculation in that Report.

**6.10.3**

There is a letter of cooperation agreement with Sinar Delima Cooperative with letter number 001/Plasma/GPI-KUD/I/2012 concerning the development of Palm Oil Plantation of KKPA Partnership Pattern (Primary Cooperative Credit for Members) and Mudah Rasan Jaya Cooperative with letter number 008/kemitraan /GPI-MRS/IX/2014.

The agreement is signed by the company, the representative of the cooperative (General Chairman, Chairman I, secretary) and is known by the district government of Musi Banyuasin (village head, sub-district head, cooperative agency, plantation agency and Regent of Musi Banyuasin). Based on interviews with cooperative management, it was explained that the cooperation agreement was agreed and known by various parties.

**6.10.4**

Currently, Sinar Delima cooperative and Mudah Rasan Jaya Cooperative still have not received payment of FFB payment because all proceeds are still used for credit payment of cooperatives. All cost calculations are listed in the Smallholders Plantation Management Report made for each year planting, for example in April 2017, its informing calculation of FFB payment, operational cost and calculation of Profit/Loss. The price of FFB in the calculation is in accordance to the provisions of the Plantation Agency.

**Status: Comply**

**6.11**

**Growers and millers contribute to local sustainable development wherever appropriate.**

**6.11.1 & 6.11.2**

Contributions to local development proven by partnership with local communities through local transaction i.e development smallholding, local contractors, Payment of taxes and CSR programme.

In other side, the certificate holders also providing the development of smallholders scheme. This is an efforts that have been allocated to improve smallholder productivity by the certificate holder. The involvement of local contractors and local purchasing. Contract records showed some estate operational activity that involves local people. Besides that, the company has a social commitment in terms of CSR programmes.

**Status: Comply**

**6.12**

**No forms of forced or trafficked labour are used.**

**6.12.1; 6.12.2; 6.12.3**

The auditor has conducted an interviews with labor agency, workers union and the results of field visits known there are no illegal or forced worker. Contract worker and permanent workers has been equipped with the working agreement that has been agreed together.

Based on document review and field observation in Rantau Panjang Estate, Bumi Ayu Estate, Sungai Jernih Estate and Rantau Panjang Factory it can be seen that there is no indication of forced labor. The worker have the freedom for resign, there is no threat for familiy members and no financial penalties.

**Status: Comply**

**6.13**

**Growers and millers respect human rights**

**6.13**

Certificate holder has a Memorandum from Chairman of SOU 23 in PT GPI dated June 25, 2015 which stated a commitment to provide special attention and fulfill the protection of human rights in accordance with Law No. 39 Year 1999. The policy explains about respecting human rights and respecting race, nationality, culture, religion and prohibition of force labor, ensuring that all employees receive fair remuneration, fair management and have opportunity to career development.

Based on interviews with workers in RJE date June 25, 2017 explained that the policy of respecting the human rights has been socialized during the morning briefing. Based on interviews with worker union, explained that there are no issues that are detrimental to employees including human rights violations.

	<b>Status: Comply</b>	
<b>PRINCIPLE #7 Responsible development of new plantings</b>		
<b>7.1 A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</b>		
<p><b>7.1.1; 7.1.2; 7.1.3</b>          No new plantings outside the area have been cultivated according to previous audit results for areas in RJE and BYE. However, for SJE and Guthrie Pecconinan Plasma (full manage by the PT GPI) there is a new plantings development in 2005-2016. Therefore, the company already has environmental documents (AMDAL and RKL / RPL) for scope of PT GPI including SJE and GPP, and has carried out the management and monitoring of environmental impact in accordance with designated program plan.</p> <p>Environment analysis document (see indicator 5.1.1)          Management and environmental monitoring (see indicator 5.1.2 and 5.1.3)</p>		
	<b>Status: Comply</b>	
<b>7.2 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</b>		
<p><b>7.2.1</b>          At this audit activity, there is addition of scope of the Sungai Jernih Estate-Guthrie Pecconina Plasma. Based on the results of document review and field visits, it is known that there are acreage in SJE-GPP planted in 2016 and 2017 as found in block K18. In addition there are new planting areas in Rantau Panjang Estate and Bumi Ayu Estate which is replanting and replanting is done because at the time of early planting in 2006 (block I35-34) experienced failure of plantation caused by flood affected area, So now re-planting is done by making the embankment and widening the trench to reduce the risk of submerged area.</p> <p><b>7.2.2</b>          At this audit activity, there is addition of scope of the Sungai Jernih Estate-Guthrie Pecconina Plasma. Based on the results of document review and field visits, it is known that there are acreage in SJE-GPP planted in 2016 and 2017 as found in block K18. In addition there are new planting areas in Rantau Panjang Estate and Bumi Ayu Estate which is replanting and replanting is done because at the time of early planting in 2006 (block I35-34) experienced failure of plantation caused by flood affected area, So now re-planting is done by making the embankment and widening the trench to reduce the risk of submerged area.</p>		
	<b>Status: Comply</b>	
<b>7.3 New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>		
<p><b>7.3.1; 7.3.2</b>          To ensure that no new plantings in primary forest or HCV areas since November 2005, the Certificate Holder has sent Liability Disclosure and LUCA for PT GPI and KKPA to RSPO Compensation.</p> <p>Management Representative of Mutuagung has communicated to RSPO related to LUCA submission of PT GPI subsidiary of Sime Darby Plantation Sdn Bhd. <b>The latest answer from RSPO on March 29, 2017, states that PT Guthrie Pecconina Indonesia (Rantau Panjang POM &amp; Supply Bases) may proceed with the rerecertification audit and Sime Darby Plantation must show evidence of the completion of the RACP at the next surveillance audit. If referring to previous ASA4 certificate the supply of Rantau Panjang POM is Rantau Panjang Estate, Bumiayu Estate, Napal Estate, Karang Ringin Estate, Mangun Jaya Estate (not including Sungai Jernih Estate).</b></p> <p>Related to that, the company has not been able to show evidence Liability Disclosure document and Land Use Change</p>		

Analysis (LUCA) for unit **Sungai Jernih Estate / SJE and Guthrie Pecconina Plasma / GPP (KKPA)** have been submitted to RSPO Secretariat and have received approval (PASS) from RSPO Compensation Panel ([rspocompensation@rspo.org](mailto:rspocompensation@rspo.org)).

Based on the explanation, it is found **Non-Conformity No.2017.10 with Major Category**.

**7.3.3;7.3.4;7.3.5**

No new plantings outside the area have been cultivated according to previous audit results for areas in RJE and BYE. However, for SJE and GPP (KKPA) there is a new plantings development in 2005-2016.

Documents HCV, management plan HCV (see indicator 5.2)

**7.3.1 Status: Non-Conformity No.2017.10 with Major Category.**

**7.4**

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

**7.4.1**

At this audit activity, there is addition of scope of the Sungai Jernih Estate-Guthrie Pecconina Plasma. Based on the results of document review and field visits, it is known that there are acreage in SJE-GPP planted in 2016 and 2017 as found in block K18. In addition there are new planting areas in Rantau Panjang Estate and Bumi Ayu Estate which is replanting and replanting is done because at the time of early planting in 2006 (block I35-34) experienced failure of plantation caused by flood affected area, So now re-planting is done by making the embankment and widening the trench to reduce the risk of submerged area.

**7.4.2**

At this audit activity, there is addition of scope of the Sungai Jernih Estate-Guthrie Pecconina Plasma. Based on the results of document review and field visits, it is known that there are acreage in SJE-GPP planted in 2016 and 2017 as found in block K18. In addition there are new planting areas in Rantau Panjang Estate and Bumi Ayu Estate which is replanting and replanting is done because at the time of early planting in 2006 (block I35-34) experienced failure of plantation caused by flood affected area, So now re-planting is done by making the embankment and widening the trench to reduce the risk of submerged area.

**Status: Comply**

**7.5**

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

**7.5.1**

The PT Guthrie Pecconina Indonesia was conduct of replanting since 2015 on the Rantau Panjang and Karang Ringin estate and also the addition of new areas in the Sungai Jernih Estate & Guthrie Pecconian Plasma (GPP). Implementation of smallholder program (Guthrie Pecconina Plasma) through the mechanism of land registration by the community (landowners), not through land compensation mechanisms. Has shown several examples of evidence of land submission in the form of a Statement from the community then also through the Representative Farmers Cooperative Plasma Sinar Delima and Mudarasa. For example, Statement Letter (No: 470/90/2008 / 1 / 2008 dated of 2 January 2008 on behalf of the Village Chief of Gajah Mati to Cooperation Agency (KUD) Sinar Delima to be proposed as Plantation of Palm Oil Plasma in partnership with PT Guthrie Pecconina Indonesia. In the early period before the land submission by the community member and clearing of land, the socialization and meetings were held with the government and the community.

**Status: Comply**

**7.6**

**Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.**

**7.6.1, 7.6.2, 7.6.3, 7.6.4, 7.6.5 & 7.6.6**

Implementation of smallholder program (Guthrie Pecconina Plasma) through the mechanism of land registration by the community (landowners), not through land compensation mechanisms. Has shown several examples of evidence of land submission in the form of a Statement from the community then also through the Representative Farmers Cooperative

<p>Plasma Sinar Delima and Mudarasa. For example, Statement Letter (No: 470/90/2008 / I / 2008 dated of 2 January 2008 on behalf of the Village Chief of Gajah Mati to Cooperation Agency (KUD) Sinar Delima to be proposed as Plantation of Palm Oil Plasma in partnership with PT Guthrie Pecconina Indonesia. In the early period before the land submission by the community member and clearing of land, the socialization and meetings were held with the government and the community.</p>	
<p><b>Status: Comply</b></p>	
<p><b>7.7</b>  <b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b></p>	
<p><b>7.7.1 &amp; 7.7.2</b>                  There is no new development beyond the area that has been cultivated for RJE, NAE, KRE, MJE and BYE. However, for SJE and GPP there is land clearing in 2005-2016. Based on field visit in GPP Estate Block K18 which is a planting area in 2016, it is known that there is no indication of land clearing activity with burning.</p>	
<p><b>Status: Comply</b></p>	
<p><b>7.8</b>  <b>New plantation developments are designed to minimise net greenhouse gas emissions.</b></p>	
<p><b>7.8.1</b>                  No new plantings outside the area has been cultivated according to previous audit results for areas in RJE and BYE. However, for SJE and GPP (KKPA) there is a new plantings development in 2005-2016. Therefore, the company has conducted stock carbon (C-stock) analysis for SJE and GPP. #recorded in the HCS Identification report, Jan 2017 compiled by Aksenta.</p>	
<p><b>7.8.2</b>                  Implementation of emission including in GHG emission mitigation has been conducted in accordance with the management plan. In addition, Rantau Panjang Mill and supply bases has calculated GHG emissions for period 2016 using the RSPO PalmGHG calculator (see indicator 5.6.3)</p>	
<p><b>Status: Comply</b></p>	
<p><b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b></p>	
<p><b>8.1</b>  <b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b></p>	
<p><u><b>Environmental aspect.</b></u>                  The company has conducted continuous improvement in environmental action aspect, such as: mill effluent test periodically, water river test periodically, smoke emissions test periodically, stored hazardous waste storage approved by government, etc.</p>	
<p><u><b>Social Impact Assessment</b></u>                  The continue improvement carried out by PT GPI relate to the social impact aspects of the operations of the plantation consist of:                   Social and Environmental Impact Assessment was conduct on August 2015, Replanting Activity of Rantau Panjang Estate and Karang Ringin Estate for Period of 2015 – 2018, also in August 2016 for Bumi Ayu Estate and Napal Estate for Period 2016 – 2019 at Musi Banyuasin Regency, South Sumatera, conducted by AKSENTA Consultant.                  The study describes the steps of replanting and an indication of the impact of any replanting impacts of each stage that may affect both of environmental and social conditions surrounding of environment of the replanting area, and around the plantation area. The objective is to identify environmental and social impacts, impacted activities, components and or potentially affected parties, options for mitigation of environmental and social impacts.</p>	
<p><b>Status: Comply</b></p>	

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements												
E.1	Definition												
E.1.1	<p><b>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.</b></p> <p>Rantau Panjang Factory is used RSPO supply chain of Mass Balance module because they still received FFB from the estate which has not been certified with RSPO that is GPI Smallholder Scheme / KKPA and Sungai Jernih Estate.</p>												
	<b>Status: Comply</b>												
E.2	Explanation												
E.2.1	<p><b>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&amp;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.</b></p> <p>Estimates of CPO and PK produced by Rantau Panjang Factory obtained from the data of 12 months before the audit activities and have been described in this RC report. The details are as follows:            FFB: 131,523 ton (yield: 18.15 ton/Ha)            CPO: 27,620 ton (OER: 21%)            Kernel: 6,576 ton (KER: 5%)</p>												
	<b>Status: Comply</b>												
E.2.2	<p><b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</b></p> <p>RSPO IT Platform member registration number: RSPO_ PO100000320</p> <p>Rantau Panjang Factory sold Certified Palm Kernel to each buyer period of 16 March 2016 to April 2017:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Buyer</th> <th>Quantity (ton)</th> </tr> </thead> <tbody> <tr> <td>28 October 2016</td> <td>PT.Sinar Alam Permai</td> <td>100</td> </tr> <tr> <td>16 February 2017</td> <td>PT.Sinar Alam Permai</td> <td>499.36</td> </tr> <tr> <td colspan="2"><b>Total</b></td> <td><b>599.36</b></td> </tr> </tbody> </table> <p>Rantau Panjang Factory did not perform delivery / sale of CSPO during the period of March 16, 2016 to April 2017 to outsiders or other unit either through palm trace</p>	Date	Buyer	Quantity (ton)	28 October 2016	PT.Sinar Alam Permai	100	16 February 2017	PT.Sinar Alam Permai	499.36	<b>Total</b>		<b>599.36</b>
Date	Buyer	Quantity (ton)											
28 October 2016	PT.Sinar Alam Permai	100											
16 February 2017	PT.Sinar Alam Permai	499.36											
<b>Total</b>		<b>599.36</b>											
	<b>Status: Comply</b>												
E.3	Documented procedures												
E.3.1	<p><b>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:</b></p> <ol style="list-style-type: none"> <li><b>Complete and up to date procedures covering the implementation of all the elements in these requirements;</b></li> <li><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.</b></li> </ol> <p>Rantau Panjang Factory has had SOP of Supply Chain Products of RSPO Mass Balance which described the duties and responsibilities of each part; the identification of raw materials and products; and performs supply chain system. To improve the understanding of each Parties related to the supply chain, then the management unit is conducted socialization to the</p>												



relevant parties.

Based on document review in weighbridge room and interviews with the workers, it is known that the person responsible for the Supply Chain requirement has not been able to demonstrate the implementation of SCCS related to the delivery of certified products, as indicated by: **Non-Conformity No. 2017.11 with Major Category**

- All Delivery Letter & Weight bridge Tickets are stamped "RSPO Certified Mass Balance", while data on the PalmTrace RSPO website is known that the RJF only sold 599.36 tonnes of certified kernels.
- Based on Sales Contract, invoice and tax invoice for kernel sale to PT. Sinar Alam Permai dated 03 February 2017, it is known that the document is given the stamp "RSPO Certified Identity Preserved". This is not in accordance with the supply chain model applied by Rantau Panjang POM.

**E.3.1**      **Status: Non-Conformity No. 2017.11 with Major Category**

**E.3.2**

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

There is no change in the procedure of receiving and processing of FFB listed in product traceability procedure on February 15, 2011.

Based on document verification and interviews with weighing staff, it is explained that the FFB from RJE, BYE, NAE, KRE, MJE is certified and will be marked as "RSPO certified" in Fruit delivery letters and Weigh Letter, while for FFB from SJE and GPP is FFB Non certificate and marked as "Non RSPO Certified". This indicates that the worker has understood the procedure regarding the separation of FFB received.

**Status: Comply**

**E.4**      **Purchasing and goods in**

**E.4.1**

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

**Certified and non-certified FFB received period of 16 March 2016 to April 2017**

Month	FFB Receive		
	RSPO Certified	Non Certified	Total
16 - 31 Mar 16	4,028.64	322.86	4,351.50
April 16	6,873.10	579.22	7,452.32
May 16	7,768.14	534.85	8,302.99
June 16	9,547.55	865.40	10,412.95
July 16	7,954.59	502.59	8,457.18
August 16	9,521.06	496.29	10,017.35
Sept 16	18,052.23	922.99	18,975.22
Oct 16	27,734.28	2,011.76	29,746.04
Nov 16	19,686.47	1,143.54	20,830.01
Des 16	20,345.35	1,313.34	21,658.69
Jan 17	17,379.03	1,238.02	18,617.05
Feb 17	10,942.36	795.23	11,737.59
Mar 17	9,814.40	781.55	10,595.95
Apr 17	12,000.47	928.98	12,929.45
<b>TOTAL</b>	<b>181,647.67</b>	<b>12,436.62</b>	<b>194,084.29</b>

**Status: Comply**

**E.4.2**

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

FFB received and production of RSPO certified products do not exceed the production estimates in RSPO ASA-4 certificate attachments with the detail are:

Estimated production on ASA-4 certificate:

- FFB: 229,594 Ton
- CPO: 52,807 Ton

- Kernel: 11,480 Ton
- Production during the period March 16, 2016 - April 2017:
- FFB: 181,647.67 Ton
  - CPO: 36,878.94 Ton
  - Kernel: 9,177.99 Ton

**Status: Comply**

**E.5 Record keeping**

**E.5.1**

- a. 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.
- b. 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.
- c. 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.)

Rantau Panjang Factory has a monthly report explaining about FFB received, CPO Production, PK Production and delivery of CPO & PK. The detail of production data and product delivery from Rantau Panjang Factory as follows as:

Period	Production CPO (ton)		Production PK (ton)	
	RSPO	Non Cert	RSPO	Non Cert
16 - 31 Mar 16	812.50	76.37	180.78	17.11
April 16	1,473.56	152.16	337.77	34.91
May 16	1,606.96	113.64	363.53	25.88
June 16	2,055.89	203.24	509.41	50.37
July 16	1,620.45	109.46	402.21	27.22
August 16	1,924.16	103.87	496.87	26.82
Sept 16	3,587.73	202.87	875.61	49.14
Oct 16	5,356.96	420.54	1,384.57	109.04
Nov 16	3,944.55	252.82	1,028.17	65.43
Des 16	4,103.65	285.48	1,109.55	76.89
Jan 17	3,558.88	282.30	1,049.34	82.35
Feb 17	2,271.01	181.57	592.63	47.27
Mar 17	2,020.73	166.19	229.32	16.73
Apr 17	2,541.91	232.48	618.23	56.57
<b>Total</b>	<b>36,878.94</b>	<b>2,782.99</b>	<b>9,177.99</b>	<b>685.73</b>

Period	CPO delivery (ton)		PK delivery (ton)	
	RSPO	Non Cert	RSPO	Non Cert
16 - 31 Mar 16		76.32		186.13
April 16		1,319.71		243.74
May 16		1,984.12		412.93
June 16		2,958.30		785.11
July 16		1,200.00		417.67
August 16		2,360.59		400.00
Sept 16		3,640.35		540.03
Oct 16		3,258.63	100	1,170.61
Nov 16		6,755.55		711.90
Des 16		2,744.18		1,103.91
Jan 17		2,451.25		1,174.95
Feb 17		4,102.39	499.36	257.30
Mar 17		3,756.71		661.13
Apr 17		2,000.00		453.46
<b>Total</b>		<b>38,608.10</b>		<b>8,518.87</b>

	<b>Status: Comply</b>
<p><b>E.5.2</b>  <b>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.</b></p>	
<p>Rantau Panjang Factory does not perform activities of palm kernel crushing to the independent palm kernel crushers.</p>	
	<b>Status: Comply</b>

**3.3 Conformity Checklist of Certificate and Logo Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>RC</b>	The Rantau Panjang Factory - PT Guthrie Pecconina Indonesia has had approval/permit the use of the certificate with the number <b>MUTU-RSPO/017</b>	<b>NA</b>
	<b>Status:</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>RC</b>	PT Guthrie Pecconina Indonesia does not use the logo both in the on-product and off-product.	<b>NA</b>
	<b>Status:</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>RC</b>	PT Guthrie Pecconina Indonesia does not use the logo both in the on-product and off-product.	<b>NA</b>
	<b>Status:</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>RC</b>	PT Guthrie Pecconina Indonesia does not use the logo both in the on-product and off-product.	<b>NA</b>
	<b>Status:</b>	

**3.4 Summary of RSPO Partial Certification**

Compliance of the uncertified management units of Sime Darby Plantation Sdn Bhd against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below

Sime Darby Plantation Sdn Bhd Time Bound Plan is explained in table section 1.10. Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Sdn Bhd has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that Sime Darby Plantation Sdn Bhd is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Sdn Bhd Indonesian representative on June 16th, 2016 by the Head of PSQM.

MUTU has verified partial certification for un-certified unit's subsidiary of Sime Darby Plantation Sdn Bhd based on their Time Bound Plan. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There are significant land conflicts in PT Mitra Austral Sejahtera, there is still an issue that remains unresolved social i.e. from Serikat Petani Kelapa Sawit (SPKS), but improvements are ongoing.
- PT Budidaya Agro Lestari waiting for land title process.
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

<b>3.4.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p><b>Company Group/Holding Statement:</b> Companies are already doing internal audits. There are internal audit reports for each company.</p> <p><b>Auditor Verification:</b> Internal Audit report available for uncertified management unit for example PT Sandika Natapalma – Karya Palma Estate on 10 February 2017.</p>
i.	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p><b>Company Group/Holding Statement:</b> HCV assessment has been conducted for uncertified units i.e. PT Mitra Austral Sejahtera (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).</p> <p><b>Auditor Verification:</b> Sime Darby Plantation Sdn Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2<sup>nd</sup> revision on 24 June 2016. The companies ensuring reporting of disclosure of liability progress to RSPO and</p>



		according to the CB's correspondency with RSPO Remediation and Compensation.
i.	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>Company Group/Holding Statement:</b> A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at <a href="http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14">http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</a></p> <p><b>Auditor Verification:</b></p> <ul style="list-style-type: none"> <li>• Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1<sup>st</sup> 2010 and due to not conduct NPP.</li> <li>• RSPO NPP process has been completed in 2011 for a new mill in Liberia.</li> </ul>
ii.	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p><b>Company Group/Holding Statement:</b> Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/46">http://www.rspo.org/members/complaints/status-of-complaints/view/46</a> PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd) Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/29">http://www.rspo.org/members/complaints/status-of-complaints/view/29</a></p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There are land conflict in :</p> <ul style="list-style-type: none"> <li>• PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities</li> <li>• PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.</li> </ul>
iii.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p><b>Company Group/Holding Statement:</b> No stakeholder comments or complaints received.</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There are no labour dispute in company unit.</p>
iv.	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p><b>Company Group/Holding Statement:</b> None noted. No stakeholder comments or complaints received.</p>

		<p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for company under SDP waiting for land title process, ie:</p> <ul style="list-style-type: none"> <li>• PT Sime Indo Agro 1,652 Ha</li> <li>• PT Aneka Inti Persada 421.31 Ha</li> <li>• PT Bina Sains Cemerlang 308.25 Ha</li> <li>• PT Bersama Sejahtera Sakti 765 Ha</li> <li>• PT Langgeng Muaramakmur 1,162 Ha</li> <li>• PT Paripurna Swakarsa 1,120 Ha</li> <li>• PT Swadaya Andika 63 Ha</li> <li>• PT Bahari Gembira Ria 1,639 Ha</li> <li>• PT Guthrie Pecconina Indonesia 4,133 Ha</li> <li>• PT Perkasa Subur Sakti 1,286 Ha</li> </ul>
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3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-4 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2015.1	5.2.2	<p><b>HCV Management</b> Based on the visits Langgaran Riparian, known that there are replanting activities of oil palm in the left - right of the river which have been designated as HCV area based on the recommendation of HCV identification.</p>	Estate	Major	April 18, 2016	The company must show clear limits and extents in the area which defined as HCV to be managed. The company should avoid oil palm planting / replanting in areas that have been identified as HCV areas in accordance with the applicable SOP.	<p><b>Root cause:</b> There are replanting activities of oil palm in the right - left of river that have been designated as HCV area because there are differences in the interpretation of SOP</p> <p><b>Corrective action:</b> Measurement, installation of buffer zone boundaries pole, installation of signboard, and replanting in the buffer zone of replanting area in Rantau Panjang Estate PT GPI</p> <p><b>Preventive action:</b> Has been reaffirmed in the memorandum of HPUI No. M-014 / HPUI / IV / 2016 regarding to the Reminder on Management and Monitoring of HCV Area.</p> <p><b>Verification on April 14, 2016</b> The management unit has shown the evidence of improvement in HCV area which affected by replanting by performing the measurement and installation of buffer zone pole. In addition, the company also planted timber plants in the riparian such as durian, jengkol, mango, etc. It will be observed again</p>	Closed with Observation	April 14, 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							on the next visit.  Based on the explanation Non conformity No. 2016.01 is closed with observation.		
2015.2	5.6.3	<b>Calculation and Reporting of GHG</b> The certificate holder has not been able to show the results of calculation of GHG and the reporting evidence.	<b>Estate and Mill</b>	<b>Minor</b>	<b>Re-Certification</b>	The certificate holder must be able to show the results of calculation of GHG by using Palm GHG Calculator of RSP0 Version 2.1.1 and reporting evidence to the RSP0 secretariat.	<b>Root cause:</b> The CH does not perform GHG Calculations in accordance with the latest version.  <b>Corrective action (evidence) :</b> Updating GHG accounting by coordinating with PSQM Jakarta as Support team.  <b>Preventive action:</b> Perform GHG calculations and report to the RSP0 Secretariat undertaken by Dept. PSQM Jakarta.  <b>Verifikasi tanggal 16 Mei 2017</b> The Company has shown evidence of improvement in the calculation of Greenhouse Gases (GHG) for the period 2015.  Based on the explanation Non Conformity No. 2016.02 is closed.	Closed	May 16, 2017
2015.3	6.5.2	<b>Workers union agreements or direct employment contract.</b>  Based on the results of interviews with the harvesters in MJE and Employee wife in	<b>Estate</b>	<b>Major</b>	<b>April 18, 2016</b>	The company must be able to show the evidence that all workers have been included in the workers union agreements or direct	<b>Root cause:</b> Based on the results of interviews with the harvesters in MJE and Employee wife in NAE found that the loose fruits taker has not been included in the workers union	Closed	April 14, 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		NAE found that the loose fruits taker has not been included in the workers union agreement or direct employment contract detailing about the payments and conditions of employment (for example, working hours, deductions, overtime, sick, leave entitlements, the reason for dismissal, the period of layoffs notice, etc.) in a language that can be understood by the workers or explained carefully to the workers by management officer.				employment contract detailing the conditions of employment (working hours, cuts, sick, leave entitlements, grounds for dismissal, the period of layoffs notice, etc.)	<p>agreement or direct employment contract because the loose fruits taker is the harvester's wife who was helping her husband (harvesters) and not employees, so it is not documented.</p> <p><b>Corrective action:</b> PT GPI has shown a letter from the Chairman of SOU 23 in Rantau Panjang on March 30, 2016 related to the use of loose fruits taker by harvesters in PT GPI. This letter describes that if the harvester will carry or use the loose fruits taker, then the harvesters must report the loose fruits taker to the division and will be made a work agreement.</p> <p>The management unit has shown a statement letter from the wife of workers in Napal Estate and Mangun Jaya Estate which stated that the wife will not follow her husband to work in the field again to collect the loose fruits in accordance with memorandum issued by the Chairman of SOU.</p> <p><b>Preventive action:</b> Harvesters must report to the Division if they will use the loose fruits taker. In addition, the management unit also always confirms the harvester's attendance when a morning</p>		



CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>briefing to ensure there is no loose fruits takers were followed.</p> <p><b>Verification on April 14, 2016</b>            PT GPI has shown internal memos related to labor laws for loose fruits taker and statements letter from the wife of workers in Napal Estate (NAE) and Mangun Jaya Estate (MJE) which were interviewed on the audit process. Besides, the management unit also has identified the root causes and preventive actions. Based on this, non conformity No. 2016.04 is closed.</p>		

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

<b>NCR No.</b>	<b>: 2017.01</b>	<b>Issued by</b>	<b>: Dwi Haryati</b>
<b>Date Issued</b>	<b>: 20 May 2017</b>	<b>Time Limit</b>	<b>: Before Certificate issued</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 11 October 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 2.1.1 Evidence of compliance with relevant legal requirements shall be available.</b>		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
<ol style="list-style-type: none"> <li>Based on document verification of GM HRM No.083/HRM-13/IV/2017 it is known that wage determination refers to UMSP according to Decree of Governor of South Sumatera. This is not in accordance with Circular Letter No. SE-560/143/DISNAKERTRANS/2017 concerning Implementation of Minimum Wage in the district of Musi Banyuasin.</li> <li>Based on verification of daily tim attendance documents and interviews with contract workers for pesticide and fertilizer applicator in Divisi II Sungai Jernih Estate (SJE), it is known that there are workers who have worked for more than 21 days or 3 months or more, but have not been appointed as permanent workers. This is not accordance with the Decree from Ministry of Manpower and Transmigration No.100 in 2014 article No.10 about contract workers.</li> <li>Based on the document review of Work Agreement No.Est/SPK/GPI-SJE/2017/III/004, there are harvest activities has been taken by third parties (on behalf of contractor Rudi Hartono). The Indonesian Palm Oil Entrepreneurs Association (GAPKI) determined that harvesting is main activity. This is not accordance with Decree from Ministry of Manpower and Transmigration No.19 in 2012 about terms of transfer some work to another company.</li> <li>Based on document review of operator license, known that there are 6 operator license expired, example on behalf A. Kundori (Backhoe Loader Operator)has been expired since March 16<sup>th</sup>, 2016. This is not accordance with Decree from Ministry of Manpower and Transmigration No.09 in 2010.</li> </ol>			
<b>Root Cause Analysis :</b>			
<ol style="list-style-type: none"> <li>Management issued a wage decree to follow UMSP as wage standard in PT GPI, while the previous year wage standard in GPI follow UMK.</li> <li>Temporary worker (BHL) is the local community the plantations that most do not want to be bound by the contract of work</li> <li>Contract worker is the local community the plantation that most do not want to be bound by the contract of work</li> <li>The absence of unit management monitoring on the validity of Operator License in PT GPI</li> </ol>			
<b>Correction :</b>			
<ol style="list-style-type: none"> <li>Approved standardized wages in accordance with UMK amounting to Rp 2,469,550, plus rice aid in the form of rice/month outside Sunday/national holiday and has been approved on 01 August 2017 (letter attached). This decree valid from 01 May 2017 and will be realized rapel payments from May 2017 to July 2017 at the time of remission of 02 August 2017 (for example the Rapel application submission attached)</li> <li>Selection of temporary worker (BHL) to be appointed as Certain Time Working Agreements worker for those willing to be bound by contract with the company (Temporary worker (BHL) list who are willing to be appointed to be attached Permanent Worker)</li> <li>Deciding on the contractual relationship (attached) and selecting the harvesting contractors to be appointed as Certain Time Working Agreements workers for those willing to</li> </ol>			

- be bound by contract with the company
4. Has made the arrangement of Operator License on behalf of A.Kundori, Damun, Samsul, Zarkasi, Saman (Process of Extension - data attached) and on behalf of Ahmad Faozi and Sandi Nusantara Operator License already published (Operator License documents attached)

**Corrective Action:**

- Always coordinate with the employers and worker unions on the discussion of the provisions of the employees' basic wages
- Ensuring temporary worker (BHL) are not working in a company without work ties (contract)
- Ensure that no more contract labor pepper on the main job (harvesting job)
- Perform routine updates on the monitoring of Operator License permits in all PT GPI Units
- Ensure that all Operator License permits in PT GPI units are in good condition through a list of monitoring updates that will be applied in all units (list document attached)

**Assessor Evaluation and Conclusion :**

**1. Wages**

**Auditor verification 10 August 2017**

The certificate holder has presented evidence of improvement, consisting of:

1. Inter Office Mail from GM HR No.123 / HRM-13 / VIII / 2017 dated August 1, 2017 regarding Daily Daily SKU and Monthly SKU of 2017 for PT GPI and PT BSC. The IOM is issued under a mutual agreement between PT GPI and PT BSC with PUK.SPMP.SPSI PT GPI and PT BSC dated July 27, 2017. The terms of the MSE in 2017 are as follows:
  - Increase wage of SKU-H Worker PT GPI to Rp 2,469,550, - /month plus rice aid in the form of rice.  
**The calculation is for one month including the Sunday/National Holiday.**
  - Withholding deductions for SKU-H worker that doesn't work is Rp 98.782, - /day.
  - Wages for (SKU-H) is a bruto income not yet deducted Income Tax which is the obligation of workers according to the Tax Law.
  - SKU-H wage increases will be effective starting 01 May 2017.
2. Example of employee wage slip In May 2017 (payrol division and purchasing foreman) is still listed basic wage Rp 2.430.000, -. This has not yet adjusted to the minimum wage requirement of 2017 (UMK) of Rp 2,469,550, -.

The certificate holder has presented evidence of improvement, consisting of:

1. Inter Office Mail from GM HR No.123 / HRM-13 / VIII / 2017 dated 01 August 2017 regarding SKU-H and SKU-B of 2017 for PT GPI and PT BSC. The IOM is issued under a mutual agreement between PT GPI and PT BSC with PUK.SPMP.SPSI PT GPI and PT BSC dated 27 July 2017. The terms of the UMK in 2017 are as follows:
  - Increase wage of SKU-H Worker PT GPI to Rp 2,469,550, - /month plus rice aid in the form of rice.
  - The calculation is for one month including the Sunday / National Holiday.
  - Wage calculation of Rp 2,469,550, - is the basic wage outside of overtime hours and holidays
  - Withholding deductions for SKU-H worker that doesn't work is Rp 98.782, - /day.
  - Wages for (SKU-H) is a bruto income not yet deducted Income Tax which is the obligation of workers according to the Tax Law.

- Increase in daily SKU-H Rate is valid starting on 01 May 2017.
  - Wage increase of Rp 2,469,550, will be charged starting from 01 May 2017
  - Based on evidence of improvement shown above, there are still some things that need to be confirmed.
2. Example of employee wage slip In May 2017 (payrol division and purchasing foreman) is still listed basic wage Rp 2.430.000, -. This has not yet adjusted to the minimum wage requirement of 2017 (UMK) of Rp 2,469,550, -.

**Auditor verification 16 August 2017**

The certificate holder has presented evidence of improvement, consisting of:

- IOM from Mill Manager to Area Controller Sumatera Selatan dated 08 August 2017, IOM Number: 44 / Mgr / PT GPI-RJF / VIII / 2017 concerning Approval of Rapid Payout Reward Increase of Employee SKU RJF. IOM explains the approval of the payroll raise payments and employee overtime from May - July 2017.

**Based on the evidence for improvent and the incomplete root explanation, the Non-Conformity No.2017.01 has not been fulfilled (Open).**

**Auditor verification 20 August 2017**

The certificate holder has presented evidence of improvement, consisting of:

1. Evidence of proposal for payment of Rapel Salary Increase in the plantation eg for BYE and RJE. There is also a proposal letter submitted to the CEO of RSS Region of the Estate Manager. Proposal made for payment of salary adjustment from May-July 2017 (3 months).  
List of payroll rosters / group salaries for May - July 2017 KKPA and Sungai Jenih Estate (SJE).
2. List of temporary worker (BHL) GPP (plasma), Sungai Jernih Estate and Certain Time Working Agreements worker Specific Time of harvesting, maintenance, fertilizer, spraying of GPP (plasma) and Sungai Jernih Estate.
3. Termination of Rudi Hartono's harvesting contract as of 1 August 2017 through Inter Office Mail Number: 228 / Est-SJE / VII / 2017. This provision is signed by both parties between the company (SJE Senior Manager's) and the contractor (Rudi Hartono) on stamp duty.
4. Evidence of Operator License processing process on behalf of A.Kundori, Damun, Samsul, Zarkasi, Saman (Process of Extension - data attached) and on behalf of Ahmad Faozi and Sandi Nusantara Operator License have been published.

**Based on the evidence for improvent and the incomplete root explanation, the Non-Conformity No.2017.01 has not been fulfilled (Open).**

**Auditor verification 28 August 2017**

The certificate holder has presented evidence of improvement, consisting of:

- Rapid Salary Reward Payment List in KKPA Unit from May to July 2017 (Division 1, 2 & Traction) and Sungai Jernih Estate period May to July 2017 (Division 1)
- Sample Work Agreement of Certain Time Working Agreements worker GPP Plasma (August 2012)

Have not shown any evidence of improvement:

- Examples of salary slips from workers in accordance with Payroll Rapid List of Salary Increases in KKPA Unit from May to July 2017 for KKPA Unit from May to July 2017

and Sungai Jernih Estate period May to July 2017

- Certain Time Working Agreements worker (PKWT) Working Agreement for fertilizer workers of Division II of the Sungai Jernih Estate (SJE), which has been working for more than 21 days for 3 consecutive months or more

Based on the above, the Non-Conformity on this Indicator has not been fulfilled (**Open**).

#### **Auditor verification 05 September 2017**

The certificate holder has shown evidence of improvement:

- Examples of Certain Time Working Agreements (PKWT) on behalf of Rusmaniyar and Resti Marlina (fertilizer workers of the Sungai Jernih Estate). The work agreement shown is valid for 3 months from September 1st - 30th November 2012.
- Salary slips on behalf of Rusmaniyar and Resti Marlina (fertilizer workers of Sungai Jernih Estate) period of August 2017. The pay slip document informs the Working Day, wages received and deductions from BPJS Kesehatan.

However, evidence of the improvements shown still explains the status of workers still Certain Time Working Agreements (not yet permanent worker, as described in the description of non-conformance) with working days in August over 21 working days. There is also insufficient evidence that temporary workers who work more than 21 days in three consecutive months are entitled in accordance with the prevailing laws and regulations.

Based on this, the Non-conformity on this indicator is stated **not yet fulfilled (Open)**.

#### **Auditor verification 22 September 2017**

The certificate holder shows evidence of improvement, consisting of:

- Evidence of documentation that the temporary worker for Fertilizer in the Sungai Jernih Estate (SJE) gets its rights in accordance with the Minister of Manpower and Transmigration of the Republic of Indonesia No.100 year 2004 article 10 concerning Provisions on the Certain Time Working Agreements (PKWT) and has been appointed to permanent worker in accordance with the period of Work Agreement Letter (SPK) from 01 August 2017 to 31 August 2017 and obtaining wage rights in accordance with Circular Letter No. SE-560/143 / DISNAKERTRANS / 2017 on Minimum Wage Implementation in the region of Musi Banyuasin Regency (agreement for fertilizer worker at SJE attached).
- Evidence of documentation that Certain Time Working Agreements Workers have earned wages in accordance with Circular Letter No. SE-560/143 / DISNAKERTRANS / 2017 concerning Minimum Wage Implementation in Musi Banyuasin District (detailed data of SJE Certain Time Working Agreements salary has been attached).

Evidence of improvements that have been shown in the form of SPK Letter of Certain Time Working Agreements (PKWT). It has not been in accordance with the Decree of the Minister of Manpower and Transmigration of the Republic of Indonesia No.100 of 2004 article 10, paragraph 3 on the Implementation of Certain Time Working Agreements (PKWT). In Article 3 it is explained that in the worker / laborer is working 21 days or for 3 months consecutively or more then the daily work contract freely changed into a Permanent Worker (PKWTT). Based on the evidence of improvements shown, it is known that fertilizer workers who have been working for more than 21 days for 3 consecutive months have not become permanent workers based on Uncertain Time Working Agreements.

Based on the evidence of improvement shown, then the inconsistency No.2017.01 stated not yet fulfilled (**Open**).



**Auditor verification 27 September 2017**

The certificate holder has presented evidence of improvement, consisting of:

- Health Test Form from Central Clinic
- List of Certain Time Working Agreements worker in Guthrie Pecconina Plasma (GPP)
- List of Certain Time Working Agreements worker in the Sungai Jernih Estate (SJE)
- Procedures for Employment of Permanent Worker (PKWTT)

Not yet clearly shown evidence of improvements related to Temporary Worker Release on spraying and fertilizing activities of Division II of the Sungai Jernih Estate (SJE), which has been working for more than 21 days for 3 consecutive months, has changed its status from worker based on Temporary Working Agreement (BHL) to become workers based on Uncertain Time Working Agreements (PKWTT), as regulated in Decree of the Minister of Manpower and Transmigration of the Republic of Indonesia No. 100-2004 (Article 10, paragraph 3).

**Auditor verification 09 October 2017**

The certificate holder has presented evidence of improvement in the form of List Cashflow of Workers' Appointment in SJE and GPP into Permanent Worker status gradually, consisting of:

Sungai Jernih Estate (SJE)

- Harvest: 6 workers (planned appointment in January 2018)
- Non-Material Maintenance: 14 workers (planned appointment in March 2018)
- Material Maintenance:
  - 7 fertilizer workers (planned appointment in March 2018)
  - 13 spray workers (planned appointment in January 2018 for 6 people and in March 2018 a total of 7 people).
- Staff helper: 2 workers (planned appointment in March 2018).
- Security: 1 worker (planned appointment in January 2018).

Guthrie Pecconina Plasma (GPP)

- Harvest: 14 workers (planned appointment in January 2018).
- Loader Operator: 2 months (planned appointment in March 2018).
- Non-Material Maintenance: 48 workers (planned appointment in March 2018 for 10 persons and in June 2018 a total of 38 persons).
- Material Maintenance:
  - Fertilizer: 15 people (planned appointment in January 2018 number of 8 people and in March 2018 a total of 7 people).
  - Spray: 17 people (planned appointment in January 2018 for 8 people and in March 2018 a total of 9 people).
- Staff helper: 1 person (plan of appointment in June 2018)
- Opas: 2 workers (planned appointment in January 2018).

Based on the evidence of improvements that have been shown, not yet clearly identified the names of workers who are programmed into the appointment plan to become permanent employees in stages.

[Please indicate / complete List of Workers' Names on the Sungai Jernih Estate (SJE) and Guthrie Peconina Plasma (GPP), according to the amount stated in the Worker's List to be gradually lifted]

The realization of the program will be the Team Auditor's attention on the next visit.

Based on the evidence of improvement shown, then the inconsistency No.2017.01 stated not yet fulfilled (**Open**).

**Auditor verification 11 October 2017**

The certification holder has shown evidence of improvements: List of Workers' Names from the Sungai Jernih Estate (SJE) and Guthrie Peconina Plasma (GPP) programmed into the appointment plan to become permanent employees gradually.

Consistency realization of the program will be the attention of Team Auditor on the next visit.

Based on the evidence of the improvements shown, the Non-Conformity No.2017.01 is **Closed with Observation**.

Verified by : Dwi Haryati

<b>NCR No.</b>	: 2017.02	<b>Issued by</b>	: Afiffuddin
<b>Date Issued</b>	: 20 May 2017	<b>Time Limit</b>	: Before Certificate issued
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 12 September 2017
<b>Standard Ref. &amp; Requirement</b>	: 4.1.1 Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available.		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
Based on field observation in nursery at Sungai Jernih Estate and document review stock of seeds in 19 <sup>th</sup> May 2017, known that there is Advance Planting Materials (69 – 78 months). This is not in accordance with Agronomy Reference for Palm Oil Planting No.110/EST-ARM/13 part 2 point 12, stating that the seedlings should be planted at the age of 11 – 13 months.			
<b>Root Cause Analysis :</b>			
<ol style="list-style-type: none"> <li>The plan to open the area according to GPP permit area of 6000 ha, but the realization until August 2017 only 3,381.94 Ha. This is caused by land claims from other parties and overlap with other companies. <ul style="list-style-type: none"> <li>Realization of planting until July 2017 = 2,235.86 ha The work was halted due to flood in November 2015 until March 2016</li> <li>Plan LC + Reserve = 357.97 ha + 566.49 ha Total 924,46 ha (attached statement area)</li> </ul> </li> <li>No Instruction Work for seeds treatment that exceeding age above 13 months (late planting)</li> </ol>			
<b>Correction :</b>			
<ul style="list-style-type: none"> <li>The remaining seedlings are late to plant as many as = 123,871 pkk (data attached)</li> <li>Treatment of seedlings currently perform maintenance by pruning in accordance with Work Instruction No. SJE-GPP/001/2017 and will be selected at the time of planting.</li> <li>Plan of seedlings used for planting LC 2017 area = 357.97 ha and the rest for insertion in TM/TBM area</li> <li>Making Work Instructions treatment of seeds that exceed 13 months of age.</li> </ul>			
<b>Corrective Action :</b>			
Evaluation of SOPs in the unit.			
<b>Assessor Evaluation and Conclusion :</b>			
Verification 20 August 2017			

The certificate holder has presented evidence of improvement, consisting of:

- Statement Area for GPP 2017
- Statement Area for SJE 2017
- Nursery Work Instructions NO.SJE-GPP/001/2017
- SJE Seed Stock Report

Based on the Root Analysis of Corrective Problems and Corrective Actions, the Non-Conformity on this indicator has not been comply.

Verification 20 August 2017

- Explanation regarding the root of the completed problem
- But not yet can be explained related Evaluation of SOP in Unit

Verification 12 September 2017

Proven evidence of improvement in the form of planting arrangement mechanisms to the field which is an evaluation of SOP, there is also a SOP evaluation flow chart and treatment of seeds that have been above 13 months old to be made work instructions from the manager.

**Based on the evidence of improvement shown, the Non-Conformity of this indicator is declared Closed.**

<b>Verified by</b>	<b>:</b>	<b>Oktovianus Rusmin</b>
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<b>NCR No.</b>	: 2017.03	<b>Issued by</b>	: Sofyan Hadi Lubis
<b>Date Issued</b>	: 20 May 2017	<b>Time Limit</b>	: Before Certificate issued
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 21 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 4.4.2 Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
<p>The protection of the river buffer zone is not fully carried out in accordance with the policies established by the company Memorandum of Head Plantation Officer No. POD-UM-061/IV/2010 dated 08 March 2010 on the management and monitoring of the river buffer zone area. This is evidenced by :</p> <ul style="list-style-type: none"> <li>• Field Observation in Block K20 Division I Bumi Ayu Estate (BYE), known that chemicals fertilizing (Borate) in Sungai Putih Riparian.</li> <li>• Field observation in Block H09 Division I Guthrie Pecconina Plasma (GPP), known that is residual usage of herbicide application in Sungai Keruh Hulu riparian. Document review result of Supervisor activity book, herbicide application has been done in 12 April 2017.</li> <li>• Field Observation in Block J14 Sungai Jernih Estate, has been found that fertilizer applicator who wash PPE and clothes inside trenches.</li> </ul>			
<b>Root Cause Analysis :</b>			
Lack of socialization to workers about the understanding about Buffer Zone and Hazardous Waste.			
<b>Correction :</b>			
<ul style="list-style-type: none"> <li>• Provide re-socialization to employees of fertilizer and spraying worker about the understanding of Buffer Zone, Hazardous Waste and BMS-BSS</li> <li>• Clarify bufferzone area boundary with yellow paint marking on palm oil trunks</li> <li>• Creating Signboard area buffer zone</li> </ul>			
<b>Corrective Action :</b>			
More effective supervision by supervisor at the time of fertilization and spraying activities in blocks that have the area "BufferZone" and always reminded before doing spraying/fertilizer work.			
<b>Assessor Evaluation and Conclusion :</b>			
<p>Verification 09 August 2017 The certificate holder has shown evidence of improvement, consisting of:</p>			



- Photo of socialization activities of buffer zone area to spraying and fertilizer team at Bumi Ayu Estate #number of participants is 9 people.
- Photo of marking the buffer zone at Bumi Ayu Estate
- Statement letter from harvesting and fertilizer worker in May 2017. In the statement letter stated that the workers have received and obtained socialization about buffer zone area; workers are aware of the prohibition of spraying and fertilizer activity in the buffer zone; workers already know the buffer zone area boundary in the form of a yellow circular sign on the palm tree; workers already understand the sanctions that will be given if it violates the rules that have been set.

Verification 14 August 2017

The root of the problem, corrective action and auditor response have been answered and corrected by the company. The Company has also made extensive improvements to the POM and Estate Unit. However, additional information relating to corrective action is still required.

Verification 21 August 2017

The Certificate holder has demonstrated the Buffer Zone monitoring program which contains information on the block, area, scope of activities, officers, and monitoring schedule conducted monthly. It has also shown evidence of Buffer Zone monitoring in accordance with the established program, such as monitoring in July and August 2017 with no indication of chemical applications in the buffer zone area, signboard buffer zone is available properly,

**Based on the evidences of improvement, the Non-Conformity in this indicator are Closed and will be observed for consistency and implementation at the next audit visit.**

<b>Verified by</b>	<b>:</b>	<b>Sofyan Hadi Lubis</b>
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<b>NCR No.</b>	: 2017.04	<b>Issued by</b>	: Sofyan Hadi Lubis
<b>Date Issued</b>	: 20 May 2017	<b>Time Limit</b>	: ASA-1.1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 14 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 4.4.4. Monitoring of mill water use per ton of FFB shall be recorded		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
<p>The use of factory water (Rantau Panjang Factory) not accordance with Water Resources Management Permit (SK No.370/Kpts/M/2016) set by the Minister of Public works and People Housing, Director General of Water Resources in 13 June 2016 with the provision of maximum debit is 20,143 m<sup>3</sup>/month.</p> <p>Based on document review the use of factory water period June 2016 to May 2017, there is water use that exceeds the determined requirements, for example : in September 2016 = 20,425 m<sup>3</sup>/month, October 2016 = 33,345 m<sup>3</sup>/month, November 2016 = 22,158 m<sup>3</sup>/month, etc.</p>			
<b>Root Cause Analysis :</b>			
<ul style="list-style-type: none"> <li>• WTP officers do not understand the contents of the Water Use Permit in RJF</li> <li>• RJF Do not have SOP for water usage</li> </ul>			
<b>Correction :</b>			
<ul style="list-style-type: none"> <li>• Socializing WTP SOP to WTP Officers in RJF</li> <li>• Reporting the use of water that exceeds the debit of the provisions set by the government (letter attached)</li> </ul>			
<b>Corrective Action :</b>			
<ul style="list-style-type: none"> <li>• Monitor monthly water usage in RJF</li> <li>• Make SOP and daily/monthly water usage monitoring at RJF and in case of excess water usage will be reported to related institution.</li> <li>• Pay water consumption taxes periodically.</li> </ul>			
<b>Assessor Evaluation and Conclusion :</b>			
<p>August 14, 2017</p> <p>The Certificate holder may show evidence of improvement, consisting of:</p> <ul style="list-style-type: none"> <li>- Water use monitoring /tFFB RJF 2017-2018 known by Mill Manager. The maximum usage of water usage every month is in accordance with the Water Resources Management Permit (20,143 m<sup>3</sup>/month).</li> </ul>			

- Minutes, attendance list and photo documentation of water use socialization conducted on Monday 29 May 2017 to 2 (two) WTP Operator. Material for socialization about explanation of duties and responsibilities, permissible water retrieval mechanisms, flowmeter recording, filling the water usage monitoring book, maximum usage of water usage month in accordance with Water Resources Management Permit (20,143 m<sup>3</sup>/month).
- Inter-Office Mail from RJF to GM PSD No. 054/MGR/PTGPI-RJF/VIII/2017 dated 14 August 2017 concerning the application of reporting of excess surface water usage to related institution (attached details of surface water use in 2013 to July 2017).
- Tax Payment of water use to related institution on a regular basis. Tax payments are made based on surface water usage bill from UPTD Dinas Pendapatan Daerah Province of South Sumatera, District of Musibanyuasin. For example, the April 2015 - November 2015 invoice period has been paid on 03 March 2016.

**Based on the evidences for improvements, the Non-Conformity of this indicator is Closed and will be observed at the next audit visit related to the consistency of water use with permissible maximal discharge.**

<b>Verified by</b>	<b>:</b>	<b>Sofyan Hadi Lubis</b>
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<b>NCR No.</b>	: 2017.05	<b>Issued by</b>	: Muhammad Rinaldi
<b>Date Issued</b>	: 20 May 2017	<b>Time Limit</b>	: Before Certificate issued
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 21 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
<p>The certificate holder has SOP for PPE (No.SPO/040/GPI/16) has been authorized by all Estate Manager. The SOP describe the types of PPE for every activity (Estate and Factory), PPE provided by company and PPE that cannot be used/broken/torn should be replaced, but this has not been implemented consistently. Based on field observation, document review and interviews with worker in RJE, RJF, BYE, SJE and GPP, it is known :</p> <ul style="list-style-type: none"> <li>• The companies not provide boots for workers in harvesting and fertilizer activity at Sungai Jernih Estate.</li> <li>• Harvesting workers in RJE and BYE wore shoes not boot.</li> <li>• Spraying workers in SJE used broken/torn boots.</li> <li>• 4 out of 10 workers interviewed in RJF wore torn boots and 1 out of 10 workers wore usual boot (not safety boots)</li> <li>• Workers in fertilizing activity at SJE do not use apron.</li> </ul>			
<b>Root Cause Analysis :</b>			
Each unit at the time of the audit did not have a stock of PPE and this has not been contained in the SOP of PPE (No. SPO/040/GPI/16) which resulted in the discovery of some employees wearing torn shoes and regular shoes instead of boot.			
<b>Correction :</b>			
Provide PPE to all workers in accordance with SOP and replace the PPE that is not feasible.			
<b>Corrective Action :</b>			
<ul style="list-style-type: none"> <li>• Provide Stock for PPE at least 10% of the existing employees.</li> <li>• Conduct a monitoring check on the use of PPE in accordance with the type of work needs.</li> </ul>			
<b>Assessor Evaluation and Conclusion :</b>			
<p>Verification 14 August 2017 The Certificate holder shows evidence of improvements, including:</p>			

- Evidence of PPE handover in PPE handover documents
- Evidence of socialization for PPE implementation
- Photo of PPE stock in the warehouse

In addition, the Certificate holder shows SOP of PPE No. SPO/040/GPI/16 which describes the mechanism for replacing the PPE and the types of PPE to be used, but the SOP has not explained the stock of PPE and has not yet been shown the monitoring mechanism of PPE used, appropriate and inappropriate condition. Stock of PPE in the SJE warehouse and the provision of PPE in SJE has not been shown.

Based on the explanation, the Non-Conformity No. 2017.03 is not fulfilled.

Verification 21 August 2017

The certificate holder has revised the SOP of PPE No. SPO/040/GPI/16 revision 1 dated 19 August 2017 which explains that the management unit must provide PPE stock of 10% of total requirement and inspection of PPE condition done at least once a month.

In addition, there has also been an PPE checklist that describes the results of the examination of the condition of PPE. For example in the RJE conducted on 29 July 2017 for a harvesting team that is under the supervision of one foreman. Checking is done to 13 harvesting workers with the conditions of PPE in the form of helm, boots and sickle cover, the result is the whole PPE is still in good condition.

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

<b>Verified by</b>	<b>:</b>	<b>Muhammad Rinaldi</b>
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<b>NCR No.</b>	: 2017.06	<b>Issued by</b>	: Dwi Haryati
<b>Date Issued</b>	: 20 May 2017	<b>Time Limit</b>	: Before Certificate issued
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 22 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 4.8.1 Records of training program related to the aspects of RSPO Principles and Criteria shall be available		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
The certificate holder has not been able to demonstrate a training program that covered all aspect of the P&C RSPO for workers, such as HCV and SCCS training.			
<b>Root Cause Analysis :</b>			
The lack of evaluation of the need for employee training programs.			
<b>Correction :</b>			
Create an employee training needs program that includes the RSPO Principle & Criteria.			
<b>Corrective Action :</b>			
Update the training needs of employees every year.			
<b>Assessor Evaluation and Conclusion :</b>			
Verification 10 August 2017 No evidence of improvement. No evidence of improvement has been found and the root of the problem has not been completed, so Non-Conformity No.2017.06 has not been fulfilled (Open).			
Verification 20 August 2017 The certificate holder has demonstrated PSQM-ESH training program in 2017-2018 covering RSPO Principle & Criteria aspects, including: SMK3, P3K, SCCS, Basic Fire Fighting, Emergency Response, HCV and Gender Committee.			
<b>Based on the evidence of improvements, the Non-Conformity of this indicator shall be Closed, with Observation status and shall become the auditor's attention on next visits regarding implementation and its consistency.</b>			
<b>Verified by</b>	: Oktovianus Rusmin		



<b>NCR No.</b>	: 2017.07	<b>Issued by</b>	: Sofyan Hadi Lubis
<b>Date Issued</b>	: 20 May 2017	<b>Time Limit</b>	: ASA-1.1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 14 August 2017
<b>Standard Ref. &amp; Requirement</b>	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.		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
Environmental management is not fully implemented in accordance with the environmental management plan document (RKL). This is evidenced by : <ul style="list-style-type: none"> <li>• The result of field observation, it is known that there is pollution of factory liquid waste around the IPAL pool that is sourced from leakage of FAT PIT.</li> <li>• The result of field observation, it is known that there is pollution of liquid waste flowing to empty bunch area which comes from SLUDGE PIT pipe leak.</li> </ul>			
<b>Root Cause Analysis :</b>			
At the time of the audit, FAT PIT and SLUDGE PIT checking SOPs have not been released yet and monitoring checks or routine checks have not yet been done which resulted in the occurrence of old leaks.			
<b>Correction :</b>			
<ol style="list-style-type: none"> <li>1. Fat Pit: Conducts welding of leaking pipes.</li> <li>2. Sludge Pit: Replace the worn pipes by using the right electrode ie 308S electrode with material made of stainless steel.</li> <li>3. Improvements have been made on 21 May 2017 and no more leaks (evidence attached).</li> </ol>			
<b>Corrective Action :</b>			
Create SOP, work program Maintenance area Fat Pit and Sludge Pit, do monthly monitoring (realization of June and July).			
<b>Assessor Evaluation and Conclusion :</b>			
Verification 14 August 2017 The certificate holder has demonstrated to show improvement evidence, consisting of: <ul style="list-style-type: none"> <li>• Photo re-welding in Fat Pit pipeline, Fat Pit piping condition that has been re-welded, and photo condition area around WWTP that has been clean from liquid waste contamination.</li> <li>• Photo replacement pipe Sludge Pit until the condition of the area around the empty bunch area.</li> </ul>			

- Fat Pit and waste SOP RJF authorized by Mill Manager. Procedures explain how to work safely for the environment before processing, during processing and stop processing.
- Check checklist Fat Pit and Sludge Pit monthly approved by Mill Manager. Checklist has been implemented in June & July 2017.
- Fat Pit and Sludge Pit maintenance work program of 2017/18 period approved by Mill Manager. The work program has been implemented in July 2017.

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

**Verified by : Sofyan Hadi Lubis**

<b>NCR No.</b>	: 2017.08	<b>Issued by</b>	: Sofyan Hadi Lubis
<b>Date Issued</b>	: 20 May 2017	<b>Time Limit</b>	: Before Certificate issued
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 21 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 5.3.2 There shall be evidence that all chemicals and their empty containers are disposed of responsibly.		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
<p>Hazardous waste management has not been fully implemented in ways that are environmentally accountable (not fully done in accordance with company policy).</p> <ul style="list-style-type: none"> <li>Based on the field visit at RJF workshop, there are hazardous waste type of used oil and used oil drums which are in pile of solid waste type of scrap metal.</li> </ul>			
<b>Root Cause Analysis :</b>			
Placement of Hazardous Waste not in accordance with SOP (not directly store in licensed Hazardous Waste Warehouse).			
<b>Correction :</b>			
<ul style="list-style-type: none"> <li>All Hazardous Waste types located outside Hazardous Waste Warehouses has been stored in licensed Hazardous Waste Warehouse and already listed in Hazardous Waste Log Book (attached evidence)</li> <li>All units of PT GPI both Estate and Mill have re-socialized and also confirmed to all employees and officers related to the management of Hazardous Waste in order to always manage in accordance with the existing SOP and achieve the goals of environmentally friendly company (attached)</li> </ul>			
<b>Corrective Action :</b>			
Re-Socialization to employees about the Type and Management of Hazardous Waste			
<b>Assessor Evaluation and Conclusion :</b>			
<p>Verification 09 August 2017</p> <p>The Certificate holder may show evidence of improvement, consisting of:</p> <ul style="list-style-type: none"> <li>Photo of Hazardous Waste evacuation from outside into licensed Hazardous Waste Warehouse</li> <li>Photo condition of the front area of the workshop is clean.</li> <li>Log Book and balance sheet Hazardous Waste May 2017. Evacuated Hazardous Waste has been recorded in log book and balance sheet, then examined directly by Section Head of Administration and known by Mill Manager.</li> <li>Photo and Hazardous Waste socialization event and Hazardous Waste SOP to RJF workers dated 05 July 2017.</li> <li>Photo of Muster Morning. The management of Hazardous Waste was also delivered at the Muster Morning.</li> </ul>			

Verification 14 August 2017

The root of the problem, corrective action has been improved and there has also been a thorough improvement in the POM and Estate Unit, but the corrective action is incomplete. Based on this, the Non-Conformity on this indicator is not fulfilled.

Verification 21 August 2017

The certificate holder has presented evidence in the form of inspection and evaluation of mill and estate hygiene inspection, for example in July 2017. Based on the evaluation result, there is no hazardous waste in mill and estate environment.

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

Verified by	:	Sofyan Hadi Lubis
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<b>NCR No.</b>	<b>: 2017.09</b>	<b>Issued by</b>	<b>: Dwi Haryati</b>
<b>Date Issued</b>	<b>: 20 May 2017</b>	<b>Time Limit</b>	<b>: Before Certificate issued</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 11 October 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 6.5.2          Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.</b>		
<b>Non-Conformance Description &amp; Evidence observed :</b>  Sungai Jernih Estate (SJE) has not been able to show the letter of Work Agreement in writing for all contract workers. This has not been in accordance with the Decree of the minister of Manpower and Transmigration of the Republic of Indonesia No.100 in 2004 article 12 concerns about implementation of working agreement on certain time.			
<b>Root Cause Analysis :</b> Temporary worker is the local community around the plantation that most do not want to be bound by the employment contract.			
<b>Correction :</b> Selection of temporary worker to be appointed as Certain Time Working Agreements worker for those willing to be bound by contract with the company (temporary worker list that is willing to be appointed to be attached Certain Time Working Agreements worker).			
<b>Corrective Action :</b> Ensure that no more temporary workers are employed in the company without work ties			
<b>Assessor Evaluation and Conclusion :</b>  <b>Auditor verification 10 August 2017</b> No evidence of improvement.  <b>Certificate Holder not shown Evidence of improvement and the root cause is not yet complete, then Non-Conformity No.2017. 09 have not been fulfilled (Open).</b>  <b>Auditor verification 20 August 2017</b> The certificate holder has shown evidence of improvement: 1. Certain Time Working Agreements of harvesting, maintenance, fertilizer, spraying worker of GPP (plasma) and Sungai Jernih Estate. 2. List of temporary worker GPP (plasma) and Sungai Jernih Estate employees. <b>Based on evidence of improvement and the incomplete root of the problem, the Non-conformance on this indicator has not been met (Open).</b>  <b>Auditor verification 28 August 2017</b>			

The certificate holder has shown evidence of improvement:

- Sample Work Agreement of Certain Time Working Agreements GPP Plasma (August 2012)

However, it has not been shown the Certain Time Working Agreements for fertilizer workers of Division II of the Sungai Jernih Estate (SJE), which has been working for more than 21 days for 3 consecutive months or more

Based on the above, the Non-conformance on this indicator has **not been fulfilled (Open)**

**Auditor verification 05 September 2017**

The certificate holder has shown evidence of improvement:

- Examples of Certain Time Working Agreements (PKWT) on behalf of Rusmaniyar and Resti Marlina (fertilizer workers of the Sungai Jernih Estate). The work agreement shown is valid for 3 months from 01 September – 30 November 2012.
- Salary slips on behalf of Rusmaniyar and Resti Marlina (fertilizer workers of Sungai Jernih Estate) period of August 2017. The pay slip document informs the Working Day, wages received and deductions from BPJS Kesehatan.

However, evidence of the improvements shown still explains the status of workers still Certain Time Working Agreements (not yet permanent worker, as described in the description of non-conformance) with working days in August over 21 working days. There is also insufficient evidence that BHL workers who work more than 21 days in three consecutive months are entitled in accordance with the prevailing laws and regulations.

**Auditor verification 22 September 2017**

The certificate holder has presented evidence of improvement in the form of a Certain Time Working Agreements (PKWT). However, this has not been in accordance with the Decree of the Minister of Manpower and Transmigration No.100 of 2004 article 10, paragraph 3, on the Implementation of Certain Time Working Agreements (PKWT). In Article 3 it is explained that in the worker/laborer is working 21 days or for 3 months consecutively or more then the daily work contract freely changed into a Uncertain Time Working Agreements (Permanent Worker). Based on the evidence of improvements shown, it is known that fertilizer workers who have been working for more than 21 days for 3 consecutive months have not become permanent workers based on Uncertain Time Working Agreements.

Based on this, the Non-conformance on this indicator is stated **not yet fulfilled (Open)**.

**Auditor verification 27 September 2017**

The certificate holder has presented evidence of improvement, consisting of:

- Health Test Form from Doctor in Central Clinic
- List of Certain Time Working Agreements workers in Guthrie Pecconina Plasma (GPP)
- List of Certain Time Working Agreements workers in the Sungai Jernih Estate (SJE)
- Procedures for Employment of Uncertain Time Working Agreements



However, there is no evidence of a written Work Agreement for all temporary worker in the Sungai Jernih Estate (SJE)

Based on this, the Non-conformance on this indicator is **not fulfilled (Open)**

**Auditor verification 09 October 2017**

Evidence of improvements that have been shown, not yet clearly identified the names of workers who are programmed into the plan of appointment become permanent employees gradually.

[Please indicate / complete List of Workers' Names on the Sungai Jernih Estate (SJE) and Guthrie Peconina Plasma GPP, according to the amount stated in the Workers List to be gradually lifted]

The realization of the program will be the Team Auditor's attention on the next visit.

Based on this, the Non-conformance on this indicator is **not fulfilled (Open)**

**1. Wages****Auditor verification 10 August 2017**

The certificate holder has presented evidence of improvement, consisting of:

1. Inter Office Mail from GM HR No.123 / HRM-13 / VIII / 2017 dated August 1, 2017 regarding Daily Daily SKU and Monthly SKU of 2017 for PT GPI and PT BSC. The IOM is issued under a mutual agreement between PT GPI and PT BSC with PUK.SPPP.SPSI PT GPI and PT BSC dated July 27, 2017. The terms of the MSE in 2017 are as follows:
  - Increase wage of SKU-H Worker PT GPI to Rp 2,469,550, - /month plus rice aid in the form of rice.  
**The calculation is for one month including the Sunday/National Holiday.**
  - Withholding deductions for SKU-H worker that doesn't work is Rp 98.782, - /day.
  - Wages for (SKU-H) is a bruto income not yet deducted Income Tax which is the obligation of workers according to the Tax Law.
  - SKU-H wage increases will be effective starting 01 May 2017.
2. Example of employee wage slip In May 2017 (payrol division and purchasing foreman) is still listed basic wage Rp 2.430.000, -. This has not yet adjusted to the minimum wage requirement of 2017 (UMK) of Rp 2,469,550, -.

The certificate holder has presented evidence of improvement, consisting of:

3. Inter Office Mail from GM HR No.123 / HRM-13 / VIII / 2017 dated 01 August 2017 regarding SKU-H and SKU-B of 2017 for PT GPI and PT BSC. The IOM is issued under a mutual agreement between PT GPI and PT BSC with PUK.SPPP.SPSI PT GPI and PT BSC dated 27 July 2017. The terms of the UMK in 2017 are as follows:
  - Increase wage of SKU-H Worker PT GPI to Rp 2,469,550, - /month plus rice aid in the form of rice.
  - The calculation is for one month including the Sunday / National Holiday.
  - Wage calculation of Rp 2,469,550, - is the basic wage outside of overtime hours and holidays
  - Withholding deductions for SKU-H worker that doesn't work is Rp 98.782, - /day.
  - Wages for (SKU-H) is a bruto income not yet deducted Income Tax which is the obligation of workers according to the Tax Law.

- Increase in daily SKU-H Rate is valid starting on 01 May 2017.
  - Wage increase of Rp 2,469,550, will be charged starting from 01 May 2017
  - Based on evidence of improvement shown above, there are still some things that need to be confirmed.
4. Example of employee wage slip In May 2017 (payrol division and purchasing foreman) is still listed basic wage Rp 2.430.000, -. This has not yet adjusted to the minimum wage requirement of 2017 (UMK) of Rp 2,469,550, -.

**Auditor verification 16 August 2017**

The certificate holder has presented evidence of improvement, consisting of:

- IOM from Mill Manager to Area Controller Sumatera Selatan dated 08 August 2017, IOM Number: 44 / Mgr / PT GPI-RJF / VIII / 2017 concerning Approval of Rapid Payout Reward Increase of Employee SKU RJF. IOM explains the approval of the payroll raise payments and employee overtime from May - July 2017.

**Based on the evidence for improvent and the incomplete root explanation, the Non-Conformity No.2017.01 has not been fulfilled (Open).**

**Auditor verification 20 August 2017**

The certificate holder has presented evidence of improvement, consisting of:

1. Evidence of proposal for payment of Rapel Salary Increase in the plantation eg for BYE and RJE. There is also a proposal letter submitted to the CEO of RSS Region of the Estate Manager. Proposal made for payment of salary adjustment from May-July 2017 (3 months).  
List of payroll rosters / group salaries for May - July 2017 KKPA and Sungai Jernih Estate (SJE).
2. List of temporary worker (BHL) GPP (plasma), Sungai Jernih Estate and Certain Time Working Agreements worker Specific Time of harvesting, maintenance, fertilizer, spraying of GPP (plasma) and Sungai Jernih Estate.
3. Termination of Rudi Hartono's harvesting contract as of 1 August 2017 through Inter Office Mail Number: 228 / Est-SJE / VII / 2017. This provision is signed by both parties between the company (SJE Senior Manager's) and the contractor (Rudi Hartono) on stamp duty.
4. Evidence of Operator License processing process on behalf of A.Kundori, Damun, Samsul, Zarkasi, Saman (Process of Extension - data attached) and on behalf of Ahmad Faozi and Sandi Nusantara Operator License have been published.

**Based on the evidence for improvent and the incomplete root explanation, the Non-Conformity No.2017.01 has not been fulfilled (Open).**

**Auditor verification 28 August 2017**

The certificate holder has presented evidence of improvement, consisting of:

- Rapid Salary Reward Payment List in KKPA Unit from May to July 2017 (Division 1, 2 & Traction) and Sungai Jernih Estate period May to July 2017 (Division 1)
- Sample Work Agreement of Certain Time Working Agreements worker GPP Plasma (August 2012)

Have not shown any evidence of improvement:

- Examples of salary slips from workers in accordance with Payroll Rapid List of Salary Increases in KKPA Unit from May to July 2017 for KKPA Unit from May to July 2017

and Sungai Jernih Estate period May to July 2017

- Certain Time Working Agreements worker (PKWT) Working Agreement for fertilizer workers of Division II of the Sungai Jernih Estate (SJE), which has been working for more than 21 days for 3 consecutive months or more

Based on the above, the Non-Conformity on this Indicator has not been fulfilled (**Open**).

#### **Auditor verification 05 September 2017**

The certificate holder has shown evidence of improvement:

- Examples of Certain Time Working Agreements (PKWT) on behalf of Rusmaniyar and Resti Marlina (fertilizer workers of the Sungai Jernih Estate). The work agreement shown is valid for 3 months from September 1st - 30th November 2012.
- Salary slips on behalf of Rusmaniyar and Resti Marlina (fertilizer workers of Sungai Jernih Estate) period of August 2017. The pay slip document informs the Working Day, wages received and deductions from BPJS Kesehatan.

However, evidence of the improvements shown still explains the status of workers still Certain Time Working Agreements (not yet permanent worker, as described in the description of non-conformance) with working days in August over 21 working days. There is also insufficient evidence that temporary workers who work more than 21 days in three consecutive months are entitled in accordance with the prevailing laws and regulations.

Based on this, the Non-conformity on this indicator is stated **not yet fulfilled (Open)**.

#### **Auditor verification 22 September 2017**

The certificate holder shows evidence of improvement, consisting of:

- Evidence of documentation that the temporary worker for Fertilizer in the Sungai Jernih Estate (SJE) gets its rights in accordance with the Minister of Manpower and Transmigration of the Republic of Indonesia No.100 year 2004 article 10 concerning Provisions on the Certain Time Working Agreements (PKWT) and has been appointed to permanent worker in accordance with the period of Work Agreement Letter (SPK) from 01 August 2017 to 31 August 2017 and obtaining wage rights in accordance with Circular Letter No. SE-560/143 / DISNAKERTRANS / 2017 on Minimum Wage Implementation in the region of Musi Banyuasin Regency (agreement for fertilizer worker at SJE attached).
- Evidence of documentation that Certain Time Working Agreements Workers have earned wages in accordance with Circular Letter No. SE-560/143 / DISNAKERTRANS / 2017 concerning Minimum Wage Implementation in Musi Banyuasin District (detailed data of SJE Certain Time Working Agreements salary has been attached).

Evidence of improvements that have been shown in the form of SPK Letter of Certain Time Working Agreements (PKWT). It has not been in accordance with the Decree of the Minister of Manpower and Transmigration of the Republic of Indonesia No.100 of 2004 article 10, paragraph 3 on the Implementation of Certain Time Working Agreements (PKWT). In Article 3 it is explained that in the worker / laborer is working 21 days or for 3 months consecutively or more then the daily work contract freely changed into a Permanent Worker (PKWTT). Based on the evidence of improvements shown, it is known that fertilizer workers who have been working for more than 21 days for 3 consecutive months have not become permanent workers based on Uncertain Time Working Agreements.

Based on the evidence of improvement shown, then the inconsistency No.2017.01 stated not yet fulfilled (**Open**).

**Auditor verification 27 September 2017**

The certificate holder has presented evidence of improvement, consisting of:

- Health Test Form from Central Clinic
- List of Certain Time Working Agreements worker in Guthrie Pecconina Plasma (GPP)
- List of Certain Time Working Agreements worker in the Sungai Jernih Estate (SJE)
- Procedures for Employment of Permanent Worker (PKWTT)

Not yet clearly shown evidence of improvements related to Temporary Worker Release on spraying and fertilizing activities of Division II of the Sungai Jernih Estate (SJE), which has been working for more than 21 days for 3 consecutive months, has changed its status from worker based on Temporary Working Agreement (BHL) to become workers based on Uncertain Time Working Agreements (PKWTT), as regulated in Decree of the Minister of Manpower and Transmigration of the Republic of Indonesia No. 100-2004 (Article 10, paragraph 3).

**Auditor verification 09 October 2017**

The certificate holder has presented evidence of improvement in the form of List Cashflow of Workers' Appointment in SJE and GPP into Permanent Worker status gradually, consisting of:

Sungai Jernih Estate (SJE)

- Harvest: 6 workers (planned appointment in January 2018)
- Non-Material Maintenance: 14 workers (planned appointment in March 2018)
- Material Maintenance:
  - 7 fertilizer workers (planned appointment in March 2018)
  - 13 spray workers (planned appointment in January 2018 for 6 people and in March 2018 a total of 7 people).
- Staff helper: 2 workers (planned appointment in March 2018).
- Security: 1 worker (planned appointment in January 2018).

Guthrie Pecconina Plasma (GPP)

- Harvest: 14 workers (planned appointment in January 2018).
- Loader Operator: 2 months (planned appointment in March 2018).
- Non-Material Maintenance: 48 workers (planned appointment in March 2018 for 10 persons and in June 2018 a total of 38 persons).
- Material Maintenance:
  - Fertilizer: 15 people (planned appointment in January 2018 number of 8 people and in March 2018 a total of 7 people).
  - Spray: 17 people (planned appointment in January 2018 for 8 people and in March 2018 a total of 9 people).
- Staff helper: 1 person (plan of appointment in June 2018)
- Opas: 2 workers (planned appointment in January 2018).

Based on the evidence of improvements that have been shown, not yet clearly identified the names of workers who are programmed into the appointment plan to become permanent employees in stages.

[Please indicate / complete List of Workers' Names on the Sungai Jernih Estate (SJE) and Guthrie Peconina Plasma (GPP), according to the amount stated in the Worker's List to be gradually lifted]

The realization of the program will be the Team Auditor's attention on the next visit.

Based on the evidence of improvement shown, then the inconsistency No.2017.01 stated not yet fulfilled (**Open**).

**Auditor verification 11 October 2017**

The certification holder has shown evidence of improvements: List of Workers' Names from the Sungai Jernih Estate (SJE) and Guthrie Peconina Plasma (GPP) programmed into the appointment plan to become permanent employees gradually.

Consistency realization of the program will be the attention of Team Auditor on the next visit.

Based on the evidence of the improvements shown, the Non-Conformity No.2017.01 is **Closed with Observation**.

**Verified by** : **Dwi Haryati**

<b>NCR No.</b>	: 2017.10	<b>Issued by</b>	: Sofyan Hadi Lubis
<b>Date Issued</b>	: 20 May 2017	<b>Time Limit</b>	: Before Certificate issued
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 12 September 2017
<b>Standard Ref. &amp; Requirement</b>	: 7.3.1 There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
The certificate holder has not been able to show evidence of Liability Disclosure and Land Use Change Analysis (LUCA) documents for the Sungai Jernih Estate / SJE and Guthrie Pecconina Plasma / GPP (full managed) units submitted to the RSPO Secretariat have been approved by PASS status of the RSPO Compensation Panel (Rspocompensation@rspo.org).			
<b>Root Cause Analysis :</b>			
LUCA has been sent to the RSPO secretariat but the RSPO Secretariat requested Sime Darby Plantation (SDP) to change the calculation methodology in the LUCA that initially uses the percentage of the land area so that the SDP takes time to revise the entire LUCA Report.			
<b>Correction :</b>			
Changing the LUCA report methodology as requested by the RSPO Secretariat.			
<b>Corrective Action :</b>			
Sime Darby Plantation (SDP) agreed to change all LUCA reports, but due to changes in the calculation methodology, the SDP takes time to revise the report. The RSPO agrees that as long as the SDP can demonstrate its commitment and active involvement with RSPO.			
<b>Assessor Evaluation and Conclusion :</b>			
Verification 12 September 2017 Email from RSPO (06 September 2017) Following the BHCVWG's decision, you may now lift the major non-conformity 7.3.1 and continue to issue the certificate. Just for your information, this unit's RaCP is still incomplete, therefore you are to note this in the final audit report. The RACP must be completed before the next surveillance audit, the failing which, the risk certificate suspension.			
<b>Based on the improvements, the Non-Conformity on this indicator is Closed with Observation and will be the Auditor's attention at the next audit visit (ASA 1.1)</b>			
<b>Verified by</b>	: Oktovianus Rusmin		



<b>NCR No.</b>	: 2017.11	<b>Issued by</b>	: Muhammad Rinaldi
<b>Date Issued</b>	: 20 May 2017	<b>Time Limit</b>	: Sebelum Sertifikat Terbit
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 22 August 2017
<b>Standard Ref. &amp; Requirement</b>	<p><b>E.3.1</b>  <b>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:</b></p> <ul style="list-style-type: none"> <li>a. <b>Complete and up to date procedures covering the implementation of all the elements in these requirements;</b></li> <li>b. <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.</b></li> </ul>		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
<p>Based on document review in weighbridge space and interviews with workers, it is known that the person responsible for the implementation of supply chain requirements has not been able to demonstrate the right implementation related to the delivery of certified products, as indicated by:</p> <ul style="list-style-type: none"> <li>• All Introduction Letter &amp; Ticket Letters are stamped "RSPO Certified Mass Balance", while data on the Palm Trace RSPO website is known to only contain 599.36 tonnes of certified kernels.</li> <li>• Based on Sales Contract, invoice and tax invoice for kernel sale to PT. Sinar Alam Permai dated 03 February 2017, it is known that the document is given the stamp "RSPO Certified Identity Preserved". This is not in accordance with the supply chain model applied by Rantau Panjang POM.</li> </ul>			
<b>Root Cause Analysis :</b>			
<ol style="list-style-type: none"> <li>1. Lack of officers' understanding of the SCCS SOP and officers do not know the number of sales of certified products resulting in All sales documents stamped "RSPO Certified Mass Balance"</li> <li>2. Lack of officers' understanding of the SCCS applicable in RJF-PT GPI so that the sales documents stamped "RSPO Certified Identity Preserve" are not in accordance with GPI certification of "RSPO Certified Mass Balance"</li> </ol>			
<b>Correction :</b>			
<ol style="list-style-type: none"> <li>1. Provide re-socialization to the officer about SOP for SCCS</li> <li>2. Fixed stamp errors on sales documents from "RSPO Certified Identity Preserve to RSPO Certified Mass Balance"</li> </ol>			
<b>Corrective Action :</b>			

1. Coordinate with Marketing HO if there is a sale of product to know whether the sale is certified or not.
2. Providing re-socialization to the SCCS officer applicable in RJF-PT GPI is RSPO Certified Mass Balance.

**Assessor Evaluation and Conclusion :**

Verification 21 August 2017

The Certificate holder has presented the evidence of improvement, consisting of:

- Attendance List of SCCS Understanding Training Participant in Rantau Panjang Estate, dated 19 August 2017
- Documentation of photographs of the implementation of SCCS Understanding Training at Rantau Panjang Estate, dated 19 August 2017
- Product sales documents, consisting of: Sales Contract, Invoice and Tax Invoice which has been stamped RSPO Certified Mass Balance stamp.

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

Verified by : Oktovianus Rusmin

**3.5.3 Opportunity for Improvement**

No	Ref Std	Descriptions
1	1.1.2	The certificate holder has the opportunity to ensure that all requests for information have been recorded and responded (Observation).
2	2.2.2	The certificate holder has the opportunity to complete the boundary in some areas where the boundary has been lost / not installed.
3	4.7.5	The certificate holder has the opportunity to evaluate the contents of the First Aid box in accordance with the rules and work risks.
4	4.7.6	The RJF management unit has the opportunity to ensure the progress of Sujarwo's work accident insurance claim (Observation).
5	4.7.7	The certificate holder is shall to re-ensure the recording of the accident.
6	5.3.3	The certificate holder has the opportunity to monitor all hazardous waste
7	6.5.1	The certificate holder has the opportunity to apply the minimum wage in 2017 in accordance with the applicable regulations.
8	6.5.3	The certificate holder has the opportunity to repair the sanitary sewer from the bathroom and sewer that is inundated in RJE, BYE, RJF housing.

**3.5.4 Noteworthy Positive Components**

No	Descriptions
1	RSPO Certified in 2012, Scope Rantau Panjang Factory with five (5) Estate (Rantau Panjang Estate, Bumi Ayu Estate, Napal Estate, Karang Ringin Estate and Mangun Jaya Estate).
2	ISPO (Indonesian Sustainable Palm Oil) Certified in 2015.
3	Award from the Ministry of Environment & Forestry (Corporate Performance Rating Program in Environmental Management - Blue PROPER, 2015 - 2016).
4	Has done a Cooperation Agreement / Partnership with local communities for Plasma Estate Program.

**3.6 Summary of Arising Issues from Public and Auditor Verification**

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Environment Agency, Musi Banyuasin district</b></p> <ul style="list-style-type: none"> <li>• The Land Application license renewal process is currently in the licensing phase of the Regional Investment Promotion and Licensing Agency (BP3MD) of South Sumatra</li> <li>• References of shelf life of hazardous waste materials ie Government Regulation no. 101 years 2014</li> <li>• Delivery of hazardous waste material end of January 2017</li> <li>• No hazardous waste material should be used without permission</li> <li>• The certificate holder has regularly reported compulsory environmental reports</li> <li>• Replanting activities have been reported to the Environment Agency</li> <li>• No issues related to replanting activities</li> <li>• Water sources for processing at palm oil mills are sourced from the Piase River</li> <li>• Waste testing is carried out by the District and Provincial Environmental Agencies Laboratories</li> <li>• The noise / vibration test results exceed the standard quality values at boiler stations, powerhouse stations, kernel stations and press stations</li> <li>• No river pollution issues</li> <li>• Tests are conducted on a regular basis (per month, per semester and per year)</li> <li>• The certificate holder cooperates with CV Bumi Khatulistiwa for hazardous waste materials transport activities</li> <li>• Reporting of fire monitoring and prevention has been routinely reported</li> <li>• No issue of land fires</li> </ul>	<ul style="list-style-type: none"> <li>• Land application permits have been extended and owned. This is in accordance with the indicator 2.1.1</li> <li>• Already have Hazardous Waste Temporary Warehouse permit and complies with indicator 2.1.1</li> <li>• Reporting has been in accordance with the regulation and indicator 2.1.1</li> <li>• Replanting activities are in compliance with indicator 5.1.1</li> <li>• Water utilization has been completed with permit but there is an excess usage and become a non-conformity No. 2017.04</li> <li>• Waste testing has been done as permitted. This is in accordance with indicator 4.4.3</li> <li>• Testing of interference from stationary sources has been in accordance with criteria 4.4</li> <li>• Hazardous waste contractor cooperation agreement has been in accordance with the indicators 2.1.1</li> <li>• Fire reports have been conducted regularly according to the regulations and as indicator 4.7</li> </ul>
<p><b>Labour Agency, Musi Banyuasin district.</b></p> <ul style="list-style-type: none"> <li>• Collective Labour Agreement has expired and is currently under discussion by the company and the trade union</li> <li>• Occurs on strike between November 2016 - December 2016 due to annual employee bonus payments. Currently the issue is currently in the handling of the Industrial Relations Court</li> </ul>	<ul style="list-style-type: none"> <li>• Based on document review, Collective Labour Agreement explained that is still valid until the new CLA has been legalized. This was also conveyed by the chairman of the RJE and BYE Workers Union, that currently the process of preparing a new CLA has been implemented only still awaiting the outcome of the central BKPSS regarding the final document. Further explained in indicator 6.5.2.</li> <li>• Based on interviews with heads of worker unions and management unit</li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>Labor Inspectors as of 1 January 2017 are located in the Provincial Manpower Office, so reports relating to workplace accidents, compulsory labor reports etc. can not be confirmed.</li> <li>Registration of unions dated February 23, 2017</li> <li>Workers have been registered Workers Social Security Agency Health and Employment</li> <li>Certain Working Agreements have not yet been registered with Labour Agency</li> <li>The company responds to all requests for information from the Labour Agency</li> </ul>	<p>representatives, the settlement process has now reached the stage of appeals from both parties and is resolved by presenting a third party (tripartite). Documentation of the process well kept by the management unit.</p> <ul style="list-style-type: none"> <li>The company has informed the number of certain laborers and daily contract workers in the annual employment compulsory report. The management unit has shown evidence of delivery has been received by the Labour Agency of Musi Banyuasin District (Indicator 6.5.2)</li> </ul>
<p><b>National Land Agency, Musi Banyuasin district</b></p> <ul style="list-style-type: none"> <li>Plasma was built in Gajah Mati Village</li> <li>The first stage certificate was published 2 years ago, the next certificate has not been issued due to a problem of overlapping the name of the certificate recipient.</li> <li>No reports related to land use</li> <li>There has been a land dispute with H. Ma'ruf since 2 years ago and has not been able to know whether the dispute has been resolved</li> </ul>	<ul style="list-style-type: none"> <li>The development of plasma plantation has been in accordance with criteria 6.11</li> <li>The delays in distribution of certificates has not been done entirely because the land is flooded.</li> <li>The dispute with H. Ma;ruf / alamsyah has been processed through legal channels. This has been discussed in criteria 2.2.3</li> </ul>
<p><b>Plantation Agency, Musi Banyuasin district</b></p> <ul style="list-style-type: none"> <li>The certificate holder has regularly reported the Plantation Business Activity Report.</li> <li>Land use reports, CSR activity reports and fire monitoring and prevention reports are included in the Plantation Business Activity Report.</li> <li>There has been a ban by the company to villagers who will cross the company road because the villagers do business causing roads to be damaged</li> <li>Fire Fighting Facilities and infrastructure have been provided but not yet fulfilled in accordance with Directorate General of Plantation Circular Letter</li> <li>The certificate holder responds to all requests for information from the Plantation Agency</li> </ul>	<ul style="list-style-type: none"> <li>The plantation bussines activity report has been reported regulary. This is in accordance with indicator 2.1.1</li> <li>Assesment of the plantation class is appropriate and can show certificate of plantation class.</li> <li>CSR activities are in accordance with criteria 6.11</li> <li>Fire fighting infrastructure facilities have been adjusted with risk analys and as indicator 4.7.5</li> </ul>
<p><b>Talang Piase Village</b> (Village Secretary &amp; Informal Leader/Community Representation)</p>	<p>Based on the verification of documents realization company's CSR program, there are several assistance and other activities that have been carried out by the grower to the</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>• The village is before the plantation was operation and several of the community member is working in the plantation area</li> <li>• Some assistance was given by the company through is CSR program for example aid for water tank.</li> <li>• There were no significant issues of the conflict between the company and related parties (especially the surrounding community)</li> <li>• There are no issues of objections the parties about the impact of plantation and mill operation</li> </ul> <p><u>Aspiration:</u></p> <ul style="list-style-type: none"> <li>• Giving access for community member related to job opportunity in plantation and mill operation</li> <li>• Revitalization of several river in plantation area</li> </ul>	<p>community surround, for example; aid for water tank, support of religious ceremony, etc (Indicator 11.1)</p>
<p><b>Talang Latas Village</b> (Several Community Member)</p> <ul style="list-style-type: none"> <li>• Social interactions between the company and surrounding community has been good</li> <li>• Impacts of plantation and mill operational:               <ul style="list-style-type: none"> <li>- Social interaction between villagers with the other party more open</li> <li>- Road development was implies to open the access among the village surround of plantation area</li> </ul> </li> <li>• The aid was given by the company to the community :               <ul style="list-style-type: none"> <li>- Support for religious ceremony (Eid Mubarak)</li> <li>- School facility can access by the student from the village</li> <li>- The community member can praying at mosque of the PT GPI</li> </ul> </li> <li>• There were no significant issues of the conflict between the company and related parties (especially the surrounding community)</li> <li>• There are no issues of objections the parties about the impact of operational of plantation and mill</li> </ul> <p><u>Aspiration:</u></p>	<p>Based on the verification of documents realization company's CSR program, there are several assistance and other activities that have been carried out by the grower to the community surround, for example; school facility can access by the student from the village, support of religious ceremony, etc (Indicator 11.1)</p>



Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>• Expect to operational mill and plantation to installed the water tank for the local community</li> <li>• Aid for electricity facility in the village</li> </ul>	
<p><b>Gajah Mati Village</b> (Head of Village)</p> <ul style="list-style-type: none"> <li>• Social interactions between the company and surrounding community has been good condition</li> <li>• Some assistance was given by the company through is CSR program for example aid for water tank.</li> <li>• The main impact of the operational of plantation was open employment opportunities for local communities</li> <li>• Most of community member was involve as smallholder member for Guthrie Pecconina Plasma (GPP)</li> <li>• There were no significant issues of the conflict between the company and related parties (especially the surrounding community)</li> <li>• There are no issues of objections the parties about the impact of operational of plantation and mill</li> </ul> <p>Aspiration:</p> <ul style="list-style-type: none"> <li>• The head of village expect the company can follow up sooner the propose from the village related to aid for the community surround</li> </ul>	<p>Based on the verification of documents realization company's CSR program, there are several assistance and other activities that have been carried out by the grower to the nearby village community, for example, aid for water tank, support of religious ceremony, etc (Indicator 11.1)</p>
<p><b>Mudah Rasan Jaya Cooperative and Members/smallholders</b></p> <ul style="list-style-type: none"> <li>• Before the plasma plantation development, the company has conducted socialization to the public and the government apparatus</li> <li>• The area on SJE and KKPA is acquired by handover system and there is no compensation payment</li> <li>• Total of land handover are 1,730 Ha and land clearing is begin in 2011 until now. Land clearing is still hampered because the area is still in flood condition</li> <li>• There is socialization about RSPO and ISPO</li> <li>• There are complaints related to the credit agreement submitted through letters and meetings in February</li> </ul>	<ul style="list-style-type: none"> <li>• This is in accordance with criterion 2.2</li> <li>• This is in accordance with location permit and letter of agreement with plasma</li> <li>• Based on field visits at the GPP area, it is known that many areas are still flooded and the company has been managing with trenches.</li> <li>• The Company showed a grievance response in a coordination meeting held on May 09, 2017.</li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>Currently there is no payment of FFB result due to the absence of Credit Agreement. For this moments, earnings for farmers in the form of bailouts</li> </ul> <p><b>Aspiration</b></p> <ul style="list-style-type: none"> <li>The cooperative and members questioned how to divide the area for company and plasma. This complaint has not been asked directly to the company.</li> </ul>	<ul style="list-style-type: none"> <li>The company can show the calculation of FFB result as a deduction of the cooperative debt and can show evidence of payment of bailout funds to the cooperative</li> <li>It has been notified to the company and becomes OFI and will be monitored on the next assessment</li> </ul>
<p><b>Local Contractor (Contractor of FFB Transport)</b></p> <ul style="list-style-type: none"> <li>Collaborative contracting is agreed together</li> <li>Contracts are held by each party</li> <li>The contents of the contract, among others, the term, payment time until the price</li> <li>The calculation for payment is informed and agreed</li> <li>Payments are always on time</li> </ul>	<ul style="list-style-type: none"> <li>Contracts of work have been made transparently and fairly. This is in accordance with indicator 6.10.3</li> <li>The Company has indicated contractor payments per month in the form of Minutes of Payment Calculation and has been agreed together. This is in accordance with indicator 6.10.4</li> </ul>
<p><b>Workers Union of Rantau Panjang Estate (RJE)</b>  <b>Workers Union of Bumi Ayu Estate (BYE)</b>  <b>Workers Union of Rantau Panjang Factory (RJF)</b></p> <ul style="list-style-type: none"> <li>Determination of minimum wage 2017 still refers to Provincial Sektor Minimum Wage (UMSP) Rp 2.430.000, lower than District Minimum Wage (UMK) Rp 2.469.550,-. Based on Circular Letter No: SE-560/143 / DISNAKERTRANS / 2017 on minimum wage implementation in Musi Banyuasin Regency. The contents of the circular is to inform the applicable wages applicable in January 2017 referring to the Decree of South Sumatera Governor No.743 / KPTS / Disnakertrans / 2016 and No.772 / KPTS / Disnakertrans / 2016 of Rp 2,430,000. While wages from February to December 2017 are specialized in agriculture, livestock, forestry, hunting and fisheries sector, the minimum wage applies referring to the decision of South Sumatera Governor No 743 / KPTS / Disnakertrans / 2016 concerning UMK Muba in 2017 amounting to Rp 2,469,550,-.</li> <li>The current number of union members is all permanent workers.</li> <li>There is an worker union member fee deducted from monthly salary.</li> <li>Damaged of PPE is replaced, but there is often a delay in the absence of stock in the warehouse. This causes the worker to provide their own PPE that is used.</li> <li>Employee co-operatives have not existed due to misuse of authority from the manager so that there is no trust from workers.</li> </ul>	<p>Based on the document verification of memorandum HRM no. 083 / HRM-13 / IV / 2017 it is known that wage determination refers to Provincial Sector Minimum Wage according to Decree of Governor of South Sumatera No.102 / KPTS / Disnakertrans / 2017. This is not in accordance with Circular Letter no. SE-560/143 / DISNAKERTRANS / 2017 concerning Implementation of Minimum Wage in the region of Musi Banyuasin Regency.</p> <p>This has been verified in indicators of 6.5.1 (RSPO) and 5.2.2 (ISPO)</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>• The company keep pushing for the formation of cooperative employees.</li> <li>• There is a record of the demonstration of the bonus held on November 25 to December 3, 2016,. Currently in the process of completion by involving third parties. The management unit shows the recording of its completion.</li> <li>• Meetings with the company are incidental (as needed when there are issues to address).</li> </ul>	
<p><b>Head of Gender Committee of the RJE, BYE and SJE</b></p> <ul style="list-style-type: none"> <li>• Gender Committee programs that have been implemented are socialization with assistants regarding domestic violence, sexual harassment, reproductive health, H1 and H2 leave.</li> <li>• There are program every month by doctors to check workers who are on H1 leave.</li> <li>• Regular meeting for gender committee every 3 months.</li> <li>• For spray and fertilizer workers who are pregnant will be moved to work place and may work again in place of chemicals after finishing of breastfeeding period.</li> <li>• There are no reporting on the issue of sexual harassment.</li> <li>• Mechanism complaint has been submitted to the worker.</li> <li>• The reporter can report to the chairman of Gender Committee or worker union then will be forwarded to the assistant / manager.</li> <li>• There is a mechanism for protection of the reporting identity.</li> <li>• Company policies such as human rights policy, work ethic / code of ethics have been socialized to workers.</li> <li>• Records of female employee complaints about sexual harassment are on special recording books.</li> <li>• There are no complaints related to the violation of sexual harassment / violence against workers.</li> </ul>	<p>The Company has provided complaint submission facilities and employee complaints and socialized to workers. This has been further explained in criteria 6.3 and 6.9.</p> <p>The company has a policy to prevent all forms of sexual harassment and violence. Implementation the policy has been provided by the company establishing a gender Committee in each operational unit. This is further explained.</p> <p>In accordance with criteria 6.2; 6.5 and 6.9</p>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>		
4.1	<b>Formal Sign-off of Assessment Findings</b>		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;"><b>Signed on behalf of:</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center; vertical-align: top;"> <p><b>PT. Guthrie Pecconina Indonesia</b> Head of PSQM</p>  <p><b><u>Mohamad Pirabaharan</u></b> 11 October 2017</p> </td> <td style="width: 50%; text-align: center; vertical-align: top;"> <p><b>Mutuagung Lestari</b> Lead Auditor</p>  <p><b><u>Oktovianus Rusmin</u></b> 11 October 2017</p> </td> </tr> </table>	<p><b>PT. Guthrie Pecconina Indonesia</b> Head of PSQM</p>  <p><b><u>Mohamad Pirabaharan</u></b> 11 October 2017</p>	<p><b>Mutuagung Lestari</b> Lead Auditor</p>  <p><b><u>Oktovianus Rusmin</u></b> 11 October 2017</p>
<p><b>PT. Guthrie Pecconina Indonesia</b> Head of PSQM</p>  <p><b><u>Mohamad Pirabaharan</u></b> 11 October 2017</p>	<p><b>Mutuagung Lestari</b> Lead Auditor</p>  <p><b><u>Oktovianus Rusmin</u></b> 11 October 2017</p>		

**Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process**

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	WWF	Jakarta, Indonesia	wwf-indonesia@wwf.or.id	Email	10-05-2017		✓
2	Sawit Watch	Bogor, Indonesia	info@sawitwatch.or.id	Email	10-05-2017		✓
3	WALHI	Jakarta, Indonesia	informasi@walhi.or.id	Email	10-05-2017		✓
4	Lands Agency of South Sumatera	Sekayu, District of Musi Banyuasin	-	Interview	16-05-2017	✓	
5	Labour Agency of Musi Banyuasin	Sekayu, District of Musi Banyuasin	-	Interview	16-05-2017	✓	
6	Plantation Agency of Musi Banyuasin	Sekayu, District of Musi Banyuasin	-	Interview	16-05-2017	✓	
7	Environment Agency of Musi Banyuasin	Sekayu, District of Musi Banyuasin	-	Interview	16-05-2017	✓	
8	Communities of Talang Piase Village	Talang Piase Village, District of Musi Banyuasin	-	Interview	16-05-2017	✓	
9	Communities of Talang Latas Village	Talang Latas Village, District of Musi Banyuasin	-	Interview	17-05-2017	✓	
10	Communities of Gajah Matii Village	Gajah Matii Village, District of Musi Banyuasin	-	Interview	18-05-2017	✓	
11	Mudah Rasan Jaya Cooperative	District of Musi Banyuasin	-	Interview	19-05-2017	✓	
12	FFB Transport Contractor	District of Musi Banyuasin	-	Interview	19-05-2017	✓	
13	Workers Union	District of Musi Banyuasin	-	Interview	16-05-2017	✓	
14	Gender Committee	District of Musi Banyuasin	-	Interview	16-05-2017	✓	
15	Pesticide operators • female and 1 male workers in Bumi Ayu Estate • 4 female and 2 male workers in Rantau Panjang Estate • 3 female and 2 male workers in Sungai Jernih Estate	District of Musi Banyuasin	-	Interview	16 to 18 - 05-2017	✓	
16	Fertilize workers • female workers in Sungai Jernih Estate • 2 female workers in Rantau Panjang Estate • 2 female workers in Bumi Ayu Estate	District of Musi Banyuasin	-	Interview	16 to 18 - 05-2017	✓	

17	Harvester: <ul style="list-style-type: none"> <li>• 2 male workers in Sungai Jernih Estate</li> <li>• 2 male workers in Bumi Ayu Estate</li> </ul>	District of Musi Banyuasin	-	Interview	17 & 18 -05-2017	✓	
18	Palm Oil Mill 5 male workers in Rantau Panjang POM (1 worker in WTP area, 1 worker in E Fluent Ponds Area, 1 worker in mill water supply pond area and 2 workers in Empty Bunch area)	District of Musi Banyuasin	-	Interview	19 -05-2017	✓	



<b>Appendix 2. Assessment Program</b>			
<b>DATE</b>		<b>15 till 20 May 2017</b>	
<b>PLANNED TIM</b>	<b>ACTUAL DURATION</b>	<b>PROCESSES / CLAUSES TO BE AUDITED</b>	<b>AUDITOR</b>
<b>Monday, 15 May 2017</b>			
06.00 - 07.00	06.10 – 07.10	<b>Traveling from Jakarta to Palembang</b>	<b>Auditor Team</b>
08.00 - 13.00	08.30 – 12.30	<b>Traveling from Palembang to PT GPI</b>	<b>Auditor Team</b>
14.00 -14.30	14.30 – 15.00	<b>Opening Meeting</b> <ul style="list-style-type: none"> <li>• Auditee Speech (Introduction of PIC, Profile of Mill and Estates Management Unit)</li> <li>• Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Determine of Field Visit Audit, Transparency and Confidentiality Clarification)</li> </ul>	<b>Auditor Team &amp; MR of PT GPI</b>
14.40- 17.00	15.00 – 17.00	<ul style="list-style-type: none"> <li>• <b>Review of Previous Visit Non-conformance (ASA 04)</b></li> <li>• <b>Document Verification</b> <ul style="list-style-type: none"> <li>• Basic Information</li> <li>• Occupational Health &amp; Safety Aspect (PPE Used in Harvest, Manure &amp; Pesticide Application) and Worker Welfare</li> <li>• Agronomy (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Environmental/Conservation Aspect (Inspection of HCV Identified Area, Riparian/Waterways Zone, Reservoir, Forest Area, Peat Area (Water management, etc)</li> <li>• Legal Demarcation Aspect (Inspection of Legal Boundary Stones, Community Buffer Area/Enclave)</li> <li>• Worker's Facilities Aspect (Housing, Daycare, Sports Facilities, Employees Meeting Hall, Sanitary Facilities) &amp; (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> </ul> </li> </ul>	<b>Auditor Team</b>  <b>MRD, RGZ</b>  <b>MRD</b>  <b>AFF</b>  <b>SHL</b>  <b>ORN</b>  <b>DHT</b>
<b>Tuesday, 16 May 2017</b>			
08.00 – 16.00	09.00 – 15.30	<b>Public consultation with Government Agencies in Musi Banyuasin District</b>	<b>AFF</b>
08.00 – 12.00	09.00 – 12.00	<b>Field Observation to Rantau Panjang Estate</b> <ul style="list-style-type: none"> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Fertilize, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) &amp; Implementation of Occupational Health &amp; Safety Aspect</li> <li>• Implementation of Environmental, Conservation and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities and HCV Area).</li> <li>• Implementation of Legal Aspect (Land Ownership, Legal Boundaries), Stakeholder Consultation to Community Surround</li> <li>• Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance)</li> <li>• Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc).</li> </ul>	<b>MRD, RGZ</b>  <b>SHL</b>  <b>ORN</b>  <b>DHT</b>  <b>DHT</b>
12.00 – 14.00	12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	14.00 – 17.30	<b>Clarification of Field Observation &amp; Completing of Check List</b>	<b>Auditor Team</b>

DATE		15 till 20 May 2017	
PLANNED TIM	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Wednesday, 17 May 2017</b>			
08.00 - 12.00	09.00 -12.00	<b>Field Observation to Sungai Jernih Estate</b> <ul style="list-style-type: none"> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Fertilize, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) &amp; Implementation of Occupational Health &amp; Safety Aspect</li> <li>• Implementation of Environmental, Conservation and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities and HCV Area).</li> <li>• Implementation of Legal Aspect (Land Ownership, Legal Boundaries), Stakeholder Consultation to Community Surround</li> <li>• Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance)</li> <li>• Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc).</li> </ul>	MRD, AFF  SHL, RGZ  ORN DHT DHT
12.00 -14.00	12.00 -14.00	<b>Break</b>	
14.00 -17.00	14.00 – 17.30	<b>Clarification of Field Observation &amp; Completing of Check List</b>	<b>Auditor Team</b>
<b>Thursday, 18 May 2017</b>			
08.00-14.00	09.00 -12.00	<b>Field Observation to Bumi Ayu Estate</b> <ul style="list-style-type: none"> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Fertilize, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) &amp; Implementation of Occupational Health &amp; Safety Aspect</li> <li>• Implementation of Environmental, Conservation and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities and HCV Area).</li> <li>• Implementation of Legal Aspect (Land Ownership, Legal Boundaries), Stakeholder Consultation to Community Surround</li> <li>• Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance)</li> <li>• Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc).</li> </ul>	AFF, MRD  SHL  ORN, RGZ DHT DHT
12.00 -14.00	12.00 -14.00	<b>Break</b>	
14.00 -17.00	14.00 – 17.30	<b>Clarification of Field Observation &amp; Completing of Check List</b>	<b>Auditor Team</b>
<b>Friday, 19 May 2017</b>			
08.00 -11.00	09.00 – 11.30	<b>Field Observation to Rantau Panjang Factory</b> <ul style="list-style-type: none"> <li>• SCCS Verification</li> <li>• Production/Processing and Health &amp; Safety</li> <li>• Emergency Equipment Check &amp; Emergency Team Interview</li> <li>• Hazardous Waste Storage, POME + Land Application</li> <li>• Management of Environment (Environment monitoring station &amp; GHG, etc)</li> <li>• Worker Facilities (Housing, health clinic, clean water, etc) Worker Rights (Status, Payment Condition, Gender Aspect, etc)</li> <li>• Internal Stakeholder Consultation (Labour Union &amp; Gender Committee)</li> <li>• Local Contractor Interview</li> </ul>	ORN MRD MRD  SHL SHL  DHT, RGZ  DHT  ORN
12.00 -14.00	12.30 – 14.00	<b>Break</b>	
14.00 -17.00	14.00 – 16.30	<b>Clarification of Field Observation &amp; Completing of Check List</b>	<b>Auditor Team</b>
20.00 - 24.00	20.30 -24.30	<b>Team Auditor Meeting (Preparation for Audit Conclusion)</b>	<b>Auditor Team</b>

DATE		15 till 20 May 2017	
PLANNED TIM	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Saturday, 20 May 2017</b>			
08.00 -10.00	08.30 – 10.00	Closing Meeting	Auditor Team & MR of PT GPI
10.30-15.30	11.00 – 16.00	Travel from PT GPI to Palembang	Auditor Team
18.10-19.20	18. 20 – 19.30	Travel from Palembang to Jakarta	Auditor Team