

Audit Report

2nd Annual Surveillance Audit for

PT. SUPRA MATRA ABADI Tanah Datar Mill and Its Supply Bases

FMS40021

RSPO Membership number: 1-0022-06-000-00

RSPO Member name: PT. INTI INDOSAWIT SUBUR

Audited Address:

Tanah Datar Mill:

Kebun Tanah Datar Village, Talawi District, Batubara Regency,
North Sumatera IDN

Its supply bases:

Tanah Datar Estate:

Kebun Tanah Datar and Petatal Village, Talawi District, Batubara
Regency, North Sumatera IDN

Bahilang Estate, PT. Nusa Pusaka Kencana

Bahilang Village, Tebing Tinggi District, Serdang Berdagai
Regency, North Sumatera IDN

Date of audit: 4 - 7 March 2017

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Executive Overview

This is the second (2nd) annual surveillance audit visit on 4 - 7 March 2017 against the RSPO Principles and Criteria for Sustainable Palm Oil Production, Indonesia National Interpretation 2017 and RSPO Supply Chain Certification Standard, CPO Mill, Module E Mass Balance, November 2014. PT. Supra Matra Abadi – Tanah Datar Mill operations is comprised one (1) Palm Oil Mill, one (1) FFB supply base owned by PT. Supra Matra Abadi and one (1) FFB supply base owned by PT. Nusa Pusaka Kencana.

Four (4) Major and three (3) minor non-conformances were issued during this audit. One of NC's was recurrence from last surveillance audit and it upgraded to Major NCR. Follow up audit has been conducted and Major NCRs were closed.

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

Summary of net GHG emissions

Emissions per Product	tCO ₂ e/tProduct	Production	t/yr
CPO	0.5	FFB processed	112,120
PK	0.5	CPO Produced	21,600

Land use Description	ha
OP planted area	1,957
OP planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	9
Total	2,081

Extraction	%
OER	21,600
KER	6,081

Summary of field emissions and sinks

	Own Crop		Group		3rd Party		Total	
	tCO ₂ e	tCO ₂ e/tFFB						
Emissions								
<i>Land Conversion</i>	19,328.56	0.59	0	0	0	0		
<i>*CO₂ Emissions from Fertilizer</i>	1,178.55	0.04	0	0	0	0		
<i>**N₂O Emissions</i>	2,170.73	0.07	0	0	0	0		
<i>Fuel Consumption</i>	422.83	0.01	0	0	0	0		
<i>Peat Oxidation</i>	0.00	0.00	0	0	0	0		
Sinks								
<i>Crop Sequestration</i>	-18,320.91	-0.56	0	0	0	0		
<i>Conservation Sequestration</i>	0.00	0.00	0	0	0	0		
Total	4,779.76	0.15	0	0	16,628.64	0		

Summary of mill emissions and credits

	tCO ₂ e	tCo ₂ e/tFFB

<i>Emissions</i>		
<i>POME</i>	5,957.49	0.05
<i>Fuel Consumption</i>	11.36	0.00
<i>Grid Electricity Utilization</i>	58.71	0.00
<i>Credits</i>		
<i>Export of Grid Electricity</i>	-180.81	0.00
<i>Sales of PKS</i>	-13,475.00	-0.12
<i>Sales of EFB</i>	0.00	0.00
Total	-7,628.26	-0.07

Palm Oil Mill Effluent (POME) Treatment:

Divert to compost	0 %
Divert to anaerobic digestion	100 %

POME Diverted to Anaerobic Digestion:

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

Abbreviations Used

AMDAL	Environmental Impact Analysis (<i>Analisis Dampak Lingkungan</i>)
BOD	Biological Oxygen Demand
BPN	National Land Agency (<i>Badan Pertanahan Nasional</i>)
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
EFB	Empty Fruit Bunch
FFB	Fresh Fruit Bunch
FRF	Fractionation and Refinery Factory
GPS	Global Positioning System
HCV	High Conservation Value
HGU	Land Use Title (<i>Hak Guna Usaha</i>)
HPH	Forest Authority Concession (<i>Hak Penguasaan Hutan</i>)
IPM	Integrated Pest Management
ISO	International Standards Organisation
ISPO	Indonesia Sustainable Palm Oil
KHT	Permanent worker (<i>Karyawan Harian Tetap</i>)
KCP	Kenel Crushing Plant
KTU	Head of Administration (<i>Kepala Tata Usaha</i>)
KUD	Village Cooperation (<i>Koperasi Unit Desa</i>)
kWH	Kilo Watt Hour
LCC	Legume cover crops
LUK	Estate Unit Report (Laporan Unit Kebun)
LUP	Mill Unit Report (Laporan Unit Pabrik)
MB	Mass Balance
MSDS	Material Safety Data Sheet
NGO	Non-Government Organisation
OHS	Occupational Health and Safety
P2K3	Safety Committee
PEL	Environmental Evaluation Manual (<i>Pedoman Evaluasi Lingkungan</i>)
PHL	Daily worker (<i>Pekerja Harian Lepas</i>)
POM	Palm Oil Mill
PPE	Personal Protective Equipment
PK	Palm Kernel
PKB	Collective Working Agreement (<i>Perjanjian Kerja Bersama</i>)
PKOF	Palm Kernel Oil Factory
RABQSA	Quality Society of Australia
RKL	Environmental Management Plan (<i>Rencana Pengelolaan Lingkungan</i>)
RPL	Environmental Monitoring Plan (<i>Rencana Pemantauan Lingkungan</i>)
RSPO	Roundtable on Sustainable Palm Oil
SA	Social Accountability
SCCS	Supply Chain Certification System
SIA	Social Impact Assessment
SP	Worker Union (<i>Serikat Pekerja</i>)
SPSI	Indonesian Worker Union (<i>Serikat Pekerja Seluruh Indonesia</i>)
TLV	Threshold Limit Value
TPH	Ton Per Hour
Traksi	Organization work unit who is responsible to provide heavy equipment, transportation equipment, and also maintaining road condition
WWTP	Waste Water Treatment Plant

1.0 SCOPE OF THE ASSESSMENT

1.1 Introduction

SAI Global conducted audit of audit of PT Supra Matra Abadi, Tanah Datar Mill and Its Supply Bases on 4 - 7 March 2017 with Major and minor Nonconformities identified.

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

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

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

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

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

1.2 Audit Objective

This is the 2nd annual surveillance audit. The purpose of this audit was to determine continuing compliance of your organization's management system with the audit criteria; and its effectiveness in achieving continual improvement and system objectives.

Also to verify the volume of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers

1.3 Scope of certification

The scope of certification is the CPO production from one (1) Palm Oil Mill, one (1) FFB supply base owned by PT. Supra Matra Abadi and one (1) FFB supply base owned by PT. Nusa Pusaka Kencana.

1.3.1 Palm Oil Mill

Tanah Datar Mill PT. Supra Matra Abadi

Location: Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatera IDN
 GPS Location: East 99° 33' 23" North 3° 08' 53"
 Mill capacity: 30 MT FFB/hour

1.3.2 Oil Palm Estate

1.3.2.1 Tanah Datar Estate PT. Supra Matra Abadi

Location: Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatera IDN
 GPS Location: East 99° 29' 25" – 99° 33' 44"
 North 3° 06' 09" – 3° 09' 12"
 Planted area 1,006 Ha
 Certified area 1,061.6 Ha

1.3.2.2 Bahilang Estate PT. Nusa Pusaka Kencana

Location: Bahilang Village, Tebing Tinggi District, Serdang Berdagai Regency, North Sumatera IDN
 GPS Location: East 99° 08' 10" – 99° 09' 52"
 North 3° 15' 38" – 3° 18' 43"
 Planted area 951 Ha
 Certified area 1,018.78 Ha

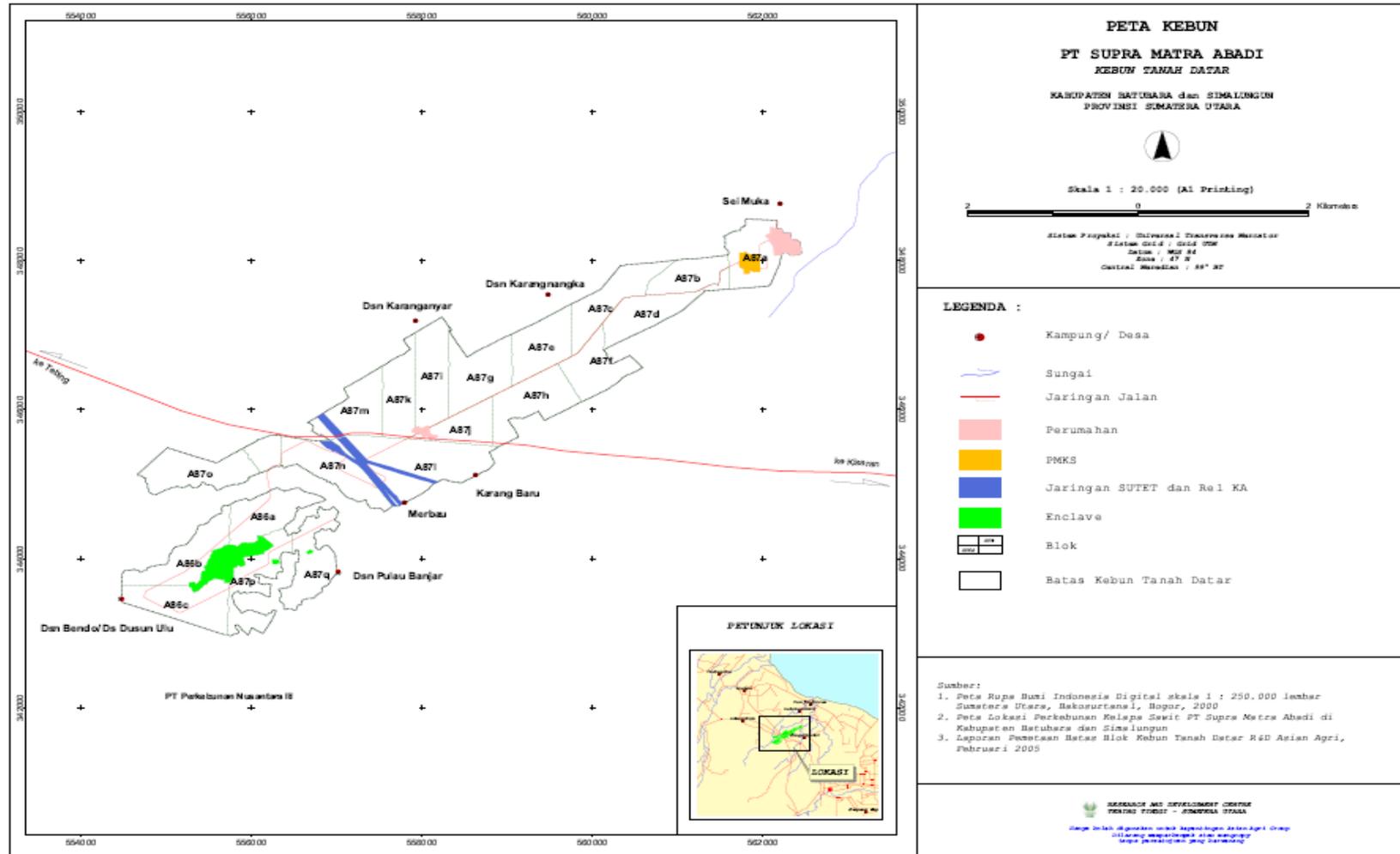
1.4 Location of mill and estates

PT. Supra Matra Abadi, Tanah Datar Mill and Estate and PT. Nusa Pusaka Kencana, Bahilang Estate are located in North Sumatera Province, Indonesia. The geographical coordinate of the mill and estates are shown on Table 1.

Table 1: Mill and Estates GPS Locations

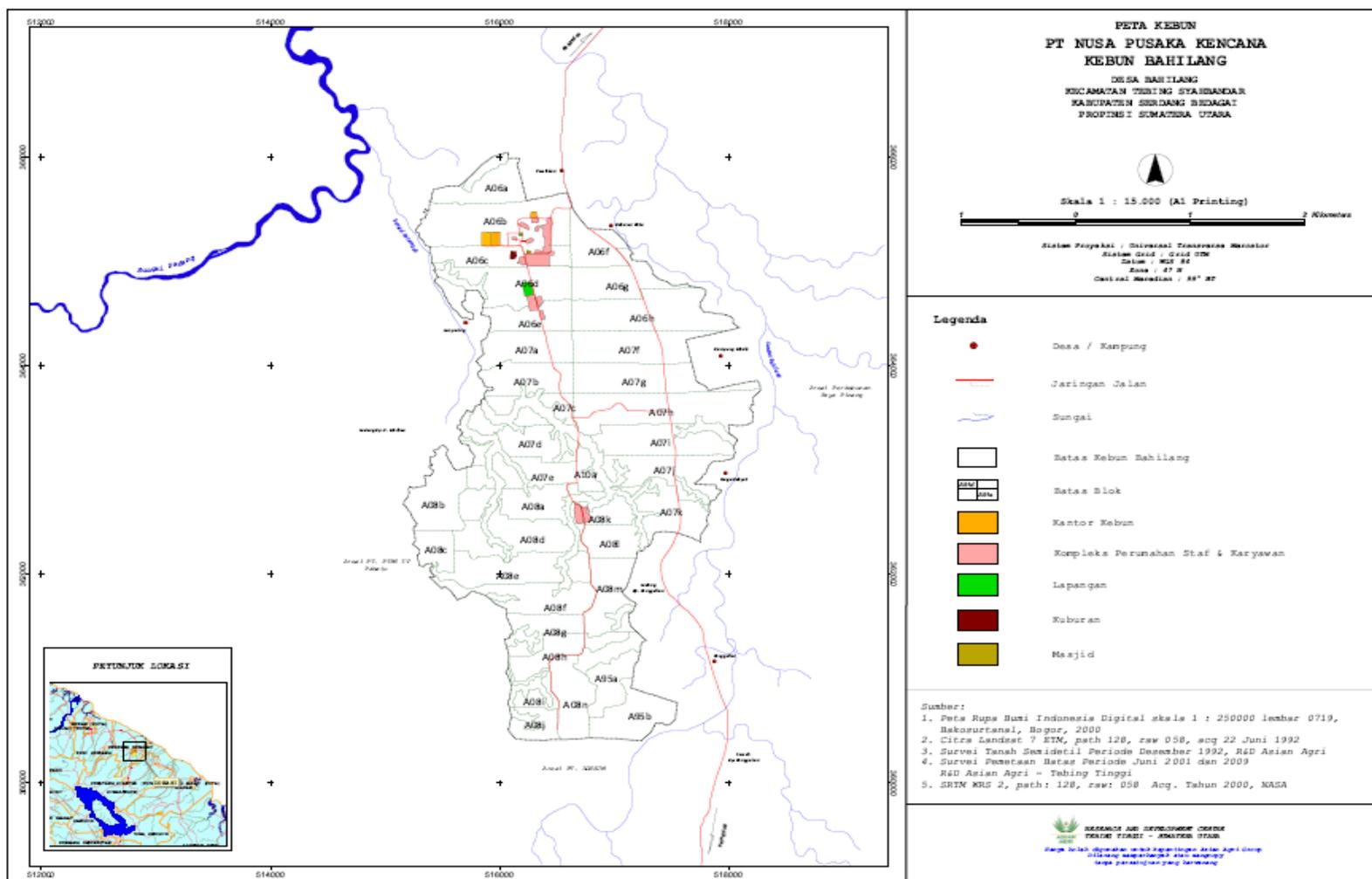
MILL AND ESTATE	EASTING	NORTHING
Tanah Datar Mill	99° 33' 23" E	3° 08' 53" N
Tanah Datar Estate	99° 29' 25" – 99° 33' 44" E	3° 06' 09" – 3° 09' 12" N
Bahilang Estate PT. Nusa Pusaka Kencana	99° 08' 10" – 99° 09' 52"	3° 15' 38" – 3° 18' 43"

Figure 1 Map of Tanah Datar Mill and Estate PT Supra Matra Abadi Location



Sources: Asian Agri Research and Development Centre Tebing Tinggi – Sumatera Utara

Figure 2 Map of Bahilang Estate PT. Nusa Pusaka Kencana Location



Sources: Asian Agri Research and Development Centre Tebing Tinggi – Sumatera Utara

1.5 Description of supply base

The FFB source is one (1) organisation owned by PT. Supra Matra Abadi, one (1) Oil Palm Estate owned by PT. Nusa Pusaka Kencana, and the third party estate. PT. Supra Matra Abadi and PT. Nusa Pusaka Kencana are subsidiary of PT. Inti Indosawit Subur, with RSPO member number 1-0022-06-000-00. The third party (independent small holders) sold the FFB to the Mill based on the agreed price and does not have special agreement with the organisation. The hectareage and FFB production of the plantation are shown on Table 2.

Table 2: Estimated FFB Production of the supply base

ESTATE	PRODUCTION AREA (HA)	FFB (TON/YEAR)
Tanah Datar Estate, PT. Supra Matra Abadi	499	8,733
Bahilang Estate, PT. Nusa Pusaka Kencana	951	27,641
Sub Total	1,450	36,374
The third party	N/A	100,000
Total		136,374

Source: PT. Supra Matra Abadi, March 2017

1.6 Date of plantings

Table 3: Age Profiles of Planted Palms

Year	Tanah Datar Estate	Bahilang Estate PT. Nusa Pusaka Kencana	Total	% of Planted Area
1995	-	47	47	2,40
2006**)	-	232	232	11,85
2007**)	-	317	317	16,20
2008**)	-	286	286	14,61
2010**)	-	69	69	3,53
2013*)	499	-	499	25,50
2014*)	507	-	-	25,91
Mature	1,006	951	1,957	100,00
Immature	-	-	-	-
Total	1,006	951	1,957	100,00

Source: PT. Supra Matra Abadi, March 2017

Note: *) replanting

***) conversion from cocoa

1.7 Area of plantation

The areas details for organisation owned estates are shown on Table 5. Review of estate boundary maps has been done. There is no new open area since November 2005. All land in inside the concession area was developed before 1986 – 2006. Planting year 2006 to 2010 was conversion from cocoa plantation and planting year 2013 - 2014 was replanting.

Table 4: Land use description in 2017

AREA	HECTARES		
	TANAH DATAR	BAHILANG	TOTAL
Mature area	1,006	951	1,957
Immature area	-	-	-
Total area planted	1,006	951	1,957
Emplacement	15.5	9.84	25.34
Mill	6	-	6.00
Warehouse	-	1.08	1.08
Nursery	-	1	1.00
Trench	9	-	9.00
Enclave	25.1	-	25.10
Others	-	9.86	9.86
Land bank	-	34	34.00
Hill, river, swamp	-	12	12.00
Total area unplanted	55.6	67.78	123.38
Total leased area	1,061.6	1,018.78	2,080.38
HCV Area (included in planted area)		9	9.00

Source: PT. Supra Matra Abadi, March 2017

Table 5: Estates and Area Planted 2017

ESTATE	MATURE (HA)	IMMATURE (HA)
Tanah Datar Estate, PT. Supra Matra Abadi	1,006	-
Bahilang Estate, PT. Nusa Pusaka Kencana	951	-
Total	1,957	-

Source: PT. Supra Matra Abadi, March 2017

1.8 Approximate tonnages offered for certification (CPO and PK)

Approximate tonnages offered for certification are estimated based on the organisation last three years actual FFB production from Tanah Datar Estate and Bahilang Estate; also last year CPO and PK, OER and KER of Tanah Datar Mill. All Tanah Datar Estate oil palm planting in 2015 were immature so that no production during that time. Whilst in 2014, replanting program was in

progress, Tanah Datar Estate have 500 Ha of mature oil palm in early 2014 however it has none in end of 2014.

Table 6: Tanah Datar and Bahilang Estate FFB Production Trend 2011 – 2016

YEAR	Actual Production (MT)	
	Tanah Datar Estate	Bahilang Estate
2011	22,841	23,438
2012	19,502	22,383
2013	13,131	25,265
2014	2,437	27,061
2015	-	27,593
2016	7,174	25,763

Source: PT. Supra Matra Abadi, March 2017

Table 7: Tanah Datar Mill Total CPO and PK Production of 2016 and Estimate Production of 2017

Supply Base	FFB Processed (MT)	CPO Production (MT)	PK Production (MT)
Actual Production 2016			
Tanah Datar Estate*	7,174	985	273
Bahilang Estate*	25,763	6,492	1,126
Sub Total Tanah Datar and Bahilang Estate	32,937	7,477	1,399
Other Supply Base - The 3 rd Party	79,184	14,123	4,682
Total actual production	112,121	21,600	6,081
Estimate Production 2017			
Tanah Datar Estate	22,205	3,220	888
Bahilang Estate	27,564	6,891	1,268
Sub Total Tanah Datar and Bahilang Estate	49,769	10,111	2,156
Other Supply Base - The 3 rd Party	100,000	18,000	5,800
Total estimate production	149,769	28,111	7,956

Source: PT. Supra Matra Abadi, March 2017

*Detail see Table 8

The FFB from Tanah Datar Estate and Bahilang Estate are processed together with FFB from other supply based, therefore Tanah Datar Mill used RSPO Supply Chain Certification Standard Module E - Mass Balance Model.

Table 8: Actual Tanah Datar Mill Production of CPO and PK 2016

Month	Total FFB (Ton)				CPO Produced (Ton)				Palm Kernel Produced (Ton)			
	Own Estate			Other Supply Bases	Own Estate			Other Supply Bases	Own Estate			Other Supply Bases
	Tanah Datar	Bahilang	Sub Total		Tanah Datar	Bahilang	Sub Total		Tanah Datar	Bahilang	Sub Total	
2016												
January	504	1,037	1,542	7,782	75	256	331	1,366	18	42	60	432
February	622	1,213	1,836	6,173	91	297	388	1,127	23	52	75	366
March	720	1,285	2,005	5,457	92	322	414	958	26	54	80	310
April	661	1,644	2,306	4,566	84	407	491	803	25	69	94	265
May	767	2,214	2,982	4,051	96	546	642	702	29	96	125	237
June	645	2,714	3,359	4,290	81	663	744	728	25	120	145	254
July	625	2,927	3,553	5,822	81	737	818	1,031	23	123	146	335
August	606	2,805	3,417	7,492	79	711	790	1,337	23	120	143	439
September	564	2,936	3,500	9,962	86	758	844	1,799	23	138	161	633
October	521	2,570	3,091	8,377	81	683	764	1,567	21	118	139	520
November	447	2,238	2,686	7,357	67	567	634	1,316	17	97	114	430
December	489	2,177	2,667	7,851	72	544	616	1,390	19	96	115	467
Total	7,174	25,763	32,937	79,184	985	6,492	7,477	14,123	273	1,126	1,399	4,682

Source: PT. Supra Matra Abadi, March 2017

Table 9: Estimated Tanah Datar Mill Production of CPO and PK 2017

Month	Total FFB (Ton)				CPO Produced (Ton)				Palm Kernel Produced (Ton)			
	Own Estate			Other Supply Bases	Own Estate			Other Supply Bases	Own Estate			Other Supply Bases
	Tanah Datar	Bahilang	Sub Total		Tanah Datar	Bahilang	Sub Total		Tanah Datar	Bahilang	Sub Total	
2017												
January	746	1,943	2,689	7,450	108	486	594	1,341	30	89	119	432
February	1,040	1,932	2,971	6,990	151	483	634	1,258	41	89	130	405
March	1,364	2,104	3,467	7,300	198	526	724	1,314	54	96	150	423
April	1,623	2,116	3,739	7,900	235	529	764	1,422	65	97	162	458
May	1,838	2,332	4,170	8,900	266	583	849	1,602	73	107	180	516
June	1,831	1,997	3,828	8,500	265	499	764	1,530	73	92	165	493
July	1,888	2,758	4,645	8,500	274	689	963	1,530	75	127	202	493
August	2,371	2,740	5,111	8,710	344	685	1,029	1,567	95	126	221	505
September	2,406	2,646	5,052	8,900	349	661	1,010	1,602	96	121	217	516
October	2,437	2,442	4,879	9,200	353	610	963	1,656	97	112	209	533
November	2,332	2,399	4,731	8,950	338	600	938	1,611	93	110	203	519
December	2,329	2,154	4,483	8,700	338	538	876	1,566	93	99	192	504
Total	22,205	27,564	49,769	100,000	3,220	6,891	10,111	18,000	888	1,268	2,156	5,800

Source: PT. Supra Matra Abadi, March 2017

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

Estimated tonnage of certified CPO produced	10,111 MT
Estimated tonnage of certified PK produced	2,156 MT

1.9 Other certificates held

The organisation is implementing quality, environmental, and occupational health and safety management system based on ISO 14001:2004 and ISCC. The details of other certifications held are shown in the following table.

Table 10: Certificates Held by Mill and Estates

MILL/ESTATE	OTHER CERTIFICATION HELD
Tanah Datar Mill	ISO 14001:2004 by SGS Indonesia, Certificate number: ID05/65250, Expired date: 10 June 2017
Tanah Datar Mill	ISCC by SGS Germany GmbH, certificate number: EU-ISCC-Cert-DE100-18222016, Expired 23 November 2017.
Tanah Datar Mill	ISPO by SAI Global, certificate number FMS 40009, Expired 8 May 2020

Source: PT. Supra Matra Abadi, March 2017

1.10 Organizational information/contact person

PT. Supra Matra Abadi

Jl MH Thamrin No 31 Jakarta 10230

Phone : (+62-21) 2301119

Fax : (+62-61) 2301120

Contact person : Ms Asrini Subrata
Stakeholder Relations Manager

Email : asrini_subrata@asianagri.com

1.11 Time bound plan for other management units

PT. Supra Matra Abadi as a subsidiary of PT. Inti Indosawit Subur is committed to RSPO certification of all its Management Units located in North Sumatera, Riau and Jambi Province. Time bound plan has been developed to achieve the RSPO certification for all its Management Units and Plasma. The time bound plan is realistic and challenging. The plan was detailed on Table 11. The time bound plan was revised in February 2017. It was noted that all Management Units have been audited for RSPO certification and 2017 for Plasma.

Table 11: RSPO Certification Time Bound Plan

Name of Mill	Mill Address	Name of Supply Base Plantation	Estate Address	Time bound for certification	Status
Buatan I Mill	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	Buatan Estate	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 September 2010 Re-Certified on 17 September 2015
		Buatan (Plasma)	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau		
Buatan II Mill	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	Buatan Estate	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 September 2010 Re-Certified on 14 Desember 2015
		Buatan (Plasma)	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau		
Ukui I Mill	Ukui Village, Ukui District, Pelalawan Regency, Riau	Ukui Estate	Ukui Village, Ukui District, Pelalawan Regency, Riau	2010	Re-Certified on 29 Februari 2016
		Ukui (Plasma)	Ukui & Lubuk Batu Jaya District, Pelalawan & Inhu Regency, Riau	Brought forward from 2012 to 2011	Re-Certified on 29 Februari 2016
Ukui II Mill	Ukui Village, Ukui District, Pelalawan Regency, Riau	Soga Estate	Ukui Village, Ukui District, Pelalawan Regency, Riau	2010	Re-Certified on 29 Februari 2016
		Ukui (Plasma)	Ukui & Lubuk Batu Jaya District, Pelalawan & Inhu Regency, Riau	Brought forward from 2012 to 2011	Re-Certified on 29 Februari 2016
Tungkal Ulu Mill	Pulau Pauh / Penyabungan / Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	Tungkal Ulu Estate	Pulau Pauh / Penyabungan / Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2012	Certified on 15 August 2012
		Tungkal Ulu (Plasma)	Renah Mendalo, Merlung, Muara Papalik District, Tanjung Jabung Barat Regency, Jambi	2013	Certified on 11 July 2013
Muara Bulian Mill	Singoan / Bukit Sari / Bulian Jaya Village, Muara Bulian / Pemayung District, Batang Hari Regency, Jambi	Muara Bulian Estate	Singoan / Bukit Sari / Bulian Jaya Village, Muara Bulian / Pemayung District, Batang Hari Regency, Jambi	2012	Certified on 28 August 2012
		Muara Bulian (Plasma)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2013	Certified on 12 July 2013
Topaz Mill	Petapahan Village, Tapung District,	Topaz & Seed Garden Estate	Petapahan Village, Tapung District,	2015	Certified on 30 March 2015

WORK ITEM: WI-646853

Name of Mill	Mill Address	Name of Supply Base Plantation	Estate Address	Time bound for certification	Status
	Kampar Regency, Riau		Kampar Regency, Riau		
Taman Raja Mill	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	Taman Raja & Badang Estate	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2015	Certified on 20 February 2015
Segati Mill	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	Segati Estate	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	Main Audit in 2014	On Progress
		Penarikan & Gondai Estate	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	Main Audit in 2014	On Progress
		Penarikan (KKPA)	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2018	Smallholders discussion and GAP Analysis have been conducted on 2016, RSPO Internal audit has been conducted on May 2016.
		Gunung Sahilan (KKPA)	Gunung Sahilan Village, Lipat Kain District, Pelalawan Regency, Riau	2018	On progress
Tanah Datar Mill	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatera	Tanah Datar Estate	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatera	2015	Certified on 18 May 2015
		Bahilang Estate	Bahilang Village, Tebing Tinggi District, Serdang Bedagai Regency, North Sumatera		
Aek Nabara Mill	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatera	Aek Nabara Estate	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatera	2015	Certified on 6 March 2015
Aek Nabara Mill	Aek Nabara Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatera	Aek Nabara Estate	Aek Nabara Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatera	2015	Certified on 21 April 2015
Peranap Mill	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap	Peranap Estate	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap	2015	Certified on 7 January 2015

Name of Mill	Mill Address	Name of Supply Base Plantation	Estate Address	Time bound for certification	Status
	District, Indragiri Hulu Regency, Riau		District, Indragiri Hulu Regency, Riau		
		Peranap (Plasma)	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	2016	Certified on 18 August 2016
Bungo Tebo Mill	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	Bungo Tebo Estate	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2015	Certified on 3 December 2015
		Bungo Tebo (Plasma)	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2017	Certified on 7 February 2017
Tanjung Selamat Mill	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	2015	Certified on 26 May 2015
		Pangkalan	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	2015	Certified on 26 May 2015
Gunung Melayu I	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	Pulau Maria Estate	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	2015	Certified on 7 September 2015
Gunung Melayu II	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	Sentral & Batu Anam Estate	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	2015	Certified on 8 July 2015
Negri Lama II	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Negri Lama	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	2016	- Certified on 23 December 2016 as Independent Mill - Audit in 2016 as Mill and Supply Base
		Aek Kuo	Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatra		
Negri Lama I	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	*3 rd party which is excluded from scope of certification	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	2015	- Certified on 8 April 2015 - Audit in 2016 as Independent Mill

Source: PT. Supra Matra Abadi, March 2017

1.12 Partial Certification Requirements

All Management Units have been audited for RSPO Certification based on Table 11: RSPO Certification Time Bound Plan, except several areas which land use title are not ready. Statuses of

land use title for the related management unit were:

- Topaz Estate, PT. Tunggal Yunus Estate: on progress for recommendation regarding Location Permit applied to Regent (*Bupati*) of Kampar.
- Negeri Lama Estate, PT. Hari Sawit Jaya: Land titles HGU Extension No.02-12-00-00-2-00074 issued on 29 February 2016 includes SK BPN Sumatera Utara No.3/HGU/BPN.12/XI/2015 dated 8 December 2015 regarding extension land titles issues for PT Hari Sawit Jaya for area coverage 188,75 Ha. All area in PT. Hari Sawit Jaya has been certified in 2016.
- Teluk Panjie Estate, PT. Supra Matra Abadi: on progress for technical consideration in gaining Location Permit from Land Agency (*BPN*) of Rokan Hilir Regency, Riau Province

1.13 Date of issue of certificate and date of previous assessment

Date of issue of certificate: 6 March 2015

Date of previous audit: 6 - 7 March 2016 (First Annual Surveillance Audit); 7 July 2016 (follow up audit).

2.0 AUDIT PROCESS

2.1 Certification body

PT. SAI Global Indonesia

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

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

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

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

2.2 Audit methodology

The 2nd Annual Surveillance Audit was performed on 4 – 7 March 2017. The audit programme was included in the body of report. The audit methodology for collection of objective evidences is site

inspection, documentation and record review and interview with staffs, workers, and other stakeholders. Objective evidences from documentation/record review in one area may also be cross checked with other objective evidences in other areas and with the evidence of implementation on site during the audit.

During the audit, particular attention has been paid to previous non-conformities. The previous minor non-conformities were checked for being closed. Assessments plan has included but not be limited to areas of potential environmental and social risk. Considering previous audit findings, the mill and all supply bases were audited during this surveillance audit. Audit has paid special attention on some potential risks in the following areas:

- All environment aspects of P&C including reporting of environmental management, waste handling (Tanah Datar Estate and Mill)
- All social aspects of P&C including land conflict issue (if any), customary right, labour issue, organization contribution (CSR program, empowerment of local community) (Tanah Datar Estate and Mill)
- All HCV aspects of P&C including identification, management and monitoring HCV (Tanah Datar Estate and mill).

Audit plan is available in Appendix A of this report on page 204.

2.3 Qualification of the lead auditor and audit team member

Eko Prastio Ramadhan – Lead Auditor, auditor for environment and HCV issues in estates and mill.

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

Daniel Sitompul – Audit Team Member and auditor OHS in estate and mill, also auditor for mill best practices

Daniel, graduated with Bachelor of Chemical Engineering degree from Indonesia Institute of Technology in 1995. He has working experience as Quality, Environment and Safety Consultant for many years. She has completed ISO 14001 (2007), OHSAS 18001 (2010), Ahli K3 Umum (2007), ISO 9001 (2009), RSPO PC Training (2013), Auditor SMK3 (2013) dan ISPO Auditor Training (2013). He has also completed the training form government regarding to Safety Management System (SMK3), PROPER and AMDAL (environment). For the last 5 years she has been involved in quality (ISO 9001), Safety (OHSAS 18001) and environmental (ISO 14001) management system consultancy and audits for very broad industrial and in the palm oil sector since 2013 for several plantations and mills.

Ahmad Furqon – Audit team member and best agriculture practice, auditor for land use tittle, RSPO Supply Chain and RSPO certification system clause 4.2.4

Furqon, graduated as bachelor from Department of Agronomy and Horticulture, Faculty of Agriculture, Bogor Agricultural Institute in 2010. Having work experience as Section Head of plantation in PT Astra Agro Lestari for 6 years. Having the experience in management of sustainable palm oil (RSPO and ISPO), environment management, social impact, and safety management system at palm oil plantations. Join at SAI Global since in Mei 2016 as Auditor for the ISO 9001:2015, ISPO, and RSPO. Involved in the quality management system for various the industry sectors, RSPO and ISPO. Some training that have been followed were Hazard Analysis and Critical Control Point (HACCP) (2013), Industrial Relation Training (2016), ISO 9001:2015 Lead Auditor Course (2016), ISO 14001:2015 Lead Auditor Course (2016), RSPO P&C Lead Auditor Course (2016), RSPO Supply Chain Lead Auditor Course (2016) and ISPO Lead Auditor Course (2016).

Nanang Rusmana - Audit Team Member and auditor for social and labour issues in mill and estates

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

2.4 Stakeholder consultation

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

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

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

The result of these consultations was provided in Appendix D on page 197.

Table 12: List of internal and external stakeholders

STAKEHOLDERS	METHODS OF CONSULTATION
Internal stakeholder (mill & estates)	
Head of SPSI	Group discussion
Head of Gender Committee	Group discussion
Workers	Group discussion for workers with similar role, otherwise individually interviewed
External Stakeholders (mill & estates)	
Head of Villages and community representatives: - Bahilang - Sei Muka - Tanah Datar	individual discussion
FFB Supplier	individual discussion
Social and Labour Agency of Batubara Regency and Serdang Bedagai Regency	An invitation letter to comment was sent
Agriculture and Plantation Agency of Batubara Regency and Serdang Bedagai Regency	An invitation letter to comment was sent
Environment Agency of Batubara Regency and Serdang Bedagai Regency	An invitation letter to comment was sent
National Land Agency – <i>Badan Pertanahan Nasional (BPN)</i> of Batubara Regency and Serdang Bedagai Regency	An invitation letter to comment was sent
District Police of Batubara Regency and Serdang Bedagai Regency	An invitation letter to comment was sent
District Head (<i>Camat</i>) Talawi, Tebing Syahbandar Sergai, Kampung Rakyat	An invitation letter to comment was sent
NGOs: AMAN (Aliansi Masyarakat Adat Nusantara), GAPKI, Sawit Watch, WWF and WALHI Sumatera Utara	An invitation letter to comment was sent
Batubara and Serdang Bedagai Regent	An invitation letter to comment was sent

2.5 Date of next surveillance visit

The next surveillance visit will be conducted around January 2018 or three months before datum month of the certification period.

3.0 AUDIT FINDINGS

3.1 Action taken on previous audits findings

Non-conformances (Major and Minor) from the previous audits have been followed up by taking corrective actions. Corrective actions have been implemented and verified. Corrective actions were considered as closed satisfactorily.

3.2 Claim and use of certification mark and or logo

There was no use of certification mark and or logo.

3.3 Description of audit findings

3.3.1 RSPO Principle and Criteria

PRINCIPLES 1: COMMITMENT TO TRANSPARENCY

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
1.1	<p>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</p> <p>Guidance: <i>Growers and millers should have a Standard Operating Procedure (SOP) to respond constructively to stakeholders, including a specific timeframe to respond to requests for information. Growers and millers should respond constructively and promptly to requests for information from stakeholders. The SOP should include information on the officer, who may be contacted by the interested external parties.</i></p> <p><i>Growers and millers should ensure that sufficient objective evidence exists to demonstrate that the response is timely and appropriate.</i></p> <p><i>See Criterion 1.2 for requirements relating to publicly available documentations.</i> <i>See Criterion 6.2 on consultation.</i> <i>See Criterion 4.1 on SOPs.</i></p> <p><i>Definition of relevant stakeholders according to the Regulation of the Minister of Environment No. 17 year 2012 regarding Guidance for Involvement of Communities in the Process of Environmental and Social Impact Assessment (AMDAL) and Environmental Permit are.</i></p> <ul style="list-style-type: none"> <i>• Affected communities are the communities who live within the AMDAL study boundary (social boundary), which will be beneficially or adversely affected by the operations and/or plan of activities;</i> <i>• Environmental concerned communities are communities who are not affected by the operations and/or business plan, however they shall pay attention to the environmental and social issues of the upcoming operations and/or business plan, including the potential environmental and social impacts;</i> <i>• Influenced communities by the decisions of AMDAL process are communities who are located outside and or directly adjacent to the boundary of AMDAL study areas relevant to the impact of operations and/or business plan.</i> <p><i>Relevant stakeholders are also NGOs that have concerns on the environmental and social issues of the upcoming operations and/or business plan, including the potential environmental and social impacts;</i></p>			
1.1.1	<p>List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available.</p> <p>Specific Guidance: <i>For 1.1.1: Evidence should be provided by growers and millers that information is received in appropriate form(s) and language(s) by relevant stakeholders. Information will include information on the RSPO mechanisms for stakeholder involvement, including information on their rights and responsibilities.</i></p>			
	<p>a. Does the company maintain a list of stakeholders? (E.g. listed by category and</p>	<ul style="list-style-type: none"> • SOP : AA-GL-5009.1-R0 – Communication and 	<p>Documents available to the public and stakeholder can be provided to stakeholders according to their relevance through a written request to the organization. The information most frequently requested by stakeholders are information related to the</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>stakeholders listed should be site specific)</p> <p>b. What is the frequency of updating the stakeholder list?</p> <p>c. Is there evidence of stakeholder verification?</p> <p>d. What type of information is provided? (E.g. Environmental, social and legal)</p> <p>e. What is the frequency and level of access to this information?</p> <p>f. How and where is the information disseminated?</p> <p>g. Who is responsible for providing & updating information?</p> <p>h. Is there an SOP available to describe the process (of information sharing/dissemination)?</p> <p>i. Are stakeholders aware of the type of information available and the procedures for accessing the information?</p>	<p>consultation procedure</p> <ul style="list-style-type: none"> Public consultation and interview with stakeholder on 6-7 March 2017 Field observation and interview with employee Stakeholders list updated January 2017 Promotion Letter to Mengkan Purba as Public Relation/Humas/SSL Officer Tanah Datar dated 1 March 2013 Promotion Letter to Sukamto as Public Relation/Humas/SSL Officer Bahilang Estate dated 11 February 2014 	<p>management of occupational health and safety (P2K3 report) – ‘Disnakertrans’, environmental management report (wastewater, LB3) - BLH, employment report – ‘Disnakertrans’, production data and area statements - BPS, etc.</p> <p>Information provided to the public and stakeholder has disseminated to the stakeholder together with public consultation of social assessment and socialization of procedures for complaints handling on November 18th, 2010. Dissemination of social communication procedure has been performed in April 16th, 2015 to stakeholder. Minutes of socialization and attendance list was sighted. Procedure and communication was delivered in appropriate language and understood by stakeholder.</p> <p>Organization has assigned a responsible person for providing and updating information and stakeholder that was <i>Humas</i> (Public Relation). Responsibility and function was described in <i>Humas</i> job description.</p> <p>SOP to describe the process of information sharing/dissemination defined in social communication SOP: AA-GL-5009.1-R0 - Communication and consultation procedure. Consultation and communication with stakeholders conducted by collecting community leaders, village heads and local community or visiting the office/the village hall to meet with the village head, village officials and community.</p>	
1.1.2	<p>(M) Records of requests for information and responses to the information requested shall be available.</p> <p>Specific Guidance:</p> <p>For 1.1.2:</p> <p><i>Records of requests for information and responses are maintained for a period of time determined by the company, taking into account their importance and need.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Does the company have an SOP to ensure constructive response to stakeholders?</p> <p>b. Who is the personnel in charge (PIC)?</p> <p>c. Does the SOP cover the elements under 1.1.1?</p> <p>d. Is there a clear time frame for response to request for information?</p> <p>e. Are records of requests for information and responses maintained?</p> <p>f. Are responses to requests for information timely and appropriate?</p>	<ul style="list-style-type: none"> • Social communication procedures AA-GL-5008.1-R1 dated 22 August 2011– ‘Stakeholder Information Request Handling’. • Log Book ‘Information Request and Response year 2016’. • Public consultation and interview with stakeholder on 6-7 March 2017 	<p>Documents available to the public and stakeholder can be provided to stakeholders according to their relevance through a written request to the organization. The information most frequently requested by stakeholders are information related to the management of occupational health and safety (P2K3 report) – ‘Disnakertrans’, environmental management report (wastewater, LB3) - BLH, employment report – ‘Disnakertrans’, production data and area statements - BPS, etc.</p> <p>Information provided to the public and stakeholder has disseminated to the stakeholder together with public consultation of social assessment and dissemination of procedures for complaints handling on November 18th, 2010. Dissemination of social communication procedure has been performed in April 16th, 2015 to stakeholder. Minutes of dissemination and attendance list was sighted. Procedure and communication was delivered in appropriate language and understood by stakeholder.</p> <p>Organization has assigned a responsible person for providing and updating information and stakeholder that was <i>Humas</i> (Public Relation). Responsibility and function was described in <i>Humas</i> job description.</p> <p>SOP to describe the process of information sharing/dissemination defined in social communication SOP: AA-GL-5009.1-R0 - Communication and consultation procedure. Consultation and communication with stakeholders conducted by collecting community leaders, village heads and local community or visiting the office/the village hall to meet with the village head, village officials and community.</p>	<p>YES</p>
1.2	<p>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.</p>			
1.2.1	<p>(M) Publicly available documents shall include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> a. Land titles/user rights (Criterion 2.2) b. Occupational health and safety plans (Criterion 4.7) c. Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8) d. HCV documentation (Criteria 5.2 and 7.3) e. Pollution prevention and reduction plans (Criterion 5.6) f. Details of complaints and grievances (Criterion 6.3) g. Negotiation procedures (Criterion 6.4) 			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>h. Continual improvement plans (Criterion 8.1) i. Public summary of certification assessment report j. Human Rights Policy (Criterion 6.13).</p> <p>Guidance: This concerns management documents relating to environmental, social and legal issues that are relevant to compliance with RSPO Criteria. Management documents will include monitoring reports. The auditors will comment on the adequacy of each of the documents listed in the public summary of the assessment report. Examples of commercially confidential information include financial data such as costs and income, and details relating to customers and/or suppliers. Data that affects personal privacy should also be confidential. <i>One of legal requirements related to personal privacy is Act No. 14 year 2008 regarding Public Disclosure, clause 17 (h):</i> Ongoing disputes (within or outside of a legal mechanism) can be considered as confidential information where disclosure could result in potential negative outcomes for all parties involved. On-going dispute (within or outside law mechanism) can be considered as confidential information if disclosure of information potentially causes negative impact to all related parties. However, affected stakeholders and parties who are working towards resolutions should have access to relevant information. Examples of information where disclosure could result in potential negative environmental or social outcomes include information on sites of rare species where disclosure could increase the risk of hunting or capture for trade, or sacred sites which a community wishes to maintain as private. Growers and millers should ensure that sufficient objective evidence exists to demonstrate that the level of measuring and monitoring of the management plan, and information, is appropriate and made available.</p>			
	<p>a. How are the management documents listed in (c) below made publicly available?</p> <p>b. Where are the documents placed?</p> <p>c. Is the information provided adequate? Note: At minimum, an information summary of the document listed below should be made available.</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2) <ul style="list-style-type: none"> - Legal boundaries ,land use, classification, total area, grant title, 	<ul style="list-style-type: none"> • List of Documents and Information Accessed by Public for PT.Supra Matra Abadi – Tanah Datar Mill • Log book – receipt note • CSR Project Tracking 2016 • CSR Monitoring Tracking 2016 • Field observation and interview with employee. 	<p>Documents available to the public specified in the 'List of Documents and Information Accessed by Public for PT. Supra Matra Abadi – Tanah Datar Mill. Documents available to the public and stakeholder can be provided to stakeholders according to their relevance through a written request to the organization. List of information available in Bahasa Indonesia and easily understood by stakeholder. Public document for stakeholder has been disseminated by organization in 4 February 2016.</p> <p>Documents available to the public placed in the respective sections within the organization. Such as land title right/ HGU certificate placed in KTU and other. Information provided adequate at minimum, an information summary of the document listed such as :</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2) <ul style="list-style-type: none"> - Legal boundaries ,land use, classification, total area, grant title, permit validity, NCR rights • Occupational health and safety plans (Criterion 4.7); <ul style="list-style-type: none"> - risk assessment and mitigation, emergency response plan, training, accident records 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>permit validity , NCR rights,</p> <ul style="list-style-type: none"> • Occupational health and safety plans (Criterion 4.7); <ul style="list-style-type: none"> - risk assessment and mitigation, emergency response plan, training, accident records • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); <ul style="list-style-type: none"> - main social and environmental impacts and mitigation measures, • HCV documentation (Criteria 5.2 and 7.3); <ul style="list-style-type: none"> - identification on HCV areas, maps, management and monitoring HCV • Pollution prevention and reduction plans (Criterion 5.6); <ul style="list-style-type: none"> - identification of pollutants, management and reduction measures • Details of complaints and grievances (Criterion 6.3); 		<ul style="list-style-type: none"> • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); <ul style="list-style-type: none"> - main social and environmental impacts and mitigation measures, • HCV documentation (Criteria 5.2 and 7.3); <ul style="list-style-type: none"> - identification on HCV areas, maps, management and monitoring HCV • Pollution prevention and reduction plans (Criterion 5.6); <ul style="list-style-type: none"> - identification of pollutants, management and reduction measures • Details of complaints and grievances (Criterion 6.3); <ul style="list-style-type: none"> - nature of complaints, parties involved, status of case • Negotiation procedures (Criterion 6.4); <ul style="list-style-type: none"> - SOP, consultative, neutral, inclusiveness, timeframe, responsibility • Continual improvement plans (Criterion 8.1); <ul style="list-style-type: none"> - for all elements under 8.1, • Public summary of certification assessment report; <ul style="list-style-type: none"> - follow RSPO format • Human Rights Policy (Criterion 6.13). <ul style="list-style-type: none"> - policy statement comply to the requirements of 6.13 <p>Monitoring plan associated with public documents already established and available. For example for environmental documents: CSR monitoring 2016, the management of HCV, RKL-RPL was reported every six months to BLH, reports related to the management of K3 (occupational health and safety) are reported every three months to Man power Office, reports LB3 and liquid waste are reported every three months to BLH, etc.</p> <p>Update monitoring report publicly available. Evidence of delivery of the report in the form of receipts properly documented and archived in a file Receipt.</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> - nature of complaints, parties involved, status of case • Negotiation procedures (Criterion 6.4); <ul style="list-style-type: none"> - SOP, consultative, neutral, inclusiveness, timeframe, responsibility • Continual improvement plans (Criterion 8.1); <ul style="list-style-type: none"> - for all elements under 8.1, • Public summary of certification assessment report; <ul style="list-style-type: none"> - follow RSPO format • Human Rights Policy (Criterion 6.13). <ul style="list-style-type: none"> - policy statement should comply to the requirements of 6.13 <p>d. Do the management documents contain monitoring plans and reports?</p> <p>e. Are all monitoring reports publicly available?</p>			
1.3 ¹	Growers and millers commit to ethical conduct in all business operations and transactions. <i>*1 New Criteria - Growers and millers commit to ethical conduct in all business operations and transactions.</i>			
1.3.1	<i>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions along with the documentation of socialisation process of the policy to all levels of the workers and operations.</i>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>Guidance: All levels of the operations will include contracted third parties (e.g those involved in security). The policy of ethical conduct and integrity should include:</p> <ul style="list-style-type: none"> • A respect for fair conduct of business; • A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources; • A proper disclosure of information in accordance with applicable regulations and accepted industry practices. <p>The policy should be set within the framework of the UN Convention Against Corruption, in particular Article 12.</p> <p>Regulations that are related to eradication of corruption are as followings:</p> <ol style="list-style-type: none"> 1. Act No. 7 year 2006 regarding Ratification of United Nations Convention Against Corruption 2. Act No.8 year 2010 regarding Prevention and Eradication of Money Laundry. 3. Act No. 13 year 1999 regarding Eradication of Corruption. 4. Presidential Instruction No.1 year 2013 regarding Action for Corruption Prevention and Eradication <p>Normal business is the business that complies with all existing regulations.</p> <p>This written policy should be communicated to the affected parties.</p>			
	<p>a. Is there a written policy committing to a code of ethical conduct and integrity in all operations and transactions?</p> <p>b. Does the policy include as a minimum:</p> <ul style="list-style-type: none"> • A respect for fair conduct of business? • A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources? • A proper disclosure of information in accordance with applicable regulations and accepted 	<ul style="list-style-type: none"> • Company Policy dated 01 December 2014 • Attendance list: Dissemination of company policy for mill, estates and subcontractor on 28 April 2015, 16 October 2015 and 31 March 2016. • Interview with stake holder dated 6-7 March 2017 	<p>Written policy committing to a code of ethical conduct and integrity in all operations and transactions was available in "Company Policy" dated 01 December 2014 and signed by the Managing Director.</p> <p>Ethic policy includes several aspects, such as:</p> <ul style="list-style-type: none"> - Social Responsibility - Wages - Fair conduct of business - Infrastructure and accommodation - Labour union - Child labour - Indiscriminative treatment - Protection against sexual harassment and violence - Protection of reproductive rights - Receipts and provision of gifts, entertainment or assistance in job, corruption and fraud - Relation with supplier 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>industry practices?</p> <p>c. Is the policy documented and communicated to all levels of the workforce and operations, including contracted third parties? How is it communicated?</p> <p>d. Are the documentation and communication done in the appropriate languages?</p> <p><i>Note to auditor: The workforce should be interviewed to determine level of understanding of policy</i></p>		<ul style="list-style-type: none"> - Occupational health and safety, and environment - Employee cooperatives - Human rights <p>The policy has been documented; communicated to all levels of the workforce and operations, including contracted third parties through socialization.</p> <p>The policy was well documented on 01 December 2014 and signed by the Management Director. The policy has been communicated to all levels of the workforce and operations, including contracted third parties.</p> <p>Policy socialization to contractor/third parties performed at the time of going to do the job.</p>	

PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
2.1	<p>There is compliance with all applicable local, national and ratified international laws and regulations.</p> <p>Guidance: <i>Implementing all legal requirements is an essential baseline requirement for all growers and millers whatever their location or size. Relevant legislation includes, but is not limited to:</i></p> <ul style="list-style-type: none"> <i>a. Land use period and right</i> <i>b. Labour</i> <i>c. Agricultural practices (e.g. chemical use)</i> 			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>d. Environment (e.g. wildlife, pollution, environmental management and forestry)</i> <i>e. Storage</i> <i>f. Transportation and processing practices.</i></p> <p><i>It also includes laws made pursuant to a country's obligations under international laws or conventions (e.g. the Convention on Biological Diversity (CBD), ILO core Conventions, UN Guiding Principles on Business and Human Rights). Furthermore, where countries have provisions to respect customary law, these will be taken into account.</i></p> <p><i>Key international laws and conventions are set out in Annex 1.</i> <i>Legal requirements are existing laws and regulations some of which are set out in Annex 1.</i></p>			
2.1.1		(M) Evidence of compliance with relevant legal requirements shall be available.		
	<p>a. Is the complete list of legal requirements available? (Refer to relevant NIs or LIs for list of legal requirements)</p> <p>b. Does the company have copies of the legal requirements?</p> <p><i>Note to auditor: A due diligence on the company/area or management unit on legal compliance should be conducted prior to field audit. Any non-compliance should be verified during the field audit.</i> <i>Relevant legislation includes, but is not limited to: regulations governing land tenure and land-use rights, labour, agricultural practices (e.g. chemical use), environment (e.g. wildlife laws, pollution, environmental management and forestry laws), storage, transportation and processing practices. It also includes</i></p>	<ul style="list-style-type: none"> • Procedure.AA-GL-5001.1-R0 dated 5 December 2009 (Compliance to regulations and its change) • Procedure AA-EMS-452-PR Rev.1 dated April 2007 • List of regulation compliance (AA-452-001-FM) • Evaluation on compliance of regulation and requirement 	<p>The relevant legal requirement or regulations for Tanah Datar mill and estate and Bahilang estate have been established and identified. Copies of the legal requirements (hardcopy and softcopy) were shown and maintained properly.</p> <p>The complete list of OHS regulations were available regarding to permit of machinery, safety committee, safety officer, medical insurance, clinic for workers, firefighting team and equipment, management of protected areas, etc.</p> <p>Evaluation Records were sighted on Evaluation on Compliance of OHS Regulation and Requirements update on:</p> <ul style="list-style-type: none"> • 31 December 2016 for Tanah Datar estate and mill. • 26 January 2017 for Bahilang estate <p>Evidence of compliance with applicable local, national and ratified international laws and regulations of Tanah Datar Mill and Estate have been provided, including:</p> <p>Land tenure and land use right :</p> <ul style="list-style-type: none"> - Location permit, - <i>Izin Usaha Perkebunan</i> (Plantation Business Permit) - Concession (HGU), please see criterion 2.2.1 major for details <p>Labour :</p> <ul style="list-style-type: none"> - SMK3 (OHS) implementation records, - OHS committee (P2K3), - freedom of worker union, 	<p>YES (Major NCR 2017-01 CLOSED</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>laws made pursuant to a country's obligations under international laws or conventions (e.g. the Convention on Biological Diversity (CBD), ILO core Conventions and UN Guiding Principles on Business and Human Rights.</i></p>		<ul style="list-style-type: none"> - labour cooperation, - minimum wage (UMSK), - labour law, - employee social benefit, - <i>Jamsostek</i> (worker insurance) for employee, - medical check-up, - clinic operation permit, - Hyperkes certified doctor and paramedic, etc <p>Agricultural practise :</p> <ul style="list-style-type: none"> - system of plant cultivation of oil palm plantation, - use of limited pesticides (paraquat), <p>Occupational Health and Safety:</p> <ul style="list-style-type: none"> - Permit of machinery, safety committee, safety officer, medical insurance, monitoring of working environment, paramedic and first aid officer, clinic for workers, handling of hazardous materials including pesticides, firefighting team and equipment. - mill production equipment permit (crane, sterilizer, pressurised vessel permits, boiler, lifting equipment), SIO for operator who conduct lifting equipment, electrical, welder - safety committee, safety officer, medical insurance, monitoring of working environment, paramedic and first aid officer, clinic for workers, handling of hazardous materials including pesticides, firefighting team and equipment - Availability of MSDS, periodic safety parameter monitoring (illumination, vibration and noise), medical check-up, safety committee and occupational health and safety report to authority. <p>Environment :</p> <ul style="list-style-type: none"> - Government regulation of the Environment No. 5/2014 - water quality standard, environmental impact analysis, etc. - Government Regulation 101/2014 hazardous waste management, company has manage the waste properly (liquid, air and solid waste management) - Government Regulation No.41/1999 re: Emission Control, Company has conducted air pollution control and emission control periodically in every six 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>month at mill</p> <ul style="list-style-type: none"> - Periodic environmental parameter monitoring (stationary emission, ambient emission and ambient noise, moving source emission, waste water discharge quality, and ground water quality) - list of protected flora and fauna, - management of protected area and protected flora and fauna <p>Conservation:</p> <ul style="list-style-type: none"> - President Decree No. 32/1990 regarding Management of protected areas complies by identifying areas comply with HCV in the estate and surrounding area, perform management and monitoring of HCV. - Act No. 5/1990 regarding the conservation of natural resources and ecosystems, comply with managing HCV areas, create HCV management and monitoring plan and performed it well, create procedures regarding HCV protection. <p>Status of compliance with laws and regulations were evaluated, and evaluation of compliance result indicated that compliance status was justified with reference to the objective evidence of compliance.</p>	
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained.			
	<p>a. Is there a document system which includes the following?</p> <ul style="list-style-type: none"> - Personnel in charge to manage - Set of legal documents - Comprehensive list of international, national, sub-national and provincial laws which details the requirements of specific to the mill and estate operations. - Relevant sections within the 	<ul style="list-style-type: none"> • Documented procedure (AA-GL-5001.1-R0 dated 5 December 2009) for compliance to regulations and its change. • List of regulation compliance • Evaluation on compliance of regulation and requirement 	<p>Established procedure described mechanism for updating latest laws and regulations and requires regular access to regulatory bodies to update information of laws and regulations.</p> <p>The procedure described that identification and evaluation performed against regulation and requirement regarding environment, OHS, plantation, labour, social, etc. the updating of legal regulation performed once a year. Personnel in charge to manage the updating and evaluation which is sustainability department together with local personnel in each section. The list of OHS regulation were available and contained the relevant section of the regulation linked to company activities.</p> <p>This document was available to all staff and all level management, the document was stored at central office.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>law that is identified and linked to activities</p> <p>b. Are the documents available to all levels of management?</p>			
2.1.3	A mechanism for ensuring compliance shall be implemented.			
	<p>a. Is an internal audit for legal compliance conducted annually and documented?</p>	<ul style="list-style-type: none"> RSPO Internal audit report for Tanah Datar and Bahilang 	<p>Mechanism for ensuring compliance with all applicable local, national and ratified international laws and regulations were described in procedure. Evaluation of compliance with regulation was conducted by Sustainability Department and Mill/Estate Manager. Status of compliance with the applicable OHS laws and regulations were evaluated, and evaluation of compliance result indicated that compliance status was justified with reference to the objective evidence of compliance. Interview was conducted with the Safety Officer to review the implementation of regulations.</p> <p>OHS internal audit were planned annually integrated with RSPO internal audit. The last audit was conducted on 7 February 2017 for Tanah Datar estate, 8 February 2017 for Tanah Datar mill and 1 February 2017 for Bahilang estate. The audit checklist covered the implementation of all applied regulations.</p>	YES
2.1.4	<p>A system for tracking any changes in the law shall be available and implemented.</p> <p>Specific Guidance: For 2.1.4: The systems used for tracking any changes in laws and regulations should be appropriate to the scale of the organisation.</p>			
	<p>a. Is there a documented methodology (e.g.: personnel in charge (PIC), source of info, frequency of update) for tracking changes and communication of changes to relevant sections of the legislation?</p>	<ul style="list-style-type: none"> Documented procedure (AA-GL-5001.1-R0 dated 5 December 2009) for compliance to regulations and its change. AA-EMS-452-PR Rev.2 dated 25 November 2013 for evaluation on compliance of regulation and requirement 	<p>Documented methodology for tracking any changes in the law was described in Procedure Identification and evaluation regulation compliance (AA-GL-5001.1-RO). The method of updating regulation was conducted by internet, email and/or by direct visits to the government bodies.</p> <p>The evaluation of compliance was conducted together with the relevant functions between sustainable team, public relation, and representative from estate and mill. The communication to relevant functions was conducted by dissemination from sustainable team and public relation to respected persons at mill and estate.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
2.2	<p>The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p> <p>Guidance: <i>The company has SOP for Land Acquisition to ensure that there is no removal of legal, customary or user rights (see 6.4.1 & 6.4.2)</i> <i>Descriptions of those rights are as follows:</i></p> <ul style="list-style-type: none"> <i>a. Legal Right may be in the form of Land Certificates (Ownership Right / Hak Milik, User Right /Hak Guna Usaha), Registration Letter / Surat Keterangan Terdaftar, Letter of Inheritor Right / Surat Keterangan Hak Waris, and or Letter of Girik Right/Surat Keterangan Hak Girik.</i> <i>b. Customary Right in the Local Regulation/Perda (based on Constitution Court Decision No. 35/PUU-X/2012 regarding Customary Forest) determined through participatory mapping of customary land by the legitimate customary law community who are recognized by the surrounding customary law community and refers to Regulation of the Minister of Home Affairs (Permendagri) No. 52 year 2014 regarding Guideline of Recognition and Protection of Customary Law Community and Regulation of the State Minister of Agrarian Affairs/Head of National Land Agency (BPN) No. 5 year 1999 regarding Guidelines for the Settlement of Problems Related to the Communal Reserved Land of the Customary Law Abiding Community.</i> <i>c. User Right may be in the form of evidence of land leasing from the legal right holder, and/or official letter from the Village Head based upon testimony of communities or individual where their areas are adjacent to that land.</i> <p><i>Customary area is customary land, including soil, water and or waters and natural resources with certain boundaries, owned, utilized and preserved for generations and on sustainable basis to fulfill the needs of their livelihood that was acquired from their ancestor or claimed ownership of communal land or customary forest.</i></p> <p><i>Where there is a conflict on the condition of land use as per land title, growers should show evidence that necessary actions have been taken to resolve the conflict with relevant parties</i></p> <p><i>A mechanism should be in place to resolve any conflict (Criteria 6.3 and 6.4).</i></p> <p><i>Where operations overlap with other rights holders, companies should resolve the issue with the appropriate authorities, consistent with Criteria 6.3 and 6.4.</i></p> <p><i>Historical data of land ownership should be provided by the company for a minimum of one period of ownership/control.</i></p> <p><i>If there is a claim on customary right, this shall be legally demonstrated.</i></p>			
2.2.1	<p>(M) Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.</p> <p>Specific Guidance: <i>For 2.2.1: The documents required to demonstrate legal ownership, lease or control and use of land shall include those related to getting the land permit or transfer of land right and up to the operational right.</i></p>	<ul style="list-style-type: none"> • HGU No. 1 and Surat Keputusan Menteri Dalam Negeri No. 24/HGU/DA/86 dated 17 	<p>Copy of land use title (HGU) of Tanah Datar Estate was sighted and legally owned by PT. Supra Matra Abadi. Land use title of Tanah Datar Estate was located at Tanah Datar Village, Talawi Subdistrict, Batubara District, North Sumatera Province.</p>	YES
	<ul style="list-style-type: none"> a. Are there documents showing legal ownership or lease of the land available? (e.g. land titles, 			

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	<p>lease documents)</p> <p>b. Are there documents showing history of land tenure available? (e.g. legal documents showing land status change, SIA and EIA reports, HCV assessment reports)</p> <p>c. Are there documents showing the actual legal use of the land available?</p> <p>d. Are the documents complete?</p>	<p>May 1986. Total area: 1,061.6 Ha for Tanah Datar Estate.</p> <p>- HGU No. 1 dated 26 May 1986 and Surat Keputusan Menteri Dalam Negeri No. SK.23/HGU/DA/86 dated 17 May 1986. Total area: 1,018.78 Ha.</p>	<p>Copy of land use title (HGU) of Bahilang Estate was sighted and legally owned by PT. Nusa Pusaka Kencana. Copy of land use title was available. Land use title of Bahilang Estate was located at Tebing Tinggi Subdistrict, Deli Serdang District, North Sumatera Province.</p> <p>Site Permit (<i>Izin Lokasi</i>) issued as indicated in Decree of the Governor of North Sumatera #593/37/K/BKPM/D/Tahun 1988, covering an area of 9,746.86 hectares for Teluk Panjie and Aek Nabara Estate in the village of Kampung Rakyat, Subdistrict Bilah Hulu, District Labuhan Batu and Tanah Datar in Tanah Datar Village, Talawi Subdistrict, Batubara District.</p> <p>Tanah Datar Estate, PT. Supra Matra Abadi Plantation Operation Permit/<i>Surat Pendaftaran Usaha Perkebunan (SPUP)</i> #HK.350/408/Dj.Bun.5/V/2001, dated 28 Mei 2001, with details:</p> <ul style="list-style-type: none"> - Area: 1,061.6 Ha, - Commodity: Oil Palm - Site: Tanah Datar Village, Talawi District, Batubara Regency, North Sumatera Province - Processing: Palm oil mill - Licensed capacity: 30 ton FFB/hour - Installed capacity: 30 ton FFB/hour <p>Bahilang Estate, PT. Nusa Pusaka Kencana Plantation Operation Permit/<i>Izin Prinsip Usaha Perkebunan</i> #HK.350/405/Dj.Bun.5/V/2001, dated 28 Mei 2001, with details:</p> <ul style="list-style-type: none"> - Area: 1,018.7 Ha, - Commodity: Oil Palm and Cacao - Site: Tebing Tinggi District, Deli Serdang Regency, North Sumatera Province - Processing: 1 unit of cacao mill - Licensed capacity : 2,000 Ton/hour. - Installed capacity : 1,125 Ton/hour. <p>Plantation Business Assessment (<i>Penilaian Usaha Perkebunan (PUP)</i>); Class II, based on the Decree of Agency of Forestry and Plantation #525/038.m/f.</p> <p>The plantation has a land title area:</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<ul style="list-style-type: none"> HGU No. 1 and <i>Surat Keputusan Menteri Dalam Negeri</i> No. 24/HGU/DA/86 dated 17 May 1986. Total area: 1,061.6 Ha. HGU No. 1 dated 26 May 1986 and <i>Surat Keputusan Menteri Dalam Negeri</i> No. SK.23/HGU/DA/86 dated 17 May 1986. Total area: 1,018.78 Ha. Building Permit (IMB): <ul style="list-style-type: none"> Decree of District Head of Asahan (<i>Keputusan Bupati Kelapa Daerah Tingkat II Asahan</i>) #503-21/IMB tahun 1997. Decree of Head of the Regency Investment Board (KBPM) (<i>Keputusan Ketua KBPM</i>), North Sumatera Province, #503/400/00/K-Pi/1991 covered cacao mill and office. 	
2.2.2	<p style="color: red;">Legal boundaries are demonstrated clearly and maintained.</p> <p>Specific Guidance: For 2.2.2: Grower should cease operations on land planted beyond the legally determined area and there should be specific plans in place to address such issues for associated smallholders.</p>			
	<p>a. Is there a legal map showing location of boundary markers?</p> <p>b. Is there physical presence of boundary markers?</p> <p>c. Is there an SOP for boundary demarcation and maintenance?</p> <p><i>Note to auditor: Ground verification of boundary markers using GPS should be conducted. Priority should be on boundaries with other estates, community areas, protected area and rivers</i></p> <p><u>In the case of Associated Smallholders:</u></p> <p>d. Are there documents showing</p>	<ul style="list-style-type: none"> Tanah Datar and Bahilang Estate Map Field Observation to HGU pegs 	<p>Legal boundaries marker were sighted during audit along the perimeters of estate lands which were mapped with Global Positioning System (GPS).</p> <p>Field observation was conducted to pegs number:</p> <p>Tanah Datar Estate:</p> <ul style="list-style-type: none"> Peg of HGU no 9,; N: 03°07'32.3" and E: 099°29'42.4". Peg of HGU no 14, N: 03°08'40.4" and E: 099°33'06.5". Peg of HGU no 13, N: 03°07'32.3" and E: 099°31'47.9". <p>Bahilang Estate:</p> <ul style="list-style-type: none"> Peg of HGU no. 14, N: 03°17'51.1" and E: 099°08'35.5". Peg of HGU no 3, N: 03°18'40.4" and E: 099°08'44.2". Peg of HGU no. 51, N: 03°17'43.3" and E: 099°08'33.4". <p>Procedure of boundary pegs maintenance has been established. Estates has program to maintenance boundary pegs twice a year such as cleaning of pegs circle and pegs repainting. A review to legal boundaries maintenance records at Aek Nabara Estate and field observation to a number of legal boundaries demonstrated that the legal boundaries were well maintained by Estates. Last activities of maintenance were conducted in</p>	YES

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	<p>that the boundaries of associated smallholders have been recorded and verified by the mill?</p> <p>e. In case of boundary breach, is there proof of a mitigation plan being implemented?</p>		<p>December 2016.</p> <p>There is no scheme smallholders associated with PT. Supra Matra Abadi – Tanah Datar Mill.</p>	
2.2.3	<p>In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.</p>			
	<p>a. Are there, or have there been any land disputes?</p> <p><i>Note to auditor: Due diligence should be conducted on the management to provide evidence that there has been no historical or current land dispute</i></p> <p>b. If there are or have been disputes, are there:</p> <ul style="list-style-type: none"> - Documents to proof legal acquisition? - Records of FPIC process? <p>c. If there has been acquisition involving compensation, are there:</p> <ul style="list-style-type: none"> - Records that Fair compensation has been provided and accepted by parties involved? - Records that all affected parties are consulted and represented? - Documents of 	<ul style="list-style-type: none"> • Interview with stakeholders and the local community on 6-7 March 2017. • SOP AA-GL-0052.1-R1: Social Conflict and Land Dispute Resolution. 	<p>PT. Supra Matra Abadi has established a mechanism for resolution of conflicts and disputes through SOP for Social Conflict and Land Dispute Resolution that has been described in AA-GL-0052.1-R1.</p> <p>This procedure mentioned how the company solves the problem if any conflict occurred, both internal and external conflicts. This procedure also mentioned if the problem cannot be resolved by negotiation, the company will take legal action involving the related institution.</p> <p>So far there were no unprecedented conflicts/disputes with stakeholders; it was verified during the stakeholder meeting in 6-7 March 2017. It was confirmed that there was no land conflict found at the estate.</p> <p>No complaints associated with land disputes between the company and the surrounding community. This was also confirmed during the interview with stakeholders and the local community on 6-7 March 2017.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>negotiations/discussion available?</p> <p><i>Note to auditor: There should be direct verification of above with the affected parties</i></p>			
2.2.4	(M) There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.			
	<p>a. Does the company have cases of significant land conflict? (i.e. preventing the company from operating normally)</p> <p>b. If the company has cases of conflict, are records of the following available?</p> <ul style="list-style-type: none"> - Status of conflict - SOP/ mechanism for conflict resolution - Implementation of SOP/mechanism - Acceptance of the procedures by all parties - Records of conflict resolution 	<ul style="list-style-type: none"> • Interview with stakeholders and the local community on 6-7 March 2017 • SOP AA-GL-0052.1-R1: Social Conflict and Land Dispute Resolution 	<p>PT. Supra Matra Abadi has established a mechanism for resolution of conflicts and disputes through SOP for Social Conflict and Land Dispute Resolution has been described in AA-GL-0052.1-R1.</p> <p>This procedure mentioned how the company solves the problem if any conflict occurred, both internal and external conflicts. This procedure also mentioned if the problem cannot be resolved by negotiation, the company will take legal action involving the related institution.</p> <p>Until this far there is no case of land conflict with the plantation.</p>	YES
2.2.5	For any conflict or dispute over the land, the evidence of the extent of disputed area is mapped out in a participatory way with involvement of affected parties (including neighboring communities and local government where applicable), shall be available.			
	<p>a. Is there an SOP for participatory mapping of disputed area?</p> <p>b. Is a dispute map available?</p> <p>c. Is there documented evidence of</p>	<ul style="list-style-type: none"> • Interview with stakeholders and the local community on 6-7 March 2017 • SOP AA-GL-0052.1-R1: 	<p>No complaints associated with land disputes between the company and the surrounding community. This was also confirmed during the interview with stakeholders and the local community on 6-7 March 2017.</p> <p>However, the company also has implemented procedures for land conflict handling</p>	N/A

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	involvement and acceptance by the affected parties? <i>Note to auditor: Actual ground verification showing the accuracy of the dispute map should be conducted</i>	Social Conflict and Land Dispute Resolution	mechanism specified in SOP: AA-GL-5003.1-R0. Procedure explaining the land compensation process from identification of landowners, Input data (soil mapping), Negotiating compensation (according to the agreement and witnessed by a competent witness), payment of compensation, Documentation.	
2.2.6	(M) To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. Specific Guidance: <i>For 2.2.6: The company policy should require the use only of legally recognized private security personnel in their operations and prohibit extra-judicial interference and intimidation by the security personnel as mentioned above (see Criterion 6.13).</i>			
	a. Does the company have a policy to circumvent instigated violence to maintain peace and order in current and planned operations? b. Is there any evidence of: - The use of confrontation and intimidation by the company to maintain peace and order? - Use of para-militaries and mercenaries in the plantation?	<ul style="list-style-type: none"> • Company policy dated 1 December 2014 • Interview with stakeholders and the local community on 6-7 March 2017 	Company have a policy to circumvent instigated violence to maintain peace and order in current and planned operations. It is documented in the Company Policy dated 1 December 2014. Described in point 8 and 13 company policy as follows: <i>Point 8.</i> <i>Ensuring that any negotiations concerning compensation for loss of legal or customary rights through a documented system that enables indigenous peoples, local communities and other interested parties may submit their views through representative organizations of their own choosing.</i> <i>Point 13.</i> <i>Respect the human right</i> Based on interview with stakeholders dated 6-7 March 2017 also confirmed that no act of violence and militaristic ways adopted by the company in solving problems with public / stakeholders.	YES
2.3	Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent. Guidance: <i>All indicators are applied to all oil palm plantations developed after November 2005, with exception to plantations developed prior to November 2005 that may not have records dating back to the time of decision making, in particular for compliance with Indicators 2.3.1 and 2.3.2.</i> <i>Where there are legal or customary rights over land, the grower should demonstrate that these rights are understood and are not being threatened or reduced. This Criterion should be considered in conjunction with Criteria 6.4, 7.5 and 7.6. Where customary rights areas are unclear these should be established through participatory mapping exercises involving affected parties (including neighbouring communities and local authorities).</i>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p><i>This Criterion allows for sales and negotiated agreements to compensate other users for lost benefits and/or relinquished rights. Negotiated agreements should be non-coercive and entered into voluntarily, carried out prior to new investments or operations, and based on an open sharing of all relevant information. The representation of communities should be transparent and in open communication with other community members. Adequate time should be given for customary decision making and iterative negotiations allowed for, where requested. Negotiated agreements should be binding on all parties and enforceable in the courts. Establishing certainty in land negotiations is of long-term benefit for all parties.</i></p> <p><i>Growers and millers should refer to the RSPO approved FPIC guidance (RSPO endorsed Free, Prior and Informed Consent Guide for RSPO Members, November 2015).</i></p> <p><i>Companies should be especially careful where they are offered lands acquired from the State by its invoking the national interest (also known as 'eminent domain').</i></p>	
2.3.1	(M) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).			
	<p>a. Does the company have an SOP on FPIC?</p> <p>b. Is there evidence that the identification of legal, customary or user rights has been done through FPIC process?</p> <p>c. Is there evidence that the FPIC process has been implemented in accordance to the company SOP? Where is this evidence recorded? (E.g.: Documents, Minutes of meeting, Records, Agreements, Maps etc.)</p> <p>d. Is there a map of the extent of legal, customary or user rights? Is this map of appropriate scale (1: 10,000)?</p> <p>e. Was the map produced through participatory mapping with reference to SIA and HCV assessment?</p>	<ul style="list-style-type: none"> • Analisis Dampak Lingkungan PT. Supra Matra Abadi year 1994 • Dokumen Pengelolaan Lingkungan Hidup (DPLH) of Oil Palm Plantation PT. Nusa Pusaka Kencana, 2011 • Interview with local community on 6-7 March 2017. 	<p>Company has defined the procedures on FPIC which was described in SOP:AA-GL-5003.1-R0 dated 5 December 2009. Procedures explaining the land compensation process through FPIC begin from identification of landowners, Input data (soil mapping), Negotiating compensation (according to the agreement and witnessed by a competent witness), payment of compensation, documentation.</p> <p>No customary rights in the land and no land compensation from local communities since the company have taken over the land from PT. Hapinis & NV (rubber plantation) in 1986.</p> <p>Company already has a valid land ownership that were HGU with clear boundaries and markers HGU, also have a map of HGU and HGU boundary markers with the scale of 1: 25,000 issued by BPN complete with title, legend, source, and Georeferenced.</p> <p>Installation of the concession boundary markers have also been communicated and coordinated with relevant communities bordering and with the agreement of both parties, it was confirmed during the public consultation and interview with stakeholder. A map of land title has accepted by the relevant communities.</p> <p>Based on Social Impact Assessment and interview with stakeholders there were no land conflict happen between surrounding community and company.</p>	N/A

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	f. Does the map have a title, legend, source, scale and projections/georeference? g. Are the maps accepted by the relevant communities?			
2.3.2			<p>Copies of negotiated agreements including the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and these include:</p> <ul style="list-style-type: none"> a. Evidence of consultation b. Statement of transfer of rights c. Evidence of compensation <p>See specific guidance 2.3.2</p> <p>Specific Guidance: For 2.3.2 : Copies of negotiated agreements shall include at minimum:</p> <ul style="list-style-type: none"> a. A plan that should be developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b. Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c. Evidence that the company has ensured that affected communities have understood and accepted the legal, economic, environmental and social implications for permitting operations on their land, including the implications for the legal status of their land at the expiry of the company's title or concession. The company shall inform the legal implication based upon, but not limited to, Act No. 50 year 1960 and Government Regulation No. 40 year 1996 regarding Land-Use Right (HGU), Building-Use Right (HGB), and User Right, where the land will be owned by the state if HGU right is expired, not be extended and or updated. d. Evidence that the company has informed the plan for partnership program. 	
	a. Are copies of negotiated agreements with affected parties available? b. Is there evidence that the agreement is prepared through proper FPIC process? c. Does the agreement contain the following: - An action plan developed through consultation with	<ul style="list-style-type: none"> • Interview with Stakeholder / local community on 6-7 March 2017. • SOP:AA-GL-5003.1-R0 dated 5 December 2009 – Procedure of Land conflict handling 	<p>No customary rights in the land and no land compensation from local communities since the company have taken over the land from PT. Hapinis & NV (rubber plantation) in 1986.</p> <p>However, the company also has defined procedures for conflict resolution mechanism specified in Land conflict handling procedure SOP: AA-GL-5003.1-R0 dated 5 December 2009. Procedure explaining the land compensation process from identification of landowners, Input data (soil mapping), Negotiating compensation (according to the agreement and witnessed by a competent witness), payment of compensation, documentation.</p>	N/A

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>affected parties, is inclusive and evidence that members of affected parties are well informed and involved in the decision making process</p> <ul style="list-style-type: none"> - Evidence of options to give or withhold consent for development - Evidence that members of the affected communities understand and accept the implication involved in permitting/rejecting oil palm development on their land (E.g.: legal status, social, environmental, economic) - Evidence that the negotiated agreement was entered voluntarily without coercion by all parties - Evidence that adequate time was given for customary decision making and iterative negotiations - Clause which states that the negotiated agreement is legally binding 			
2.3.3	Relevant information shall be available in appropriate forms and languages, including analysis of impacts, proposed benefit sharing, and legal arrangements.			
	<p>a. Is there evidence that all the information (maps, agreement, records, impact assessment, benefit sharing and legal</p>	<ul style="list-style-type: none"> • Interview with Stakeholder / local community on 6-7 March 2017. 	<p>No customary rights in the land and no land compensation from local communities since the company have taken over the land from PT. Hapinis & NV (rubber plantation) in 1986.</p> <p>However, the company also has defined procedures for conflict resolution mechanism</p>	N/A

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	arrangements) is available in appropriate forms and languages, understood and accessible to affected parties? <i>Note to auditor: this should be cross checked to a sample of the affected parties</i>	<ul style="list-style-type: none"> SOP:AA-GL-5003.1-R0 dated 5 December 2009 – Procedure of Land conflict handling 	specified in Land conflict handling procedure SOP: AA-GL-5003.1-R0 dated 5 December 2009. Procedure explaining the land compensation process from identification of landowners, Input data (soil mapping), Negotiating compensation (according to the agreement and witnessed by a competent witness), payment of compensation, documentation.	
2.3.4	(M) Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Specific Guidance: <i>For 2.3.4: Evidence of proxy letter from the community group, individual and/or company to the institution which represents community at the negotiation process, shall be demonstrated.</i>			
	a. Who is the representative of the community in the negotiation process? b. Is the representative accepted by the community? c. Is the record of appointment to represent the community available and shared with other parties?	<ul style="list-style-type: none"> Interview with Stakeholder / local community on 6-7 March 2017. 	Communities are represented through institutions or representatives of their own choosing. It was confirmed that Village communities have delegated their representatives to the Village Head. Village Head are selected through local election and accepted by the community.	YES

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

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
3.1	There is an implemented management plan that aims to achieve long-term economic and financial viability. Guidance: <i>Whilst it is recognised that long-term profitability is also affected by factors outside their direct control, top management should be able to demonstrate attention to economic and financial viability through long-term management planning. There should be longer term planning for plantations on peat, particularly in regards to subsidence and flooding issues</i>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>(see Indicator 4.3.5).</p> <p>Consideration of smallholders should be inherent in all management planning where applicable (see also Criteria 6.10 and 6.11). <i>For scheme smallholders, the company should refer to RSPO Guidance On Scheme Smallholders, July 2009 or endorsed final revision.</i></p> <p>Growers should have a system to improve practices in line with new information and techniques. For smallholder schemes, the scheme management should be expected to provide their members with information on significant improvements.</p> <p><i>This Criterion is not applicable to independent smallholders (refer to RSPO Guidance for Independent Smallholders under Group Certification, June 2010)</i></p>			
3.1.1	<p>(M) A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders.</p> <p>Specific Guidance: For 3.1.1: The business or management plan should contain:</p> <ul style="list-style-type: none"> • Attention to quality of planting materials; • Crop projection = Fresh Fruit Bunches (FFB) yield trends; • Mill extraction rates = Oil Extraction Rate (OER) trends; • Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends; • Forecast prices; • Financial indicators. <p><i>Suggested calculation: trends in 3-year running mean over the last decade (FFB trends may need to allow for low yield during major replanting programmes).</i></p>			
	<p>a. Does the company have a documented business or management plan with a minimum planning period of 3 years?</p> <p>b. Does it include the following:</p> <ul style="list-style-type: none"> - Land area statement (planting years, non-planted areas, i.e. HCV, conservation areas, fragile soils, enclaves) with updated location maps. Maps should have title, legend, source, scale and projections/georeferenced 	<ul style="list-style-type: none"> • PT. Supra Matra Abadi – Tanah Datar Mill Projection year 2015 – 2022 • PT. Supra Matra Abadi – Tanah Datar Estate Operation Projection year 2015 - 2022 • PT. Nusa Pusaka Kencana – Bahilang Estate Operation Projection year 2015 - 2022 • Minutes of Annual 	<p>Management Plan of Tanah Datar Mill, Tanah Datar Estate and Bahilang Estat has been established for period 2015 - 2022 and used to achieve economic viability and long-term financial. The plan was approved by the top management. The parameters listed in the management plan that includes revenue and earnings, projected crop production (FFB yield trend), the extraction rate of CPO and PK (Production forecast up to 2020), harvesting, processing FFB and CPO. The achievement of the management plan is reviewed every month in the Estate Unit Report (LUK) and Mill Unit Report (LUP) according to the current month. Reviewing of LUK and LUP was conducted monthly.</p> <p>The Management Plan has include the following:</p> <ul style="list-style-type: none"> - Land area statement (planting years, non-planted areas, i.e. HCV, conservation areas, fragile soils, enclaves) with updated location maps. Maps should have title, legend, source, scale and projections/georeferenced - Plan for management of scheme smallholders (where appropriate) 	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> - Plan for management of scheme smallholders (where appropriate) - Quality of planting materials - Crop projection = Fresh Fruit Bunches (FFB) yield trends - Mill extraction rates = Oil Extraction Rate (OER) trends - Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends - Forecast prices - Financial indicators – profitability forecast (income vs cost) - Projected expansion (area, mill capacity, infrastructure, social amenities) - General strategy and allocation for environmental and social management (refer to P5, P6 and P8) <p>c. Is this management document subjected to an annual review?</p> <p>d. For plantations on peat, is there a long term viability plan – e.g. flooding, drainability assessments and subsidence issues? (see 4.3.5)</p> <p>e. Does the grower have a system to improve practices in line with</p>	<p>Management Review</p>	<ul style="list-style-type: none"> - Quality of planting materials - Crop projection = Fresh Fruit Bunches (FFB) yield trends - Mill extraction rates = Oil Extraction Rate (OER) trends - Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends - Forecast prices - Financial indicators – profitability forecast (income vs cost) - Projected expansion (area, mill capacity, infrastructure, social amenities) - General strategy and allocation for environmental and social management (refer to P5, P6 and P8) <p>This Management Plan is subjected to an annual review.</p> <p>There is no peat land in Tanah Datar Estate and Bahilang Estate.</p> <p>The organisation has a system to improve practices in line with new information and techniques through continual improvement. All staffs can propose continual improvement. The personnel in charge (PIC) have been identified. The information was updated through Continual Improvement Program and Realisation based on the defined SOP. Continual improvement was communicated to all unit managements. It was disseminated during morning briefing.</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	new information and techniques? - Has the personnel in charge (PIC) been identified? - How is the information updated? - Is there a documented SOP which requires monitoring and updating information to improve practices? - Is new information communicated to workers and scheme smallholders (where appropriate)? How is it communicated?			
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.			
	a. Is there an annual replanting programme projected for a minimum of five years? b. Has it been documented? c. Is the progress of implementation documented? d. How does the programme take into consideration fragile soils such as peat? Is there a longer projection period (see C4.3)? e. Is there evidence of a yearly review of the replanting programme?	<ul style="list-style-type: none"> • Replanting Program of Bahilang Estate, PT. Nusa Pusaka Kencana. • LUK Laporan Unit Kebun 	Tanah Datar Estate, PT. Supra Matra Abadi has just finished replanting in 2013 and 2014, replanting will be programmed again in the next 25 years. Realization of replanting 2013 and 2014 has been documented in LUK (Laporan Unit Kebun). It is reported that replanting has done 499 Ha in 2013 and 507 Ha in 2014. Bahilang Estate has conversed the plantation from cocoa to oil palm in 2006 to 2010. Bahilang Estate oldest oil palm plantation was planted in 1995, so the based on the Management Plan, the plantation will performed replanting in 2020 covering area 47 Ha.	YES

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

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
4.1	<p>Operating procedures are appropriately documented, consistently implemented and monitored.</p> <p>Specific Guidance: For 4.1.1 and 4.1.4: SOPs and documentations for mills should include relevant supply chain requirements (see RSPO Supply Chain Certification Standard, Nov 2011). Mechanisms to check implementations could include documentation management systems and internal control procedures. These procedures refer to the Best Management Practices for Oil Palm in Indonesia, such as Technical Guideline for Oil Palm Development, Directorate General of Estate Crops, Ministry of Agriculture, 2006.</p>			
4.1.1	<p>(M) Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available.</p>			
	<p>a. Have the SOPs for mills and plantation been documented?</p> <p>b. Does the SOP cover key processes, harvesting, transportation, manuring, IPM, GAP, Supply Chain requirements for the mill, etc.?</p> <p>c. Is a copy of the SOP available on site and is it documented in an appropriate language?</p> <p>d. Is there evidence that SOPs are implemented and understood by workers?</p> <p>e. Are the SOPs appropriate and adequately cover all estate and mill processes and activities?</p> <p>f. How are the SOPs made available at the point of use?</p>	<ul style="list-style-type: none"> • Agriculture Policy Manual • Mill Policy Manual 	<p>The documented Standard Operating Procedures (SOP) for Estate was evident in Agriculture Policy Manual (APM):</p> <ul style="list-style-type: none"> • AA-APM-OP-1100.01-R1 Nursery • AA-APM-OP-1100.02-R1 Land Preparation • AA-APM-OP-1100.03-R1 Creation and Maintenance of Road • AA-APM-OP-1100.04-R1 Creation and Maintenance Trenches • AA-APM-OP-1100.05-R1 Soil and Water Conservation • AA-APM-OP-1100.06-R1 Planting Leguminous Cover Crop • AA-APM-OP-1100.07-R1 Oil Palm Planting • AA-APM-OP-1100.09-R1 Manuring • SOPs for IPM: <ul style="list-style-type: none"> ○ AA-APM-OP-1100.10-R1 Pest & Diseases Control ○ AA-APM-OP-1100.08-R1 Weeding Control ○ AA-APM-OP-1100.14-R1 Census and Identification Plant • AA-APM-OP-1100.11-R1 Management Pesticides • AA-APM-OP-1100.12-R1 Castration • AA-APM-OP-1100.13-R1 Pruning • AA-APM-OP-1100.15-R1 Census of Production 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<ul style="list-style-type: none"> • AA-APM-OP-1100.16-R1 Consolidation • AA-APM-OP-1100.17-R0 Water Management • AA-APM-OP-1100.18-R1 FFB Harvesting • AA-APM-OP-1100.19-R1 Transportation Management • AA-APM-OP-1100.20-R1 Replanting <p>The documented procedures regarding processing activities of palm oil have already described within the “Mill Policy Manual” (MPM) document which approved by Operations Director. The manual are consist of each processing station start from FFB (Fresh Fruit Bunch) receiver until the CPO delivery and also include the procedures of machineries preventive maintenance, utilities and quality control. Herewith the procedures consists within the MPM such as:</p> <ul style="list-style-type: none"> • AA-MPM-OP-1400.02-R2 FFB Receiver Procedure • AA-MPM-OP-1400.03-R1 Sterilizer station Procedure • AA-MPM-OP-1400.04-R1 Threshing station Procedure • AA-MPM-OP-1400.05-R1 Digesting and Screw Press station Procedure • AA-MPM-OP-1400.06-R1 Clarifier station Procedure • AA-MPM-OP-1400.07-R1 Nut Polishing Procedure • AA-MPM-OP-1400.08-R1 Kernel station Procedure • AA-MPM-OP-1400.11-R1 Water Treatment Procedure • AA-MPM-OP-1400.12-R1 Laboratory Procedure • AA-MPM-OP-1400.14-R2 Storage and delivery Procedure • AA-MPM-OP-1400.15-R1 Preventive machineries maintenance Procedure • AA-MPM-OP-14000.13-R1 – WWTP Process • AA-MPM-OP-1400.17-R3 Traceability • AA-MPM-OP-1400.18-R3 Mass Balance <p>Copy of the procedures was available on site and is it documented in Indonesian language. Procedures were distributed to Estate and Mill.</p> <p>Procedure has been disseminated periodically to all Estate and Mill employees through regular training and morning briefing. Interviews with the employees indicated satisfactory level of understanding and implementation in relation to their respective job function.</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>Sample of estate operational implementation were taken .</p> <p>Sample of operational implementation were taken from each station (sterilization, pressing, clarification etc.) process from second week of January 2017. The production log sheets for each station were evident and the process parameters such as time, pressure, temperature were controlled properly and matched to the standard determined. In process Inspection reports were evident and the records were maintained properly.</p> <p>Sample of dispatch CPO was taken from delivery on January 2017. The target percentage of FFA, moisture and dirt were <3.00, <0.15, and <0.015. The records shown that all dispatched CPO were matched to the target determined.</p>	
4.1.2	<p>Checking or monitoring of operations procedures is conducted at least once a year.</p>			
	<p>a. Is there a master list of all SOPs?</p> <p>b. How does the company keep track of revisions?</p> <p>c. Is there mechanism for:</p> <ul style="list-style-type: none"> - Translation of SOP into work instructions in appropriate languages? - Records of training for all levels? - Internal control (e.g. audit and review, field inspection) procedure in place to monitor consistent implementation of SOPs? - Trained and competent personnel assigned to carry out internal control activities? - Implementation audits to be carried out regularly covering implementation of all the 	<ul style="list-style-type: none"> • Procedure Internal Audit • Procedure for Corrective and Preventive Action • Control of record procedure • Master List of SOP • RSPO internal audit • VE Report #PTD-VE-FULL 01-16 	<p>Master list of all SOPs document and its revision history were available and well documented. Organization keeps track of revision of the SOPs in revision history in the cover of SOPs. Organization has defined the Controlled document procedure which was explaining the translation of SOP into work instructions in appropriate languages (Indonesian language) and its document control. SOPs training and dissemination to all of employee has been conducted, the evidence was sighted and well documented. All of SOPs have been socialized to all relevant functions among others the training has been performed for all activities of Mill area and Estate.</p> <p>Internal audit RSPO covering audits of sustainability in all parts of plantation and mill operational. Programmed once a year, last audit performed on 8 February 2017. Audit report and its finding followed up and action plan was well documented. Trained and competent personnel were assigned to carry out Internal Audit RSPO (Head Office Sustainability department).</p> <p>The organisation conducted monitoring and checking for all applicable procedure and GAP once in a year by Visit Engineering (VE) from Head office. The last visit was conducted on 13-16 July 2016.</p> <p>The content of the report covers evaluation of mill operational activities, Mill process and cost control. The report includes recommendation to follow up</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>SOPs?</p> <ul style="list-style-type: none"> - Procedure to address non-compliance and corrective action for continuous improvement? 		<p>from VE and progress of follow up action from the previous visit. Procedure to address non-compliance and corrective action for continuous improvement defined in procedure preventive and corrective action.</p>	
4.1.3	<p>Records of monitoring and any follow-up actions shall be available.</p>			
	<p>a. Have the records been maintained on the following?</p> <ul style="list-style-type: none"> - Measurements or results of internal control and monitoring activities (refer 4.1.2) - Records of corrective actions and improvement undertaken 	<ul style="list-style-type: none"> • LUK (<i>Laporan Unit Kebun</i>) Monthly Estate Report. • MOS (Mill Operation Summary) • Internal audit report: 7-8 February 2017 • Log sheet • Shift Report book • Breakdown report • Daily record activities • Repair Request Logbook • Maintenance Report Logbook 	<p>The records of internal audit were maintained properly such as internal audit RSPO, ISPO and OHS and environment. The actions arise were documented, implemented and monitored. Internal control operational has been conducted periodically from Head Office. The report included summary of current visit, recommendation for following up and outstanding issue from the previous visit. Audit result was evident and corrective action has been determined in the action plan visit. From the records reviewed, seen that all the findings have been followed up properly.</p> <p>The result of 2016 mill internal control was described in VE Report #PTD-VE-FULL 01-16. The report covers evaluation of mill operational activities, Mill process and cost control. The report includes recommendation to follow up from VE. Progress of follow up actions were shown as Action Plan of Visit. Procedure to address non-compliance and corrective action for continuous improvement defined in procedure preventive and corrective action.</p> <p>Record of monitoring and any action taken were maintained and available, e.g. :</p> <ul style="list-style-type: none"> - Shift Report book to control and monitor daily work activity of mill, record number of attendance employee, starting hour, throughput, oil and kernel production, issue/trouble in process activity. - Log sheet every station from loading ramp, sterilizer, threshing, press, clarification, boiler and effluent. Record daily activity of process in each station and process performance in each station. - Breakdown report and repair request Logbook, supervisor check the machine condition and report to maintenance section to repair if there was a breakdown condition. - Control of Process work program and routine maintenance and equipment repair. 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
4.1.4	(M) Records of the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and outgrower) shall be available.			
	<ul style="list-style-type: none"> a. Is there an SOP for third-party FFB sourcing? b. Is there a list of approved third-party FFB suppliers? c. Is there proof of observed implementation of SOP? d. Is there daily and summary records of volume and origins of third-party FFB received? e. Have these records been verified against the available document? 	<ul style="list-style-type: none"> • Procedure AA-MPM-OP-1400.02-R2: FFB Receiver. • List of FFB Approved Supplier 2017 	<p>SOP of third party sourcing has been defined in procedure AA-MPM-OP-1400.02-R2 FFB Receiver.</p> <p>The list of approved third party has been sighted as follows:</p> <ol style="list-style-type: none"> 1) Rita Tambunan 2) Micael 3) Hong Lee 4) Putra Naga 2 5) Fachri Jaya 6) Abdul Gani 7) CV. Naga Bulan 8) Dermawan 9) Monas 10) NR 11) Jaya Putra 12) Sukwinder, SE <p>The sorting process was sighted in relevant records and conducted accordingly to the procedure. Daily and summary record of 3rd party FFB received was shown and several samples were reviewed such as for FFB received on 01 October 2016 from Sukwinder SE and summary for Octoer 2016. Verification has been conducted against the SOP of third party sourcing as procedure AA-MPM-OP-1400.02-R2 FFB Receiver. There was also statement on receipt note from third party supplier that justify that the source of FFB received was not from illegal source and also not an illegal FFB.</p> <p>Interview has been conducted to the third party supplier during audit such with supplier named Sukwinder, SE. The result of the interview indicated that all suppliers were satisfied with the performance of the organisation. There was no complaint related to payment issue.</p>	YES
4.2	Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)								
<p>Guidance: <i>Long-term fertility depends on maintaining the structure, organic matter content, nutrient status and microbiological health of the soil. Growers should ensure that they follow the best practices. Nutrient efficiency should take account of the age of plantations and soil conditions.</i></p> <p><i>The nutrient recycling strategy should include any use of biomass for by-products or energy production.</i></p> <p><i>One of the guidance may be used as a reference to the Technical Guideline for Oil Palm Development, Directorate General of Estate Crops, Ministry of Agriculture (2006)</i></p>												
4.2.1	<p>(M) A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available <i>Minor to Major</i></p>											
	<p>a. Are there SOPs for Good Agricultural Practices in managing soil fertility?</p> <p>b. Is there evidence that the SOPs have been implemented and monitored?</p>	<ul style="list-style-type: none"> AA-APM-OP-1100.09-R1 Manuring Memorandum from Plantation Head #018/HP/Memo/XII/16 dated 8 December 2016 Manuring Recommendation LUK (Estate Report) Field observation of manuring activity 	<p>SOP for managing soil fertility was available in AA-APM-OP-1100.09-R1 Manuring. The SOP explained good agricultural practice in managing soil fertility. Manuring are performed based schedule, dosage and location from Manuring Recommendation. Manuring recommendation in 2017 was defined based leaf sampling unit (LSU) and soil sampling unit (SSU). Manuring activity was reported in LUK monthly.</p> <p>Field observation shows that plants are in good condition. The application was according to Memorandum from Plantation Head #018/HP/Memo/XII/16 dated 8 December 2016 and fertiliser dosage was in accordance with manuring recommendation and manuring technique was in line with the procedure.</p>	YES								
4.2.2	<p>Records of fertilizer inputs shall be available.</p>											
	<p>a. Is records of fertiliser inputs maintained?</p> <p>b. Is there records to proof that the fertiliser program is linked to the agronomic report?</p> <p>c. Is there records of fertilizer usage per tonne of FFB production (>in Summary Table, specific types of fertilizers)?</p>	<ul style="list-style-type: none"> Manuring recommendation and application report 2016 and 2017 LUK (Estate Report) 	<p>Record of fertiliser input was maintained in Manuring Recommendation and application report. The fertiliser program was linked to the agronomic report in LUK (Estate Monthly Report).</p> <p>Record of manuring realisation in 2016 shows that the realisations are in accordance with the plan/recommendation. The Program and realisation of manuring are as follows:</p> <p>Tanah Datar Estate:</p> <table border="1" data-bbox="1128 1222 1886 1340"> <thead> <tr> <th>Type of Fertiliser</th> <th>Recommendation (kg)</th> <th>Realisation (kg)</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>ZA</td> <td>361,586</td> <td>361,589</td> <td>100</td> </tr> </tbody> </table>	Type of Fertiliser	Recommendation (kg)	Realisation (kg)	%	ZA	361,586	361,589	100	YES
Type of Fertiliser	Recommendation (kg)	Realisation (kg)	%									
ZA	361,586	361,589	100									

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR				COMPLIANCE (YES/NO)
			MOP	116,643	116,646	100	
RP	202,841	202,841	100				
KIESERITE	151,768	151,768	100				
HGFB	25,836	25,839	100				
CuSO4	12,888	12,890	100				
DOLOMITE	82,743	82,746	100				
NPK 12.12.17.2	424,013	424,013	100				
Total	1,378,318	1,378,318	100				
Bahilang Estate:							
Type of Fertiliser	Recommendation (kg)	Realisation (kg)	%				
ZA	714,090	714,090	100				
MOP	251,551	251,551	100				
RP	308,336	308,336	100				
KIESERITE	181,860	181,870	100				
DOLOMITE	154,896	154,897	100				
HGFB	24,138	24,140	100				
CuSO4	3,099	3,099	100				
Total	1,637,970	1,637,983	100				
4.2.3	Records of periodical leaf, soil and visual analysis shall be available						
	a. Is there SOPs for tissue and soil sampling? b. Is there evidence of implementation	<ul style="list-style-type: none"> SOP Leaf and Soil Sample Taking Soil Analysis Report, April 2015 	SOP for tissue and soil sampling was available describing leaf and soil sample taking by trained personnel. Leaf and soil sample are taken to the company owned laboratory R & D in Tebing Tinggi, North Sumatera. Leaf sample are taken annually whilst soil sample taken in five years interval based on age of			YES	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)								
	<p>of the SOPs, including availability of records?</p> <p>c. Is there records of tissue and soil analysis?</p> <p>d. Is the results of the study incorporated into the fertilizer program?</p>	<ul style="list-style-type: none"> Foliar Analysis Report, May 2016 	<p>trees.</p> <p>Evidence of periodic leaf sampling analysis were available on Foliar Analysis Result, e.g.:</p> <ul style="list-style-type: none"> Foliar Analysis Report on May 2016 # 052/INT/R&D/MEI/L/16 Foliar Analysis Report on May 2016 # 056/INT/R&D/MEI/L/16 <p>Evidence of periodic soil sampling analysis were available on Soil Analysis Report, e.g.:</p> <ul style="list-style-type: none"> Soil Analysis Report on April 2015 # 015-11/T/BINA/IV/2015 Soil Analysis Report on April 2015 # 015-14/T/BINA/IV/2015 <p>Result of leaf sampling analysis and soil sampling analysis was incorporated into the manuring program. Manuring recommendation were made base on the result of leaf sampling analysis and soil sampling analysis.</p>									
4.2.4	A nutrient recycling strategy is recorded, including use of Empty Fruit Bunches (EFB), land application, and palm residues after replanting											
	<p>a. Is there a nutrient recycling strategy in place?</p> <p>b. Does the strategy include the following?</p> <ul style="list-style-type: none"> Clear objectives and time-bound targets Inventory of <ul style="list-style-type: none"> EFB POME Fibre Boiler ash Kernel shell Palm residues from replanting Biomass recycling program 	<ul style="list-style-type: none"> Land Application Report, EFB and POME 	<p>There was the nutrient recycling strategy performed by organisation such as land application from POME (Palm Oil Mill Effluent), Empty Fruit Bunch (EFB), fibre, boiler ash and kernel shell. The nutrient recycling strategy does include clear objective and time-bound targets, inventory of residues (by-product), biomass recycling program, implementation and monitoring records.</p> <p>POME is applied using piping system and flat bed. Land application was applied in Tanah Datar Estate, whilst EFB applied in Tanah Datar and Bahilang Estate. EFB were applied based on the recommendation in terms of dosage per ha and location. EFB application was performed as mulch ground cover and added of organic material.</p> <p>Total applications of EFB in 2016:</p> <table border="1" data-bbox="1126 1278 1906 1367"> <thead> <tr> <th>Estate</th> <th>Recommendation (kg)</th> <th>Realisation (Kg)</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Tanah Datar</td> <td>7,245</td> <td>8,250</td> <td>114</td> </tr> </tbody> </table>	Estate	Recommendation (kg)	Realisation (Kg)	%	Tanah Datar	7,245	8,250	114	YES
Estate	Recommendation (kg)	Realisation (Kg)	%									
Tanah Datar	7,245	8,250	114									

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR				COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> Implementation and monitoring records <p><i>Note to auditor: Ground verification required</i></p>		Bahilang	6,631	6,742	102	
<p>During site visit, it was observed that Land Application has been applied in the permitted area and EFB has been applied in the recommendation area.</p>							
4.3	<p>Practices minimise and control erosion and degradation of soils.</p> <p>Guidance: <i>Techniques that minimize soil erosion are well known and should be adopted, where appropriate. These should include practices such as ground cover management, biomass recycling, terracing, and natural regeneration or restoration instead of replanting.</i></p>						
4.3.1	(M) Maps of any fragile soils shall be available.						
	<p>a. Is there soil maps showing presence of fragile soils and problem soils (refer to 4.3.6)?</p> <p>b. Are maps georeferenced and of appropriate scale (1:50,000)?</p>	<ul style="list-style-type: none"> Maps of soil type in Tanah Datar and Bahilang Estate were available in scale 1 : 40,000 Field observation in Tanah Datar and Bahilang Estate 	<p>Tanah Datar Estate</p> <p>There are no areas of marginal land/fragile soil</p> <p>The organisation has a detailed soil map showing gradients and soil types. The soil map available in Tanah Datar Estate, which is Soil Type Unit Maps and Semi Detailed Soil Map (scala 1:20.000) issued by Research & Development Centre PT Nusa Pusaka Kencana Analytical & QC Laboratory on January 2013.</p> <p>The soil type as follows:</p> <ul style="list-style-type: none"> • Typic dystrodepts area of 556 ha • Histic Endoaquepts area of 11 ha • Aquatic dystrodepts 494 Ha <p>Bahilang Estate</p> <p>The organisation has a detailed soil map showing gradients and soil types. The soil map available in Bahilang Estate, which is Soil Type Unit Maps and Semi Detailed Soil Map (scale 1:15.000) issued by Research & Development Centre PT Nusa Pusaka Kencana Analytical & QC Laboratory on January 2013.</p> <p>From the map it appears that Bahilang Estate is mineral soil plantation area of 1,018.76 ha (100%), type of soil is Alluvial, Regosol, Andosol, brown Latosol,</p>				YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>Podsolik and Litosol.</p> <p>Topography Map, Slope Class Maps and Map Soil type can be indicated by a scale of 1: 15,000 and based on Slope Class Map, the whole area of Bahilang Estate PT. Nusa Pusaka Kencana is wavy flat (0-8%). So Bahilang Estate did not have fragile soil area.</p>	
4.3.2	<p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).</p> <p>Specific Guidance: <i>For 4.3.2: Management strategy on areas planted with steep slope may refer to the Technical Guidance for Oil Palm Development, Directorate General of Estate Crops, Agriculture Ministry (2006). Area with slope of >40% shall be avoided</i></p>			
	<p>a. Is there a management strategy in place for plantings on slopes?</p> <p>b. Does the management strategy include the following?</p> <ul style="list-style-type: none"> - Identification of steep areas not suitable for planting - Policy of planting on slopes - SOPs to minimise soil erosion based on local soil and climate conditions, e.g. ground cover management, biomass recycling, terracing, and natural regeneration or restoration instead of replanting <p>c. Is there proof of records of field inspection on SOP implementation?</p>	<ul style="list-style-type: none"> • Maps of soil type in Tanah Datar and Bahilang Estate were available in scale 1 : 40,000 • Field observation in Tanah Datar and Bahilang Estate • AA-APM-OP-1100.02-R1 - SOP Land Preparation • LUK (Estate Report) • Productivity of upkeep 2015 	<p>The organisation has management strategy for planting on slopes above certain limit such as terracing, as referred to company's SOP and work instructions. The Work instruction described preparation for planting including planting on slopes area has been developed by organisation:</p> <ul style="list-style-type: none"> - Flat undulating 0° – 5° - Rolling 6° - 12° - Hilly 13° - 20° - Steep >20° <p>Based on the soil map of Tanah Datar Estate and the compliance of the land area of 1601.6 ha and map topography with slope (elevation 0-8%) and based on Slope Class Map, the whole area of Bahilang Estate PT. Nusa Pusaka Kencana is wavy flat (0-8%). System for planting on slopes area is provided through terracing, levelling of terrace, planting legume cover crops and determining of planting space.</p> <p>Practices to control and minimize erosion have been applied by :</p> <ul style="list-style-type: none"> • Terracing • Making the catchment where runoff water, called: "Tapak Kuda". • Making the catchment where runoff water, called "Rorak". <p>Planting legume cover crop.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
4.3.3	A road maintenance programme shall be in place.			
	a. Is there a road maintenance programme in place with supporting budget and resources? b. Is there road maintenance records?	<ul style="list-style-type: none"> Field observation in Tanah Datar and Bahilang Estate LUK (Estate Report) Recapitulation of upkeep 2016 	Road maintenance program in Tanah Datar and Bahilang Estate has been established. Road maintenance was conducted manually and mechanically. Road Maintenance Program described, length, location with supporting budget and resourced. Road Maintenance Program is recorded in LUK (Monthly Estate Report). During field observation all main roads and collection roads were well maintained and passable for vehicle. Good road condition is important for FFB transportation.	YES
4.3.4	(M) Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Specific Guidance: For 4.3.4: For existing plantings on peat, the water table should be maintained at an average of 50cm (between 40 - 60cm) below ground surface measured with groundwater piezometer readings, or an average of 60cm (between 50 - 70cm) below ground surface as measured in water collection drains <i>as per the Manual Best Management Practices for existing oil palm cultivation on peat, June 2012 or as per existing regulation if equal or shallower measured</i> through a network of appropriate water control structures e.g. weirs, sandbags, etc. in fields, and watergates at the discharge points of main drains (Criteria 4.4 and 7.4). <i>Regulations regarding water table on peat may refer, but not limited, to:</i> 1. Government Regulation No. 71 year 2014 regarding Protection and Management of Peat Ecosystem 2. Regulation of Minister of Agriculture No. 14 year 2009 regarding Guideline of Oil Palm Cultivation on Peat 3. Regulation of Minister of Agriculture No. 11 year 2015 regarding Guideline of Indonesia Sustainable Palm Oil Plantation (ISPO)			
	a. Is there an SOP to provide guidance on subsidence management? b. Does the SOP make reference to the RSPO BMPs on peat? c. How is subsidence being monitored? d. Are there records of subsidence monitoring? e. How is subsidence being minimised? f. Is there a water management programme and evidence of	<ul style="list-style-type: none"> Maps of soil type in Tanah Datar and Bahilang Estate in scale 1 : 40,000 	Based on Semi detail Soil Map and field observation at Tanah Datar and Bahilang Estate there are no peat soils in the plantation.	N/A

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>implementation? <i>For existing plantings on peat, the water table should be maintained at an average of 50cm (between 40 - 60cm) below ground surface measured with groundwater piezometer readings, or an average of 60cm (between 50 - 70cm) below ground surface as measured in water collection drains, through a network of appropriate water control structures e.g. weirs, sandbags, etc. in fields, and watergates at the discharge points of main drains (Criteria 4.4 and 7.4).</i></p> <p>g. Is there a ground cover management programme and is there evidence of implementation?</p>			
4.3.5	<p>Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</p> <p>Specific Guidance: <i>For 4.3.5: Where drainability assessments have identified areas unsuitable for oil palm replanting, plans should be in place for appropriate rehabilitation or alternative use of such areas. If the assessment indicates high risk of serious flooding and/or salt water intrusion within two crop cycles, growers and planters should consider ceasing replanting and implementing rehabilitation.</i></p> <p><i>Plantations on peat should be managed at least to the standard set out in the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', June 2012 (especially water management, fire avoidance, fertilizer use, subsidence and ground surface management).</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> a. Was a drainability assessment conducted before replanting on peat? b. Was a flood risk map provided as a result of the drainability assessment? c. If the drainability assessment shows that an area is unsuitable for replanting, are there alternative plans in place for rehabilitation and alternative use in accordance to the RSPO BMPs? 	<ul style="list-style-type: none"> • Maps of soil type in Tanah Datar and Bahilang Estate in scale 1 : 40,000 	Based on Semi detail Soil Map and field observation at Tanah Datar and Bahilang Estate there are no peat soils in the plantation.	N/A
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).			
	<ul style="list-style-type: none"> a. Is there a management strategy in place for other fragile and problem soils? b. Does the management strategy include SOPs for the management of other fragile and problem soils? c. Is inspection and implementation records available? 	<ul style="list-style-type: none"> • Maps of soil type in Tanah Datar and Bahilang Estate in scale 1 : 40,000 	Based on Semi detail Soil Map and field observation at Tanah Datar and Bahilang Estate there are no peat soils in the plantation.	N/A
4.4	Practices maintain the quality and availability of surface and ground water.			
4.4.1	<p>An implemented water management plan shall be in place.</p> <p>Specific Guidance: <i>For 4.4.1: The water management plan will:</i></p> <ul style="list-style-type: none"> a. <i>Take account of the efficiency of use and renewability of sources;</i> b. <i>Ensure that the use and management of water by the operation does not result in adverse impacts on other users within the catchment area, including local communities and customary water users;</i> c. <i>Aim to ensure local communities, workers and their families have access to adequate, clean water for drinking, bathing, cleaning and latrine purposes;</i> 			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)				
	d. Avoid contamination of surface and ground water through run-off of soil, nutrients or chemicals, or as a result of inadequate disposal of waste including Palm Oil Mill Effluent (POME).							
	<p>a. Is there a water management plan in place for mill and plantation with identified actions?</p> <p>b. Does the plan include the following?</p> <ul style="list-style-type: none"> • Identification of water sources • Efficient use of water • Renewability of water source • Impacts on catchment area and local stakeholders • Access of clean drinking water all year round for stakeholders • Avoidance of surface and ground water contamination <p>c. Have the identified actions in the plan been implemented?</p>	<ul style="list-style-type: none"> • Documented procedure (AA-MPM-OP-1400.11-R1 dated February 2009) regarding water treatment • Procedure for Monitoring of Riparian Water Quality and Clean Water Quality (AA-PL-02-EFP, Revision 3 dated 1 December 2010) • License of Ground water utilization from Regent of Batubara, North Sumatera SK No.503/ABT/KPPT/III/2014 dated 5th March 2014 valid until 3 years (Tanah Datar) • License of Ground water utilization from Regent of Serdang Bedagai, North Sumatera SK No 023/01/X/KP2TPM/2012 dated 19 October 2012 valid until 18 October 2015 and SK No 031/01/X/KP2TPM/2012 dated 17 October 2012 valid until 16 October 2015 (Bahilang Estate) • License of river/surface water (APU) from North Sumatera Governor based on decree 	<p>The documented procedure defined the method of water management plan include water source and distribution identification, volume of water utilization, parameter/standards of water utilization, identify the impacts include water effluents/wastes and also the method to reduce and control.</p> <p>In Procedure for Monitoring of Riparian Water Quality and Clean Water Quality (AA-PL-02-EFP, Revision 3 dated 1 December 2010) stated that monitoring for riparian water conduct every 6 month meanwhile clean water monitoring conduct every 3 month.</p> <p>Tanah Datar Estate and Mill</p> <p>Identification of water sources; The water sources at Tanah Datar Mill and estate were from Ground water for mill processing and domestic use. Organisation has the license of Ground water utilization for mill from Regent of Batubara, North Sumatera SK No.503/ABT/KPPT/III/2014 dated 5th March 2014 valid until 3 years (Tanah Datar).</p> <p>License of river/surface water (APU) from North Sumatra Governor based on decree No. 610/161/BPPTSU/2/12.1/IX/2015 dated 29 September 2015 valid until 24 October 2018, debit of water utilization not stated in license.</p> <p>The water was utilize for mill operations (include boilers, processes and domestics usage) that through the water treatment plant (using physicals and chemicals method). Flow meters were installed to monitor water usage. The organization has paid retribution to local government. Tax for using ground water has been payed and was reviewed. In period January - December 2016, company used ground water in amount of 114,692.00 m³.</p> <p>Records of water usage:</p> <table border="1" data-bbox="1128 1257 1644 1342"> <thead> <tr> <th>Water usage (m3)</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Estate</td> <td>13,350</td> </tr> </tbody> </table>	Water usage (m3)	2016	Estate	13,350	<p>NO (Minor NCR 2017 – 02 OPEN)</p>
Water usage (m3)	2016							
Estate	13,350							

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR		COMPLIANCE (YES/NO)								
		<p>No. 610/161/BPPTSU/2/12.1/IX/2015 dated 29 September 2015 valid until 24 October 2018</p> <ul style="list-style-type: none"> Water analysis measurement for period 2016 by <i>Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan</i> Records of water consumption period 2016 at mill and estate. Mill operations summary 2016 Water management programme 	<table border="1"> <tr> <td>Mill process usage</td> <td>114,692</td> </tr> <tr> <td>FFB process (ton)</td> <td>112,119</td> </tr> <tr> <td>M3/ton FFB</td> <td>1.35</td> </tr> <tr> <td>Mill domestic usage</td> <td>36,172</td> </tr> </table>	Mill process usage	114,692	FFB process (ton)	112,119	M3/ton FFB	1.35	Mill domestic usage	36,172	<p>The organisation has program to reduce water consumption, such as: recycle the water ex heater kernel silo at kernel station; recycle condensate water discharge water dilution; minimize duration of cleaning every two weeks.</p> <p>Maintain water quality to provide of clean drinking water all year round for stakeholders; Organisation has been performed regular monitoring of water quality based on Permenkes 492/MENKES/PER/IV/2010 and analyzed by <i>Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan</i>. Water analysis certificate were evident in certificate No. 3235/K/AM/07/2016 dated 11 July 2016; certificate No. 5035/K/AM/10/2016 dated 3 October 2016. The analysis result was met with the requirement.</p> <p>Certificate No 403/K/AL/02/2016 dated 9 February 2016; certificate No 3236/K/AL/07/2016 dated 11 July 2016; certificate No 5036/K/AL/10/2016 dated 3 October 2016; all of them for outlet from oil trap in workshop. Standard of BOD is 50 mg/L and COD is 100 mg/L. The analysis result on 11 July 2016 was above minimum standar for BOD (75,10 mg/L) and COD (234,7 mg/L). the company has taken measurement action and recorded it into "<i>Catatan Ketidaksesuaian</i>". Analysis in 3 October 2016, BOD and COD parameter become below standard (BOD is 4,52 mg/L and COD is 9,28 mg/L).</p> <p>Upstream and downstream river was analyzed by <i>Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan</i> on 3 March 2016 (certificate No 976 – 977/K/ABA/03/2016) based on <i>PP No. 82/2001 Tentang Pengelolaan Air dan Pengendalian Pencemaran Air</i>. Parameters BOD, COD, Total Coliform and Fecal Coliform above the minimum standards, details:</p> <ol style="list-style-type: none"> Standar for BOD is 2 mg/L, COD is 10 mg/L, Total coliform is 1000 MPN/100 ml and Fecal Coliform is 100 MPN/100 ml Results of analysis in upstream, BOD is 6.610, COD is 18,36; TC is > 	
Mill process usage	114,692												
FFB process (ton)	112,119												
M3/ton FFB	1.35												
Mill domestic usage	36,172												

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>1600 and FC is > 1600</p> <p>c. Results of analysis in downstream, BOD is 5.910, COD is 16,41; TC is > 1600 and FC is > 1600</p> <p>Bahilang Estate</p> <p>License of Ground water utilization from Regent of Serdang Bedagai, North Sumatera SK No 023/01/X/KP2TPM/2012 dated 19 October 2012 valid until 18 October 2015 and SK No 031/01/X/KP2TPM/2012 dated 17 October 2012 valid until 16 October 2015 (Bahilang Estate). The company has send their application to extend the license on 15 October 2015 and was received by <i>Kantor Pelayanan Perizinan Terpadu dan Penanaman Modal Pemerintah Kabupaten Serdang Bedagai</i> on 16 October 2015 but no respond from related agency.</p> <p>Then, company resend their application on 11 February 2017 with letter No 017/NPK-KBL/Ext-L/II/2017 and received by <i>Kantor Pelayanan Perizinan Terpadu dan Penanaman Modal Pemerintah Kabupaten Serdang Bedagai</i> on 20 February 2017.</p> <p>Flow meters were installed to monitor water usage. The organization has paid retribution to local government. Tax for using ground water has been payed and was reviewed. In period January - December 2016, company used ground water in amout of 91,188 m³.</p> <p>Maintain water quality to provide of clean drinking water all year round for stakeholders; Organisation has been performed regular monitoring of water quality based on Permenkes 492/MENKES/PER/IV/2010 and analyzed by <i>Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan</i>. Water analysis certificate were evident such as :</p> <ul style="list-style-type: none"> a. Certificate No 0290/K/AM/02/2016 dated 3 February 2016 b. Certificate No. 2129/K/AM/05/2016 dated 9 May 2016 c. Certificate No 3072/K/AM/07/2016 dated 21 July 2016 d. Result of analysis in December 2016 not yet published by BTKLPP. Sample was taken on 5 January 2017. <p>The analysis result (Triwulan I – III) was met with the requirement.</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>Analysis for outlet from oil trap in workshop using parameters based on <i>PermenLH No 05 tahun 2014</i> and analyzed by <i>Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan</i>. Certificate were evident such as :</p> <ul style="list-style-type: none"> a. Certificate No. 398/K/AL/02/2016 dated 30 January 2016 b. Certificate No. 2130/K/AL/05/2016 dated 9 May 2016 c. Certificate No. 6328/K/AL/12/2016 dated 6 December 2016 <p>Upstream and downstream river was analyzed by <i>Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan</i> on 6 December 2016 (certificate No 6234 – 6327/K/ABA/12/2016) and on 1 June 2016 (certificate No 2599 - 2602/K/ABA/06/2016) based on <i>PP No. 82/2001 Tentang Pengelolaan Air dan Pengendalian Pencemaran Air</i>. The analysis result was met with the requirement. Result of analysis in December 2016 not yet published by BTKLPP. Sample was taken on 5 January 2017.</p>	
4.4.2	<p>(M) Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.</p> <p>Specific Guidance: For 4.4.2: Refer to the 'RSPO Manual On Best Management Practices (BMP) for management and rehabilitation of natural vegetation associated with oil palm cultivation on peat', July 2012.</p> <p><i>Growers and millers should address the effects of their use of water and the effects of their activities on local water resources.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Is there a map identifying water courses and wetlands?</p> <p>b. Are the water courses and wetlands protected?</p> <p>c. Are the riparian and buffer zones maintained and restored in existing plantation and replanting areas?</p> <p>d. Is there SOP for riparian and buffer zone protection?</p> <p>e. Has the SOP been implemented?</p>	<ul style="list-style-type: none"> • Identified water courses and wetland in Tanah Datar and Bahilang Estate, documented in HCV Identification report • AA-APM-OP-1100.05-R1-Soil and Water Conservation • Riparian restoration program • Field observation 	<p>Organization has been identifying water courses and wetland in the plantation area and documented in riparian map with scale 1:80,000. There were identified water courses and wetland in Tanah Datar and Bahilang Estate, i.e:</p> <ul style="list-style-type: none"> • Riparian buffer zone of Sei Muka River, with area 0.2 ha • Riparian buffer zone of Kelembah River, with area 18.84 ha. <p>Protection of waterways and wetlands have been made by the company with the following way :</p> <ul style="list-style-type: none"> - Protection of riparian areas (20 m left and right side) with no chemical crops care activities both fertilizer and herbicide spraying - Conduct rehabilitation of riparian <p>Policy of riparian buffer zone management at or before replanting was provided in related procedure. Procedure mentioned that riparian buffer zone is prohibits the application of agrochemicals on the riparian area.</p> <p>The other programs for maintaining and restoring of riparian buffer zones are:</p> <ul style="list-style-type: none"> • Manual upkeep of weeds controlling in 0-10 m of riparian buffer zones. • Planting bamboo and "Ketapang" at River and trench and planting vertiver, sungkai, angsana and pohon roda at Riparian zone. • Put permanent pegs per 200 meters and paint the tree as boundary sigh. • Not dispose stem to River and trench. <p>Organization also has been establish the procedure for riparian and buffer zone protection which documented in AA-APM-OP-1100.05-R1-Soil and Water Conservation. The organisation has a procedure that prohibits the application of agrochemicals on the riparian area: Environmental Field Procedure on the Restoration of Riparian and Areas surrounding Lakes/Reservoirs and Springs (AA-KL-12-EFP), issued on August 1st 2010.</p> <p>The organisation has declared its HCV area of riparian to be 50 meters wide. Prohibition of agrochemicals application along the riparian area, weeding and tree root levering, disposing/ discarding/throwing midrib to rivers and creeks were implemented to protect and maintain the quality of water in the rivers. For further elaboration, please see section for Criterion 5.2.</p> <p>Riparian zone were well maintain, the following was activity to maintain riparian</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			zone such as : <ul style="list-style-type: none"> - Boundary markers placement in 2 rows of palm trees (20 m) related restrictions spraying of chemicals and chemical fertilizers in the area of 20 m side of the river. There was the evidence during the audit, riparian zone was well maintain and no contamination of chemical usage and fertilizer - Warning boards placement which contain information restrictions the pesticide usage and chemical fertilizers in the riparian area. - Riparian rehabilitation by planting vetiver grass, a shade trees and barriers to erosion trees (Bamboo, Ketapang, Sungkai, etc.). There was the evidence of plan and realization for riparian rehabilitation, its observed Bamboo, Ketapang trees and Sungkai was planted and grow well in both side of the river. 	
4.4.3	<p>Records for monitoring of effluent especially BOD (Biochemical Oxygen Demand) and efforts to comply with legal requirements, shall be available (see criteria 2.1 and 5.6)</p> <p>Specific Guidances: For 4.4.3 : The references and standard may refer, but not limited to:</p> <p>a. Decree of the Minister of Environment No. 51 year 1995 regarding Industrial Effluent Quality b. Decree of the Minister of Environment No. 28 year 2003 regarding Technical Guidance Assessment Effluent Usage from Industry to Soil in Palm Oil Plantation. c. Regulation of the Minister of Environment No. 12 year 2006 regarding Requirements and Mechanism of Legal Permit to Discharge Effluent to the Sea.</p> <p>National regulations relate to riparian strip are, such as:</p> <ol style="list-style-type: none"> 1. Government Regulation No. 38 year 2011 regarding River. 2. Government Regulation No. 37 year 2012 regarding Management of Riparian Strip. 3. Government Regulation No. 26 year 2008 regarding National Landscape, clause 56 (2) riparian strip outside settlement area is divided with following criteria: <ul style="list-style-type: none"> - Riparian strip of at least 5 meter width from the outer dike along the river bank with dike - Riparian strip of at least 100 meter from river side along main river bank without dike outside settlement area, - Riparian strip of at least 50 meter from river side along sub-main river bank without dike outside settlement area 4. Presidential Decree No. 32 year 1990 clause 16, regarding Criteria of Riparian Strip: <ol style="list-style-type: none"> a. At least 100 meter from outer main river and 50 meter from sub-main river, which is located outside settlement area. b. For river in settlement area, the riparian strip should be appropriate to build inspection path between 10 to 15 meters width. 			

NO	CRITERION / INDICATOR CHECKLIST		OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR				COMPLIANCE (YES/NO)
	No	River Type		Cross-Section Projection	Outside Settlement		Inside Settlement	
				Criteria	Minimum Riparian	Criteria	Minimum Riparian	
1	River with dike (measured from outer dike side)		-	5 m	-	3 m	Article 6	
2	River without dike (measured from river edge)		Main River (river cross-sectional area > 500 km ²)	100 m	Depth: > 20 m	30 m	Article 7 & 8	
			Sub-main River (river cross-sectional area < 500 km ²)	50 m	Depth: 3 m to 20 m	15 m	Article 7 & 8	
3	Lake/dam (measured from highest water tide to land)		-	50 m	-	50 m	Article 10	
4	Spring (around Spring)		-	200 m	-	200 m	Article 10	
5	River that influenced by tidal (from river edge)		-	100 m	-	100 m	Article 10	
5. <i>Regulation of the Minister of Public Work No. 63 year 1993 regarding Riparian Strip, River Usage Area, River Authorization Area, Criteria of Riparian Strip Line.</i>								
a.	Is the mill effluent treatment process in place?	<ul style="list-style-type: none"> Report of analysis mill effluent period January – December 2016 from <i>Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan</i> Permit of land application from Regent of Batu Bara, North Sumatera SK No. 660/022/LH/2016 dated 2nd March 2016. 	<p>Tanah Datar Mill waste water (POME) was processed through a series of waste water treatment ponds: one cooling pond, one acid pond, two anaerobic ponds, one aeration pond, one sediment pond, and three buffer ponds. Process parameter monitoring and maintenance of the ponds were sighted.</p> <p>POME is monitored monthly as required by permit. The results of POME monitoring were reviewed including measurement of BOD for January to December 2015. The Environment Ministry Decree No. 28/2003 required that BOD of POME discharged is less than 5,000 mg/litre. The result of POME quality during this period was under 5,000 mg/litre (average 500 – 1,000 mg/litre).</p> <p>There was sighted the license of waste water discharge SK No.</p>	YES				
b.	Is there a process in place for checking and monitoring water discharge quality, particularly BOD?							
c.	Is the water discharge quality in compliance with national regulations?							
d.	Does the mill have a license for treatment, discharge or land application of mill effluent, and is the mill in compliant with the							

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	requirements of the license?	<ul style="list-style-type: none"> Monitoring of POME pumping to Land Application Layout of Land Application Rotation Map of Land Application 	660/022/LH/2016 dated 2 nd March 2016 that valid for 3 (three) years from Regent of Batu Bara, North Sumatera.	
4.4.4	Monitoring of mill water use per ton of FFB shall be recorded			
	a. Are there procedures to measure mill water usage, and are the procedures implemented? b. Are there records of mill water use per tonne of Fresh Fruit Bunches (FFB)?	Mill operation summary 2015 and 2016	Mill water use per tonne of FFB is monitored monthly. Result of monitoring of mill water use per tonne of FFB was sighted for 2015 and 2016. It was noted that mill water use per tonne of FFB period 2015 (1.34 m ³ /ton FFB). In 2016, it was noted that mill water use per tonne of FFB is 1.35 m ³ /ton FFB. The organisation has program to reduce water consumption, such as: recycle the water cooler turbine discharge water basin; recycle condensate water discharge water dilution; minimize duration of cleaning to be every two weeks.	YES
4.5	Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques. Guidance: <i>Growers should apply recognised IPM techniques, incorporating cultural, biological, mechanical and physical methods to minimise the use of chemicals. Native species should be used in biological control where possible.</i> <i>Regulations to be referred are such as:</i> a. <i>Guidance for Advancement of Pesticides usage, Directorate General of Infrastructure and Facilities, Ministry of Agriculture (2011)</i> b. <i>Technical Guidance for the Development of Oil Palm Plantation, Directorate General of Estate Crops, Ministry of Agriculture (2006)</i>			
4.5.1	(M) Monitoring of Integrated Pest Management (IPM) plan implementation shall be available.			
	a. Is there a documented IPM plan? b. Does the IPM plan include the following? <ul style="list-style-type: none"> Identification of potential pests and thresholds 	<ul style="list-style-type: none"> IPM Program – Budget 2017 SOP AA-APM-OP-1100.10-R1 Pest and Diseases Control Report of pest and diseases, December 2016 and January 	Pest and Diseases management program of oil palm plantations have been prepared in the budget 2017. The SOP describes integrated pest control (integrated pest management/IPM) plan which combines various control techniques e.g. mechanical, biological, physical and chemical, applied early warning system (EWS) through	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • What are the techniques used (cultural, biological, mechanical and physical methods)? • What are the native species used as part of the biological control method? • Does it help in reducing the use of chemicals over a period of time? • Prophylactic use of pesticides • Minimization of pesticide use • Review on the plans to suit the present condition such as replanting? <p>c. Is there an SOP to implement the plan and monitor its effectiveness?</p> <p>d. Is there records of pest occurrence and control?</p>	<p>2017</p> <ul style="list-style-type: none"> • Recapitulation of pest census 	<p>periodically census for pests.</p> <p>IPM program included:</p> <ul style="list-style-type: none"> • Visual observation (e.g. broken leaves or stems and fruit rotten) • Conducting a census (to determine the distribution and level of attack) • Control (manual, biological or chemical), e.g hand picking, light trap, planting of <i>beneficial plant</i> (nest of natural predator for caterpillars) • Minimisation of pesticide use • Census of evaluation (to see the effect of control) <p>IPM plan was well implemented and documented, e.g.:</p> <ul style="list-style-type: none"> • Census of caterpillar is conducted monthly. Based on result of caterpillar census in 2015, there was no caterpillar attack therefore there was no pesticide use. • To control rat, the organisation applied <i>Tyto alba</i> (owls) as predator of rat. Owl nest was built one in 25 Ha. Condition of <i>Tyto alba</i> is monitored three times a year. • There was no <i>Oryctes</i> attack. <p>Planted the beneficial plant as the host/nest for natural predator for caterpillars (<i>Eucanticona purcelata</i>, <i>cycanus sp</i>). The beneficial plant such as: <i>Turnera subulata</i> planted in the collection and the main road. Planting and upkeep of beneficial plants in Tanah Datar and Bahilang Estate was sighted and during field observations, it was observed that beneficial plants were well maintained.</p>	
4.5.2	Training records of Integrated Pest Management (IPM) shall be available.			
	<p>a. Is there records of training provided to those involved in the implementation of IPM?</p>	<p>- List of participant attendance</p>	<p>Training of implementation of IPM has been conducted several times, e.g. on 14 March 2012, 18 April 2013, 7 October 2014 and 18 July 2015. Participant of training was staff and non-staff employees from Tanah Datar and Bahilang Estate. List of participant attendance was sighted. Training material covered IPM technique and implementation.</p>	<p>YES</p>

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4.6	<p>Pesticides are used in ways that do not endanger health or the environment.</p> <p>Guidance: The RSPO has identified some examples of alternatives to pesticide use, which include those listed in the 'Research project on Integrated Weed Management Strategies for Oil Palm; CABI, April 2011'.</p> <p><i>Pesticides application on peatland and swamp may use IPM methods, such as in the RSPO Manual on Management Practices (BMPs) for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat.</i></p>			
4.6.1	<p>(M) Documented evidence shall be available to show that pesticide used based on regulations and the use of pesticide is specific to target species with appropriate dosage which have minimal impact on non-target species.</p> <p>Specific Guidance: <i>For 4.6.1: Measures to avoid resistance on target species (such as application of pesticide rotations) should be applied, which consider less harmful alternatives and IPM.</i></p>			
	<p>a. Does the organization have a policy on safe use of chemicals?</p> <p>b. Does the organization have SOPs for use of selective products that are specific to target pests, weeds, or diseases and which have minimal effect on non-target species?</p> <p style="padding-left: 20px;">i. Measures to avoid the development of resistance (such as pesticide rotation) should be applied.</p> <p style="padding-left: 20px;">ii. Is there a list of all pesticide with target species and justification of use?</p> <p style="padding-left: 20px;">iii. The justification should consider less harmful alternatives and IPM.</p> <p>c. Is there evidence of implementation of SOP on the ground?</p>	<ul style="list-style-type: none"> • AA-APM-OP-1100.11-R1 – Pesticide management • Annual budget • LUK (Estate Report) • Distribution of pesticide use 	<p>The organisation has established procedure on safe use of chemical, which described on safe use of chemical, selection, use and storage of pesticide. The procedure also described use of selective pesticides that are specific to target pests, weeds, or diseases. Each type of pesticide used have been defined specific target of pest, types of weeds, application doses per hectare which have minimal effect on non-target species and a broad plan of applications specified in the annual budget. To avoid development of resistance have been implemented by pesticides rotation.</p> <p>Less harmful alternatives and IPM was applied by planting of beneficial plants, building owl nest, detection and census of caterpillar.</p> <p>Pesticides used by Taah Datar and Bahilang Estate has license and registered in the Agriculture Department as mentioned in Pesticide Commission Book "Buku Komisi Pestisida":</p> <ol style="list-style-type: none"> 1. Elang (<i>Isopropilamina glyphosate</i> 480 g/L), license RI.01030119941170, valid through December 21st 2021. 2. Gramoxone (<i>paraquat</i> 200 g/l), License RI.010301197436, valid through March 18th 2019. 3. Kenrane (<i>Trifloroksipir - 1 - methyl heptyl ester</i> 288 g / l), License RI.01010120103759, valid through December 20th 2020. 4. BIONASA (<i>isopropylamine glyphosate</i> 480 g/l), License 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>RI.01030120031806, valid through April 29th 2018.</p> <p>5. Kenlon (<i>trichlopyr butoxy ethyl ester</i> : 480 g/ l), License RI.01030120062433, valid through December 31st 2021</p> <p>6. Lindomin (2,4 - <i>Dimethyl Amine</i> 865 g/l), License RI.0103011989867, valid through December 31st, 2020.</p> <p>7. Metsulindo 20 WP(<i>metil metsulfuron</i>: 20%), License RI.01030119991484, valid through 11 May 2021</p> <p>8. Polydor 25EC (<i>lamda sihalotrin</i>: 25 g/l), License RI.01010120041994, valid through 9 December 2018</p> <p>It was noted that there were no agrochemicals being used which were not registered during this audit. During audit it was evidence that procedure was implemented.</p>	
4.6.2	(M) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be available .			
	<p>a. Does the company have a pesticide application program?</p> <p>b. Is records of pesticides use available?</p> <p>c. Do the records detail the active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications?</p>	<ul style="list-style-type: none"> • Annual budget • LUK (Estate Report) • Monitoring record of Pesticide toxicity • List of chemical name and nature 	<p>The organization has defined pesticide application program in the annual budget. Record of pesticide use realisation was well recorded and reported in monthly Estate report (LUK). Records also covered active ingredients used and their LD50, area treated, amount of active ingredients applied per ha.</p>	YES
4.6.3	<p>(M) Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in Indonesia Best Practice guidelines.</p> <p>Specific Guidance: For 4.6.3: Justification of the use of such pesticides will be included in the public summary report.</p>			
	<p>a. Does the company have an IPM</p>	<ul style="list-style-type: none"> • IPM Program – Budget 2017 • SOP AA-APM-OP-1100.10-R1 	<p>Integrated Pest Management (IPM) program included:</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>plan?</p> <p>b. Has that plan been implemented?</p> <p>c. Is the effectiveness of the IPM plan monitored?</p> <p>d. Are there records showing that the use of pesticides have been minimised in accordance with Integrated Pest Management (IPM) plan?</p> <p>e. Has there been prophylactic use of pesticides? If so, justification must be provided in accordance to National Best Practices.</p>	<p>Pest and Diseases Control</p> <ul style="list-style-type: none"> • Report of pest and diseases, December 2016 and January 2017 • Recapitulation of pest census • LUK (Estate Report) • Field observation 	<ul style="list-style-type: none"> • Visual observation (e.g. broken leafs or stems and fruit rotten) • Conducting census to determine the distribution and level of attack. • Control (manual, biological or chemical), e.g hand picking, light trap, planting of <i>beneficial plant</i> (nest of natural predator for caterpillars) • Pesticide usage as a last alternative in the control of pests and diseases • Census of evaluation (to see the effect of control) <p>IPM plan was well implemented and documented, e.g.:</p> <ul style="list-style-type: none"> • Census of caterpillar is conducted monthly. Based on result of caterpillar census in 2016, there was no caterpillar attack therefore there was no pesticide use. • To control rat, the organisation applied <i>Tyto alba</i> (owls) as predator of rat. Owl nest was built one in 25 Ha. Condition of <i>Tyto alba</i> is monitored three times a year. • There was no <i>Oryctes</i> attack. • Planted the beneficial plant as the host/nest for natural predator for caterpillars (<i>Eucanticona purcelata</i>, <i>cycanus sp</i>). The beneficial plant such as: <i>Turnera subulata</i>, <i>Antigonon leptopus</i> and <i>Casia cobanensis</i> planted in the collection and the main road. Planting and upkeep of beneficial plants in Tanah Datar and Bahilang Estate was sighted and during field observations, it was observed that beneficial plants were well maintained. <p>The use of pesticides has been minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. Use of pesticides in the field was always lower than the planned budget. It also shows the company's commitment to always reduce pesticide usage and give priority to the prevention of mechanical, biological and integrated pest management.</p> <p>It was evidence that there was no prophylactic use of pesticides in Tanah Datar and Bahilang Estate. Pesticide only used and apply for weeds and pest.</p>	
4.6.4	<p>The evidence shall be available to demonstrate that use of Pesticides, categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, and paraquat are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p>Specific Guidances: <i>For 4.6.4: Use of paraquat, as one of the restricted use pesticides, shall refer to the Regulation of the Minister of Agriculture No. 24 year 2011. Operators involve in the use of restricted pesticides must be certified by Pesticide Commission (Komisi Pesticida).</i></p>				
	<p>a. Does the company have a complete listing of WHO class 1A, class 1B, and Stockholm or Rotterdam Conventions pesticide?</p> <p>b. Is there a policy, procedure or management plan committing to minimise and eliminate use of these pesticides and paraquat?</p> <p>c. Are there records of minimisation of pesticides and paraquat use?</p> <p>d. Where there is the use of the above pesticides or paraquat, has justification in line with national best practice guidelines been documented?</p> <p>e. Does physical verification of inventory in the chemical store agree back to the inventory records?</p>	<ul style="list-style-type: none"> • AA-APM-OP-1100.11-R1 – Pesticide management • LUK (Estate Report) • Program and realisation paraquat use 	<p>Organization already has a list of pesticides that are included in WHO Class 1A (extremely hazardous) 28 types, class 1B (highly hazardous) 56 types and Stockholm Rotterdam convention pesticide.</p> <p>The organisation has established procedure on safe use of pesticides. Procedure described on safe use of pesticides and selection including minimise and eliminate use of these pesticides and paraquat.</p> <p>Records of minimisation of pesticides and paraquat use were available in Program and realisation paraquat use. Field observation and records demonstrated that pesticides uses are in line with national best practice guidelines.</p> <p>According to the observation to pesticide warehouse verified that inventory in the chemical store are agree back to the inventory records.</p>	<p>YES</p>
<p>4.6.5</p>	<p><i>(M) Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7)</i></p> <p>Specific Guidance : <i>For 4.6.5: Requirement pertaining to Personal Protected Equipment (PPE) shall refer to the Regulation of the Minister of Manpower No.8 year 2010 regarding PPE and Material Safety Data Sheet. Use of pesticides must follow guidance stated on the product's label. If there are gaps between the use of pesticides and the guidance, documented justification should be provided,</i></p>			
	<p>SAI Global auditor's note: - Conducting interviews on sprayers, foreman, assistant, and a pesticide warehouse clerk</p>	<ul style="list-style-type: none"> • AA-APM-OP-1100.11-R1 – Pesticide management • Certificate of training • Field observation to spraying 	<p>The organisation has established procedure on safe use of chemical. Procedure described on safe use of chemical, selection, use and storage of chemicals.</p> <p>Pesticides have been applied and handled by trained spraying workers who</p>	<p>YES</p>

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	<p><i>associated with the diluting process, mixing, PPE washing. Ensured a consistent response from the auditee regarding the process.</i></p> <ul style="list-style-type: none"> - <i>Ensure PPE washing and sprayers' room carried out in the appropriate places.</i> - <i>Ensure that pesticide warehouse is equipped with ventilation.</i> - <i>Eye wash and shower should be checked for its adequacy, such as the adequacy of the water flow, flow direction, the direction of the exhaust, ergonomic, and its access.</i> <p>a. Is there SOP for chemicals/pesticides handling?</p> <p>b. Is there a training plan and training records for workers who apply or handle pesticides?</p> <p>c. Is there evidence that training has been conducted in an appropriate language understood by the workers?</p> <p>d. Are pesticides handled, used or applied only by persons who have completed the necessary training?</p> <p>e. Are the workers involved in chemical handling or application able to demonstrate understanding of the</p>	<p>activity</p>	<p>have received usage of limited pesticide training. Training was delivered by Pesticide and Fertilizer Controlling Commission of Agriculture Department North Sumatera Province on 14 March 2012, 18 April 2013, 7 October 2014 and 18 July 2015. Training covered handling of concentrate agrochemical and spraying method including pesticide hazard.</p> <p>Personnel interviewed (sprayer workers) can clearly explain the type of work including work methods and goals, materials used (pesticides) including the dosage and hazards and risks, personal protective equipment and first aid.</p> <p>Pesticides are always applied in accordance with the product label and procedure.</p> <p>Pesticides storage was locked areas with limited access. The storage was ventilated. MSDS and hazard symbol label were provided nearby of pesticides. Emergency shower and eye washer were also provided to anticipate in case of an emergency of pesticides handling. The possible spill was managed. Secondary containment was provided around the pesticides storage area. Spill kit was also provided in the area. PPE for handling of pesticides were provided including boots, apron, safety glass, respiratory mask and hand gloves. PPE used was appropriate according to recommendations in any risk assessments. PPE provided and used can be easily replaced if damaged.</p> <p>Site visit in Block A11a Afdeling I Tanah Datar Estate and A04e Bahilang Estate has been done to observe the spraying and pesticide application in field. Interview with spraying workers were evident that all of them has a good knowledge regarding the pesticide usage and its material usage and toxicity. All the workers have used the personal protective equipment meet with the safety rules and work instruction such as: Aprons, safety goggles, mask, hand gloves and safety shoes. All precautions attached to the products properly observed, applied, and understood by workers. <i>Mandor</i> (Supervisor) as person in charge to check the workers usage of appropriate PPEs.</p>	

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	hazards and risks related to chemicals used when interviewed? f. Are pesticides always applied in accordance with the product label? g. Are MSDS for pesticides used readily available for easy reference? h. Is appropriate safety and application equipment provided and used? i. Is PPE used appropriate according to recommendations in any risk assessments done? j. Is appropriate PPE provided and used, and can it be easily replaced if damaged? k. Does the management checked the workers usage of appropriate PPEs?			
4.6.6	<p>(M) Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).</p> <p>Specific guidance: For 4.6.6: Some regulations regarding pesticides are:</p> <p>a. Government Regulation No. 18 year 1999 regarding Toxic and Hazardous Materials Management</p> <p>b. List of Toxic & Hazardous Materials from specific source, unspecific source, expired chemical, leaked chemical, residue, container, or product disposal which does not comply with the specification of Government Regulation No. 85 year 1999 regarding changes of Government Regulation No. 18 year 1999 regarding the Management of Hazardous and Poisoned Waste.</p> <p>c. FAO International Code of Conduct on the distribution and use of pesticides and its guidance and supported by relevant industrial guidance (see Annex 1).</p> <p>d. Regulation of the Minister of Agriculture No. 01/Permentan/OT.140 /1/2007 regarding List of Banned and Restricted Pesticide (based on active ingredients).</p> <p>e. Regulation of the Minister of Agriculture No. 24/Permentan/SR.140/4/2011 regarding Requirement and Mechanism to Register Pesticide.</p> <p>f. Stockholm Convention regarding Consistent Organic Pollutant which had been ratified with Act No. 19 year 2009</p> <p>g. Guidance for Advancement of Pesticides usage, Directorate General of Infrastructure and Facilities, Ministry of Agriculture (2011)</p>			
	<p>SAI Global auditor's note: Utilization jerry can for placing the</p>	<ul style="list-style-type: none"> Procedure AA-KL-06-EFP – Handling of Hazardous Waste. 	Pesticides were stored in the determined area separated from fertiliser and other chemicals. Pesticides storage was provided in central workshop.	YES

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	<p><i>same poison is still allowed. If using for other purposes, it must obtain permission from the relevant (minimum from Environmental agency)</i></p> <p>a. Has the SOP for pesticide storage been documented and implemented?</p> <p>b. Are all pesticides stored according to recognised best practices?</p> <p>c. Is there evidence that empty pesticide containers are properly stored and disposed off and not used for other purposes?</p> <p>d. <i>Is there evidence observed in the field that pesticide containers are indiscriminately disposed (in dump site) or used for other purposes, .e.g. as waste containers, flower pots?</i></p>	<ul style="list-style-type: none"> • Procedure AA-APM-OP-1100.11-R1 dated 1 February 2009 – Management Pesticides • Field observation at central warehouse and spraying activities at estate operation • The training list of attendance and training material 	<p>Pesticides storage was locked areas with limited access. The storage was ventilated through cross flow ventilation. MSDS and hazard symbol label were provided nearby of pesticides. Emergency shower and eyewash were also provided to anticipate in case of an emergency of chemical handling. PPE for handling of chemicals were provided including boots, apron, safety glass, respiratory mask and hand gloves. The possible spill was managed. Secondary containment was provided around the pesticides storage area. Spill kit was also provided in the area. EHS patrol was regularly performed monitor possible spill. All empty pesticides containers were triple rinsed and collected in the temporary storage of hazardous waste. Pesticides containers were transported by authorised transporter, PT Shali Riau Lestari. Records of pesticides containers quantity were evident. Liquid waste from pesticides was reused for the next spraying applications also there are several ex-containers “jerry can” that may re-use for field application. Training was conducted on 15 March 2016.</p>	
4.6.7	Application of pesticides shall be by proven methods that minimise risk and negative impacts.			
	<p>a. Is there work instruction for pesticide application?</p> <p>b. Is there training provided on work instruction including risk and impacts of pesticide applications?</p>	<ul style="list-style-type: none"> • AA-APM-OP-1100.08-R1 Weeding Control • AA-APM-OP-1100.10-R1 Pest & Diseases Control • AA-APM-OP-1100.11-R1 Management Pesticides • Training and dissemination record • Field observation to spraying activity 	<p>Pesticide application was described in AA-APM-OP-1100.08-R1 Weeding Control, AA-APM-OP-1100.10-R1 Pest & Diseases Control and AA-APM-OP-1100.11-R1 Management Pesticides.</p> <p>Training and dissemination on work instruction including risk and impacts of pesticide applications has been performed by the organization regularly. Training and dissemination records were sighted.</p> <p>Site visit in Block A11a Afdeling I Tanah Datar Estate and A04e Bahilang Estate has been done to observe the spraying and pesticide application in field. Interview with spraying workers were evident that all of them has a good knowledge regarding the pesticide usage and its material usage and toxicity. All the workers have used the personal protective equipment meet with the safety rules and work instruction such as: Apron, safety goggles, mask, hand gloves and safety shoes. All precautions attached to the products properly observed, applied, and understood by workers. <i>Mandor</i> (Supervisor) as person</p>	YES

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			in charge to check the workers usage of appropriate PPEs.	
4.6.8	(M) Pesticides may only be applied aerially where there is a documented justification. Surrounding communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application			
	<p>a. Has aerial spray been applied? If yes, is there documented justification?</p> <p>b. Is the impact and risk associated with aerial application documented and made available?</p> <p>c. Are the identified affected communities informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application?</p>	<ul style="list-style-type: none"> Record of pesticides application Field Observation 	Based on record of pesticides application and field observation it was verified that no pesticides applied aerially.	N/A
4.6.9	Evidence of training on handling pesticide for workers and scheme smallholder (if any) shall be available			
	<p>a. Has the company provided information materials on pesticide handling to all employees and associated smallholders (if any) (see Criterion 4.8)?</p> <p>b. Is there evidence of periodic training (in appropriate language) of employees and associated smallholders on pesticide handling?</p> <p><i>Note: Interview with workers and smallholders on their knowledge and skills in pesticides handling.</i></p>	<ul style="list-style-type: none"> Training and dissemination record Training certificate Field observation to spraying activity 	<p>There was no smallholder associated with PT. Supra Matra Abadi – Tanah Datar Mill.</p> <p>The organisation has provided information materials on pesticide handling to all employees. Training and dissemination on work instruction including risk and impacts of pesticide applications has been performed by the organization regularly. Training and dissemination records were sighted.</p> <p>Pesticides have been applied and handled by trained spraying workers who have received usage of limited pesticide training. Training was delivered by Pesticide and Fertilizer Controlling Commission of Agriculture Department of North Sumatera Province on 14 March 2012, 18 April 2013, 7 October 2014 and 18 July 2015.</p> <p>Site visit in Block A11a Afdeling I Tanah Datar Estate and A04e Bahilang Estate has been done to observe the spraying and pesticide application in</p>	YES

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			field. Interview with spraying workers were evident that all of them has a good knowledge regarding the pesticide usage and its material usage and toxicity.	
4.6.10	Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated			
	<p>SAI Global auditor's note: <i>To verify the mixing pesticide workers, pesticide packaging washers, and a warehouse clerk TPS B3 waste associated with the management of used pesticide containers. How to storage, the washing process, the used water after washing, etc.</i></p> <p>a. Is there an SOP for proper disposal of waste material?</p> <p>b. Is there training provided to workers and managers on proper waste disposal?</p> <p>c. Is there evidence of implementation of proper ways for waste disposal by the company?</p>	<ul style="list-style-type: none"> • Procedure AA-KL-06-EFP – Handling of Hazardous Waste. • Procedure AA-APM-OP-1100.11-R1 dated 1 February 2009 – Management of Pesticides • Field observation at central warehouse, spraying activities at estate operation • The training list of attendance and training material 	<p>All empty pesticides containers were triple rinsed and collected in the temporary storage of hazardous waste. Pesticides containers were transported by authorised transporter, PT Shali Riau Lestari. Records of pesticides containers quantity were evident. Liquid waste from pesticides was reused for the next spraying applications also there are several ex-containers “jerry can” that may re-use for field application.</p> <p>Training/briefing regarding disposal of waste material has been conducted to all workers and staffs. Based on interview with sprayer workers at Block 14K Division 1 (Tanah Datar Estate) and Block 06E Division 1 (Bahilang Estate), they understood the disposal of waste material.</p> <p>Record for training was available, last one was conduct on 15 March 2016.</p>	YES
4.6.11	(M) Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available			
	<p>a. Is there an updated list of pesticide operators?</p> <p>b. Is there records of annual medical surveillance of pesticide operators?</p> <p>c. Is there medical and treatment records of all pesticide operators?</p>	<ul style="list-style-type: none"> • Log Book of FU Treatment Records • MCU Recapitulation Report • List Of Pesticides Operator 2017 	<p>List of pesticides operator was shown and updated periodically. There were 15 operators listed at Tanah Datar estate and 24 operators listed at Bahilang estate.</p> <p>Specific health surveillance for all pesticide operators has been performed on 28 November 2016 for Tanah Datar estate and Bahilang estate included cholinesterase, spirometry and audiometry by Klinik Gatot Subroto, Medan.</p> <p>The surveillance is planned to be conducted twice in a year. Reports of the</p>	YES

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			<p>health surveillance for all workers were available. Socialization of health surveillance results have been conducted to the workers.</p> <p>MCU records were sighted and several workers need to be followed up such as for workers as below:</p> <ul style="list-style-type: none"> • Legiyem and Erna Wahyuni as pesticide operators from Block 14K Division 01 Tanah Datar estate • Jumiyani as pesticide operators from Block 06E Division 01 Bahilang estate <p>All follow up treatments records from recommended Hospital were shown and all costs for those treatments were covered by workers insurance from government (BPJS Kesehatan).</p> <p>The recommended actions were recorded and reported to estate manager. All results raised from actions taken were maintained properly.</p>	
4.6.12	<p>(M) Records shall be available to show that spraying is not conducted by pregnant or breast-feeding women.</p>			
	<p>a. Is there a policy statement preventing pregnant and breast-feeding women from handling pesticides?</p> <p>b. Is there a lists of female workers handling pesticides available?</p> <p>c. Does the company have a system to identify pregnant and breast-feeding women?</p> <p>d. Is there evidence showing that pregnant and breast-feeding women are not allowed to handle pesticides?</p>	<ul style="list-style-type: none"> • PKB (Working Agreement) 2015-2017. • Company Policy dated 1 December 2014 • Field observation and interview with sprayer workers • Interview with workers union and committee gender on 4 and 7 March 2017 • Record of pregnant and breastfeeding women 	<p>The statement for preventing pregnant and breast-feeding workers was described in PKB (Working Agreement) 2015-2017 Clause 111 point 6. The updated list was available and there was approximately 25 female workers handling the pesticides at each estate. Pregnancy test was performed monthly to all workers related to agrochemical works for prevention. Breastfeeding women were not allowed to work with agrochemical and reassigned for non-risky jobs.</p> <p>Policies related to the prevention of pregnancy in the handling of pesticides and breast feeding women for handling pesticides listed in Company Policy dated 01 December 2014 item no. 15 :</p> <p>'Preventing sexual harassment and various forms of violence against women and protect her right reproduction ".</p> <p>Lists of female workers handling pesticides have been available and</p>	<p>YES</p>

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			<p>documented.</p> <p>Company have a system to identify pregnant and breast-feeding women. The company carries out examination of pregnant women every month at the clinic by midwives using a test pack. Data examination results of female sprayer and fertilizer workers in each division can be demonstrated.</p> <p>Company has a logbook "records pregnant and breastfeeding women" in each division. From the list can be proved that they were no pregnant and breastfeeding women assigned as sprayers and fertilizer workers.</p>	
4.7	<p>An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p>Guidance: <i>Growers and millers should ensure that the workplace, machinery, equipment, transport and processes under their control are safe and without undue risk to health. Growers and millers should ensure that the chemical, physical and biological substances and agents under their control are without undue risk to health, and appropriate measures are taken if needed. All indicators apply to all workers regardless of status.</i></p> <p><i>The health and safety plan should also refer to the Government Regulation No. 50 year 2012 regarding Application of Occupational Health and Safety Management System.</i></p>			
4.7.1	(M) A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored.			
	<p>a. Is there a health and safety policy in place?</p> <ul style="list-style-type: none"> • Is it written in an appropriate language? • Has the policy been approved by an authorized personnel and dated? • Does the policy cover mitigation of risks to workers health and safety at all workplace activities? • Are the workers aware of and 	<ul style="list-style-type: none"> • Occupational Health and Safety Policy dated 01 December 2014 • OHS Target and Plan 2016 and 2017 • Notes of Meeting Safety Committee • Risk Assessment register 2016 and 2017 	<p>Occupational health and safety (OHS) policy is remained unchanged. The policy was displayed at strategic locations of estate and mill and communicated to employees including contractor workers. The Health and safety policy was signed by organization director on 1 December 2014. The mitigation of risks to workers health and safety was included in point 4 and 5 in the policy.</p> <p>OHS Target and Plan 2016 was evident such as: safety trainings, safety inspection, safety parameters monitoring, MCU, Handling of incidents, emergency simulation, safety report, safety committee meeting etc. Health and safety plan and target for all estates and mill were evident and reflected guidance provided in ILO Convention 184.</p>	YES

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	<p>understand the policy?</p> <p>b. Is there a health and safety plan in place?</p> <ul style="list-style-type: none"> • Does the plan include targets for improving occupational health and safety? • Does the plan reflect guidance provided in the ILO Convention 184 (see Annex 1)? <p>c. Is there evidence of implementation of the plan?</p> <p>d. Is the effectiveness of the health and safety plan monitored?</p> <p>e. Is the health and safety plan made publicly available?</p> <p>f. Is there an action plan if targets are not achieved?</p>	<ul style="list-style-type: none"> • OHS Training Records • OHS Performance Report • Safety Working Permit Records • Observations of OHS implementation. 	<p>The implementations of the programs were evident such as:</p> <ul style="list-style-type: none"> • Safety Committee meeting during 2016 • 4th semester Safety Performance Report to local authority period October-December 2016. • Basic Fire Training on 18 November 2016 • etc. <p>Monitoring of the safety plan was conducted by regular safety meeting once in a month. Several action plans were raised for the unachieved safety targets and plans. The safety target and plan was also publicly available via company website.</p>	
4.7.2	<p>(M) A documented risk assessment shall be available and its implementation shall be recorded.</p> <p>Specific Guidance: <i>For 4.7.2: All precautions attached to products shall be properly observed, understood, and applied.</i></p>			
	<p>SAI Global auditor's note:</p> <ul style="list-style-type: none"> - HIRA verify that include: ✓ Routine and non-routine activities that exist in the organization ✓ All activities within the scope of work (contractors and visitors) ✓ All behaviour, capabilities, 	<ul style="list-style-type: none"> • Fire Handling Procedure (AA-KL-15-EFP) • Emergency Response Procedure (AA-KL-14-EFP) • Safety At Workshop Procedure (Lock out/Tag out) (AA-KL-09-EFP) • Handling of Pressurized Cylinder Gas Procedure (AA-KL-13-EFP) 	<p>Risk Assessment for all operations regarding to health and safety was available within the scope of oil palm mill processes activities and agricultural estate activities has already conducted, as it was considered the stages of OHS risk control hierarchy such as elimination, substitution, engineering, administrative and PPE (Personnel Protective Equipment) in order to OHS risk precautions.</p> <p>The mill risk assessment cover processes and activities attached to the realisation of product CPO such as: weighing bridge, boiler, engine room, loading ramp, sterilizer, threshing, pressing, kernel operation, clarification, office, lab, dispatch CPO, firefighting simulation, water treatment, chemical</p>	YES

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	<p><i>and the human factor</i></p> <ul style="list-style-type: none"> ✓ <i>External influence (earthquake, flood, tsunami, etc)</i> ✓ <i>External activities under the control of the organization</i> ✓ <i>Infrastructure, materials, and proper work equipment provided the organization or from external party</i> ✓ <i>Changes in the organization either changes in activity or a material change</i> ✓ <i>The modifications include temporary changes impacting on operations, processes, and activities</i> ✓ <i>Compliance with regulations</i> - <i>Geographic limits used for HIRA identification HIRA as the extent of HGU</i> - <i>HIRA should be equipped with the issue date and be reviewed regularly</i> - <i>To verify the implementation of the HIRA through measuring and monitoring activities, inspection, and internal audits conducted regularly (1x / year).</i> <p>a. Have risk assessments been conducted for all operations where</p>	<ul style="list-style-type: none"> • Chemical Handling Procedure (AA-KL-03-EFP) • Risk Assessment Tanah Datar Mill and estate • Risk Assessment Bahilang estate 	<p>warehouse, etc.</p> <p>The estate (Tanah Datar and Bahilang) risk assessment covers processes and activities such as: spraying, fertilizing, weeding, replanting, road maintenance, firefighting simulation harvesting, transportation, warehouse, workshop, infrastructure, polyclinic, etc. It also covered all the risk attached to the products.</p> <p>The risk assessment were reviewed yearly and should any accident had occurred. The last reviewed for each risk assessment was on 4 January 2017 for Tanah Datar estate and mill and 2 January 2017 for Bahilang estate.</p> <p>Several OHS procedures related to the risk assessment were established such as:</p> <ul style="list-style-type: none"> • Fire Handling Procedure (AA-KL-15-EFP) • Emergency Response Procedure (AA-KL-14-EFP) • Safety At Workshop Procedure (Lock out/Tag out) (AA-KL-09-EFP) • Handling of Pressurized Cylinder Gas Procedure (AA-KL-13-EFP) • Chemical Handling Procedure (AA-KL-03-EFP) <p>Monitoring of physical chemistry factors has been conducted such as noise, vibration, air ambient, etc. Several factors were found exceeded than regulation such as noise. Follow up regarding to this condition has been conducted and evaluated.</p> <p>OHS induction was performed by Safety Officer at mill and estates. Utility equipment were available and installed such as boilers, sterilised, steam vessel, compressors, generator, heavy equipment and lifting equipment. This equipment has been inspected by local authority and the records were evident. Periodic monitoring was also performed internally such as boiler parameter monitoring (pressure, temperature, water quality, water level, etc. Moving parts of machine/equipment generally has been covered or guarded. Safety sign was provided to make workers aware on this hazard and risk. Electrical hazard symbol was provided at electrical panel. Inspection regarding to electrical installation has been made. Access for workers to workplace in general also good e.g. stair was provided with hand rail and platform at height was provided</p>	

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	<p>health and safety is an issue?</p> <p>b. Does the risk assessment cover all the organization's processes and activities?</p> <p>c. If any accidents had occurred, were these included in the risk assessments with action plans to prevent further recurrence?</p> <p>d. Have the procedures and action plans been documented and implemented to address the identified issues?</p> <p>e. Have all precautions attached to products been properly observed and applied to the workers?</p>		<p>with border to prevent fall risk. There was also detailed working instruction which described process for conducting activities including requirement concerning to OHS aspects such as requirement of PPE. Working instructions were sighted such as spraying, harvesting, pesticide preparation, etc.</p> <p>OHS control for working in confined space (e.g. cleaning of storage tank), working at height and welding. Work permit system has been implemented for these works. The cleaning of storage tank activity conducted on 18 August 2016 implemented the safety working permit process. The records were shown and maintained properly.</p> <p>Lock out tag out has also been established and implemented especially intended for risk control of maintenance activities. The PPE for each activity has been established, e.g. working at mill, working at generator set, welder, working at laboratory, harvester, sprayer, fertilizer storage, chemical storage, etc. Observation during this audit generally concluded that PPE has been well provided and implemented. Workers were interview during this audit and generally they understood the risk of their work and the purpose of using PPE. Emergency Response Team has been defined and the emergency flow charts have been established for any kind of emergency situation such as earthquake, fire, flood etc. The awareness of employee was gained with the simulation of emergency response conducted 18 November 2016 for Tanah Datar estate and mill and 23 December 2016 for Bahilang estate. The evacuation routes and emergency flowcharts have been socialized during simulation. Emergency signs and boards were provided in several areas. The muster points for each area such as workshop, warehouse, office etc. were sighted.</p> <p>All precautions attached to products been properly observed and applied to the workers. Several controls such as providing PPE and administration control were applied to workers in some activities such as: mill maintenance process, spraying activities, handling of pesticides etc.</p>	
4.7.3	<p>(M) Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.</p> <p>Specific Guidance: <i>For 4.7.3: Adequate and appropriate Personal Protective Equipment (PPE) shall be available to all workers at the workplace based on the result of Identification of Sources of Hazard</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<i>and Risk Control including all potentially hazardous operations, such as the use of pesticides, operating machinery, land preparation, harvesting and if it is used, burning.</i>				
	<p>SAI Global auditor's note: Performing verification of PPE in the organization, starting from:</p> <ul style="list-style-type: none"> • identifying the needs and requirements of PPE can be in the form of a matrix, WI, risk assessment, program, etc. • amortization period APD • the type of PPE used • monitoring the stock in the warehouse • verification of the field condition through interviews with workers, foremen, and a warehouse clerk <p>a. Are all workers involved in the operation appropriately trained in safe working practices (see Criterion 4.8)?</p> <p>b. Are OSH training programs and training records available and conducted by qualified persons?</p> <p>c. Is adequate and appropriate protective equipment available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning?</p>	<ul style="list-style-type: none"> • List Attendance of Basic Safety Training • PPE Checklist Maintenance • PPE Distribution Records 	<p>All workers involved in the operation have been appropriately trained in safe working practices/Basic Safety Training. The training were conducted by Safety Officer who has been qualified as Safety Officer by the government.</p> <p>OHS training program 2016 and training records was available and conducted by qualified persons, such as Basic Safety on 2 April 2016 (Tanah Datar estate), First Aid training in 20 June 2016 (Bahilang estate), and Basic Fire training on 18 November 2016 (Tanah Datar mill) etc.</p> <p>Adequate and appropriate protective equipment was available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. The needs of PPE was determined from HIRAC document or related SOP of activity.</p> <p>The type of PPE used for each activity has been determined, e.g. working at Mill, working at generator set, welder, working at laboratory, harvester, sprayer, fertilizer storage, chemical storage, etc. It also covered the expired time of each PPE.</p> <p>PPE was provided by organisation to workers and replaced when damaged. The evidence was sighted. The stock of PPE was listed in warehouse stock card such as googles, mask, gloves etc.</p> <p>Organization maintains a list of PPE distribution in form "List of PPE Distribution". Several records were reviewed such as:</p> <ul style="list-style-type: none"> • Distribution of safety gloves, mask and safety shoes to pesticides worker on 8 December 2016 at Bahilang estate • Distribution of safety shoes, helm and googles to workshop worker on 13 October 2016 at Tanah Datar mill <p>Observation during this audit (spraying area and harvesting area) generally concluded that PPE has been well provided and implemented. Workers were interview during this audit and generally they were understood the risk of their</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	d. Is PPE provided to workers and replaced when damaged? <ul style="list-style-type: none"> • Does the organization maintain a list of PPE distribution? • Are workers observed wearing appropriate PPE? 		work and the purpose of using PPE. It was observed that workers were wearing appropriate PPE such as gloves, goggles, shoes and chemical mask for pesticides operators.	
4.7.4	<p style="color: red;">(M) The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues</p> <p>Specific Guidance: For 4.7.4 : Workers shall be represented in the Advisory Committee for Occupational Safety and Health (P2K3) based on the Regulation of the Minister of Manpower No. 4 year 1987.</p>			
	a. Has the company identified the responsible person/persons to implement OSH? b. Are meetings between the responsible persons and workers conducted on a regular basis, or as required by law, if any? c. Are minutes of meeting recording attendees and issues discussed available? d. Are concerns of all parties about health, safety and welfare discussed at these meetings? <i>Note to Auditor: Interviews with workers reflect compliance to a-d above.</i>	<ul style="list-style-type: none"> • Approval Letter of Safety Committee (P2K3) from local government Pemkab Batubara, North Sumatra. • Notes of Meeting Safety Committee (P2K3) December 2016 and January 2017 	Company has identified the responsible person to monitor the implementation of OHS at Tanah Datar mill and estate that was Mr. Martin Limbeng as Safety Committee Leader and Mr Rian Nanda Utama as AK3U (OHS expert). Mr Rian Nanda Utama has been certified as AK3U (OHS Expert) based on Appointment Letter from Ministry of Manpower and Transmigration as below: No. KEP.16153/M/DJPPK/X/2015 on 19 October 2015 and valid for 3 years. Company has identified the responsible person to monitor the implementation of OHS at Bahilang estate that was Mr. Bambang Hermanto as Safety Committee Leader and Mr Sukamto as AK3U (OHS expert). Mr Sukamto has been certified as AK3U (OHS Expert) based on Appointment Letter from Ministry of Manpower and Transmigration as below: No. KEP.P.1761/M/DJPPK/IX/2013 on 30 September 2016 and valid for 3 years. The new appointment letter was still on progress. The safety committee (P2K3) has been established and it has been approved by social and manpower agency Pemkab Batubara, North Sumatra. The safety committee (P2K3) regular meeting has been performed each month, discussed regarding OHS plan program achievement and it corrective action to achieve target and improve the program such as: Personal Protective Equipment (PPE), hazard from animal, safety notes, accidents etc. Notes of Safety Committee Regular Meeting (mill and estate) with workers were evident. Sample reports were reviewed for meeting during October 2016 – January	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>2017.</p> <p>Last OHS Committee meeting was conducted on 4 February 2017 for Tanah Datar mill and estate and 13 February 2017 for Bahilang estate. The actions were monitored for realisation and reported to management and local authority. Concerns of all parties about health, safety and welfare were discussed at the meeting. Several concerns were discussed such as: review of accident, PPE Checklist update, result of internal audit, incident investigation, etc.</p>	
4.7.5	<p><i>A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.</i></p> <p>Specific Guidance: <i>For 4.7.5: Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</i></p>			
	<p>a. Are there SOPs for accidents and emergencies?</p> <ul style="list-style-type: none"> • Do these cover all major potential emergencies, such as, but not limited to fire, chemical spillage, and potential natural disasters specific for the region, e.g. earthquakes, volcanoes, etc.? • Are accidents investigated and action taken to prevent recurrence? • Are accident records provided to the local authority in accordance with local legal requirements, if any? • Available in the appropriate language of the workforce? <p>b. Are the instructions on emergency procedures clearly understood by all</p>	<ul style="list-style-type: none"> • Emergency respond procedure AA-EMS-447-PR • Accident procedure • List attendance of First Aid Training • List Attendance of Emergency Simulation • Records of accident investigation 	<p>Emergency respond procedure written in Bahasa Indonesia was described in procedure AA-EMS-447-PR and covered reporting, responsibility of all members of ERP Team, handling of ERP situation, mitigating of ERP situation, etc. Some scenarios were identified such as accident, fire earthquake, and chemical spillage.</p> <p>The procedure described the roles and responsibilities of each emergency response team include the mechanism how to conduct medical evacuation to near hospital/local health centre, also it was available the emergency contact number of each internal emergency team and external related parties such as public fire station at Batubara and RSUD Hospital at Kisaran. Evacuation route and muster point are available and made known to the employee.</p> <p>The structure of Emergency Response Team (ERT) has been established and consist of ERT commander, Fire Fighting Commander, Community Team, Fire Fighting Team, Transportation Team, Communication Team and Evacuation Team. The list of protection equipment for emergency was available such as fire extinguisher, fire engine etc.</p> <p>Emergency respond procedure has been socialized to workers on 18 November 2016 for Tanah Datar estate and mill and 23 December 2016 for Bahilang estate. The list of attendance was available. From workers interview it was observed that all workers were clearly understood of what is required in</p>	<p>NO (Minor NCR 2017-03 OPEN)</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>workers?</p> <p>c. Are assigned operators trained in First Aid present in both field and other operations?</p> <p>d. Is there records of training of the first aiders?</p> <p>e. Is first aid equipment available at worksites? Is the equipment available during conduct of field manual work?</p> <p>e. Are first aid kits adequately stocked and regularly checked in accordance with local legal requirements?</p> <p>f. Are records of all accidents kept and periodically reviewed for continuous improvement?</p>		<p>the procedure.</p> <p>Accident investigation procedure were documented in related procedure. Accident and investigation reports described the accident chronology, cause and impacts of the accident and also to find the root causes of the accident happened and establish the corrective and preventive action.</p> <p>Accident investigation has been documented. There were 2 accidents during year 2016 for Tanah Datar estate and mill and 5 accidents for Bahilang estate. Last accident recorded was on behalf Mr. Joko Prasetyo dated 9 November 2016. The accident has been investigated and corrective action has been conducted. The accident has been reported to the local authority. All the records were available and sighted. Records of all accidents were kept and periodically reviewed for continuous improvement.</p> <p>Trained First Aid operator at working area as paramedic and foreman. Training records first aid were available on 20 June 2016 for Tanah Datar estate and mill and 20 July 2016 for Bahilang estate. The First Aid kits carried by foreman were available at worksites. However it was found the first aid kit at spraying activity at Block A87H Division 01 Tanah Datar estate was not comply with the regulation Permenaker 15/2008.</p>	
4.7.6	All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).			
	<p>a. Is there evidence that all workers are provided with medical care (refer to Criterion 6.5.3), and covered by accident insurance by the company? For contract workers, the contract between the company and the contractor shall be in compliance.</p> <p>b. For accidents that have occurred, is there evidence that the affected workers received appropriate medical treatment, and was able to</p>	<ul style="list-style-type: none"> • Bank Slip Payment • Log Book MCU follow up records 	<p>BPJS Kesehatan (medical care)</p> <ul style="list-style-type: none"> - Bank slip payment on 10 November 2016 for payment November 2016 for Tanah Datar mill employees - Bank slip payment 9 December 2016 for payment December 2016 for Tanah Datar estate employees - Bank slip payment 9 December 2016 for payment December 2016 for Bahilang estate employees <p>BPJS Ketenagakerjaan (accident Insurance)</p> <ul style="list-style-type: none"> - Bank slip payment dated on 23 December 2016 for payment December 2016 for 79 Tanah Datar mill employees - Bank slip payment on 23 December 2016 for payment December 	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	claim and receive compensation under the insurance policy (if relevant)? c. Is there evidence that the insurance policies are valid?		2016 for 144 Tanah Datar estate employees - Bank slip payment on 16 December 2016 for payment November 2016 for 198 Bahilang estate employees The benefit of those insurances have been verified as sample below: <ul style="list-style-type: none"> • Jumiyani as pesticide operators from Block 06E Division 01 Bahilang estate • Legiyem and Erna Wahyuni as pesticide operators from Block 14K Division 01 Tanah Datar estate 	
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Specific Guidance <i>For 4.7.7: Lost Time Accident requirements should refer to Decree of the Minister of Manpower and Transmigration No. 609 year 2012 regarding Guidance to Solve Working Accident Case and work-related Illness.</i>			
	a. Are occupational injuries recorded using Lost Time Accident (LTA) metrics?	Frequency Rate and Severity Rate Calculation Table	Lost Time Accidents metrics were using to record the accidents and injuries during year 2016. The Lost Time accidents and injuries were determined according to Decree of the Minister of Manpower and Transmigration No. 609 year 2012. Safety performance for both mill and estates was calculated using frequency rate (FR) and severity rate (SR). The calculation for FR and SR as below: <ul style="list-style-type: none"> • $FR = \frac{\text{total lost time accident} \times 1.000.000}{\text{total man hour}}$ • $SR = \frac{\text{total lost time hours} \times 1.000.000}{\text{total man hour}}$ <p><u>Tanah Datar Mill</u> FR=4,85 SR=67.84 LTD=2 days</p> <p><u>Tanah Datar Estate</u> FR=3.10 SR=433.91 LTD=6 days</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>Bahilang Estate FR=10.70 SR=314.45 LTD=7 days</p> <p>The calculation for frequency rate and severity rate was generated from lost time accident data, employee working hour's data and lost time hours data. The timesheet calculation for each month were shown during audit.</p>	
4.8	<p>All staff, workers, smallholders and contract workers are appropriately trained.</p> <p>Guidance: <i>Workers should be adequately trained on: the health and environmental risks of pesticide exposure; recognition of acute and long-term exposure symptoms including the most vulnerable groups (e.g. young workers, pregnant women); ways to minimise exposure to workers and their families; and international and national instruments or regulations that protect workers' health.</i></p> <p><i>The training programme should include productivity and best management practice, and be appropriate to the scale of the organisation.</i></p> <p><i>Training should be given to all staff and workers by growers and millers to enable them to fulfil their jobs and responsibilities in accordance with documented procedures, and in compliance with the requirements of these Principles, Criteria, Indicators and Guidance.</i></p> <p><i>Contract workers should be selected for their ability to fulfil their jobs and responsibilities in accordance with documented procedures, and in compliance with the requirements of the RSPO Principles, Criteria, Indicators and Guidance.</i></p> <p><i>Growers and millers should demonstrate training activities for schemes smallholders who provide Fresh Fruit Bunches (FFB) on a contracted basis.</i></p> <p><i>Workers on smallholder plots also need adequate training and skills, and this can be achieved through extension activities of growers or millers that purchase fruit from them, This training may be conducted through smallholders' organizations, or through collaboration with other institutions and organizations (See Guidance on Scheme Smallholders', July 2009)</i></p> <p><i>The contract workers in Indonesia refer to the Fixed Term Contract (PKWT) and Non-fixed Term Contract (PKWTT) based on the Decree of the Minister of Manpower No. 100 year 2004; and the Regulation of the Minister of Manpower & Transmigration No. 19 year 2012 regarding Requirements for Transfer of Parts of Work to Other Company(ies).</i></p>			
4.8.1	(M) Records of training program related to the aspects of RSPO Principles and Criteria shall be available.			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Does the company maintain a list of staff, workers, smallholders and contract workers whom training must be provided to?</p> <p>b. Is there a formal training programme in place that covers all aspects of the RSPO Principles and Criteria? Does the formal training program include:</p> <ul style="list-style-type: none"> • Regular assessment of training needs of all staff, workers, smallholders and contract workers; • Training for workers on smallholder plots; • Documentation of all the training assessment needs, formal training conducted and the list of participants attending these formal training; • Does the training for workers cover, at minimum, to the following: <ul style="list-style-type: none"> ○ The health and environmental risks of pesticide exposure; ○ recognition of acute and long-term exposure symptoms including the most vulnerable groups (e.g. young workers, pregnant women); ○ ways to minimise exposure to workers 	<ul style="list-style-type: none"> • Training Programme 2016 and 2017 • Training Identification Matrix • Training Records (List Attendance, evaluation etc.) 	<p>Training need identification matrix 2016 and 2017 were evident and covered staff, workers and contract worker. Training programme 2016 and 2017 were sighted and established based on the training needs identification and covered all aspects of the RSPO criteria such as safety, environment, social, best practice, human rights, management program, HCV and ethical.</p> <p>The list of attendance and the training handout for Tanah Datar and Bahilang were evident such as:</p> <ul style="list-style-type: none"> • First Aid Training: 20 June 2016 • Basic Fire Training on 18 November 2016 • Sustainability Training on 25 April 2016 • Basic Safety Training on 2 April 2016 • Hazardous Waste on 15 March 2016 • Lifting equipment Training on 28-29 April 2016 • Kaizen Training on 19 September 2016 • Hydraulic System Training on 11-12 February 2016 • Emergency Response Training on 18 November 2016 <p>The training program 2017 has not been conducted yet.</p> <p>Based on interview to workers (sprayer workers at Tanah Datar estate block 14K Div.01 and Bahilang estate block 06E Div. 01) during audit they were aware the need of the training and they were assisted by information provided during training.</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> ○ and their families; ○ International and national instruments or regulations that protect workers' health; and ○ Productivity and best management practice. <p><i>Note to auditor: To interview staff, workers, smallholders and contract workers to verify that the training has been conducted effectively.</i></p>			
4.8.2	Records of training for each employee shall be maintained.			
	a. Are training records maintained for each employee?	Personal Training Records	Evidence of training for key persons were verified and sighted and the records were maintained for each employee such as for Mr Rian Nanda Utama as AK3U (OHS expert) for Tanah Datar estate and mill and Mr Sukamto as AK3U (OHS expert) for Bahilang estate. The training which has been completed by each person was recorded in Personnel Training Records. Training realisation records are sighted such as hazardous substance handling training, safety officer, pesticides training, etc.	YES

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

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
5.1	Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			

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

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • Community's standard of living; • Public health 		<p>The company shall submit the required periodical environmental management implementation and monitoring report to the relevant authorities. The company is responsible for providing sufficient objective evidence to the audit team demonstrating full compliance to the Environmental Impact Assessment (AMDAL) requirement covering all aspects of plantation and mills operations, as well as incorporating all changes recorded over that period of time.</p> <p>The environmental impact assessment should cover the following activities, where they are undertaken:</p> <ol style="list-style-type: none"> a. Building new roads, processing mills or other infrastructure; b. Putting in drainage or irrigation systems; c. Replanting and/or expansion of planting areas; d. Management of mill effluents (Criterion 4.4); e. Clearing of remaining natural vegetation; f. Management of pests and diseases by controlled burning (referred to clause 11 of Government Regulation No. 4 year 2001 (Criteria 5.5 and 7.7). <p>Impact assessment can be a non-restrictive format e.g. ISO 14001 EMS and/or EIA report incorporating elements spelt out in this Criterion and raised through stakeholder consultation.</p> <p>Environmental impacts may be identified on soil and water resources (criteria 4.3 and 4.4), air quality (criterion 5.6), greenhouse gases calculation analysis, biodiversity and ecosystems, and people's amenity (Criterion 6.1), both on and off-site.</p> <p>Stakeholder consultation has a key role in identifying environmental impacts. The inclusion of consultation should result in improved processes to identify impacts and to develop any required mitigation measures.</p> <p>For smallholder schemes, the scheme management has the responsibility to undertake impact assessment and to plan and operate in accordance with the results (refer to 'Guidance on Scheme Smallholders', July 2009 or its endorsed final revision).</p> <p>The Strategic Environment Study Result (KLHS) by the government, shall be placed as main consideration while conducting replanting</p> <p>Regulations related to the environment documents, are such as:</p> <ol style="list-style-type: none"> 1. Government Regulation (PP) No. 27 of 2012 regarding Environment Permit 2. Regulation of the Minister of Environment No. 13 year 2010 regarding Environment Management and Monitoring Effort (UKL-UPL) and Environment Management and Monitoring Effort (UKL-UPL) and Declaration Letter for Managing and Monitoring Environment (SPKL) 3. Regulation of the Minister of Environment No. 5 year 2012 regarding Environment Evaluation Document (DELH) 4. Regulation of the Minister of Environment No. 14 year 2010 regarding Environment Management and Monitoring Document (DPPL) 5. Regulation of the Minister of Environment No. 12 year 2007 regarding Environment Management and Monitoring Document for Business and or Activities, with Absence of 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>Environment Management Document.</i></p> <p>6. Regulation of the Minister of Environment No. 5 year 2012 regarding Types of Business Obligated to Have AMDAL</p> <p>7. Regulation of the Minister of Environment No. 17 year 2012 regarding Involvement of Community and Information Transparency in the AMDAL Process</p> <p>8. Regulation of the Minister of Environment No. 8 year 2006 regarding Guidance for AMDAL Preparation</p> <p>9. Decree of the Head of Bapedal No. No. 299 of 1996 regarding Technical Guidance of Social Aspects Study in Establishing AMDAL</p> <p>10. Regulation of the Minister of Environment No. 11 year 2008 regarding Competence Requirements for AMDAL Preparation Documents and Requirements for Training Institutions in Conducting Training for AMDAL competence.</p> <p>11. Regulation of the Minister of Environment No. 15 year 2013 regarding Measurement, Reporting and Verification for Mitigation Action of Climate Change</p> <p><i>In the Regulation of the Minister of Environment No. 14 year 2010, the environment document is a document covering environment management and monitoring, and may be in the form of AMDAL, Environment Management and Monitoring Efforts (UKL-UPL), Declaration Letter for Managing and Monitoring Environment (SPKL), Environment Management and Monitoring Document (DPPL), Study to Evaluation on the Environment Impacts (SEMDAL), Environment Evaluation Study (SEL), Environment Information Performance (PIL), Environment Evaluation Performance (PEL), Environment Management Document (DPLH), Environment Management and Monitoring (RKL-RPL), Environment Evaluation Document (DELH), and Environment Audit.</i></p>			
5.1.1	(M) Environmental impact assessment document(s) shall be available.			
	<p>a. Has an EIA been conducted according to the scope of operation covering at minimum the following:</p> <ul style="list-style-type: none"> • Building new roads, processing mills or other infrastructure; • Putting in drainage or irrigation systems; • Replanting and/or expansion of planting areas; • Management of mill effluents (Criterion 4.4); • Clearing of remaining natural vegetation; • Management of pests and diseased palms by controlled 	<ul style="list-style-type: none"> • Document of RKL and RPL for Tanah Datar Mill and Estate # RC.220/385/B/II/1994 dated 26th February 1994 • EMS-431-003-LT Rev.14 form updated on 1 February 2017 (Tanah Datar) • EMS-431-003-LT Rev.14 form updated on 12 January 2017 (Bahilang Estate) • Procedure AA-EMS-431-PR Rev.3 dated January 2007 Identification and Evaluation of Environmental Aspects. 	<p>Environmental Impact assessment was documented in Documents of SEL (Environmental Evaluation Study and RKL –RPL) approved by Ministry of Ministry of Agriculture on 26th of February 1994 No. RC.220/385/B/II/1994.</p> <p>Document of environmental impact assessment included:</p> <ul style="list-style-type: none"> • Processing mills or other infrastructure; • Putting in drainage or irrigation systems; • Replanting and/or expansion of planting areas; • Management of mill effluents; • Clearing of remaining natural vegetation; • Management of pests and diseases palms by controlled burning; • Road management <p>EIA assessment has include consultation with relevant stakeholders to identify impacts and to develop any mitigation measures, it evident in Environmental Evaluation Study document.</p> <p>The aspect and impact of environmental for all activity and process including</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>burning (Criteria 5.5 and 7.7).</p> <p>b. Has the EIA been conducted and documented according to local requirements?</p> <p>c. Does the assessment include consultation with relevant stakeholders to identify impacts and to develop any mitigation measures?</p>		<p>replanting was identified and documented in EMS-431-003-LT.</p> <p>Tanah Datar Mill and Estate implemented procedure for identifying environmental aspect and evaluating its impact based on Environmental Management System ISO 14001:2004 and procedure AA-EMS-431-PR Rev.3 dated January 2007. The result of environmental aspect and impact identification and evaluation was documented. As required by the procedure, the information of environmental is reviewed and updated annually. Last review and update of environmental aspect and impact register was performed on 1 February 2017.</p> <p>Tanah Datar Mill and its supply bases have ensured that all activities with significant environmental impacts were managed, e.g. land clearing, use of fertiliser, waste water discharged, and emission to air from mill and POME. Organisation has defined the Environmental Management Program based on Environmental aspect and impact identification to maintain significant environmental impacts.</p>	
5.1.2	<p style="color: red;">Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document.</p>			
	<p>a. Is there an environmental management plan in place?</p> <p>b. Is the environmental management plan documented to include the following:</p> <ul style="list-style-type: none"> • Identification of responsible person(s); • Potential impacts from current practices; • Measures to mitigate negative impacts; • Timetable for change (where changes in current practices are required). <p>c. Has the environmental management plan been</p>	<ul style="list-style-type: none"> • Procedure AA-EMS-431-PR – Environmental aspect and impact identification • EMS-431-003-LT Rev.14 form updated on 1 February 2017 (Tanah Datar) • EMS-431-003-LT Rev.14 form updated on 12 January 2017 (Bahilang Estate) 	<p>Organisation has establish environmental management plan for Tanah Datar Mill and Estate, 2015 and 2016. Environmental management plan defined based on environmental aspect and evaluating its impact. As required by the procedure, the information of environmental is reviewed and updated regularly. Last review and update of environmental aspect and impact register was performed on 1 February 2017. No changes of identification of impacts since last audit.</p> <p>Environmental management plan documented to include the following:</p> <ul style="list-style-type: none"> • Identification of responsible person(s); • Potential impacts from current practices; • Measures to mitigate negative impacts; • Timetable for change (where changes in current practices are required). <p>Tanah Datar Mill and Estate has ensured that all activities with significant environmental impacts were managed. Control measure were defined and implemented for ensuring that negative environmental impact were prevented or mitigated. There were several types of control measures defined: engineering</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	implemented?		control, administrative control and PPE. The implementation of those control measures are monitored during monthly environmental patrol and also round of internal audits.	
5.1.3	Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.			
	<p>a. Does the plan incorporate a monitoring protocol?</p> <p>b. Is the monitoring protocol adaptive to operational changes?</p> <p>c. Is the monitoring protocol implemented to monitor the effectiveness of the mitigation measures?</p> <p>d. Is the plan reviewed at a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts?</p>	<p>a. Environmental management plan</p> <p>b. RKL – RPL PT Supra Matra Abadi Tanah Datar Unit Period January – December 2016</p>	<p>PT Supra Matra Abadi has programmed to reduce negative effect from their process which is summarizing at environmental management plan. These plans incorporate with monitoring protocol and adaptive to operational changes. The plans were reviewed in the end of the year to determine the effectiveness of the plan.</p> <p>The plan based on EIA (RKL RPL) that covered:</p> <ul style="list-style-type: none"> • Monitoring river water quality every 6 months • Monitoring ground water quality annually • Monitoring of emission from mobile and immobile source every 6 months • Monitoring of POME every 1 months • Monitoring air ambient quality at mill and emplacement every 6 month • Monitoring of biodiversity every 6 month • Monitoring noiseness every 6 month (external) 	YES
5.2	<p>The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p> <p>Guidance: <i>This information gathering should include checking available biological records and consultation with relevant government departments, research institutes and interested NGOs if appropriate. Depending on the biodiversity values that are present, and the level of available information, some additional field survey work may be required.</i></p> <p><i>Wherever HCV benefits can be realised outside of the management unit, collaboration and cooperation between other growers, governments and organisations should be considered.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p><i>Sanctions in the protected wildlife case, may be taken through law enforcement in line with the existing regulations. The company should determine type of sanctions, based upon SOP or policy of the company, considering level of violations (capture, harm, keep, and kill) and category of the species (rare, endangered, and threatened).</i></p> <p><i>National regulations related to the protection of habitat and species, such as:</i></p> <ol style="list-style-type: none"> <i>1. Act No. 5 year 1990 regarding Conservation on Biodiversity and its Ecosystems</i> <i>2. Act No. 16 year 1992 regarding Quarantine for Animals, Fish and Plants</i> <i>3. Act No. 5 year 1994 regarding Ratification of the United Nations on Convention to Biodiversity</i> <i>4. Government Regulation No. 13 year 1994 regarding Wildlife Hunting</i> <i>5. Government Regulation No. 68 year 1998 regarding Areas of Natural Sanctuary and Natural Conservation</i> <i>6. Government Regulation No. 7 year 1999 regarding Preservation of Flora and Fauna (List of Protected Flora and Fauna is on the annex).</i> <i>7. Regulation of the Minister of Forestry No.: P.48/Menhut-II/2008 regarding Guideline of Conflict Resolution between Human and Wildlife</i> <i>8. Presidential Decree No. 43 year 1978 regarding Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) ratification.</i> <p><i>Growers need to consider a variety of land management and tenure options to secure HCV management areas in ways that also secure local people's rights and livelihoods. Some areas are best allocated to community management and secured through customary or legal tenures in certain period. In other cases, co-management options can be considered. Where communities are asked to relinquish rights so that HCVs can be maintained or enhanced by the companies or State agencies, then great care needs to be taken to ensure that communities retain access to adequate land and resources to secure their basic needs; all such relinquishment of rights must be subjected to their free, prior, and informed consent (see Criteria 2.2 and 2.3).</i></p>	
5.2.1			<p><i>(M) Record(s) on the results of High Conservation Value (HCV assessment) that includes both the planted area and the relevant wider landscape-level considerations (such as wildlife corridors) shall be available</i></p> <p>Specific Guidance: <i>This information will cover:</i></p> <ul style="list-style-type: none"> <i>• Presence of protected areas that could be significantly affected by the grower or miller;</i> <i>• Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller;</i> <i>• Identification of HCV habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or miller;</i> <p><i>HCV Identification may be conducted internally (by the company, where the team leader shall be registered in the HCVRN-Assessors Licensed Scheme (ALS), through peer-review by the competent experts, prepared in accordance to the common Guidance for the identification of HCV 2013. If the company has no expert for assessing certain HCV type(s), then it may use the external assessor(s). The HCV assessor team needs to have experience in the assessed ecosystem to minimise inaccuracy risk of the HCV assessment. If possible, each external assessor who comes from outside the assessed areas should cooperate with the local or regional expert(s). The HCV report shall describe the composition and qualification of the assessor team in biological and social aspects.</i></p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Has a High Conservation Value (HCV) assessment been conducted and cover the following:</p> <ul style="list-style-type: none"> • Presence of protected areas that could be significantly affected by the grower or miller; • Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller. • Identification of HCV habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or miller; <p>b. Was the HCV assessment performed by a qualified HCV assessor?</p> <p>c. Was the HCV assessment performed in consultation with relevant stakeholders?</p> <p>d. Does the HCV assessment include checking of available biological records?</p> <p>e. Does the HCV assessment include both the planted area itself and relevant wider landscape-level considerations (such as wildlife</p>	<ul style="list-style-type: none"> - HCV Assessment report by Forestry Department, Bogor Agriculture Institute in September 2012 - Attendance list of HCV Public consultation - Field observation 	<p>High Conservation Value (HCV) assessment has been conducted both in Tanah Datar Estate (PT Supra Matra Abadi) and Bahilang Estate (PT Nusa Pusaka Kencana). Assessment in Tanah Datar Estate and Bahilang Estate was conducted in September, 2012 by independent assessors from Faculty of Forestry IPB cover the following:</p> <ul style="list-style-type: none"> • Presence of protected areas that could be significantly affected by the grower or miller; • Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller. • Identification of HCV habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or miller; <p>HCV assessment performed by a qualified HCV assessor from Faculty of Forestry IPB. All assessors are RSPO approved HCV assessor - Discipline Specialist, coordinated by an RSPO approved HCV assessor - Team Leader. Comprise of :</p> <ul style="list-style-type: none"> - Dr Ir. H Nyoto Santoso MS - Dr. Ir Iwan Hilwan, MS - Eko Adhiyanto S. Hut - Sayidina Ali, Amd - Udi Kusdinar S.Hut <p>HCV assessment performed in consultation with relevant stakeholders around plantation. Public consultation conducted on 25 September 2012 for Tanah Datar Estate and 29 September 2012 for Bahilang Estate with the community leaders and figures around the estate and government agencies (Village Head/Kepala Desa, his officials and community leaders in the village).</p> <p>HCV assessment include checking of available biological records.</p> <p>HCV assessments also include checking of available biological records and include both the planted area itself and relevant wider landscape-level considerations</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	corridors)? f. Was the HCV assessment performed in accordance to the latest methodology available at global and national level? g. Are identified HCVs mapped?		(such as wildlife corridors). Methodology of assessment using a toolkit of HCV 2008, implementation of the assessment consists of: Secondary data collection, field survey, mapping and landscape, Assessment of fauna aspect with a rapid assessment (direct observation, interviews with the parties), assessment of flora aspects (direct survey and interview) , assessment of socio-economic and cultural aspects (interviews and direct observation at selected sites), analysis and mapping. HCV Assessment has been peer review by Dr. Kunkun Jaka Gurmaya in January 2013. The HCV assessment report was published in December 2012. Besides presenting data and map of HCV area, the report also includes a list of rare and threatened wildlife species from 4 (four) main wildlife groups: mammals, birds, herpetofaunas, and fishes. HCV mapped with scale 1 : 80.000 in Tanah Datar Estate and 1 : 25.000 in Bahilang Estate.	
5.2.2	(M) Where rare, threatened or endangered (RTE) species or other HCVs are present or affected by the plantation and mill operations, an appropriate measures that are expected to maintain or enhance them shall be implemented through a management plan. Specific Guidance: These measures will include: a. <i>Ensuring that any legal requirements relating to the protection of the species or habitat are met;</i> b. <i>Avoiding damage to and deterioration of HCV habitats such as by ensuring that HCV areas are connected, corridors are conserved, and buffer zones around HCV areas are created;</i> c. <i>Controlling any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts (e.g. incursions by elephants)</i> d. <i>Improving HCV, if possible, through management options, such as habitat enrichment.</i>			
	a. Are HCVs and/or RTEs present? b. If HCVs and/or RTEs are present, has a management plan containing appropriate measures that are expected to maintain and/or enhance them been prepared? The measures should include the following:	<ul style="list-style-type: none"> HCV Assessment report by Forestry Department, Bogor Agriculture Institute in September 2012 Conservation Management Plan 2015/2016 Tanah Datar Estate and Bahilang Estate 	HCV assessment results showed that in the plantation area of Tanah Datar Estate were identified areas of HCV, consist of : <ul style="list-style-type: none"> HCV 4.1 areas or ecosystems important for the provision of water and prevention of floods for downstream communities : Riparian buffer zone of Sei Muka River, with area 1.15 ha. HCV 6 : public cemeteries inside HGU area such as Cemetery block A-87a and Cemetery block A-87b 	YES

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	<ul style="list-style-type: none"> • Ensuring that any legal requirements relating to the protection of the species or habitat are met; • Avoiding damage to and deterioration of HCV habitats such as by ensuring that HCV areas are connected, corridors are conserved, and buffer zones around HCV areas are created; • Controlling any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts (e.g. incursions by elephants). <p>c. Are the measures contained in the management plan actively implemented to maintain and/or enhance HCV values?</p> <p>d. Are the HCV values and the presence of RTEs periodically monitored?</p> <p>e. Are the field inspections conducted regularly to ensure implementation of mitigation plan (especially along areas bordering natural area)?</p>	<ul style="list-style-type: none"> • HCV Management and Monitoring report 2015 • RTE species monitoring result 2015 • Field observation 	<p>In Bahilang Estate, there were identified 18.09 ha areas of HCV, consist of :</p> <ul style="list-style-type: none"> • HCV 1.2 Critically Endangered Species. In Bahilang Estate was found some protected species and include in Endangered species category in IUCN Redlist that was Trenggiling (<i>Manis javanica</i>) and other protected species. • HCV HCV 4.1 areas or ecosystems important for the provision of water and prevention of floods for downstream communities : Riparian buffer zone of Kelembah River, with area 18.84 ha, conservation area in Block A08K 1.56 ha, A08L 2,69 ha, A08M 1,67 ha, A08N 1,33 ha. • HCV 6. Areas Critical for Maintaining the Cultural Identity of Local Communities. There were found cemetery in Block A06E with area 0.0006 ha, cemetery in Block A87A with area 0.0006 ha and cemetery in Block A06C with area 0.0006 ha. <p>Estate has established the management plan to maintain and/or enhance High conservation value area. HCV management and monitoring plan described measures taken for each HCV and its monitoring. Relevant laws were taken into account for determining appropriate measure including UU #5/1990 about Natural resources conservation, PP#7/1999 about List of protected plan and wildlife, Kepres #32/1990, and PP 26/2008 Management plan consist of :</p> <p>Management plan was available containing appropriate measures that are expected to maintain and/or enhance them, includes:</p> <ul style="list-style-type: none"> - Maintenance of HCV marking, manual upkeep - Placement of warning sign/sign board - Monitoring of riparian area - Monitoring the presence of wildlife (Protected animal) - Monitoring of illegal hunting and HCV Patroll <p>Management plans and monitoring of HCV was documented in “Conservation Management Plan PT SMA-Tanah Datar Estate 2016 and PT NPK-Bahilang Estate 2016” breakdown in Division HCV Management Program, each Division assistant was responsible for the program and its implementation. The measures contained in the management plan were actively implemented to maintain and/or enhance</p>	

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			<p>HCV values.</p> <p>Field observation to HCV area and document verification “<i>Laporan Monitoring Biodiversity</i>” of PT SMA-Tanah Datar Estate and PT NPK-Bahilang Estate period semester I and II 2016 was available and demonstrate that the measures contained in the management plan been actively implemented.</p>	
5.2.3	<p>Program(s) to socialize the status of protected, rare, threatened or endangered (RTE) to all workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.</p>			
	<p>a. Does the company have policies or rules to protect RTE species?</p> <p>b. Is there a programme to regularly educate the workforce about the status of the RTE species?</p> <p>c. Is there evidence or action taken to implement the rules and programs? E.g. Inspections conducted to check no traps/snares put up within or nearby areas.</p> <p>d. Have appropriate disciplinary measures been imposed in accordance with company rules and national law, should any individual working for the company is found to have captured, harmed, collected or killed any RTE species?</p>	<ul style="list-style-type: none"> • Company policy dated 1st December 2014 • Environmental Field Procedure Conservation Area Monitoring (AA-PL-08-EFP) • Conservation Management Plan 2016 • HCV Management and Monitoring report 2016 • Field observation and interview with workers 	<p>Organization has a policies or rules to protect RTE species based on UU No.5 / 1990. Penalties under the UU No.5 / 1990 "person who deliberately capture, injure, kill, keep, possess, maintain, transport, and trade in protected animals alive or dead can shall be punished with imprisonment of 5 years and a maximum fine 100.000.000, - (one hundred million). Policy also documented in Company Policy dated 1st December 2014 and Environmental Field Procedure Conservation Area Monitoring (AA-PL-08-EFP).</p> <p>Penalties were communicated directly to all employees and the local community during HCV socialization and through the HCV sing boards and warnings board.</p> <p>Company has programme to regularly educate the workforce about the status of the RTE species through socialization and awareness. Socialization HCV protection and RTE species to all employees has been conducted on 18 November 2016 and 24 February 2016 (Bahilang Estate). The program has been implemented, the evidence of socialization invitation, list of attendance and photographs, minutes of socialization was proved. HCV protection and wildlife protection dissemination conducted twice a year internally to employee and once a year externally to surrounding community.</p> <p>Inspections conducted regularly through HCV patrol to check no traps/snares put up within or nearby areas of HCV. Schedule and report of HCV patrol was sighted.</p> <p>HCV officer has been assign on behalf of :</p> <p>a. Mr Saniman and Mr. Poniran based on Assignment Letter No 019 -</p>	<p>YES</p>

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			<p>020/ES-KTD/MEMO/01/16 dated 7 April 2016 with job descriptions to monitor and protect HCV Area. (Tanah Datar Estate)</p> <p>b. Mr. Arminsyah Purba based on Assignment Letter No 010/NPK-KBL/INT/III/2015 dated 19 March 2015 with job descriptions to monitor HCV area, protect HCV Area, monitor riparian restoration, wildlife monitoring and etc. (Bahilang Estate)</p> <p>Relevant laws were taken into account for determining appropriate measure including UU #5/1990 about Natural resources conservation, PP#7/1999 about List of protected plan and wildlife, Kepres #32/1990, and PP26/2008.</p>	
5.2.4	<p>Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.</p> <p>Specific Guidance: <i>For 5.2.4: The result of HCV monitoring may become considerations while reviewing HCV management plan.</i></p>			
	<p>a. Does the management plan contain ongoing monitoring of status of HCV and RTE species that are affected by plantation or mill operations?</p> <p>b. Is the status documented and reported?</p> <p>c. Are the outcomes of monitoring fed back into the management plan?</p>	<ul style="list-style-type: none"> • Conservation Management Plan 2016 • HCV Management and Monitoring report 2016 • Field observation and interview with workers 	<p>Management plan of HCV has been established based on HCV assessment in 2012. Ongoing monitoring of the HCV management plan is performed regularly in monthly basis. HCV Officer is the personnel in charge for conducting the monitoring of HCV. Records of HCV monitoring were available and it was observed that monitoring was performed consistently.</p> <p>HCV management plan is updated once a year based on the outcome of the HCV monitoring that performed regularly in monthly basis.</p> <p>Monitoring of management plan was conducted periodically twice in a year (January – June and July – December).</p> <p>HCV and RTE species that are affected by plantation or mill operations have been monitored, documented and reported each semester. A record was available in Monitoring of RTE species existences and HCV area. Items checked contain RTE species existence, disturbance of people hunting and warning sign condition.</p> <p>HCV monitoring was conducted in semester basis (every 6 months). The company has evaluated their HCV management program stated in HCV Monitoring Report 2016 Semester 1 and 2 such as repairing of HCV sign board and nursery for rehabilitation in HCV area.</p>	<p>YES (Major NCR 2017 – 04 CLOSED)</p>

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			This NCR is recurrence to last surveillance audit so it will upgrade to Major NCR.	
5.2.5	<p style="color: red;">Where HCV areas overlapped with an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights</p> <p>Specific Guidance: For 5.2.5: If a negotiated agreement cannot be reached, there should be evidence of sustained efforts to achieve such an agreement. These could include third party arbitration (see Criteria 2.3, 6.3 and 6.4).</p>			
	<p>a. Is there HCV set-asides with existing rights of local communities?</p> <p>b. Who are the affected communities?</p> <p>c. Is the identified HCV areas mapped?</p> <p>d. Is there evidence of stakeholder consultation and negotiated agreement, in accordance to FPIC principles, with local community to optimally safeguard both the HCVs and rights of local communities?</p> <p>e. If a negotiated agreement cannot be reached, is there evidence of sustained efforts to achieve an agreement? Refer to specific guidance for 5.2.5.</p>	<ul style="list-style-type: none"> • HCV Assessment report by Forestry Department, Bogor Agriculture Institute in September 2012 • Conservation Management Plan 2016 • HCV Management and Monitoring report 2016 • Field observation • Interview stakeholder 	<p>Based on HCV map and public consultation with local communities there was no HCV set-asides with existing rights of local communities.</p> <p>HCV 6 identified in the plantation areas are public cemeteries which were made by company for employees and the surrounding communities who need graveyard. Companies allow the surrounding communities who will bury their citizens in this area.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
5.3	<p>Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p> <p>Guidance: <i>The waste management and disposal plan should include measures for:</i></p> <ul style="list-style-type: none"> <i>a. Identifying and monitoring sources of waste and pollution.</i> <i>b. Improving the efficiency of resource utilisation and recycling potential wastes as nutrients or converting them into value-added products (e.g. through animal feeding programmes).</i> <i>c. Appropriate management and disposal of hazardous chemicals and their containers. Surplus chemical containers should be reused, recycled or disposed of in an environmentally and socially responsible way based on best available practices (e.g. returned to the vendor or cleaned using a triple rinse method) and existing regulations. This is to prevent pollutions to the water sources and risk to human health. The disposal instructions on the manufacturer's labels should be adhered to.</i> <p><i>Use of open fire for waste disposal should be avoided.</i></p> <p><i>Regulations relate to waste management, such as:</i></p> <ol style="list-style-type: none"> <i>1. Government Regulation No. 18 year 1999 regarding Management of Toxic and Hazardous Waste (B3)</i> <i>2. Government Regulation No. 85 year 1999 regarding Amendment of Government Regulation No. 18 year 1999 regarding Management of B3 (the annex shows a list of B3 from specific and non-specific sources, expired chemicals, leakage, remaining containers and waste of unspecified products).</i> <i>3. Government Regulation No. 82 year 2001 regarding Management of Water Quality and Control of Water Pollution. This includes criteria for water quality, and requirements for utilising and disposing waste water)</i> <i>4. Government Regulation No. 81 year 2012 regarding Management of Domestic Waste</i> <i>5. Decree of the Minister of Environment No. 51 year 1995 regarding Waste Water Standard for Industries</i> <i>6. Decree of the Minister of Environment No. 28 year 2003 regarding Technical Guidance for Study for Utilising Palm Oil Mill Effluent (POME) on Oil Palm Plantation.</i> <i>7. Decree of the Minister of Environment No. 29 year 2003 regarding Guidance for Permit Requirements and Administration for Utilising POME on Oil Palm Plantation</i> <i>8. Decree of the Minister of Environment No. 112 year 2003 regarding Domestic Waste Water Standard</i> <i>9. Decree of the Head of Bapedal No. 255/Bapedal/08/1996 regarding Procedure and Requirements for Storing and Collecting Used Oil</i> <i>10. Guidance for Use of Pesticides, Directorate General of Infrastructure and Facilities, Ministry of Agriculture, 2011</i> 			
5.3.1	(M) A documented identified source of all waste and pollution, shall be available.			

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	<p><i>SAI Global auditor's note:</i></p> <p><i>To verify the identification of waste, type of waste produced, and the way it is managed. Can be seen in the procedure or Work Instruction</i></p> <p>a. Is there a registry/list of waste products produced?</p> <p>b. Is there a registry/list of pollution sources?</p>	<ul style="list-style-type: none"> • Procedure AA-KL-06-EFP – Handling of Hazardous Waste • Procedure AA-KL-07-EFP – Handling of Medical Waste. • Procedure AA-KL-11-EFP – Handling of Laboratory Waste. • Form AA-KL-601-FM – Record of Hazardous waste • Form AA-KL-602-FM – record of hazardous waste circulation • EMS-431-003-LT Rev.14 form updated on 1 February 2017 (Tanah Datar) • EMS-431-003-LT Rev.14 form updated on 12 January 2017 (Bahilang Estate) 	<p>Identification of waste and pollution sources from Taman Raja Mill and Estate activities was evident. The source of pollution, type and control method of waste was recorded.</p> <p>The waste products from estate generally were domestics waste and also several hazardous waste from estate operations activities as detailed below (but not limited):</p> <ul style="list-style-type: none"> ✓ Ex-pesticides containers (bottles and jerry cans) ✓ Used oils ✓ Used battery from the vehicles ✓ Plastics ✓ Medical waste (first aid usage) ✓ Rags ✓ Fertilizer containers ✓ Emissions from vehicles ✓ Usage lamps ✓ Tires ✓ Usage batteries ✓ Usage oil filters <p>While at the Mill it was several hazardous waste generated from the mill operations, in detailed below (but not limited):</p> <ul style="list-style-type: none"> ✓ POME ✓ Palm shell ✓ Fibre ✓ Empty bunch ✓ Boiler ash ✓ Chemicals jerry can and bottles ✓ Gunny sacks from chemicals materials ✓ Welding materials from workshop activities ✓ Lubricants from workshop materials ✓ Contaminated rags from workshop activities ✓ Usage lamps ✓ Tires ✓ Usage batteries ✓ Usage oil filters 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			Emissions from vehicles and other engines (generator, boilers)	
5.3.2	(M) There shall be evidence that all chemicals and their empty containers are disposed of responsibly			
a.	<p><i>SAI Global auditor's note:</i></p> <ul style="list-style-type: none"> - <i>All hazardous waste management process can be traced from producer to its utilization / final discharging</i> - <i>TPS satellite is not acknowledged for its existence. If hazardous waste will be stored in TPS satellite, the storage process needs a permit. Except for the temporary storage of medical waste which can be stored up to 1 month in the clinic before being transported to hazardous licensed polling stations and placed in appropriate containers.</i> <p>Is there an inventory of chemicals and their containers that are used and kept on site?</p>	<ul style="list-style-type: none"> • Procedure AA-KL-06-EFP – Handling of Hazardous Waste. • Procedure AA-KL-07-EFP – Handling of Medical Waste. • Procedure AA-KL-11-EFP – Handling of Laboratory Waste. • Form AA-KL-601-FM – Record of Hazardous waste • Form AA-KL-602-FM – record of hazardous waste circulation • Hazardous waste manifest • Observation to temporary storage of hazardous waste • Permit of temporary storage of hazardous waste for Tanah Datar Mill from <i>Bupati Kabupaten Batu Bara</i> No. 660/0811/BLH/XI/2012 on 22nd November 2012 valid for 5 years • Permit of temporary storage of hazardous waste for Bahilang Estate from Regent of Serdang Bedagai North Sumatera Decree No. 010/16/III/KP2TPM-SB/2014 dated 18 March 2014 with 	<p>Procedure waste handling including hazardous waste handling has been established and implemented. The procedure required waste to be segregated from point of generation. In addition Mill and Estate also established waste register, which described wastes generated from each activity/location, its classification (organic, inorganic or hazardous), and its control measure.</p> <p>It was observed that organic and inorganic wastes were segregated at point of source. Mill and Estate including housing has provided different colour of waste bin for each type of waste. Organic and inorganic wastes from Mill and Estate including housing were disposed to landfill in the Estate area. Areas of organic and inorganic wastes disposal were far from housing.</p> <p>All empty agrochemical containers were triple rinsed, the jerry can were reused to spraying activities. Records of chemical containers quantity disposed were evident. Liquid waste from agrochemical was reused for the next spraying application.</p> <p>Several ex-chemicals materials containers that use at mills operations such as laboratory chemicals ex-containers and the others, such as boiler additive liquids, lubricants, workshop materials, use battery, etc. were categorized as hazardous wastes that stored at hazardous waste temporary warehouse (TPS B3) that will be managed by licensed vendor: PT Shali Riau Lestari for transporter and as used oil collector; PT Wastec as used of rags processor, used filter, used lamp, used chemical container, contaminated goods and medical waste; PT Non Ferindo as used battery processor.</p> <p>Tanah datar Mill and Estate</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>b. How are chemicals and their containers stored and disposed off? Is it in accordance to best practices? (as prescribed by manufacturers' labels, local requirement, national or international best practice)</p> <p>c. Are collection and disposal records of chemicals and their containers maintained?</p>	<p>permissible period 180 days and valid through 3 years</p> <ul style="list-style-type: none"> • Permit of PT. Shali Riau Lestari No. 879/2016 from Minister of Environment and Forestry as hazardous waste collector dated 9 November 2016 valid for 5 years • Permit of PT. Non Ferindo Utama No. 07.51.09/2014 from Minister of Environment as hazardous waste processor dated 3 September 2014 valid for 5 years • Permit of PT. Wastec International No. 546/2015 from Minister of Environment and Forestry as hazardous waste processor dated 19 November 2015 valid for 5 years • Permit of PT. Shali Riau Lestari No. B-14559/Dep.IV/LH/PDAL/12/2014 dated 30 December 2014 from Kementrian Lingkungan Hidup for tract BM 8431 JU valid through 5 years as hazardous waste transporter • MOU No.114/SPK/AAG.SMTI-SRL-WI/IV/2015 dated April 18, 2015 between Asian Agri Group Sumut 1 with PT Shali Riau Lestari and PT Wastec International valid as long as 	<p>In 2016 there are 3 times disposal of hazardous waste, on 5 February 2016; 29 June 2016 and 20 December 2016. Details of disposal are :</p> <ol style="list-style-type: none"> a. 5 February 2016, transported by PT Shali Riau Lestari to PT Non Ferindo and PT Wastec. Manifest 2, 3 and 7 was sighted during audit. b. 29 June 2016, transported by PT Shali Riau Lestari to PT Shali Riau Lestari and PT Wastec. Manifest 2, 3 and 7 was sighted during audit. c. 20 December 2016, transported by PT Shali Riau Lestari to PT Shali Riau Lestari, PT Non Ferindo and PT Wastec. Manifest 2, 3 and 7 was sighted during audit. <p>Others records sighted, such as: "Laporan pengelolaan LB3" Period January – Desember 2016 Tanah Datar Mill. Hazardous waste management was reported to North Sumatera Province and Batu Bara District Environmental Agency. Receipt note was also sighted.</p> <p>Hazardous wastes generated by Mill and Estate are stored in temporary storage of hazardous waste prior to be transported by licensed vendor. Temporary storage of hazardous waste still held valid permit from Regent of Batu Bara North Sumatera Decree No. 660/0811/BLH/XI/2012 on 22nd November 2012 with permissible period 180 days and valid through 5 years for Tanah Datar Mill.</p> <p><u>Bahilang Estate</u></p> <p>In 2016 there are 3 times disposal of hazardous waste, on 5 February 2016; 29 June 2016 and 20 December 2016. Details of disposal are :</p> <ol style="list-style-type: none"> a. 5 February 2016, transported by PT Shali Riau Lestari to PT Shali Riau Lestari, PT Non Ferindo and PT Wastec. Manifest 2, 3 and 7 was sighted during audit. b. 29 June 2016, transported by PT Shali Riau Lestari to PT Shali Riau Lestari, PT Non Ferindo and PT Wastec. Manifest 2, 3 and 7 was sighted during audit. c. 20 December 2016, transported by PT Shali Riau Lestari to PT Shali Riau Lestari, PT Non Ferindo and PT Wastec. Manifest 2, 3 and 7 was sighted during audit. 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		<p>companies have cooperation in accordance to regulations</p> <ul style="list-style-type: none"> • MOU No.115/SPK/AAG.SMTI-SRL-WI/IV/2015 dated April 18, 2015 between Asian Agri Group Sumut 1 with PT Shali Riau Lestari and PT Non Ferindo Utama valid as long as companies have cooperation in accordance to regulations • MOU No.118/SPK/AAG.JMB-SRL-WI/IV/2015 dated 18 April 2015 between PT Shali Riau Lestari and PT Wastec International valid as long as companies have cooperation • MOU No.120/SPK/AAG.JMB-SRL-NFU/IV/2015 dated 18 April 2015 between PT Shali Riau Lestari and PT Non Ferindo Utama valid as long as companies have cooperation • MOU No 068/SRL-PKU/MOU/III/2016 dated 9 February 2016 between PT Shali Riau Lestari and PT Supra Matra Abadi valid from 23 February 2016 – 22 February 2017 	<p>Others records sighted, such as: “Laporan pengelolaan LB3” Period January – Desember 2016 Bahilang Estate. Hazardous waste management was reported to North Sumatera Province, Serdang Bedagai District Environmental Agency, Environment Ministry and etc. Receipt note was also sighted.</p> <p>Hazardous wastes generated by Estate are stored in temporary storage of hazardous waste prior to be transported by licensed vendor. Temporary storage of hazardous waste still held valid permit from Regent of Serdang Bedagai North Sumatera Decree No. 010/16/III/KP2TPM-SB/2014 dated 18 March 2014 with permissible period 180 days and valid through 3 years. The company have sent their application to extend the license on 11 February 2017 with letter No 017/NPK-KBL/Ext-L/II/2017 and received by Kantor Pelayanan Perizinan Terpadu dan Penanaman Modal Pemerintah Kabupaten Serdang Bedagai on 20 February 2017.</p>	
5.3.3	<i>A documented waste management plan to avoid or reduce pollution and its implementation shall be available</i>			
	<p><i>SAI Global auditor’s note</i> <i>- Need to check records related to non hazardous waste disposal,</i></p>	<ul style="list-style-type: none"> • Procedure AA-KL-06-EFP – Handling of Hazardous Waste. • Procedure AA-KL-07-EFP – Handling of Medical Waste. 	<p>Procedure waste handling including hazardous waste handling has been established and implemented. The procedure required waste to be segregated from point of sources. In addition Mill and Estate also established waste register, which described wastes sources from each activity/location, its classification</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>compare with the capacity of landfill. Auditor need to verify how to ensure that the landfill appropriate with quantity of waste.</i></p> <p><i>No matter how small oil spills on land are the findings</i></p> <p><i>Auditing must verify landfill in estate to understand domestic waste management of organic and inorganic.</i></p> <p><i>Landfill must be equipped with a note /statement of open date and due date. If time allocation is insufficient, visiting land fill in nearby house area is needed.</i></p> <p><i>All traces burning must be identified as findings and must be re-verified</i></p> <p>a. Is there a documented waste management and disposal plan to avoid or reduce pollution?</p> <p>b. Does the waste management and disposal plan, at minimum, include measures for:</p> <ul style="list-style-type: none"> • Identifying and monitoring sources of waste and pollution? • Improving the efficiency of resource utilisation and recycling potential of wastes 	<ul style="list-style-type: none"> • Procedure AA-KL-11-EFP – Handling of Laboratory Waste. • Form AA-KL-601-FM – Record of Hazardous waste • Form AA-KL-602-FM – record of hazardous waste circulation • Observation to temporary storage of hazardous waste • EMS-431-003-LT Rev.14 form updated on 1 February 2017 (Tanah Datar) • EMS-431-003-LT Rev.14 form updated on 12 January 2017 (Bahilang Estate) 	<p>(organic, inorganic or hazardous), and its disposal, reusing or recycling. EFB was used as fertilizer in Tanah Datar Estate. POME was applied to land application as liquid fertilizer in Tanah Datar Estate and supplied to biogas. Fibre and Shell from Tanah Datar Mill was used for boiler feed. It was observed that organic and inorganic waste was segregated at point of source. Mill and Estate including housing has provided different colour of waste bin for each type of waste. Organic and inorganic wastes from Mill and Estate including housing were disposed to landfill in the Estate area. Areas of organic and inorganic wastes disposal was far from housing, in the flood-free area and not in swamp area and completed with warning sign not burning wastes.</p> <p>There are evident the measurement periodical report include air ambience quality; emissions of vehicles and other engines (boilers, generators, etc.) also the programme on how to reduce the fuel usage and environmentally friendly.</p> <p>Hazardous wastes generated by Mill and Estate are used oil, used oil filter, used battery, medical waste and used lamp. Temporary storage of hazardous waste was available to collect hazardous waste prior to be transported by licensed vendor.</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>as nutrients or converting them into value-added products (e.g. through animal feeding programmes)?</p> <ul style="list-style-type: none"> • Appropriate management and disposal of hazardous chemicals and their containers? • Reduction, re-use and recycle of waste? <p>c. Is there evidence that the plan has been implemented?</p> <p>d. Is there evidence that waste has not been disposed off using open fire?</p>			
5.4	<p>Efficiency of fossil fuel use and the use of renewable energy is optimised.</p> <p>Guidance: <i>Renewable energy use per tonne of Crude Palm Oil (CPO) or palm product in the mill should be monitored. Direct fossil fuel use per tonne of CPO or Fresh Fruit Bunches (FFB) should be monitored. Energy efficiency should be taken into account in the construction or upgrading of all operations.</i></p> <p><i>Growers and millers should assess the direct energy use of their operations, including fuel and electricity, and energy efficiency of their operations. This should include estimation of fuel use by on-site contract workers, including all transport and machinery operations.</i></p> <p><i>If possible, the feasibility of collecting and using biogas should be studied.</i></p>			
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p>			
	<p>a. Is there a plan for improving efficiency of the use of fossil fuels and to optimise renewable energy?</p> <p>b. Has the plan been implemented</p>	<ul style="list-style-type: none"> • Fossil fuels efficiency programme • Renewable energy (Fibre and shell) optimization programme • Records of diesel fuels usage • Records of fibre and shell usage 	<p>Tanah Datar mill and estate has been develop the programme/plan on how to conduct efficiency for utilization of fossil fuel by develop the standard to manage the consumption each of vehicles and electricity generator within litre per hours for organization owned; the monitoring conducted by monthly and reported to technical department.</p> <p>There are monitoring records sighted regarding the utilization of fossils fuels and</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																														
	<p>and is it monitored?</p> <p>c. Does the monitoring system encompass the following :</p> <ul style="list-style-type: none"> • Renewable energy use/tCPO or palm product; • Direct fossil fuel use/tCPO or tFFB; • Estimated fuel use by on-site contract workers and transport and machinery operations; • Electricity use in operations. <p>d. Was energy efficiency taken into account during the construction or upgrading of all operations?</p> <p>e. Has studies on the feasibility of collecting and using biogas been carried out?</p>		<p>fibre shell that presented as below:</p> <table border="1" data-bbox="1099 339 1767 504"> <thead> <tr> <th>Renewable Energy (Fibre and shell)</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Fibre (ton)</td> <td>16,111</td> <td>16,210</td> </tr> <tr> <td>Shell (ton)</td> <td>1,589</td> <td>2,234</td> </tr> </tbody> </table> <table border="1" data-bbox="1099 533 1767 911"> <thead> <tr> <th>Fossil fuels</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td colspan="3" style="text-align: center;">Mill</td> </tr> <tr> <td>Vehicles and generator (litre)</td> <td>13,695</td> <td>16,378</td> </tr> <tr> <td colspan="3" style="text-align: center;">Tanah Datar Estate</td> </tr> <tr> <td>Vehicles and generator (litre)</td> <td>69,560</td> <td>66,027</td> </tr> <tr> <td colspan="3" style="text-align: center;">Bahilang Estate</td> </tr> <tr> <td>Vehicles and generator (litre)</td> <td>99,169</td> <td>96,536</td> </tr> </tbody> </table>	Renewable Energy (Fibre and shell)	2015	2016	Fibre (ton)	16,111	16,210	Shell (ton)	1,589	2,234	Fossil fuels	2015	2016	Mill			Vehicles and generator (litre)	13,695	16,378	Tanah Datar Estate			Vehicles and generator (litre)	69,560	66,027	Bahilang Estate			Vehicles and generator (litre)	99,169	96,536	
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5.5	<p>Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p> <p>Guidance: <i>Clause 11 of the Government Regulation No. 4 year 2001 regarding Control of Environmental Damage and or Pollution associated with Forest and or Land Fire, describes that the activities causing forest and or land fire are including land clearing in forestry, plantation, agriculture, transmigration, mining, tourism which are carried out through burning. Therefore, the use of fire is prohibited in those activities, unless for unavoidable circumstances or specific purposes, such as forest fire control, pest and disease control, and habitat management of flora and fauna. Implementation of restricted burning shall be authorised by the relevant agency.</i></p>																																	
5.5.1	<p>(M) Records of land clearing with zero burning shall be available, referring to the ASEAN Policy on Zero Burning (2003) or other recognised techniques based on the existing regulations.</p>																																	

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	<p>a. Does the company have a zero burning policy or any statement on zero burning?</p> <p>b. Does the company have SOPs for land preparation which mentions zero burning?</p> <p>c. Was land prepared using the burn method? If yes, was it based on the specific situations identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions?</p> <p>d. Has the policy been implemented throughout the operations?</p> <p>e. Is there training programmes for associated smallholders on zero burning where appropriate?</p>	<ul style="list-style-type: none"> • Company policy dated 1st December 2014 • Procedure of Replanting (OP-1100.20-R1). & Procedure of Land Preparation (OP-1100.20-R1) 	<p>The organization had documented company policy for zero burning dated 1st December 2014 signed by Director. It defined Point.6. Zero burning practice and actively to prevent and monitor forest smokes and fire also to conduct zero burning practices and described that land preparation of replanting is conducted by cutting and chipping.</p> <p>It was also described within the replanting procedure (AA-APM-OP-1100.20-R1) that the organisation committed to zero burning by using "chipping technique" at the <i>ganoderma</i> risks plantation by conducting topple to the palm trees, chopping and stacking using excavator by bucket modification.</p> <p>Procedure replanting mentioned that Field Assistant, Assistant Chief and Estate Manager must perform checks to ensure that the contractor does not perform burning for land preparation for replanting. All the replanting activities requires to be documented and monitored, such as: Schedule of replanting (chipping, digging and planting), progress planting LCC (<i>Legume Cover Crop</i>) and Minutes Works replanting (Progress in the Works Contractor)</p> <p>In the procedure of replanting mentioned that, the methods used are:</p> <ul style="list-style-type: none"> • Toppling trees using heavy equipment (excavators) • Chipping: cutting palm trunk, so as not infected with <i>ganoderma</i> • Planting LCC / legumes (<i>Mucuna</i> and <i>Puereria javanica</i> etc. So that the decay of the old oil palm trunks can be faster • Planting of oil palm. <p>This method has been used in replanting the whole plantation belonging to Asian Agri group.</p>	<p>YES</p>
5.5.2	<p>Where fire has been used for eradication of pest during replanting, the records of the analysis of the use of fire and permit from the authorised agency shall be available</p> <p>Specific Guidance: <i>Fire should be used only where an assessment has demonstrated that it is the most effective and least environmentally damaging option for minimizing the risk of severe pest and disease outbreaks, and exceptional levels of caution should be required for use of fire on peat. This should be subject to regulatory provisions under respective national environmental legislation. This should refer to the ASEAN Policy on Zero Burning (2003) and existing national environment regulations.</i></p> <p><i>The company shall have procedure and records of emergency response to ground fire, including the means and facilities.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Where fire has been used for preparing land for replanting, is there evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions?</p> <p>b. What was the justification for using fire?</p>	<ul style="list-style-type: none"> - Areal statement - Interview with manager 	<p>There is no replanting been conducted yet in PT. Supra Matra Abadi, and PT Nusa Pusaka Kencana.</p>	<p>N/A</p>
5.6	<p>Preamble:</p> <p><i>Growers and millers commit to report greenhouse gas emissions from their operations. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognized that to reduce or minimise these emissions is not always practical or feasible. Growers and millers commit to an implementation period until the end of December 2016 for promoting best practices in reporting to the RSPO, and thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO.</i></p>			
5.6	<p>Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p> <p>Guidance: <i>Where practically feasible, operations should follow best management practices to measure and reduce emissions. Advice on this is available from the RSPO.</i></p>			
5.6.1	<p>(M) Document(s) assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent, shall be available (see Criterion 4.4)</p> <p>Specific Guidance: <i>For 5.6.1: Assessment document covers identification of pollutant and emission sources, and evaluation of potential pollution level.</i></p>			
	<p>a. Has an assessment of all polluting activities been conducted including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4)?</p> <p>b. Is there a documented list of all</p>	<ul style="list-style-type: none"> • EMS-431-003-LT Rev.14 form updated on 1 February 2017 (Tanah Datar) • EMS-431-003-LT Rev.14 form updated on 12 January 2017 	<p>Identification of pollution and emission sources at Tanah Datar Mill activities was evident.</p> <p>The source of pollution, type of pollution and its control was documented. The information of pollution and emission sources at Tanah Datar Mill was reviewed and updated on 1 February 2017 including boiler emission, methane from Palm Oil Mill Effluent, diesel electricity generator, and vehicles and heavy equipment emission. The GHG emission calculation for PT Supra Matra Abadi using Palm</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)												
	identified polluting activities?	(Bahilang Estate)	GHG V 3.0.1 <table border="1" data-bbox="1099 339 1888 504"> <thead> <tr> <th></th> <th>Own Crop</th> <th>Group</th> <th>Out grower</th> </tr> </thead> <tbody> <tr> <td>Total field emissions (tCO₂e)</td> <td>4,779.76</td> <td>0</td> <td>0</td> </tr> <tr> <td>Total mill emissions (tCO₂e)</td> <td>-7,628.26</td> <td>0</td> <td>0</td> </tr> </tbody> </table>		Own Crop	Group	Out grower	Total field emissions (tCO ₂ e)	4,779.76	0	0	Total mill emissions (tCO ₂ e)	-7,628.26	0	0	
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5.6.2	<p>(M) Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>Specific Guidance: <i>For 5.6.2: Plans will include objectives, targets and timelines. These should be responsive to context and any changes should be justified. Examples of reducing greenhouse gas emission are including empty bunch application, effluent land application, efficiency of fertilizer use, fuel efficiency, compost application and or methane capture.</i></p> <p><i>For 5.6.2 and 5.6.3: The treatment methodology for POME will be recorded.</i></p>															
	<p>a. Is there a documented list of all identified significant pollutants and GHG emissions?</p> <p>b. Are there plans to reduce or minimise the identified pollutants and GHG emissions?</p> <p>c. Do the plans include objectives, targets and timelines for reduction that are responsive to context?</p> <p>d. Are the plans being implemented? Was there any changes? Is it justified?</p> <p>e. Is the treatment methodology for POME recorded? (refer to C 4.4.3)</p>	Greenhouse gas emissions reduction Programme year 2016 and 2017	<p>The program was identify the source of greenhouse gas emissions as listed below:</p> <ol style="list-style-type: none"> Methane from POME at mill Fossil fuels emissions from vehicles and engines Chemical fertilizer Electricity usage <p>There are also established the GHG reduction plan completed with objectives, targets and timelines as below:</p> <table border="1" data-bbox="1149 1062 1852 1302"> <thead> <tr> <th>Program</th> <th>Target 2016</th> </tr> </thead> <tbody> <tr> <td>Efficiency of diesel consumption</td> <td>From 3,5 to 3,7 Km/ litre</td> </tr> <tr> <td>Reduce paraquat utilization</td> <td>Reduce from 830.13 L to 600 L</td> </tr> <tr> <td>Reduce water consumption</td> <td>From 1,5 to 1,0 m³/family</td> </tr> <tr> <td>Reduce of shell as boiler fuel</td> <td>From 3.131 MT to 2.500 MT</td> </tr> </tbody> </table> <p>The records of each programme were sighted as evident implementation.</p>	Program	Target 2016	Efficiency of diesel consumption	From 3,5 to 3,7 Km/ litre	Reduce paraquat utilization	Reduce from 830.13 L to 600 L	Reduce water consumption	From 1,5 to 1,0 m ³ /family	Reduce of shell as boiler fuel	From 3.131 MT to 2.500 MT	YES		
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			<p>Tanah Datar Mill waste water was processed through a series of waste water treatment ponds: cooling pond, acid pond, primary anaerobic ponds, secondary anaerobic pond, aerobic pond, and sedimentation pond. POME from primary anaerobic pond was applied in the Badang Estate. Process parameter monitoring and maintenance of the ponds were sighted. Quality of waste water effluent is monitored quarterly in line with the requirements</p> <p>The results of monitoring of waste water effluent were reviewed including measurement of BOD; the result of discharge effluent conforms to the limits for parameters.</p>									
5.6.3	<p>A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.</p> <p>Specific Guidance: For 5.6.2 and 5.6.3: The treatment methodology for POME (Palm Oil Mill Effluent) will be recorded.</p> <p>For 5.6.3 (GHG): For the implementation period until December 31st, 2016, an RSPO-endorsed modified version of PalmGHG which only includes emissions from operations (including land use practices) can be used as a monitoring tool.</p> <p>In addition, during the implementation period, growers will start to assess, monitor and report emissions arising from changes in carbon stocks within their operations, using the land use in November 2005 as the baseline. The implementation period for Indicator 5.6.3 is the same implementation period for Criterion 7.8.</p> <p>During the implementation period, reporting on GHG will be to a relevant RSPO working group (composed of all membership categories) which will use the information reported to review and fine tune the tools, emission factors and methodologies, and provide additional guidance for the process. Public reporting is desirable, but remains voluntary until the end of the implementation period. During the implementation period the RSPO working group will seek to continually improve PalmGHG, recognising the challenges associated with measuring GHG and carbon stock.</p> <p>PalmGHG or RSPO-endorsed equivalent will be used to assess, monitor and report GHG emissions. Parties seeking to use an alternative to PalmGHG will have to demonstrate its equivalence to the RSPO for endorsement. Methodology for calculating GHG refers to 7.8.1.</p>											
	<p>a. Is there a system in place to monitor emission of pollutants including greenhouse gases from estate (plantation) and mill operations?</p> <p>b. Is there regular reporting of the</p>	<p>Calculation of GHG RSPO calculation Year assessment 2016</p>	<p>The GHG emission calculation for period 2016 using RSPO PalmGHG Version 3.0.1 and have reported to RSPO on 27 February 2017.</p> <table border="1" data-bbox="1099 1238 1890 1362"> <thead> <tr> <th></th> <th>Own Crop</th> <th>Group</th> <th>Out grower</th> </tr> </thead> <tbody> <tr> <td>Total field emissions (tCO₂e)</td> <td>4,779.76</td> <td>0</td> <td>0</td> </tr> </tbody> </table>		Own Crop	Group	Out grower	Total field emissions (tCO₂e)	4,779.76	0	0	<p>YES</p>
	Own Crop	Group	Out grower									
Total field emissions (tCO₂e)	4,779.76	0	0									

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR				COMPLIANCE (YES/NO)
			Total mill emissions (tCO ₂ e)	-7,628.26	0	0	
	monitoring outcomes? How often and to whom is reporting done? c. Is the monitoring and reporting conducted using appropriate tools? What tool is being used to assess, monitor and report on GHG emissions? <i>Please refer to specific guidance for GHG requirements.</i>						

PRINCIPLES 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
6.1	Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement. Guidance: <i>Identification of social impacts may use AMDAL as part of the process, however it is the company's responsibility to provide objective and proper evidence to the audit team that entire</i>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		<p><i>requirements in the social impact assessment cover all aspects of estate and mill operations, and their changes along the time.</i></p> <p><i>Identification of social impacts should be carried out by the grower with the participation of affected parties, including women and migrant workers as appropriate to the context. The involvement of independent experts should be sought where this is considered necessary to ensure that all impacts (both positive and negative) are identified.</i></p> <p><i>Participation in this context means that affected parties are able to express their views through their own representative institutions, or freely chosen spokespersons, during the identification of impacts, reviewing findings and plans for mitigation, and monitoring the success of implemented plans.</i></p> <p><i>Potential social impacts may result from activities such as: building new roads, processing mills or other infrastructure; replanting with different crops or expansion of planting area; disposal of mill effluents; clearing of remaining natural vegetation; changes in employee numbers or employment terms; smallholder schemes.</i></p> <p><i>Plantation and mill management may have social impacts (positive or negative) on factors such as:</i></p> <ul style="list-style-type: none"> <i>a. Access and use rights;</i> <i>b. Economic livelihoods (e.g. paid employment) and working conditions;</i> <i>c. Subsistence activities;</i> <i>d. Cultural and religious values;</i> <i>e. Health and education facilities;</i> <i>f. Other community values, resulting from changes such as improved transport /communication or arrival of substantial migrant labour force.</i> <i>g. Traditional or customary rights owned by the local community, if identifiable</i> <i>h. Welfare of workers/labour and women, children and vulnerable group</i> <i>i. Contribution to the local development, including improvement of human resources, local and customary communities.</i> <p><i>Regulations relating to identification of environmental and social key issues including indigenous rights and methodology to collect data and utilize the results, adopted from related regulations, such as:</i></p> <ol style="list-style-type: none"> <i>1. Government Regulation No. 27 year 2012 regarding Environment Permit</i> <i>2. Regulation of the Minister of Environment No. 17 year 2012 regarding Involvement of Community and Information Transparency in AMDAL Process</i> <i>3. Regulation of the Minister of Environment No. 8 year 2006 regarding Guidance for AMDAL Preparation</i> <i>4. Decree of the Head of Bapedal No. No. 299 year 1996 regarding Technical Guidance for Social Aspect Study in AMDAL Preparation</i> <i>5. Regulation of Minister of Home Affairs No.52 year 2014 regarding Guidance on the Recognition and Protection of the Indigenous People</i> <i>6. Regulation of the State Minister of Agrarian Affairs/Head of the Land National Agency No. 5 year 1999 on Guidelines for the Settlement of Problems Related to the Communal Reserved Land of the Customary Law Abiding Community</i> 		
6.1.1	(M) A social impact assessment (SIA) including records of meetings shall be documented.			
	<ul style="list-style-type: none"> a. Has an SIA been conducted? <i>When was the last SIA conducted?</i> b. Is the process in conducting the SIA and the findings documented? 	<ul style="list-style-type: none"> • “Studi Evaluasi Lingkungan” document (by PT. Beringin Megaconsult, February 1994. • <i>Dokumen Pengelolaan</i> 	<p>Tanah Datar Mill and Estate</p> <p>Social impacts have been identified already in “Studi Evaluasi Lingkungan” document (by PT. Beringin Megaconsult, February 1994, aspects divided into: social conflict, local recruitment, local income, living standards of the</p>	<p>YES (Major NCR 2017- 05 CLOSED)</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>c. <i>Does the SIA cover all of the potential impact factors, including:</i></p> <ul style="list-style-type: none"> • <i>Access and use rights;</i> • <i>Economic livelihoods (e.g. paid employment) and working conditions;</i> • <i>Subsistence activities;</i> • <i>Cultural and religious values;</i> • <i>Health and education facilities;</i> • <i>Other community values, resulting from changes such as improved transport /communication or arrival of substantial migrant labour force.</i> 	<p><i>Lingkungan Hidup (DPLH) of Oil Palm Plantation PT. Nusa Pusaka Kencana, 2011</i></p> <ul style="list-style-type: none"> • HCV Assessment report by Forestry Department, Bogor Agriculture Institute in September 2012 for Tanah Datar and Bahilang 	<p>community and public health.</p> <p>Bahilang Estate PT. Nusa Pusaka Kencana</p> <p>Social impact assessment is documented in DPLH (Dokumen Pengelolaan Lingkungan Hidup) PT. Nusa Pusaka Kencana (Asian Agri group) year 2011 by LP-USU (Lembaga Penelitian Universitas Sumatera Utara), covered: social conflict, local recruitment, local income, living standards of the community and public health.</p> <p>It was reviewed that social component covered is in line with the minimum guidance of coverage including Access and use rights, Economic livelihoods (e.g. working opportunities, incomes, paid employment) and working conditions, Subsistence activities, Cultural and religious values, local perception, public health and education facilities, social conflict and other community values, resulting from changes such as improved transport /communication or arrival of substantial migrant labour force.</p>	
6.1.2	(M) There shall be evidence that the assessment has been conducted with the participation of affected parties.			
	<p>SAI Global auditor’s note: Company’s evidence of participation of the affected parties (e.g. attendance register, minutes of meeting with stakeholders) must be directly confirmed during stakeholder consultation</p> <p>a. <i>Does the assessment involve consultation with the affected parties? Who are the affected parties?</i></p> <p>b. <i>Is there record of how the participatory assessment has been conducted? Were the affected parties able to express their views through their own representative institutions, or</i></p>	<ul style="list-style-type: none"> • “Studi Evaluasi Lingkungan” document (by PT. Beringin Megaconsult, February 1994. • <i>Dokumen Pengelolaan Lingkungan Hidup (DPLH) of Oil Palm Plantation PT. Nusa Pusaka Kencana, 2011</i> • HCV Assessment report by Forestry Department, Bogor Agriculture Institute in September 2012 for Tanah Datar and Bahilang • HCV full assessment report (by IPB 2012 • Stakeholder / local community meeting 6-7 March 2017 	<p>Social Impact assessments involve consultation with the affected parties covered villages.</p> <p>Evidence of participatory action from local communities was also sighted in related SIA documentation including photos.</p> <p>SIA method is done by interview and questionnaire. Attendance list and photograph of social impact assessment were available. Assessment has been done with the participation of affected parties such as head of villages, village representatives, sub-district police head, etc.</p> <p>Affected parties have been able to express their views through their own representative institutions, or freely chosen spokespersons, during the identification of impacts, reviewing findings and plans for mitigation, and monitoring the success of implemented plans. This is demonstrated by interview result available on <i>Analisis Dampak Lingkungan (ANDAL) Perkebunan dan Pabrik Pengolahan Kelapa Sawit</i>, PT. Supra Matra Abadi.</p> <p>Consultation management plans and monitoring the social impact to the</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>freely chosen spokespersons, during the identification of impacts, review of findings and planning for mitigation?</i></p>		<p>community has been communicated to affected communities on 6-7 March 2016.</p>	
<p>6.1.3</p>				
	<p>a. <i>Is there any documented record to outline the plan on mitigation, implementation and monitoring according to the SIA report?</i></p> <p>b. <i>Have plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts been developed?</i></p> <p>c. <i>Have these plans been documented, with clear timetables? Is the timeline reasonable?</i></p> <p>d. <i>Have the persons responsible for</i></p>	<ul style="list-style-type: none"> • Monitoring and CSR Program year 2016 and 2017 • CSR Report for year 2016 	<p>PT. Supra Matra Abadi – Tanah Datar and PT. Nusa Pusaka Kencana – Bahilang has a management plan and monitoring of social impacts as contained in SIA report, has been developed into Monitoring and CSR Program.</p> <p>Social Assessment Monitoring conducted every year by CSR Region, monitoring between planning and realization were identified and evident.</p> <p>All the planning and realization have been documented and are also completed with photos relevant to CSR activities.</p> <p>Realization of planning have been defined and implemented within a reasonable time.</p>	<p>YES (Major NCR 2017- 06 CLOSED)</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<i>implementation of the plans been identified?</i>			
6.1.4			<p>The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.</p> <p>Specific Guidance: For 6.1.3 and 6.1.4: Plan for management and monitoring of social impacts shall be established to avoid or reduce negative impacts and promote the positive ones, and monitoring of identified impacts shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. Methodology to identify customary right and local community and social impacts assessment can be made with the following:</p> <ol style="list-style-type: none"> Document review Field observation Interview FGD (Focus Group Discussion) Participatory mapping <p>These involve participation of the community to define potential social impacts and management recommendation. The process refers to Regulation of the Minister of Environment No. 17 year 2012 regarding Community involvement and Information Transparency in the Process of Environment Impact Assessment (SEIA).</p>	
	<ol style="list-style-type: none"> <i>Is the plan reviewed every two years?</i> <i>Has the plan been updated as necessary (i.e. in cases where the review has concluded that changes should be made to current practices)?</i> <i>Have the changes to the plan been implemented?</i> <i>Is there evidence that the review has been done with the participation of the affected parties?</i> <i>Has the process been recorded/documentated?</i> 	<ul style="list-style-type: none"> Monitoring and CSR Program year 2016 and 2017, CSR Report for year 2016 "Studi Evaluasi Lingkungan" document (by PT. Beringin Megaconsult, February 1994. Dokumen Pengelolaan Lingkungan Hidup (DPLH) of Oil Palm Plantation PT. Nusa Pusaka Kencana, 2011 	<p>SIA document has been reviewed every year alongside with Social Assessment monitoring.</p> <p>As reviewed in Social Assessment Monitoring 2016, programs to develop positive impact has been realized such as CSR programs, access road, infrastructure and new livelihoods. The negative impact has been minimized by road maintenance and road watering.</p> <p>All processes have been documented in the CSR Report year 2016.</p> <p>There are no differences in village monography and conditions since the first social assessment in 2006.</p>	<p>NO (Minor NCR 2017- 07 OPEN)</p>
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	a. Are there schemed smallholders involved? b. Have they been considered and involved in the whole process of the SIA? c. What are the main impacts affecting these smallholders?	Interview with unit head	PT. Supra Matra Abadi – Tanah Datar and PT. Nusa Pusaka Kencana - Bahilang is not having a smallholder/farmer partnership. Therefore, indicator 6.1.5 is not applicable	N/A
6.2	<p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p> <p>Guidance: <i>Decisions that the growers or mills are planning to make should be made clear, so that local communities and other interested parties understand the purpose of the communication and/or consultation.</i></p> <p><i>Communication and consultation mechanisms should be designed in collaboration with local communities and other affected or interested parties. These should consider the use of appropriate existing local mechanisms and languages. Consideration should be given to the existence/formation of a multi-stakeholder forum. Communications should take into account differential access to information by women as compared to men, village leaders as compared to day labourers, new versus established community groups, and different ethnic groups.</i></p> <p><i>In these communications, consideration should be given to involve third parties, such as disinterested community groups, NGOs, or government (or a combination of these), to facilitate smallholder schemes and communities, and others as appropriate.</i></p>			
6.2.1	(M) Communication and consultation procedures shall be documented			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Does the company maintain a list of local communities and other affected or interested parties?</p> <p>b. Is there SOP being developed by the company for communication and consultation between the company and the local communities and other affected or interested parties?</p> <p>c. Is the FPIC approach incorporated in the SOP for communication and consultation with the local communities and other affected or interested parties?</p> <p>d. Has the SOP been developed together with the local communities and other affected or interested parties using appropriate existing local mechanisms and in languages understood by these parties?</p> <p>e. Has the SOP been socialized with the local communities and other affected or interested parties taking into account the differential access to information by women as compared to men, village leaders as compared to day labourers, new versus established community groups, and different ethnic groups?</p> <p>f. Have interviews with affected parties been carried out to verify that the SOPs are effective?</p>	<ul style="list-style-type: none"> Stakeholder / local community meeting 6-7 March 2017 SOP AA-GL-50009.1-R0 - Mechanism local communication / public consultation for interested parties. Stakeholder list year 2017 	<p>The Company has a list for the local community and other interested parties and mentioned in the List of Stakeholders year 2016.</p> <p>SOP related to communication and consultation is described in the SOP AA-GL-50009.1-R0 - Mechanism local communication / public consultation for interested parties.</p> <p>FPIC was not applicable in PT. Supra Matra Abadi – Tanah Datar and PT. Nusa Pusaka Kencana – Bahilang, however FPIC approach was incorporated in the SOP for communication and consultation with the local communities and other affected or interested parties</p> <p>The existing communication and consultation mechanisms (SOP related to communication and consultation is described in the SOP AA-GL-50009.1-R0 - Mechanism local communication / public consultation) has been designed with consideration to the use of appropriate existing local mechanisms and languages. Consideration has been given to the existence/formation of a multi-stakeholder forum.</p> <p>The Procedure has disseminated to the stakeholder, minutes of dissemination and attendance list was sighted. The existing communication and consultation was taken into account differential access to information by women as compared to men, village leaders as compared to day labourers, new versus established community groups, and different ethnic groups.</p> <p>Procedure was available in Indonesian and easily to understand and it was effective. It was verified during public consultation and interview with stakeholder on 6-7 March 2016.</p>	<p>YES</p>
6.2.2	<p>The company shall have official(s) who is responsible for consultation and communications with parties.</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Who in the company is appointed to be responsible for communication and consultation with the affected parties?</p> <p>b. Has the position been made official with clear and proper job description?</p> <p>c. Have the affected parties been made aware and have access to the person in charge?</p>	<ul style="list-style-type: none"> • <i>Humas</i> (Public Relation) Job description • Interview with stakeholder on 6-7 March 2017 • Procedure of Stakeholder information request handling SOP:AA-GL-5008.1-R0 dated 5th December 2009 Rev. 00 • SOP Community complain handling SOP: AA-GL-510.1-R0. 	<p>Company has appointed Public Relation Officer/<i>Humas</i> to responsible for communication and consultation with stakeholders.</p> <p>Described in Job description, Public relation is one of the functions who develop and maintain the good social relationship with community and third parties include affected party.</p> <p>Affected parties have been aware and have access to the person in charge in accordance with Social Communication procedure. From the interview with the local community that represented by village head, they already know that the Public Relation Officer is responsible for the communications and consultation</p>	<p>YES</p>
<p>6.2.3</p>	<p>The company shall have a list of stakeholders, records of communications, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders.</p>			
	<p>a. Is the following maintained?</p> <ul style="list-style-type: none"> • List of stakeholders (local communities and other affected or interested parties etc.); • Records of all communication, including confirmation of receipt or endorsement; • Evidence that efforts have been made to ensure understanding by affected parties; • Record of actions taken in response to input from stakeholders. 	<ul style="list-style-type: none"> • List of stakeholder – January 2017. • Log book year 2016 and 2017. • Stakeholder / local community meeting on 6-7 March 2017. 	<p>A list of stakeholder was documented and updated once a year. The document was available covers internal stakeholder, government institution of, villages around PT. Supra Matra Abadi – Tanah Datar and PT. Nusa Pusaka Kencana – Bahilang, labour union, FFB supplier, and general contractor/supplier. Last update was performed in January 2017. Record of list stakeholder can be demonstrated and well maintained.</p> <p>Records of all communication including confirmation of receipt or endorsement were well maintained, it documented in logbook of information request and community aspiration.</p> <p>Efforts were made to ensure understanding by affected parties was evident and documented in folder of information request and community aspiration as well as records of actions taken in response to input from stakeholders.</p> <p>Records of actions taken in response to input from stakeholders was evident and verified during audit.</p>	<p>YES</p>
<p>6.3</p>	<p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p> <p>Guidance:</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>See also to Criterion 1.2.</p> <p>Dispute resolution mechanisms should be established through open and consensual agreements with relevant affected parties.</p> <p>Complaints should be dealt with by mechanisms such as Joint Consultative Committees (JCC), with gender representation as necessary. Grievances may be internal (employees) or external.</p> <p>For scheme and independent smallholders, refer to 'Guidance for Independent Smallholders under Group Certification', June 2010, and 'Guidance on Scheme Smallholders', July 2009.</p> <p>Where a resolution is not found mutually, complaints can be brought to the attention of the RSPO Complaints System. <i>This refers to United Nations Commission on Human Rights (UNCHR) document to support 'Guiding Principles on Business and Human Right' to implement UN framework to "Protect, Respect and Remedy" 2011. If all the above stages of conflict resolution have been carried out but the conflict cannot be resolved, then the next process is done through legal proceedings in court.</i></p> <p><i>Conflict resolution process with the community is still continued although transfer of company's ownership occurs.</i></p>			
6.3.1	<p>(M) The mechanism, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested, <i>as long as that information is supported with adequate initial evidence.</i></p> <p>Specific Guidance: For 6.3.1: <i>The system should aim to reduce the risks of reprisal.</i> For 6.3.2: <i>Records can be in the form of evidence from process or end-result of the resolution</i></p>			
	<p>a. Is there an system in place to deal with complaints and grievances for all affected parties?</p> <p>b. Who in the company is responsible to receive complaints and grievances?</p> <p>c. Is the existence of the system been made known and communicated to all parties?</p> <p>d. Is there evidence that the system is understood by all parties?</p> <p>e. Is training provided to the workers on the procedures/systems?</p> <p>f. Is the system effective to ensure that</p>	<ul style="list-style-type: none"> • SOP handling of customer complaints / stakeholders SOP: AA-HR-3085.5 – R.0. • Interview with stakeholder on 6-7 March 2017 • Asian Agri Sustainability Policy 	<p>Organization has defined the system to deal with complaints and grievances for all affected parties which documented in SOP handling of customer complaints / stakeholders SOP: AA-HR-3085.5 – R.0.</p> <p>Person who responsible to receive complaints and grievances has assigned by organization that was Estate Manager. In the procedure also described stages follow up of complaint, problem identification and escalation of complaint to Estate Manager, General Manager, Region Head and Head Office (if necessary)</p> <p>The existence of the system has been communicated and made known to all parties. It has been disseminated to all parties together with public consultation of social assessment and socialization of procedures for complaints handling and communication.</p> <p>Dissemination of procedures has been performed to all levels of employees, office workers were conducted in October 2015.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>complaints or grievances are addressed or resolved in an effective, timely and appropriate manner?</p> <p>g. Does the mechanism or procedure provide a way for workers to report a grievance against a supervisor to someone other than the supervisor?</p> <p>h. How is a complaint or grievance investigated, addressed and resolved? Are complaints dealt with by mechanisms such as JCC?</p> <p>i. Is there a non-retaliation or non-reprisal policy that protects complainants or whistle-blowers?</p> <p>j. Is the privacy of parties protected?</p> <p>k. Where a resolution is not found mutually, is there a process for complaints to be brought to the RSPO Complaints System?</p>		<p>The system was effective to ensure that complaints or grievances are addressed or resolved in an effective, timely and appropriate manner. Evidence that the procedures have been implemented is the logbook of complaint. Records are routinely monitored monthly. Since January to December 2015 there were no complaints submitted by the public community and employees.</p> <p>Mechanism and procedure was providing a way for workers to report a grievance against a supervisor to someone other than the supervisor.</p> <p>The system was enable resolution of disputes in an effective and appropriate manner by way of classifying complaints into internal and external, appointed the person who responsible for handling complaints, including level of officials who make decisions for complaint resolution.</p> <p>Non-retaliation or non-reprisal policy that protects complainants or whistle-blowers was described in Company Policy. Privacy of parties who submitted the compliant and aspiration were protected if necessary.</p> <p>Where a resolution is not found mutually by means of deliberations between two parties, the problem can be resolved through third-party mediation / authorities, be resolved through the applicable law or brought the RSPO Complaints System.</p>	
6.3.2	<p>(M) There shall be records of process and outcome of dispute resolution.</p> <p>Specific Guidance: <i>For 6.3.2: Records can be in the form of evidence from process or end-result of the resolution</i></p>			
	<p>a. Is the complaints or grievance resolution process documented?</p> <p>b. Are outcomes or decisions reported to the parties?</p> <p>c. Who has access to the documentation of the process</p>	<ul style="list-style-type: none"> • Complaint log book – PT. SMA and PT. NPK. • Interview result with worker union, stakeholder, and gender committee dated 6-7 March 2016. 	<p>Complaints or grievance resolution process documented in the logbook of Complaint. Records are routinely monitored monthly. However in 2016 and until February 2017 there were no complaints submitted by the public community and employees.</p> <p>It was also confirmed based on public consultation with surrounding village representative, labour union and gender committee.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	and/or outcomes?		Outcomes or decisions as response to followed up the complaint reported to affected parties as described in example above.	
6.4	<p>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p> <p>Guidance: <i>This criterion should be considered in conjunction with Criteria 2.2 and 2.3, and the associated Guidance</i></p>			
6.4.1	<p>(M) A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be available, referring to decision of the Constitution Court.</p> <p>Specific Guidance: <i>For 6.4.1: Customary Right in the Local Regulation/Perda (based on Constitution Court Decision No. 35/PUU-X/2012 regarding Customary Forest) determined through participatory mapping of customary land by the customary law community who are recognized by the surrounding customary law community and refers to Regulation of the Minister of Home Affairs (Permendagri) No. 52 year 2014 regarding Guideline of Recognition and Protection of Legitimate Customary Community and Regulation of the State Minister of Agrarian Affairs/Head of National Land Agency (BPN) No. 5 year 1999 regarding Guidelines for the Settlement of Problems Related to the Communal Reserved Land of the Customary Law Abiding Community.</i></p>			
	<p>a. Are procedures for identifying legal, customary or user rights in place?</p> <p>b. Are procedures for identifying people entitled to compensation in place?</p> <p>c. Are those procedures jointly developed, agreed and accepted by local communities?</p>	<ul style="list-style-type: none"> • Procedure of Identification and calculation of land compensation SOP AA-GL-5003.1-R1. • Minutes of dissemination of Procedure to stakeholder on 23rd October 2014 • Interview with stakeholder on 6-7 March 2017 	<p>Procedure for identifying legal, customary or user rights has been established and available in procedure SOP AA-GL-5003.1-R1.</p> <p>The steps of the procedures to identification and calculation of land compensation , consist of:</p> <ol style="list-style-type: none"> 1. Identification of land owner 2. Measurement 3. Data input (mapping) 4. Negotiating compensation 5. Payment of compensation 6. Data documentation. <p>Procedure for identifying people entitled to compensation has been established and available also in procedure of Identification and calculation of land compensation (SOP AA-GL-5003.1-R1). The steps are as described</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>above.</p> <p>Procedures was jointly developed, agreed and accepted by local communities It has been designed with consideration to the use of appropriate existing local mechanisms and languages. Consideration has been given to the existence/formation of a multi-stakeholder forum.</p> <p>The Procedure has disseminated to the stakeholder together with public consultation of social assessment and socialization of procedures for complaints handling. Dissemination of social communication procedure has been performed in 23rd October 2014 to stakeholder. Minutes of socialization and attendance list was sighted.</p>	
6.4.2	<p>A procedure for calculating and distributing fair compensation shall be established, implemented, monitored and evaluated in a participatory way. Corrective actions are taken as a result of this evaluation.</p> <p>Specific Guidance: For 6.4.2: Companies should make best efforts to ensure that equal opportunities have been provided to <i>the heads of family</i>, both female and male, to hold land titles in smallholder schemes <i>if the land ownership is individual</i>.</p> <p><i>The calculation procedure shall consider:</i></p> <p>a. <i>Gender differences in the power to claim rights, ownership and access to land;</i> b. <i>Differences of transmigrants and long-established communities;</i> c. <i>c. Differences between legal ownership evidence with communal ownership of ethnical group (customary community)</i></p>			
	<p>a. Has a procedure for calculating and distributing fair compensation (monetary or otherwise) been established and implemented?</p> <p>b. Are the procedures jointly developed, agreed, accepted and clearly understood by affected parties?</p> <p>c. Is the procedure monitored and evaluated in a participatory way? Have corrective actions been taken as a result of this evaluation?</p> <p>d. Does this procedure take into</p>	<ul style="list-style-type: none"> • SOP AA-GL-5003.1-R1 - Calculation and compensation method for land • Minutes of dissemination of Procedure to stakeholder on 23rd October 2014 • Interview with stakeholder on 6-7 March 2017 	<p>Procedure for calculating and distributing fair compensation (monetary or otherwise) has been established and available in procedure of Identification and calculation of land compensation SOP AA-GL-5003.1-R1 - Calculation and compensation method for land. The steps are as described in criterion 6.4.1.</p> <p>Procedures was jointly developed, agreed and accepted by local communities It has been designed with consideration to the use of appropriate existing local mechanisms and languages. Consideration has been given to the existence/formation of a multi-stakeholder forum.</p> <p>The procedure monitored and evaluated in a participatory way, procedures will be revised if there is a reasonable request from stakeholders.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	account the following: <ul style="list-style-type: none"> • Gender differences in the power to claim rights; • Ownership and access to land; • Differences of transmigrants and long-established communities; • Differences in ethnic groups' proof of legal versus communal ownership of land. e. Where there are schemed smallholders, is there effort to ensure equal opportunity has been provided to.		This procedure take into account of the gender differences in the power to claim rights, ownership and access to land, differences of transmigrants and long-established communities, differences in ethnic groups' proof of legal versus communal ownership of land. There was no smallholder scheme associated with PT. Supra Matra Abadi and PT. Nusa Pusaka Kencana.	
6.4.3	(M) Compensation claims, process and outcome of any negotiated agreements shall be documented, with evidence of the participation of affected parties.			
	a. Is the process and outcome of negotiated agreements and compensation claims documented? b. Does this documentation include evidence of the participation of affected parties? Is there any approval/signed by effected parties? c. Was consent obtained from all parties to make the documents publicly available?	<ul style="list-style-type: none"> • SOP AA-GL-5003.1-R1 - Calculation and compensation method for land • Minutes of dissemination of Procedure to stakeholder on 23rd October 2014 • Interview with stakeholder on 6-7 March 2017 	The organisation did not acquire any new land after 2005. It was noted that there was no ongoing progress of new land acquisition during group discussion with village head and local Government. All land acquisition process was done before 1993.	N/A
6.5	Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages. Guidance: <i>Labor union agreement or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday, maternity</i>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		<p><i>leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official or Labor Union if any.</i></p> <p><i>Regulation related to the minimum wage such as, Regulation of the Minister of Manpower & Transmigration No. 7 year 2013 regarding Minimum Wage, shall be implemented.</i></p> <p><i>Definition of Decent Living Wage refers to the Act No. 13 year 2003 (Manpower Act) is a set of standard necessities that must be fulfilled by a worker in order to have a decent physical and social living for a month.</i></p> <p>SAI Global auditor's guidance:</p> <p><i>There should be direct verification of below from all type of workers arrangement. For examples if the company has three types of workers arrangements: BHL, SKU and "borongan" then review of documented evidence and interview shall include all of those workers. Consider level of adequate sampling when arranging group discussion with each type of worker.</i></p> <p>The auditor shall ensure:</p> <ul style="list-style-type: none"> - that company policy and work contract do not provide any possibility of workers aid/helper. - review shall also cover company rules for determining worker capability for each of type work, e.g. FFB harvester (ha/day or kg/day or FFB/day); loose fruit picker (kg-Ha/day); sprayer (Ha/day); manual upkeep (Ha/day), etc. - company policy and record of implementation need to be crosscheck with workers interview - taken into account Ministry of Workforce decree No. 100/2004, including clause 10.3 (see indicator 6.5.2 for decent living wages) - pay attention to type of work assign to PKWT, it can't be main activities - for casual (BHL) workers, auditor need to ensure that there is no work days limit in contract so that minimum wages are impossible to be gained (e.g. when daily wages calculated based on 25 work days, while contract stated maximum work days are only 19 days) 		
6.5.1			(M) Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.	
	<p>a. What types of employment arrangements are there in the company? (E.g. contractual, outsourced, apprenticeships, direct hires, piecemeal basis, etc.)</p> <p>b. Is there documentation of pay and</p>	<ul style="list-style-type: none"> • Company policy no. 01 dated 1 December 2014 • Pay roll list period November 2016, December 2016 and January 2017. • Sumatra Utara Governor Decree No. 	<p>In PT Supra Matra Abadi (Tanah Datar Mill and Estate) and PT Nusa Pusaka Kencana (Bahilang Estate), there are 2 types of worker status, SKU and PHL. For PHL workers, their wages follow the national law (UMP) and for SKU, their wages follow BKS PPS letter No.46/BKS-PPS/2016 dated 22 February 2016 about SKU wages. Besides that, the company published Internal Memorandum No. 157/HR-RO1/MEMO/04/2016 dated 28 April 2016 about PHL and SKU wages.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>conditions for each employee?</p> <p>c. Is there a definition for living wage in the country? If not, how was the decision on wage for employees and contract workers made?</p>	<p>188.44/639/KPTS/201 in regard Minimum Wages Sub Agriculture / Oil Palm and Palm Oil and Rubber Plant in 2016.</p> <ul style="list-style-type: none"> Joint Agreement or PKB (<i>Perjanjian Kerja Bersama</i>) Period 2015 – 2017 	<p>PHL will get wages Rp. 90.000/work days (5 days/week) and SKU workers will get wages Rp 2.178.625 plus monthly fixed called “<i>Catu beras</i>”. The proportion of “<i>Catu beras</i>” or Rice Ration only for SKU workers, it can be seen on Joint Agreement Letter (PKB).</p> <p>Working agreement (PKB) was established and endorsed by local authorities (labour department) and last for 2 years, period of working agreement is April 2015 – April 2017. This working agreement was made by BKS-PPS and PP.FSP.PP-SPSI.</p> <p>“<i>Catu beras</i>” or Rice Ration details are :</p> <ol style="list-style-type: none"> Workers alone : 15 kg One legal wife: 9 kg Children (until 3): 7,5 kg <p>If worker have one wife and 2 kids then he will receive 15 kg + 9 kg + 15 kg (for 2 kids), total 39 kg of rice every month.</p> <p>Recordings are available in the employee's salary slip salary payment.</p>	
6.5.2	<p>(M) Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.</p> <p>Specific Guidance: For 6.5.2: Collective Labor Agreement (<i>Perjanjian Kerja Bersama</i>/PKB) and or Company Regulation are developed by the company together with the Labor Union, if any, in the company referring to the manpower regulations, such as the Regulation of the Minister of Manpower No. 6 year 2011 regarding Procedure for Establishing and Endorsing the Company Regulation, and Developing and Registering Collective Labor Agreement.</p>			
	<p>a. Is the pay and conditions of employment clearly detailed in the employment or service contracts? (E.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.)</p> <p>b. Is the contract prepared in languages understood by the</p>	<ul style="list-style-type: none"> Joint Agreement or PKB (<i>Perjanjian Kerja Bersama</i>) Period 2015 - 2017 Contract for PHL workers List of employees of PT Supra Matra Abadi-Teluk Panji updated January 2017 Interview with workers union and workers on 4 and 7 March 2017 	<p>Agreement / contract of employment for workers, has been included in the PKB (Joint Agreement) has been endorsed by Indonesian Ministry of Manpower. In the agreement regulates the : working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.).</p> <p>Contract for BHL employees was reviewed, such as :</p> <ul style="list-style-type: none"> PHL contract on behalf of Alamsyah, Sahfarudin, Saffarudin, dated 22 February 2017 for period 22 February 2017 until 22 May 2017. Wages Rp. 90,000/work days, participation in BPJS Ketenagakerjaan was stated in 	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>workers, explained carefully to workers by management officials, and signed by both the authorised signatory of the company and employee?</p> <p>c. Does the pay and conditions provided in labour laws, union agreements or direct contracts of employment comply with:</p> <ul style="list-style-type: none"> • The decent living wage as provided in the National Interpretation for the country; or • The local legal requirements in meeting the minimum wage; or • The industry minimum standard for a similar position or work responsibilities <p>d. Is the pay received by the employee consistent with the terms of the contract and the law (relates to P2)?</p> <p>e. Have there been any cases recorded of breach by the company, or complaint made by employees against the company on unjust pay and conditions?</p>		<p>contract. The contract was reported to Dinas Tenaga Kerja Batu Bara.</p> <ul style="list-style-type: none"> – Sulina, Rafles Sumarmata and Deri Siswanto dated 1 February 2017 for period 1 February 2017 until 1 April 2017. Wages Rp. 90,000/work days, participation in BPJS Ketenagakerjaan was stated in contract. The contract was reported to Kabupaten Serdang Bedagai <p>Based on interview with several PHL workers, they said that they were aware or remember they have sign work contract before.</p> <p>Employee payment slip was sight and reviewed for Period November 2016 – January 2017, such as: Tanah Datar and Bahilang on behalf of Alamsyah, Sahfarudin, Saffarudin, Sulina, Rafles Sumarmata and Deri Siswanto.</p> <p>Based on interview with workers and labour union, there are no records of breach by the company. Salary has been delivered routine in each month without problem.</p>	
6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>Specific Guidance: <i>For 6.5.3: Incentives to the employees refer to Act No. 13 year 2003 regarding Manpower.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Have growers and millers provided adequate housing and other basic necessities such as that listed below to national standards or above, where no such public facilities are available or accessible?</p> <ul style="list-style-type: none"> • adequate housing; • adequate electricity; • clean water supplies (availability of clear water all year round); • medical services (distance to health care facility i.e. clinic, hospital); • children education (distance to school and schooling attendance (%) of children under 12) • welfare amenities. 	<ul style="list-style-type: none"> • Housing map • Field observations in worker Emplacement I and II 	<p>The company has provided employees facilities such as: housing, sport fields, building for prayers (mosques and churches), schools (kindergarten and elementary school), childcare house, polyclinics, free electricity and clean water supply (from reservoir and deep-wells).</p> <p>The water quality was periodically checked by external lab and showed conformity with the quality standard.</p> <p>Housings were provided for staff, non-staff even PHL (daily free workers). Each house has 2 bedrooms, a living room and one bath room. No charges given to the employee for electricity and water supply use.</p>	<p>YES</p>
<p>6.5.4</p>	<p style="color: red;">There shall be demonstrable efforts to improve workers' access to adequate, sufficient and affordable food</p> <p style="color: red;">Specific Guidance: <i>For 6.5.4: This applies if public facility is unavailable or inaccessible to provide adequate, sufficient and affordable food. The examples of the efforts are provision of transportation, employee cooperative shop, weekly market, etc.</i></p>			
	<p>a. Have growers and millers made demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food?</p>	<ul style="list-style-type: none"> • List of Payment Rate for Staff PT. SMA month November 2016 - January 2017 • Interview with workers union and workers on 4 and 7 March 2017 	<p>Monitoring of workers access to food was conducted monthly. Organisation provided Rice for workers and the family. Company policy stated that workers will be given 15 kg additional rice (if worker is not married) and if worker have a family the he will be give 15 kg additional rice, 9 kg rice for wife and 7,5 kg rice for each child, maximum 3 child. Besides that, extra food given for the workers such as milk and green-bean porridge.</p> <p>In emplacement/employee housing there are also some stalls and small shops seller staple necessities. Employees are not difficult to obtain basic commodities every day. Employee housing access to the main road is less than 1 km with road conditions were pretty good, the market which provide</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			food and basic goods needs easily found not far from the location of the company.	
6.6	<p>The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p> <p>Guidance: <i>The right of workers, including migrant and transmigrant workers (Angkatan Kerja Antar Daerah/AKAD) and contract workers, to form associations and bargain collectively with their employer should be respected, in accordance with The Act No. 21 year 2000 regarding Labor Union.</i></p> <p><i>Labour laws and collective labor agreements, or in their absence direct contracts of employment detailing payments and other conditions, should be available in the languages understood by the workers or explained comprehensively to them by a management official.</i></p> <p><i>Definition of Employer refers to the Act No. 13 year 2003 regarding Manpower.</i></p>			
6.6.1	(M) A record of the company's policy in understandable language recognising freedom of association, shall be available			
	<p>a. Has the company published a statement in local languages recognising the rights of employees to freedom of association?</p> <p>b. Are the employees, including migrant and transmigrant workers and contract workers, allowed to form associations and bargain collectively with their employer?</p> <p>c. Was the outcome, if any, from the collective bargaining process between the company and the association respected, implemented and adopted in full or partially by the company?</p> <p>d. Are there Labour laws and union agreements, or in their absence direct</p>	<ul style="list-style-type: none"> • Company Policy – dated 1 December 2014. • PKB – PT. Supra Matra Abadi period 2015 – 2017 • PKB – PT. Nusa Pusaka Kencana period 2015 - 2017 	<p>Freedom of association has been mentioned in Company Policy dated 1 December 2014. Organizations understand that workers have the right to argued, associate and organize in a labour union.</p> <p>Organization committed to provides opportunities for workers to organize in unions and express an opinion.</p> <p>Commitment covered in the policy are: “Respect the right of every employee to form or join trade unions in accordance they want and to bargain collectively”</p> <p>Based on interview with labour union leader, the company has accommodated employee rights to argued, associate and organize in a labour union.</p> <p>Employees, including migrant and transmigrant workers and contract workers were allowed to form associations and bargain collectively with their employer.</p> <p>There were union workers represent estate and mill employee incorporated in the SPSI /Union Labour - Perkebunan PT. Supra Matra Abadi and PT. Nusa Pusaka Kencana</p> <p>Labour laws, union agreements which described in working agreement/PKB</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	contracts of employment detailing payments and other conditions, made available in the languages understood by the workers or explained carefully to them by a management official?		and direct contracts of employment detailing payments and other conditions was made available in the languages which understood by the workers and explained carefully to them by management official.	
6.6.2	Records of meetings with labor unions or workers representatives shall be available.			
	<p>a. Are there documented minutes of meetings between the company and main trade unions or workers representatives?</p> <p>b. Are the minutes made readily available to employees upon request?</p>	Minutes of meeting between worker Union with Company dated 10 April 2016, 15 July 2016 and 14 December 2016.	<p>Minutes of meetings with main labour unions or workers representatives been documented, e.g. bipartite meeting in regard determining to review 'premium' wages Y2017, subsidies for electricity payment/PLN and coordination about worker union activity dated 10 April 2016, 15 July 2016, and 14 December 2016.</p> <p>This meeting is attended by the company representatives (head assistant, assistant, foreman and employees) and the labour union of PT. Supra Matra Abadi.</p> <p>Minutes of meeting were available, list of attendance was sighted. The minute was made readily available to employees upon request.</p>	YES
6.7	<p>Children are not employed or exploited.</p> <p>Guidance:</p> <p><i>Growers and millers clearly define the minimum working age and working hours, based on existing regulations, such as:</i></p> <ol style="list-style-type: none"> <i>1. Act No. 13 year 2003 regarding Manpower.</i> <i>2. Act No. 20 year 1999 regarding Ratification of International Labour Organization (ILO) Convention No. 138 year 1973 on Allowable Minimum Age for Work.</i> <i>3. Regulation of the Minister of Manpower and Transmigration No. 235 year 2003 regarding Types of Work Endangering Child Health, Safety or Morale</i> <p><i>It is advisable to do socialisation to all level of operations regarding prohibition on employing children.</i></p>			
6.7.1	(M) There shall be documented evidence that minimum age requirements are met.			

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	<p>a. Is the minimum working age for workers together with working hours clearly defined in the company's recruitment policy?</p> <p>b. Are workers employed above the minimum school leaving age of the country or who are at least 15 years of age?</p> <p>c. Is there evidence that the nature of work for workers under 18 is in accordance with International Labour Organisation (ILO) Convention 138?</p> <p>d. Does ground verification show evidence of employment of workers below the minimum working age?</p>	<ul style="list-style-type: none"> Company Policy item no. 14 dated 01 December 2014. Worker List of PT. Supra Matra Abadi and PT. Nusa Pusaka Kencana Procedure : AA-HR-305-2-00 – Recruitment and Selection Field Observation and interview with worker. 	<p>The company has a policy for minimum working age. It was stated that company committed to not employ underage workers required by national legislation.</p> <p>Besides that, company has a procedure AA-HR-305-2-00 – Recruitment and Selection which stated that every candidate must have identity card "(KTP), <i>Kartu Keluarga, Surat Nikah</i> (if married)".</p> <p>Based on document review as listed in "<i>Daftar Tenaga Kerja</i> (List of Workers) of PT. Supra Matra Abadi and PT. Nusa Pusaka Kencana, there are no underage workers found and List of workers did not show any worker under 18 years old when they joined the company.</p> <p>Some copies of worker's ID were also filled as evidence. No underage worker was found during the audit. Workers interviewed indicated that no worker under 18 years old in PT. Supra Matra Abadi and PT. Nusa Pusaka Kencana.</p> <p>Ground verification (field observation and interview with worker) at Tanah Datar and Bahilang Estate show evidence that no employment of workers below the minimum working age.</p>	<p>YES</p>
<p>6.8</p>	<p>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p> <p>Guidance: <i>Examples of compliance can be appropriate documentation (e.g. job advertisements, job descriptions, appraisals, etc.), and/or information obtained via interviews with relevant stakeholders such as affected groups which may include women, local communities, foreign workers, and migrant workers, etc.</i></p> <p><i>Notwithstanding national legislation and regulation, medical conditions should not be used in a discriminatory way.</i></p> <p><i>The grievance procedures detailed in Criterion 6.3 apply. Positive discrimination to provide employment and benefits to specific communities is acceptable as part of negotiated agreements.</i></p> <p>SAI Global auditor's guidance:</p> <p><i>There should be direct verification of below from all type of workers arrangement. For examples if the company has three types of workers arrangements: BHL, SKU and "borongan" then review of documented evidence and interview shall include all of those workers. Consider level of adequate sampling when arranging group discussion with each type of worker.</i></p>			

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<p><i>The auditor shall ensure:</i></p> <ul style="list-style-type: none"> - <i>Review recruitment policy, check for discrimination statement, e.g. workers have to resign when refuse to be transferred to other location.</i> - <i>Review work contract including health insurance (BPJS Kesehatan) for women workers who's husband are not working.</i> - <i>Evidence of health insurance payment of the point 2 above.</i> 				
6.8.1	<p>(M) A company's policy on equal opportunity and treatment for work shall be available and documented.</p>			
	<p>a. Is there a company policy on non-discrimination and equal opportunities? Does it at least cover the items mentioned in the criteria (6.8)?</p> <p>b. Is the policy made publicly available for the relevant stakeholders?</p> <p>c. Is there evidence that the policy has been implemented?</p>	<ul style="list-style-type: none"> • Company policy item no. 13 dated 1 December 2014. • List of worker • Attendance list worker of PT. Supra Matra Abadi and PT. Nusa Pusaka Kencana. • Minutes – Stakeholder / local community meeting 6-7 March 2017. 	<p>An equal opportunities policy was documented in Company Policy No. 13 which mentioned :</p> <p>“Respect for human rights by putting all employees fairly, both in terms of reception, assessment, conditions and working environment, as well as the representation, regardless of race, caste, national origin, religion / belief, disability, gender, sexual orientation, union membership workers, political affiliation or age”.</p> <p>This policy has been disseminated to employees in 28 April 2015, October 2015 and 31 March 2016 and for stakeholder and local community in October 2015.</p> <p>As reviewed in document "List of Workers accordance Tribe and Religion", seen that the worker is composed of several ethnic Java, Padang, Melayu, Tapanuli, Karo, Nias, Irian, Simalungun, Banjar and several different religions.</p>	YES
6.8.2	<p>(M) Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated.</p>			
	<p>a. Is there evidence that employees and groups including local communities, women, and migrant workers have not been discriminated against?</p> <p>b. Are the employees and groups including local communities, women, and migrant workers happy with the way the company is treating them?</p> <p>c. Are there complaints against the</p>	<ul style="list-style-type: none"> • Procedure: AA-HR-305-2-00 – Recruitment and Selection. • Logbook Complaint 2016 • Public consultation on 6-7 March 2017 and interview with employee on 4 and 7 March 2017 	<p>Recruitment process was documented in Procedure: AA-HR-305-2-00 – Recruitment and Selection. Process covers :</p> <ul style="list-style-type: none"> – The collection of application file – Selection of administration – Announcement of the selection schedule – Test questions and physical tests – Summary of the results of the selection – Announcement of selection results – Provision of a cover letter MCU to candidates who pass the selection 	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>company on issues relating to discrimination?</p> <p>d. What is the nature of complaints employees and groups including local communities, women, and migrant workers have lodged against the company, if any?</p>		<p>– Implementation of MCU</p> <p>Based on public consultation on 6-7 March 2017 with stakeholders and interview with employee could be demonstrated that there was no discrimination against employees and groups including local communities, women, and migrant workers. However there was no migrant worker work to company.</p> <p>The employees and groups including local communities, women, and migrant workers were happy with the way the company treating them.</p> <p>There was no complaint against the company on issues relating to discrimination based on public consultation with stakeholders and interview with employee and Complaint Logbook.</p> <p>Based on Logbook Complaint 2016 since January – December 2016 there was no complaint employee and groups including local communities, women, and migrant workers have lodged against the company.</p>	
6.8.3	<p>Records of evidence that equal opportunity and treatment for work shall be available</p> <p>Specific Guidance: For 6.8.3: Recruitment and promotion are based on skills, capabilities, qualities and health conditions</p>			
	<p>a. Does the company keep and maintain a record of their employees' work credentials and medical history?</p> <p>b. Does the company explicitly state the indiscriminatory policy during the recruitment selection, hiring and promotion process?</p> <p>c. Is the company's indiscriminatory policy reviewed regularly?</p> <p>d. Are the company's employees recruited and promoted based on skills, capabilities, qualities, and medical fitness necessary for the job?</p>	<ul style="list-style-type: none"> • Procedure AA-HR-305-2-00 - Recruitment and Selection. • Medical Records for workers • Public consultation on 6-7 March 2017 and interview with employee on 4 and 7 March 2017 	<p>Recruitment process was documented in procedure AA-HR-305-2-00 – Recruitment and Selection. Based on that procedure, it was described that the selection, recruitment and promotion of workers based on worker competency.</p> <p>Employees credential and medical history were documented and recorded.</p> <p>Company explicitly state the indiscriminatory policy during the recruitment selection, hiring and promotion process.</p> <p>All company policy reviewed every year by Sustainability Department, PT. Supra Matra Abadi and PT. Nusa Pusaka Kencana. Company's indiscriminatory policy reviewed regularly, once a year.</p> <p>Company's employees was recruited and promoted based on skills, capabilities, qualities, and medical fitness necessary for the job.</p>	YES

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	How is this evidenced?		Recording of recruitment begun from letter of application, personal data of employees, contract and medical history are stored in the employee archives. From the record could be demonstrated that company has implemented well the procedure and the policy. Some evidence such as: employee promotion PT. Supra Matra Abadi and PT. Nusa Pusaka Kencana 2016. Employee's evaluation was conducted every year to decide promotion of employees. Based on their competency some of worker from estate was promoted to Office Admin.	
6.9	<p>There is no harassment or abuse in the work place, and reproductive rights are protected.</p> <p>Guidance: <i>There should be a clear policy developed in consultation with employees, contract workers and other relevant stakeholders, and the policy should be publicly available. Progress in implementing the policy should be regularly monitored, and the results of monitoring activities should be recorded.</i></p> <p><i>Notwithstanding national legislation and regulation, reproductive rights are respected.</i></p>			
6.9.1	<p>(M) A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce.</p> <p>Specific Guidance: For 6.9.1 and 6.9.2: <i>These policies should include education for women and awareness of the workforce.</i></p> <p><i>There should be programmes provided for particular issues faced by women and men, such as violence and sexual harassment in the workplace.</i></p> <p><i>A gender committee specifically to address areas of concern to women will be used to comply with this Criterion. This committee, which should include representatives from all areas of work, will consider matters such as: training on women's rights; counselling for women affected by violence; child care facilities to be provided by the growers and millers; women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks; and women to be given specific break times to enable effective breastfeeding.</i></p>			
	<p>a. Does the company have the policy to prohibit any form of sexual and all other forms of harassment and violence?</p> <p>b. Has this policy been documented, implemented and communicated clearly to all levels of the workforce?</p> <p>c. Is there a clear protocol for the company to deal/handle such</p>	<ul style="list-style-type: none"> • Company Policy dated 1 December 2014. • Organization Structure of Gender Committee of PT. Supra Matra Abadi and PT. Nusa Pusaka Kencana • Interview with Gender Committee and worker representatives on 4 and 7 March 2017 	<p>A company policy on sexual harassment was documented in Company Policy item no. 15.</p> <p>"Preventing sexual harassment and all forms of violence against women and protect the rights of her reproductive"</p> <p>This policy has been socialized to employees in 15 October 2015 based on evidences such as attendance list and Minutes of Meeting.</p> <p>Company has formed A Gender Committee. Gender Committee activities such as handle complaint from female workers, reporting and data collecting if</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>issues/complaints received from the workforce?</p> <p>d. Is there a list of awareness programs or training provided to the workforce in relation to these issues?</p> <p>e. Has the company formed a Gender Committee to address areas of concern to women? Is there a list of the members sitting in the committee? What are the Terms of Reference of the committee? Does it include the handling of issues such as:</p> <ul style="list-style-type: none"> • training on women’s rights; • counselling for women affected by violence; • child care facilities to be provided by the growers and millers; • women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks; and • women to be given specific break times to enable effective breastfeeding. <p>f. Is the policy regularly reviewed?</p>		<p>case appeared concerning sexual harassment. Organizational Structure of Gender Committee is available showing the structure and the list of members sitting in the committee.</p> <p>Terms of reference of the Gender Committee is ethical policy stated in the “Company Policy” dated 1 December 2014. The reference include the handling of issues such as:</p> <ul style="list-style-type: none"> • training on women’s rights; • counselling for women affected by violence; • child care facilities to be provided by the growers and millers; • women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks; and • Women to be given specific break times to enable effective breastfeeding. <p>The policy is regularly reviewed annually at end of a year, the policy will be revise whenever there is update.</p>	
6.9.2	<p>(M) A policy to protect the reproductive rights, shall be documented, implemented and communicated to all levels of the workforce</p> <p>Specific Guidance: For 6.9.1 and 6.9.2: These policies should include education for women and awareness of the workforce. There should be programmes provided for particular issues faced by women and men, such as violence and sexual harassment in the workplace.</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p><i>A gender committee specifically to address areas of concern to women will be used to comply with this Criterion. This committee, which should include representatives from all areas of work, will consider matters such as: training on women's rights; counselling for women affected by violence; child care facilities to be provided by the growers and millers; women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks; and women to be given specific break times to enable effective breastfeeding.</i></p> <p>For 6.9.2: see Indicator 4.6.12</p>				
	<p>a. Is there a policy to protect the reproductive rights of all, especially of women?</p> <p>b. Has this policy been documented, implemented and communicated clearly to all levels of the workforce?</p> <p>c. How is this policy communicated to all levels of the workforce?</p>	<ul style="list-style-type: none"> • Company Policy dated 1 December 2014 • Minutes of Dissemination of company policy for mill, estates and subcontractor on 28 April 2015, 16 October 2015 and 31 March 2016. • Interview with Gender Committee and employee on 4 and 7 March 2017 • Field observation 	<p>A company policy on reproductive rights was documented in Company Policy dated 1 December 2014 item 15.</p> <p>Policy communicated to all level employees in the company.</p> <p>This policy has been disseminated to all employees based on evidences such as attendance list and Minutes of Meeting.</p> <p>All company policy reviewed every year by Sustainability Department.</p>	<p>YES</p>
<p>6.9.3</p>	<p>A specific grievance mechanism which respects anonymity of complainants where requested, and as long as they are supported with adequate information, shall be documented, implemented, and communicated to all workforce.</p>			
	<p>a. Does the company have a mechanism to handle employment grievances, that respects anonymity and protects complainants where requested?</p> <p>b. Does the mechanism provide a way for workers to report a grievance against a supervisor to someone other than that supervisor?</p> <p>c. Is the mechanism documented, implemented and communicated clearly to all levels of the workforce?</p> <p>d. Has the company identified personnel who will be responsible to receive</p>	<ul style="list-style-type: none"> • Company Policy dated 1 December 2014 • Minutes of Dissemination of company policy for mill, estates and subcontractor on 28 April 2015, 16 October 2015 and 31 March 2016. • Interview with Gender Committee and employee on 4 and 7 March 2017 • Field observation 	<p>Company mechanism about complaint (internal and external) documented in procedure SOP: AA-HR-3085.5 - R.0 "Complaints of employees - the delivery and settlement of employee complaints".</p> <p>In the procedure also described the process of complaint. Complaint process cannot report only to Supervisor but other such Union, Gender Committee. Stages of complaint were described in the procedure.</p> <p>In point in the procedure stated that the company will respects anonymity and protects complainants where requested.</p> <p>All company policy reviewed every year by Sustainability Department.</p> <p>According log book and interview with related workers in the company, there is no complaint that received by company.</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>and manage complaints received from the workforce?</p> <p>e. Has the company received any reports or complaints of harassment or abuse? How was it addressed or resolved?</p> <p>f. Is the policy reviewed regularly?</p>			
6.10		<p>Growers and millers deal fairly and transparently with smallholders and other local businesses.</p> <p>Guidance: <i>Transactions with smallholders should consider issues such as the role of middle men, transport and storage of FFB, quality and grading. The need to recycle the nutrients in FFB (see Criterion 4.2) should also be considered; where it is not practicable to recycle wastes to smallholders, compensation for the value of the nutrients exported may be considered through the FFB price.</i></p> <p><i>Smallholders should have access to the grievance procedure under Criterion 6.3 if they consider that they are not receiving a fair price for FFB, whether or not middle men are involved.</i></p> <p><i>The need for a fair and transparent pricing mechanism is particularly important for outgrowers who are contractually obliged to sell all FFB to a particular mill.</i></p> <p><i>If mills require smallholders to change practices to meet the RSPO Principles and Criteria, consideration should be given to the costs of such changes, and the possibility of advance payments for FFB can be considered.</i></p>		
6.10.1		<p>Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>Specific Guidance: <i>For 6.10.1: FFB pricing in Indonesia refers to the Regulation of the Minister of Agriculture No. 14/Permentan/OT.140/2/2013</i></p>		
	<p>a. How is the price of FFB determined?</p> <p>b. Is current and past prices paid for Fresh Fruit Bunches (FFB) publicly available? How?</p> <p>c. Was there any complaints on FFB pricing?</p> <p>d. How was the complaint handled?</p>	<ul style="list-style-type: none"> Pricing calculation 	<p>The FFB for Mill were received from own estate and third party. Price mechanism of FFB was determined by head office Medan and distributed to purchasing personnel in each estate. The FFB price was monitored daily by the purchasing personnel in Estate. The determination of FFB price was conducted by considering the market price of crude palm oil and kernel, the cost of transportation, price of the competitor factories and fruit condition / FFB field, by the approval from the purchasing managers in the head office. The update FFB price was informed to the FFB supplier via phone message and directly informed by Mill through information board that placed in the front</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	e. What was the solution?		area of the factory. There were current and past prices available such as prices for 21 February. And also from 13/2/2017 to 21 February 2016. There was no complaint from FFB supplier regarding to the FFB price determined.	
6.10.2	(M) Pricing mechanisms for Fresh Fruit Bunches (FFB) and inputs/services shall be explained and documented (where these are under the control of the mill or plantation).			
	<p>a. What is the mode of recording/documenting transactions between millers with middlemen and/or smallholders?</p> <p>b. Is there evidence that growers/millers have explained FFB pricing and pricing mechanisms for FFB?</p> <p>c. Are there any inputs/services rendered by the millers to smallholders/middle men? Are these inputs/services having any influence to the pricing and pricing mechanisms for FFB?</p> <p>d. Have inputs/services been documented (where these are under the control of the mill or plantation)?</p> <p>e. Where it is not practicable to smallholders to recycle waste (i.e. EFB), is there compensation for the value of the nutrients of EFB given to the smallholders? Is this translated into the pricing factors of FFB?</p>	<ul style="list-style-type: none"> • Log Book FFB Received 2016 and 2017 • Pricing Calculation 	<p>Transaction has been recorded by form Log Book of FFB Received. Several records were sighted such as for January 2016. The update FFB price was informed to the FFB supplier via phone message and directly informed by Mill through information board that placed in the front area of the factory. There were no inputs/services rendered to the third party supplier. The value of the waste of FFB (as EFB nutrient) has been included in the pricing calculation.</p>	YES

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6.10.3	<p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>Specific Guidance: For 6.10.3 : Referring to Regulation of the Minister of Agriculture No. 14/Permentan/OT.140/2/2013, requirements to be considered in the contract are such as:</p> <ol style="list-style-type: none"> 1. <i>K Index, which is open and transparent to the smallholders or their institutions</i> 2. <i>Distributing the information about the decision of the Pricing Team to the smallholders institutions</i> 3. <i>Method of fruit sortation</i> 4. <i>4. Involvement of smallholders institutions on the evaluation of weigh instrument by authorised local agency.</i> 			
	<p>a. Is there a contractual agreement between the miller and smallholders/ middle men?</p> <p>b. Do all parties understand the contractual agreements they have entered into?</p> <p>c. Are all contractual agreements fair, legal and transparent?</p> <p>d. Who keeps the contractual agreements?</p>	<p>Contract agreement no. 0036/NPK-KBL/SPB/24/16</p>	<p>The agreement/contract documents between contractor and organisation is sighted such as for FFB Transporter</p> <p>All contracts are acknowledged by all parties as part that contain of contract are well understood. The contract contains all relevant information such as payment method, work requirements, force majeure, contract period, cancellation of contract, etc. The agreement was kept by both parties.</p>	<p>YES</p>
6.10.4	<p>Agreed payments shall be made in a timely manner.</p>			
	<p>a. How are all payments made to the smallholders/middle men?</p> <p>b. What is the mode of recording/documenting transactions between millers with middlemen and/or smallholders?</p> <p>c. Have agreed payments been made in a timely manner?</p>	<p>Slip payment for third party FFB on 3 February 2017</p>	<p>A review to several payment records January-March 2017 demonstrated that the payment has been made according to the agreement. The payment was been made periodically according to the contract agreement such as payment on 3 February 2017 for PT Sejahtera Abadi from PT SMA 14 days after the report received.</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
6.11	<p>Growers and millers contribute to local sustainable development where appropriate.</p> <p>Guidance: Contributions to local development should be based on the results of consultation with local communities <i>and social impact assessment</i>. See also Criterion 6.2 <i>for consultation process</i>. Such consultation should be based on the principles of transparency, openness and participation, and should encourage communities to identify their own priorities and needs, including the different needs of men and women.</p> <p>Where candidates for employment are of equal merit, preference should always be given to members of local communities. Positive discrimination should not be recognised as conflicting with Criterion 6.8.</p> <p><i>Private plantations refer to the Act No. 40 year 2007 regarding Limited Company (PT), clause 74 (1&2) and their explanations; Government Regulation No. 47 year 2012 regarding Environment and Social Responsibilities, clause 5 (1) and explanation whereas social and environment responsibilities shall be executed.</i></p> <p><i>State plantations refer to Act No. 19 year 2003 regarding State Owned Company (BUMN) clause 9 (1).</i></p>			
6.11.1			<p>Records of Contributions to local development based on the results of consultation with local communities shall be available.</p>	
	<p>a. Have the local development needs and priorities been identified in consultation with local communities? (refer also to C 6.2)</p> <p>b. What are the contributions made to local development? Are they in accordance with the results of consultation?</p> <p>c. Are there efforts to improve or maximise employment opportunities at the company for local communities?</p>	<ul style="list-style-type: none"> • CSR program 2016 and 2017 • CSR Realisation documentation 2016 • Worker List PT. Supra Matra Abadi and PT. Nusa Pusaka Kencana • Interview with stakeholders on 6-7 March 2017 	<p>The Company has a CSR program, coordinated by the CSR Team Office Region. Team is responsible for identifying the needs of rural communities around the garden. Program identification is done by visiting and meeting with local village head.</p> <p>Identification of CSR results made in the proposal and approved by the head office, every year his company budgeted for CSR programs. Once proposal is approved, the CSR program was planned and implemented.</p> <p>Several CSR programs of PT. Supra Matra Abadi and PT. Nusa Pusaka Kencana were conducted among others: improvement of places of worship, donations of books for elementary schools, etc.</p> <p>Based on interviews with stakeholders, it is known that the presence of the company has a positive impact on people's lives, especially in terms of labour.</p>	YES
6.11.2			<p>Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve scheme smallholder productivity.</p>	

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	a. Is there a complete registry of independent smallholders in the supply base? b. Have efforts been made to improve the farming practices of independent smallholders? c. Where there are schemed smallholders, have efforts and/or resources been allocated to improve smallholder productivity?	<ul style="list-style-type: none"> Interview with Estate/Mill Manager, KTU and community leader 	There was no scheme smallholder associated with PT. Supra Matra Abadi and PT. Nusa Pusaka Kencana.	YES
6.12 ¹	No forms of forced or trafficked labour are used. Guidance <i>Migrant workers should be legalised, and a separate employment agreement should be drawn up to meet immigration requirements for foreign workers and international standards. Any regulated deductions made should not jeopardise a decent living wage. Passports should only be voluntarily surrendered.</i> <i>There should be evidence of due diligence in applying these indicator and guidance to all sub-contract workers and suppliers.</i> <i>Definition of types of worker refers to Acts No.13 year 2003 regarding Manpower.</i>			
6.12.1	(M) There shall be evidence that no forms of forced or trafficked labour are used. Specific Guidance: For 6.12.1: <i>Workers should enter into employment voluntarily and freely, without the threat of a penalty, and should have the freedom to terminate employment without penalty given reasonable notice or as per agreement.</i>			
	a. What is the company's policy on forced or trafficked labour? b. How does the company define forced or trafficked labour? c. What is the process of recruiting	<ul style="list-style-type: none"> Interview with stakeholders on 6-7 March 2017 and employee on 4 and 6 March 2017 Worker list of Tanah Datar Mill and Estate, PT. Supra Matra 	Company's policy on forced or trafficked labour was described in Company Policy dated 1 December 2014. Based on Interview with stakeholders on 6-7 March 2017 and workers and worker union on 4 and 6 March 2017 it was evident that no forms of forced or trafficked labour have been used. Workers/employee entered into	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>foreign/ migrant workers directly and/or through licenced outsourcing agencies/ labour suppliers?</p> <p>d. Who is the person responsible for selecting/ screening labour suppliers/ outsourcing agents?</p> <p>e. Do the foreign workers have to pay a fee to the employment recruitment agency or labour suppliers in the workers' countries of origin? If yes, does it jeopardise decent living wage?</p> <p>f. Are there restrictions on workers from leaving the mill or estate or their housing facilities outside working hours?</p> <p>g. What is the process if a worker wants to terminate their employment before their contract expires? In this case, who pays for the return transportation?</p> <p>h. What are the penalties imposed if the workers were terminated or fired before their contract expires?</p> <p>i. Who keeps the workers passports or identity documents?</p> <p>j. If workers do not keep their passports or identity documents, is this legally allowed?</p> <p>k. What is the process for workers' to hand over their passports or identity</p>	<p>Abadi and PT. Nusa Pusaka Kencana</p>	<p>organization voluntarily and freely, without the threat of a penalty and they have the freedom to terminate employment without penalty given reasonable notice or as per agreement.</p> <p>There was no migrant worker in PT. Supra Matra Abadi and PT. Nusa Pusaka Kencana. It was verified during audit documentation list of employee, interview with employee and stakeholders.</p> <p>Person who responsible for selecting/screening labour suppliers was KTU (Kepala Tata Usaha) under supervision from Estate Managers.</p> <p>Employees work based on contract labour agreement which contains agreements include: working time, dependents, payroll and consent of both parties. Working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc described in PKB years 2015 - 2017 which have been agreed between the employees (represented by SPSI) and company.</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>documents to the company?</p> <p>I. Do workers have unrestricted access to their passports or identity documents? Describe how workers are able to access their documents?</p>			
6.12.2	<p><i>It shall be demonstrated that no contract substitution has occurred.</i></p> <p>Specific Guidance: <i>For 6.12.2: Contract substitution is the change of initial contract without prior consultation and agreement from the workers.</i></p>			
	<p>a. Is there evidence of contract substitution occurring?</p> <p>b. Are foreign workers asked to sign a contract upon arriving in the receiving country? If yes, is that contract identical to the one signed in the country of origin?</p> <p>c. Are workers given a copy of their employment contracts? If yes, is the contract identical to the one signed at the time of recruitment?</p>	<ul style="list-style-type: none"> • Company Policy dated 1st December 2014 • Interview with stakeholders on 6-7 March 2017 and employee on 4 and 6 March 2017 • PKB years 2015 - 2017 • Field observation 	<p>Based on Interview with stakeholders on 6-7 March 2017 and workers and worker union on 4 and 6 March 2017 could be demonstrated that there was no contract substitution occurred.</p> <p>There was no migrant worker in PT. Supra Matra Abadi and PT. Nusa Pusaka Kencana. It's verified during audit documentation list of employee, interview with employee and stakeholders.</p> <p>Employees work based on contract labour agreement which contains agreements include: working time, dependents, payroll and consent of both parties. Workers was given a copy of their employment contracts and the contract was identical to the one signed at the time of recruitment.</p>	YES
6.12.3	<p><i>(M) Where migrant/foreign/honorary workers are employed, a special worker policy and procedures and the evidence of implementation shall be available.</i></p> <p>Specific Guidance: <i>For 6.12.3: The special labour policy should include:</i></p> <p>a. <i>Statement of the non-discriminatory practices;</i></p> <p>b. <i>No contract substitution;</i></p> <p>c. <i>Post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices etc.;</i></p> <p>d. <i>Decent living conditions to be provided.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. What is the company's policy and procedures for temporary or foreign/migrant workers? Does the special labour policy include:</p> <ul style="list-style-type: none"> • Statement of the non-discriminatory practices? • No contract substitution? • Post-arrival orientation programme with emphasis on language, safety, labour laws, cultural practices etc.? • The provision of decent living conditions? <p>b. Have the policies and procedures been implemented?</p>	<ul style="list-style-type: none"> • Interview with stakeholders on 6-7 March 2017 and employee on 4 and 6 March 2017 • Worker list of PT. Supra Matra Abadi and PT. Nusa Pusaka Kencana 	<p>There is no migrant worker in PT Supra Matra Abadi and PT. Nusa Pusaka Kencana. Its verified during audit documentation list of employee, interview with employee and stakeholders</p>	<p>YES</p>
6.13 ²	<p>Growers and millers respect human rights.</p> <p>Guidance: <i>See Criteria 1.2, 2.1 and 6.3</i> <i>All levels of operations include contracted third parties (e.g. those involved in security).</i> <i>Regulations related to the Human Rights refer to the Act No. 39 year 1999 regarding Human Rights.</i></p>			
6.13.1	<p>(M) A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations.</p>			
	<p>a. Is there a company policy on human rights?</p> <p>b. How is this communicated to all employees, including outsourced workers, customers and suppliers? If by training, how often is the training conducted?</p>	<ul style="list-style-type: none"> • Company Policy dated 1 December 2014. • Attendance list of worker for dissemination of company policy for mill, estates and subcontractor on 28 April 2015, 16 October 2015 and 31 March 2016. 	<p>Policy to respect human rights has been documented in <i>Kebijakan Perusahaan</i> (Company Policy) dated 1st December 2014. Top management has commitment to respect human right refers to internationally recognised human rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The document has been communicated to all levels of the workforce and operations based on public consultation with labour union, worker and gender committee.</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>c. Who has the task of communicating the policy internally and externally?</p> <p>d. Does the company have any outstanding cases of human rights violations?</p>	<ul style="list-style-type: none"> Interview with stakeholders on 6-7 March 2017 and employee on 4 and 6 March 2017 	<p>The policy has been communicated to all employees, including outsourced workers, customers and suppliers by dissemination. Dissemination was conducted regularly once a year.</p> <p>Person in charge to communicating the policy internally are Public Relation Officer and Estate Manager.</p> <p>During audit and based on verification on interview with Interview with stakeholders on 6-7 March 2017 and employee on 4 and 6 March 2017 it could be demonstrated that there was no cases of human rights violations in PT. Supra Matra Abadi and PT. Nusa Pusaka Kencana.</p>	

PRINCIPLES 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
7.1			<p>A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</p> <p>Guidance: <i>The result of Strategic Environment Study (Kajian Lingkungan Hidup Strategis/KLHS) conducted by the authority shall be a major consideration in the new land development and planting.</i></p> <p><i>See also Criteria 5.1 and 6.1.</i> <i>Implementation of independent social and environment impact assessment may use AMDAL as part of the process. However, it is the company's responsibility to provide objective and appropriate evidence to the audit team that the full requirements of a Social and Environment Impact Analysis (SEIA) are met for all aspects of plantation and mill operation, and captures all changes over time.</i></p> <p><i>The terms of reference should be defined and impact assessment should be carried out by accredited independent experts, in order to ensure an objective process. A participatory methodology including external stakeholder groups is essential to the identification of impacts, particularly social impacts. Stakeholders such as local communities, government and NGOs should be involved through interviews and meetings, and by reviewing findings and plans for mitigation.</i></p> <p><i>It is recognised that oil palm development can cause both positive and negative impacts. These developments can lead to some indirect/secondary impacts which are not under the control of individual growers and millers. To this end, growers and millers should seek to identify the indirect/secondary impacts within the SEIA, and where possible work with partners to explore mechanisms to mitigate the negative indirect impacts and enhance the positive impacts.</i></p> <p><i>Plans and field operations should be developed and implemented to incorporate the results of the assessment. One potential outcome of the assessment process is that the</i></p>	

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			<p><i>development, partially or entirely, may not proceed because of the magnitude of potential impacts.</i></p> <p><i>For smallholder schemes, the scheme management should address this criterion. For individual smallholders this criterion does not apply</i></p> <p><i>For new planting with areas ≤ 3000 Ha, the assessment may be conducted internally or externally. And for new planting with areas > 3000 Ha, the assessment shall be conducted externally.</i></p> <p><i>For new planting with area > 3000 Ha needs a comprehensive and independent assessment which may be in the form of AMDAL (SEIA) while areas ≤ 3000 Ha requires Upaya Pengelolaan Lingkungan Hidup (UKL) – Upaya Pemantauan Lingkungan Hidup (UPL). Social and Environment Assessment at minimum must cover:</i></p> <ol style="list-style-type: none"> <i>a. Assessment of the impacts of all major planned activities, including planting, mill operations, roads and other infrastructure;</i> <i>b. Assessment, including stakeholder consultation, of High Conservation Values (see Criterion 7.3) that could be negatively affected;</i> <i>c. Assessment of potential effects on adjacent natural ecosystems of planned developments, including whether development or expansion will increase pressure on nearby natural ecosystems;</i> <i>d. Identification of watercourses and wetlands and assessment of potential effects on hydrology and land subsidence of planned developments. Measures should be planned and implemented to maintain the quantity, quality and access to water and land resources;</i> <i>e. Baseline soil surveys and topographic information, including the identification of steep slopes, marginal and fragile soils, areas prone to erosion, degradation, subsidence, and flooding;</i> <i>f. Analysis of type of land to be used (forest, degraded forest, cleared land);</i> <i>g. Analysis of land ownership and user rights;</i> <i>h. Analysis of current land use patterns;</i> <i>i. Assessment of potential social impacts on surrounding communities of a plantation, including an analysis of potential effects on livelihoods, and differential effects on women versus men, ethnic communities, and migrant versus long-term residents;</i> <i>j. Identification of activities which may generate significant GHG emissions.</i> <p><i>If AMDAL or UKL-UPL documents still do not cover point a to j, additional social and environment impact assessment shall be conducted.</i></p> <p><i>If internal assessment identifies sensitive social and environment issues or areas, then independent assessment shall be conducted.</i></p> <p><i>Documents of environment impact assessment are the environment documents based on the regulations, such as:</i></p> <ol style="list-style-type: none"> <i>a. Environmental Impact Assessment (Analisis Mengenai Dampak Lingkungan Hidup/AMDAL) for plantation with areas of > 3000 Ha</i> <i>b. Environmental Management Effort (Upaya Pengelolaan Lingkungan Hidup/UPL) and Environmental Monitoring Effort (Upaya Pemantauan Lingkungan Hidup/UKL) for plantation with areas of < 3000 Ha.</i> <i>c. Environmental Management Document (Dokumen Pengelolaan Lingkungan Hidup/DPLH)</i> <i>d. Environmental Evaluation Document (Dokumen Evaluasi Lingkungan Hidup/DELH)</i> <i>e. Environmental Information Performance (Penyajian Informasi Lingkungan Hidup/PIL)</i> <i>f. Environmental Evaluation Performance (Penyajian Evaluasi Lingkungan Hidup/PEL)</i> <i>g. Environmental Evaluation Study (Studi Evaluasi Lingkungan Hidup/SEL)</i> <i>h. Environment Management and Monitoring Document (Dokumen Pengelolaan dan Pemantauan Lingkungan Hidup/DPPL)</i> <i>i. Declaration Letter for Managing and Monitoring Environment (Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup/SPPL)</i> 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>j. And other documents required by the regulation.</i></p> <p><i>Regulations relate to the environment documents, such as:</i></p> <p><i>a. Government Regulation No. 27 year 2012 regarding Environment Permit</i></p> <p><i>b. Regulation of the Minister of Environment No. 13 year 2010 regarding Environmental Management and Monitoring Effort (UKL-UPL) and Declaration Letter for Managing and Monitoring Environment (SPKL)</i></p> <p><i>c. Regulation of the Minister of Environment No. 5 year 2012 regarding Environmental Evaluation Document (DELH)</i></p> <p><i>d. Regulation of the Minister of Environment No. 14 year 2010 regarding Environmental Management and Monitoring Document (DPPL)</i></p> <p><i>e. Regulation of the Minister of Environment No.12 year 2007 regarding Environmental Management and Monitoring Document for Business and or Activities, with No Environmental Management Document.</i></p> <p><i>f. Regulation of the Minister of Environment No. 5 year 2012 regarding Types of Business Obligated to Have Amdal</i></p> <p><i>g. Regulation of the Minister of Environment No. 8 year 2006 regarding Guidance for AMDAL preparation</i></p> <p><i>h. Regulation of the Minister of Environment No. 17 year 2012 regarding Involvement of Community and Information Transparency in the AMDAL Process</i></p> <p><i>i. Decree of the Head of Bapedal No. No. 299 year 1996 regarding Technical Guidance of Social Aspects for AMDAL preparation</i></p> <p><i>j. Regulation of the Minister of Environment No. 11 year 2008 regarding Competence Requirements for AMDAL preparation documents and Requirements for Training Institutions in Conducting Training for AMDAL Competency</i></p>			
7.1.1	(M) An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.			
	<p>a. Is there any new plantings or operations, or expanding existing ones by the company? What is the size of the new planting area?</p> <p>b. Has an independent social and environmental impact assessment (SEIA) been documented for the new plantings?</p> <p>c. Are the impact assessments prepared by accredited independent experts?</p> <p>d. Are all environmental and social impacts adequately identified?</p> <p>e. Is the SEIA undertaken based on the scope of operation?</p>	<ul style="list-style-type: none"> • Analisis Dampak Lingkungan PT. Supra Matra Abadi year 1994 • Dokumen Pengelolaan Lingkungan Hidup (DPLH) of Oil Palm Plantation PT. Nusa Pusaka Kencana, 2011 	<p>Planted areas for 1995-2014 were covered in AMDAL (SEIA) document. The area of 2006 to 2010 in Bahilang Estate was conversion from cocoa plantation to oil palm plantation.</p> <p>PT. Supra Matra Abadi – Tanah Datar Mill and its supply bases have implemented procedure for identifying environmental aspect and evaluating its impact based on Environmental Management System ISO 14001:2004. The result of environmental aspect and impact identification and evaluation was documented. Last review and update of environmental aspect and impact register for Tanah Datar Mill and its supply bases was performed on 12 January 2016.</p> <p>Social Impact Assessment result was documented in AMDAL document (released in 1994) covering some impacts such as: working opportunities, income, local perception, social conflict. Action plan (RKL/RPL) to address those issues were also established to address social issues such as: interview</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>f. Is the SEIA undertaken in a participatory manner, including the relevant affected stakeholders?</p> <p>g. Does the SEIA assessment include and as a minimum:</p> <ul style="list-style-type: none"> • Assessment of the impacts of all major planned activities, including planting, mill operations, roads and other infrastructure? • Assessment, including stakeholder consultation, of High Conservation Values (see Criterion 7.3) that could be negatively affected? • Assessment of potential effects on adjacent natural ecosystems of planned developments, including whether development or expansion will increase pressure on nearby natural ecosystems? • Identification of watercourses and wetlands and assessment of potential effects on hydrology and land subsidence of planned developments. Measures should be planned and implemented to maintain the quantity, quality and access to water and land resources? • Baseline soil surveys and topographic information, including the identification of steep slopes, marginal and fragile soils, areas prone to erosion, degradation, subsidence, and flooding? 		<p>with local communities and workers, dust & noise pollution control, field survey for contagious disease, health sanitation, etc.</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • Analysis of type of land to be used (forest, degraded forest, cleared land)? • Analysis of land ownership and user rights? • Analysis of current land use patterns? • Assessment of potential social impacts on surrounding communities of a plantation, including an analysis of potential effects on livelihoods, and differential effects on women versus men, ethnic communities, and migrant versus long-term residents? • Identification of activities which may generate significant GHG emissions? <p>h. What were the main findings of the assessment?</p> <p>i. Were secondary impacts of oil palm development identified in the SEIA?</p>			
7.1.2	Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.			
	<p>a. Does the findings of the SEIA uncover any negative impacts? If yes, has a management plan and operational procedures been developed to mitigate the negative impacts?</p> <p>b. Has the management plan and operational procedures been</p>	AMDAL documents	The SEIA has covered negative impacts. Management plan and operational procedures been developed to mitigate the negative impacts	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	implemented?			
7.1.3	<p>Where the development includes an outgrower scheme (<i>skema kemitraan</i>), the impacts of the scheme and the implications of the way it is managed shall be given particular attention.</p> <p>Specific guidance: <i>For 7.1.3. : Outgrower scheme is a farmer selling the FFB through exclusive contract to the growers and millers. Schemed smallholders (plasma) included into this scheme.</i></p>			
	<p>a. Are any outgrowers involved in the new plantings?</p> <p>b. Has management prepared a plan for the outgrower scheme?</p> <p>c. Does the SEIA include an assessment of impacts and the implications of the way the outgrower scheme is managed?</p>	NA	No schemed smallholders for this certification unit	N/A
7.2	<p>Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</p> <p>Guidance: <i>These activities can be linked to the Social and Environmental Impact Assessment (SEIA) (see Criterion 7.1) but need not be done by independent experts.</i></p> <p><i>Soil surveys should be appropriate to identify soil suitability of oil palm cultivation for the scale of operation.</i></p> <p><i>Maps of Soil suitability or soil survey should be established in line with the operational scale and include information on soil types, topography, hydrology, rooting depth, moisture availability, stoniness and fertility to ensure long-term sustainability of the development. Soils requiring appropriate practices should be identified (see Criteria 4.3 and 7.4). This information should be used to plan planting programs, etc. Measures should be planned to minimize erosion through appropriate use of heavy machinery, terracing on slopes, appropriate road construction, rapid establishment of land cover, protection of riverbanks, etc. Areas located within the plantation perimeters that are considered unsuitable for long-term oil palm cultivation will be delineated in plans and included in operations for conservation or rehabilitation as appropriate (see Criterion 7.4).</i></p> <p><i>Assessing soil suitability is also important for smallholders, particularly where there are significant numbers operating in a particular location. Information should be collected on soil suitability by companies planning to purchase Fresh Fruit Bunches (FFB) from outgrowers scheme (<i>skema kemitraan</i>) in certain location. Companies should assess this information and provide information to smallholders involving in the outgrowers scheme, and/or in conjunction with relevant government/public institutions and other organizations (including NGOs) provide information in order to assist independent smallholders to grow oil palm sustainably.</i></p> <p><i>One of referred guidances is on the table 1 (page. 6) regarding Land Suitability Criteria for Oil Palm in the Technical Guidance for Developing Oil Palm Estate issued by Directorate</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<i>General of Estate Crops, Ministry of Agriculture, 2006.</i>				
7.2.1	(M) Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.			
	<p>a. Are soil suitability/survey maps for the planted areas available or in place?</p> <ul style="list-style-type: none"> • Is the map adequate to establish the long-term suitability of land for oil palm cultivation? • Are the soil suitability maps or soil surveys appropriate to the scale of operation? • Does the soil suitability maps or soil surveys include information on soil types, topography, and hydrology, rooting depth, moisture availability, stoniness and fertility? • Do the soil suitability maps or soil surveys identify soils requiring appropriate practices? <p>b. Are there any areas located within the plantation perimeters that are considered unsuitable for long-term oil palm cultivation?</p> <ul style="list-style-type: none"> • Are such areas delineated in the plans? • Are there areas set aside for conservation? • Or are there plans for rehabilitation as appropriate? <p>c. Does the company plan to purchase Fresh Fruit Bunches (FFB) from</p>	<p>Topographic Map, Slope Class Maps and Map Soil Type and Slope Class Map scale 1:40,000</p>	<p>Results of land surveys were presented in several maps: Topographic Map, Slope Class Maps and Map Soil Type and Slope Class Map scale 1:40,000.</p> <p>Area of plantation has been located within the plantation perimeters that considering area for conservation.</p> <p>The organisation has plan to purchase FFB from potential developments of independent suppliers but not from independent supplier in particular location.</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>potential developments of independent suppliers in a particular location?</p> <p>d. If yes, the following information should be obtained:</p> <ul style="list-style-type: none"> • Is information on soil suitability collected and assessed? • Has the company provided information on soil suitability to the independent smallholders in order to assist them to grow oil palm sustainably? 			
7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available.			
	<p>a. Does the area where plantings are done require drainage or irrigation?</p> <p>b. If yes, is there adequate topographic information to guide the planning of drainage and irrigation systems?</p> <p>c. Is the topographic information and best practices taken into consideration during the development of roads and infrastructure?</p>	<p>Topographic Map, Slope Class Maps and Map Soil Type and Slope Class Map scale 1:40,000</p>	<p>Based on the above mentioned maps, there were no fragile soils present at Tanah Datar and Bahilang Estates. Estates were developed based on land suitability.</p> <p>The topographic information and best practices was taken into consideration during the development of roads and infrastructure.</p>	YES
7.3	<p>New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</p> <p>Guidance: <i>This Criterion applies to forests and other vegetation types. This applies irrespective of any changes in land ownership or farm management that have taken place since November 2005 unless if previous owner have conducted HCV assessment.</i></p> <p><i>HCVs may be identified in restricted areas of a landholding, and in such cases new plantings can be planned to allow the HCVs to be maintained or enhanced. This refers to the Guidance for HCV Management and Monitoring approved by the RSPO.</i></p> <p><i>The HCV assessment process requires appropriate training and expertise, and will include consultation with local communities, particularly for identifying social HCVs. HCV</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>assessments should be conducted according to the <i>Guidance for Identifying HCV in Indonesia (HCV Toolkit Indonesia) of 2008 or its revision</i>.</p> <p>Developments should actively seek to utilise previously cleared and/or degraded land on mineral soil. Plantation development should not put <i>direct or indirect</i> pressure on <i>primary forests and HCV</i> through the use of all available agricultural land in an area.</p> <p><i>Although the planned development is consistent with the landscape planning by the local and national government, the requirements of protecting HCV still shall be met.</i></p> <p><i>For new planting with areas ≤ 3000 Ha, assessment of HCV can be conducted internally and externally. If the assessment of HCV is conducted internally, in accordance with the scheme of HCV RSPO using ALS system, assessor team leader of HCV shall be an assessor who has obtained license of HCV Assessor from HCVRN. Peer review from the competent party shall be conducted referring to the Common Guidance for the Identification of HCV 2013. For the new planting with the area > 3000 Ha, the assessment of HCV shall be conducted by the external party who has obtained license of HCV Assessor from HCVRN.</i></p> <p><i>In case of small areas located either in hydrologically sensitive landscapes or in HCV areas where conversion can jeopardize large areas or species, the HCV assessment shall be conducted by independent assessor who has obtained license of HCV Assessor from HCVRN (see Guidance: Criterion 7.2). HCV areas can be very small. Once established, new development should comply with Criterion 5.2.</i></p>	
7.3.1		<p>(M) There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).</p> <p>Specific Guidance: <i>For 7.3.1: Evidence should include historical remote sensing imagery which demonstrates that there has been no conversion of primary forest or any area required to maintain or enhance one or more HCV. HCV Assessment should apply satellite or aerial photographs, land use maps and vegetation maps should be used to inform the HCV assessment.</i></p> <p><i>Where land has been cleared since November 2005, and without a prior and adequate HCV assessment, it will be excluded from the RSPO certification programme until an adequate HCV compensation plan has been developed and accepted by the RSPO.</i></p>		
	<p>a. Since November 2005, have any new plantings replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs)? If yes, was an adequate HCV assessment carried out prior to the clearing of the land?</p> <p>b. Where HCVs have been identified on the land that is intended for new plantings, have new plantings been planned and managed to best ensure the HCVs identified are maintained</p>	<ul style="list-style-type: none"> - Plantation Maps - HCV assessment report PT. Supra Matra Abadi, Tanah Datar Estate 2012 - HCV assessment report PT. Nusa Pusaka Kencana, Bahilang Estate 2012 - HCV Map with scale 1 : 20.000 	<p>Land clearing was in accordance with HCV identification, as indicated in plantation maps.</p> <p>HCV assessment results showed that in the plantation area of Tanah Datar Estate were identified areas of HCV, consist of :</p> <ul style="list-style-type: none"> • HCV 1.2 Critically Endangered Species. In Tanah Datar Estate was found some protected species and include in endangered species category in IUCN Redlist that was Trenggiling (<i>Manis javanica</i>) and other protected species. • HCV HCV 4.1 areas or ecosystems important for the provision of water and prevention of floods for downstream communities: Riparian buffer zone of Sei Muka River, with area 0.2 ha. 	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>and/or enhanced (see Criterion 5.2)?</p> <p>c. Are there finalised HCV maps and areas endorsed/signed off by management showing type of HCV and area coverage (ha)?</p> <p>d. Has the company comply with NPP procedures? i.e. NPP documents was submitted and put for public notification.</p> <p>e. Is CB verification of NPP documents include field verification? If not, field verification of HCV is required during certification audit.</p> <p>f. Where land has been cleared since November 2005, and without a prior and adequate HCV assessment, is there evidence that an adequate HCV compensation plan for the affected area has been developed and accepted by the RSPO?</p>		<p>In Bahilang Estate, there were identified 18.09 ha areas of HCV, consist of :</p> <ul style="list-style-type: none"> • HCV 1.2 Critically Endangered Species. In Bahilang Estate was found some protected species and include in endangered species category in IUCN Redlist that was Trenggiling (<i>Manis javanica</i>) and other protected species. • HCV HCV 4.1 areas or ecosystems important for the provision of water and prevention of floods for downstream communities: Riparian buffer zone of Kelembah River, with area 18.84 ha, conservation area in Block A08K 1.56 ha, A08L 2.69 Ha, A08M 1.67 Ha, A08N 1.33 Ha. • HCV 6. Areas Critical for Maintaining the Cultural Identity of Local Communities. There were found cemetery in Block A06E with area 0.0006 ha, cemetery in Block A87A with area 0.0006 ha and cemetery in Block A06C with area 0.0006 ha. <p>Estate has established the management plan to maintain and/or enhance High conservation value area. HCV management and monitoring plan described measures taken for each HCV and its monitoring. Relevant laws were taken into account for determining appropriate measure including UU #5/1990 about Natural resources conservation, PP#7/1999 about List of protected plan and wildlife, Kepres #32/1990, and PP 26/2008 Management plan consist of :</p> <p>The Company has performed land use change analysis for plantation after November 2005 that was conversion of cocoa plantation into palm oil plantation.</p> <p>Company has shown a map of land use change in the concession area of PT. Nusa Pusaka Kencana, Bahilang Estate in 2005 before the cocoa plant conversion to palm oil plantation and land cover maps of 2007 and 2009 (after conversion of land). From the map can be shown that land cover before the conversion into oil palm crops, land cover in March 2005 was a cocoa plant. Evidence Map Landsat L7 coverage March 9, 2005 can be shown. Coefficient of vegetation and land liability has been analysed by the company. Evidence analysis of changes in land cover can also be shown.</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
7.3.2	(M) Reports of comprehensive HCV assessment, which involves stakeholder consultation and includes record of land-use change since November 2005, shall be available. This HCV assessment shall be conducted prior to any conversion or new planting.			
	<p>a. Is the prepared HCV assessment comprehensive? Was the assessment prepared in consultation with the affected stakeholders prior to any conversion or new planting?</p> <p>b. Do the HCV assessments include land use change analysis to determine changes to the vegetation since November 2005? (This analysis shall be used, with proxies, to indicate changes to HCV status)</p>	<ul style="list-style-type: none"> - Plantation Maps - HCV assessment report PT. Supra Matra Abadi, Tanah Datar Estate 2012 - HCV assessment report PT. Nusa Pusaka Kencana, Bahilang Estate 2012 - HCV Map with scale 1 : 20.000 	<p>High Conservation Value (HCV) assessment has been conducted both in Tanah Datar Estate (PT Supra Matra Abadi) and Bahilang Estate (PT. Nusa Pusaka Kencana). Assessment in Tanah Datar Estate and Bahilang Estate was conducted in September, 2012 by independent assessors from Faculty of Forestry IPB cover the following:</p> <ul style="list-style-type: none"> • Presence of protected areas that could be significantly affected by the grower or miller; • Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller. • Identification of HCV habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or miller; <p>HCV assessment performed by a qualified HCV assessor from Faculty of Forestry IPB. All assessors are RSPO approved HCV assessor - Discipline Specialist, coordinated by an RSPO approved HCV assessor - Team Leader. Comprise of :</p> <ul style="list-style-type: none"> - Dr Ir. H Nyoto Santoso MS - Dr. Ir Iwan Hilwan, MS - Eko Adhiyanto S. Hut - Sayidina Ali, Amd - Udi Kusdinar S.Hut <p>HCV assessment performed in consultation with relevant stakeholders around plantation. Public consultation conducted on 25 September 2012 for Tanah Datar Estate and 29 September 2012 for Bahilang Estate with the community leaders and figures around the estate and government agencies (Village</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>Head/Kepala Desa, his officials and community leaders in the village).</p> <p>HCV assessment include checking of available biological records.</p> <p>HCV assessments also include checking of available biological records and include both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>Methodology of assessment using a toolkit of HCV 2008, implementation of the assessment consists of: Secondary data collection, field survey, mapping and landscape, Assessment of fauna aspect with a rapid assessment (direct observation, interviews with the parties), assessment of flora aspects (direct survey and interview), assessment of socio-economic and cultural aspects (interviews and direct observation at selected sites), analysis and mapping.</p> <p>HCV Assessment has been peer review by Dr. Kunkun Jaka Gurmaya in January 2013.</p> <p>The HCV assessment report was published in December 2012. Besides presenting data and map of HCV area, the report also includes a list of rare and threatened wildlife species from 4 (four) main wildlife groups: mammals, birds, herpetofaunas, and fishes. HCV mapped with scale 1:80.000 in Tanah Datar Estate and 1 : 25.000 in Bahilang Estate.</p>	
7.3.3	Records of land preparation and clearing dates shall be available.			
	a. Are the dates of land preparation and commencement recorded?	LUK (Estate Monthly Report)	Dates of land preparation and commencement are recorded in Estate Monthly Report (LUK)	YES
7.3.4	(M) An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures (see Criterion 5.2).			
	<p>a. Has the company developed an action plan that describes operational actions consequent to the findings of the HCV assessment?</p> <p>b. Does the action plan reference the grower's relevant operational</p>	<ul style="list-style-type: none"> - HCV assessment report PT. Supra Matra Abadi, Tanah Datar Estate 2012 - HCV assessment report PT. Nusa Pusaka Kencana, Bahilang Estate 2012 - HCV Map with scale 1 : 20.000 	Estate has established the management plan to maintain and/or enhance High conservation value area. HCV management and monitoring plan described measures taken for each HCV and its monitoring. Relevant laws were taken into account for determining appropriate measure including UU #5/1990 about Natural resources conservation, PP#7/1999 about List of protected plan and wildlife, Kepres #32/1990, and PP 26/2008 Management	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	procedures (see Criterion 5.2)?		<p>plan consist of :</p> <p>Management plan was available containing appropriate measures that are expected to maintain and/or enhance them, includes:</p> <ul style="list-style-type: none"> - Maintenance of HCV marking, manual upkeep - Placement of warning sign/sign board - Monitoring of riparian area - Monitoring the presence of wildlife (Protected animal) - Monitoring of illegal hunting and HCV Patrol <p>Management plans and monitoring of HCV was documented in “Conservation Management Plan PT SMA-Tanah Datar Estate 2015/2016 and PT NPK-Bahilang Estate 2015/2016” breakdown in Division HCV Management Program, each Division assistant was responsible for the program and its implementation. The measures contained in the management plan were actively implemented to maintain and/or enhance HCV values.</p> <p>Field observation to HCV area and document verification “<i>Laporan Monitoring Biodiversity</i>” of PT SMA-Tanah Datar Estate and PT NPK-Bahilang Estate period semester I and II 2015 was available and demonstrate that the measures contained in the management plan been actively implemented.</p>	
7.3.5	<p style="color: red;">Evidence of consultation with the affected community shall be available in order to identify the area required by such community to fulfill its basic needs, by considering the positive and negative changes to the livelihood as a result of plantation operations. Such matters shall be included in the HCV analysis and management plan (see Criteria 5.2).</p> <p>Specific Guidance: For 7.3.5: <i>The management plan will be adaptive to changes in HCV 5 and 6. Decisions will be made in consultation with the affected communities.</i></p>			
	a. Have areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, been identified in consultation with the communities?	<ul style="list-style-type: none"> - Analisis Dampak Lingkungan PT. Supra Matra Abadi year 1994 - Dokumen Pengelolaan Lingkungan Hidup (DPLH) of Oil Palm Plantation PT. Nusa Pusaka Kencana, 2011 - HCV assessment report PT. 	<p>AMDAL establishment required mandatory dissemination to relevant stakeholder including communities and regulatory body, about the activities covered in the studies including potential positive and negative changes in livelihood resulting from proposed operations.</p> <p>Areas converted from cocoa plantation to oil palm plantation 2006 – 2010 have been incorporated into HCV assessments and management plans</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>b. Have these areas been incorporated into HCV assessments and management plans (see Criterion 5.2)?</p>	<p>Supra Matra Abadi, Tanah Datar Estate 2012 - HCV assessment report PT. Nusa Pusaka Kencana, Bahilang Estate 2012</p>		
<p>7.4</p>			<p>Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.</p> <p>Guidance: <i>The process of identifying fragile and marginal soil should be conducted after getting Plantation Business Permit (IUP)</i></p> <p><i>Total area planting on fragile soils including peat within the new development shall not be greater than 100 Ha or 20% of the total area, whichever is smallest (see Criterion 4.3). Adverse impacts may include hydrological risks or significantly increased risks (e.g. fire risk) in areas outside the plantation (see Criterion 5.5). The legal aspect of compliance within this national interpretation document shall follow the changed laws and regulations but should at least meet the above minimum limit.</i></p> <p><i>Planting on peat soils should not be conducted on peat with ≥3 m depth. If planting conducted on peat with <3 m depth, then the area (as regulated by Regulation of the Minister of Agriculture No. 14 year 2009: Guidance on Peatland Utilization for Oil Palm Cultivation) shall meet the following requirements:</i></p> <ul style="list-style-type: none"> <i>a. Within designated cultivation area</i> <i>b. Whereas the proportion of ≤ 3 m depth of peat and mineral soil (if any) is minimal 70% of the total concession area</i> <i>c. The mineral soil below peat layer is not quartz sand or acidic sulfate soil</i> <i>d. The peat soils maturity level is mature (sapric)</i> <i>e. The fertility level is eutropic</i> <p><i>Cultivation on peatland must also comply with Government Regulation No 71 year 2014 concerning the Protection and Management of Peatland Ecosystems</i></p> <p><i>Excessive slope is defined as slope more than 40% referring to Regulation of the Minister of Agriculture No.11/Permentan/OT.140/3/2015 regarding Guidance of Indonesia Sustainable Palm Oil and the Regulation of the Minister of Agriculture No. 47 year 2006 regarding General Guidance for Agriculture at Mountain Area.</i></p> <p><i>Soil conservation measures (such as terracing, individual terrace, legume cover crops, silt pit, frond stacking, etc.) should be conducted.</i></p> <p><i>Soil suitability should be determined using crop and environmental suitability criteria.</i></p> <p><i>Those identified as marginal and/or problematic should be avoided if the soil cannot be improved through agricultural cultivation.</i></p> <p><i>The risky and marginal soils may include sandy soils, low organic content soils, and potential or actual acid sulphate soils. Suitability of these soils is also influenced by other factors including rainfall, terrain and management practices.</i></p> <p><i>These areas may only be developed for new plantations which have adequate management plans based on best management practices. Failure due to extensive plantings should be avoided on these soil types.</i></p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p><i>Fragile soils on which extensive planting shall be avoided include peat soils, mangrove sites and other wetland areas.</i></p> <p><i>This activity should be integrated with the social and environmental impact assessment (SEIA) required by Criterion 7.1.</i></p> <p><i>Excessive planting on fragile soil refer to Annex 2 Generic RSPO P&C, 2013.</i></p> <p><i>Wetland definition refers to RAMSAR.</i></p>				
7.4.1	<p>(M) Indicative maps showing marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided.</p> <p>Minor to Major</p>			
	<p>a. Are there maps identifying marginal and fragile soils, including excessive gradients and peat soils?</p> <p>b. If peat is present, does the map show the extent, nature, and depth of peat?</p> <p>c. Are the maps used to identify areas that are inappropriate for planting?</p> <p>d. Have the maps been incorporated for use in the social and environmental impact assessment (SEIA)?</p> <p>e. Is there evidence that planting on extensive areas of peat soils and other fragile soils have been avoided?</p>	<p>Topographic Map, Slope Class Maps and Map Soil Type and Slope Class Map scale 1:40,000</p>	<p>Based on Map of Soil type Unit, There are no areas of marginal land/fragile soil in Tanah Datar Estate, PT. Supra Matra Abadi and Bahilang Estate, PT. Nusa Pusaka Kencana.</p>	<p>YES</p>
7.4.2	<p>(M) Where limited planting on fragile and marginal soils, including peat, is proposed, a documented plan shall be developed and implemented to protect them without incurring adverse impacts.</p>			
	<p>a. Are there plans to protect planted areas on fragile and marginal soils, including peat from adverse impacts?</p> <p>b. Does the plan take into consideration specific control and NI thresholds, including:</p> <ul style="list-style-type: none"> • Slope limits; 	<ul style="list-style-type: none"> • SOP Land Preparation (AA-APM-OP-1100.02-R1) • Consolidation (AA-APM-OP-1100.16-R1) • Soil and Water Conservation (AA-APM-OP-1100.05-R1) 	<p>The organisation has management strategy for planting on slopes above certain limit such as terracing, as referred to company's SOP and work instructions. The work instruction described preparation for planting including planting on slopes area has been developed by organisation. System for planting on slopes area was provided through terracing, levelling of terrace, planting legume cover crops and determining of planting space.</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> List of soil types that need to be avoided, especially peat soil; Proportion of plantation areas that can include marginal / fragile soil. <p>c. Has the plan been implemented?</p>		<p>Practices to control and minimize erosion have been applied by :</p> <ul style="list-style-type: none"> - Terracing - Making the catchment where runoff water, called: "Tapak Kuda". - Making the catchment where runoff water, called "Rorak". - Planting legume cover crop. 	
7.5			<p>No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</p> <p>Guidance: <i>This activity should be integrated with the Social and Environmental Impact Assessment (SEIA) required by Criterion 7.1.</i></p> <p><i>Where new plantings are considered to be acceptable by the communities, management plans and operations should minimise the adverse impacts (such as disturbing sacred sites) and promote positive ones. Agreements with indigenous people, local communities and other stakeholders should be made without coercion or other undue influence (see Guidance for Criterion 2.3).</i></p> <p><i>Where communities decline to release lands rights on these terms the grower or miller must explore legal alternatives such as leasing or renting or securing community land or enclaving or other mutually agreed schemes or decide not to go ahead with its proposed development.</i></p> <p><i>Relevant stakeholders include those affected by or concerned with the new plantings.</i></p> <p><i>Free, prior and informed consent (FPIC) should be applied to all RSPO members throughout the supply chain. Please refer to FPIC guidelines approved by the RSPO (RSPO endorsed Free, Prior and Informed Consent Guide for RSPO Members, November 2015).</i></p> <p><i>Customary and user rights shall be demonstrated through participatory mapping as part of the FPIC process.</i></p> <p><i>Verification evidence may be in the form of documents on socialization to the affected community, agreement or disagreement from the community, communication and consultation with the community.</i></p>	
7.5.1			<p>(M) Evidence shall be available that affected local peoples understand they have the right to say 'yes' or 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples (see Criteria 2.2, 2.3, 6.2, 6.4 and 7.6)</p>	
	<p>a. Does the new planting area include 'local people's land'?</p> <p>b. If yes, has the community given their consent?</p> <p>c. Is there evidence to demonstrate that</p>	<ul style="list-style-type: none"> Analisis Dampak Lingkungan PT. Supra Matra Abadi year 1994 Dokumen Pengelolaan Lingkungan Hidup (DPLH) of Oil Palm Plantation PT. Nusa 	<p>Oil palms planted in 2006 – 2010 were conversion from cocoa plantation and AMDAL document was established concerning the change. AMDAL establishment required mandatory dissemination to relevant stakeholder including communities and regulatory body, about the activities covered in the studies. Since the AMDAL already approved, it was concluded that dissemination was already done by the organisation.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	the consent/agreement has been given? d. Has the community been given the opportunity to say 'no' to the proposed development? e. Are the principles of the FPIC process followed?	Pusaka Kencana, 2011	Land acquisition from local communities has been done in 1995, before FPIC endorsed as one of the principle under RSPO P & C 2007. The handover and prove of payment was sighted and recorded in "Surat Persetujuan Bersama" (pact of agreement). From the interview with stakeholder it was known there was no land conflict at the time audit. The land planted between 2006 – 2012 periods was a conversion from rubber plantation.	
7.6	Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements. Guidance: <i>See Criteria 2.2, 2.3 and 6.4 and associated Guidance.</i> <i>The requirements include indigenous people, as regulated by, such as, the Act No. 5 year 1994 regarding Endorsement of UN Convention on Biodiversity.</i> <i>Please refer to FPIC guidelines approved by the RSPO (RSPO endorsed Free, Prior and Informed Consent Guide for RSPO Members, November 2015).</i>			
7.6.1	(M) Records of identification and assessment of legal, customary and user rights shall be available. Specific Guidance: <i>For 7.6.1: This activity shall be integrated with the social and environmental impact assessment (SEIA) required by Criterion 7.1.</i>			
	a. Does the SEIA include the identification and assessment of legal, customary and user rights of the area? b. Does the company have SOPs to identify and assess any legal, customary and user rights of the local peoples? c. Is there any known notification from the stakeholders claiming to have legal, customary and/or user rights on the land for the new planting area? d. Has the claim been identified and assess according to the	NA	Land acquisition from local communities has been done in 1995, therefore the indicator 7.6 Major 1 consider as not applicable.	N/A

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>protocol/SOP? Does the process follow and respect the FPIC principles?</p> <p>e. Has the process of identification and assessment been recorded/ documented and made publicly available?</p>			
7.6.2	(M) A procedure for identifying people entitled to compensation shall be available.			
	<p>a. Does the company have a system in place to identify people and/or community groups entitled to compensation?</p> <p>b. Is the system documented?</p> <p>c. Does the system follow and respect the FPIC principles?</p>	SOP AA-GL-5003.1-R1	Calculation and compensation method for land has been described in a procedure. This mechanism was explicitly defined in the same procedure of "land conflict handling". Procedure included FPIC for communication and consultation with the local communities and other affected or interested parties.	YES
7.6.3	(M) Records of calculation system and distribution of fair compensation shall be available			
	<p>a. Does the company have a system in place to calculate and distribute fair compensation (monetary or otherwise)?</p> <p>b. Is the system documented and publicly made available?</p> <p>c. Does the system follow and respect the FPIC principles?</p>	SOP AA-GL-5003.1-R1	Calculation and compensation method for land has been described in a procedure. This mechanism was explicitly defined in the same procedure of "land conflict handling". Procedure included FPIC for communication and consultation with the local communities and other affected or interested parties.	YES
7.6.4	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development.			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	a. Does the company provide communities that have lost access and rights to land for plantation expansion opportunities to benefit from plantation development?	NA	Land acquisition from local communities has been done in 1995, therefore the indicator 7.6 Minor 4 consider as not applicable.	NA
7.6.5	The process and outcome of any compensation claims shall be documented and made available to the affected communities and their representatives.			
	a. Is the process and outcome of any compensation claims documented and made publicly available?	SOP AA-GL-5003.1-R1	This procedure of Calculation and compensation has been notified to stakeholders even no possible land acquisition at current time.	YES
7.6.6	<p>Evidence shall be available that the affected communities and rights holders have access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.</p> <p>Specific Guidance: For 7.6.6: Growers and millers will confirm that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to Plantation Business Permit (Izin Usaha Perkebunan/IUP) and if requested, Land Title (Hak Guna Usaha (HGU)/Hak Guna Bangunan (HGB)) to the grower and miller. There is documented evidence that communities were informed prior to being asked to release lands to growers and millers that a legal consequence of the grower or miller acquiring a HGU/HGB over their lands is that this will permanently extinguish their land rights within the same area. Related to 7.6.6, the evidences can be a company's policy to give community freedom to get information, and also socialization to the affected community.</p>			
	<p>a. Is there record to show that the community and rights holders have freedom to access information and independent advisor(s) concerning the legal, economic, environmental and social implications of the proposed operations on their lands?</p> <p>b. Is there evidence to show that the company has sought the community and the right holders' consent to the initial planning phases of the operations prior to the new issuance</p>	<p>- "List Dokumen dan Informasi Untuk diakses Publik PT DAS"</p>	<p>Documents available to the public specified in the in "List Dokumen dan Informasi Untuk diakses Publik PT DAS". Documents available to the public and stakeholder can be provided to stakeholders according to their relevance through a written request to the organization. List of information available in Indonesian and easily understood by stakeholder. Documents available to the public placed in the respective sections within the organization. Such as land title right/ HGU certificate placed in KTU, Occupational health and safety plans document placed in Sustainability staff.</p> <p>Information provided adequate at minimum, an information summary of the document listed such as :</p> <ul style="list-style-type: none"> Land titles/user rights (Criterion 2.2) 	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>of a concession or land title?</p> <p>c. Did the communities (or their representatives) give consent to the initial planning phases of the operations prior to the new issuance of a concession or land title?</p>		<ul style="list-style-type: none"> - Legal boundaries ,land use, classification, total area, grant title, permit validity , NCR rights • Occupational health and safety plans (Criterion 4.7); <ul style="list-style-type: none"> - risk assessment and mitigation, emergency response plan, training, accident records • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); <ul style="list-style-type: none"> - main social and environmental impacts and mitigation measures, • HCV documentation (Criteria 5.2 and 7.3); <ul style="list-style-type: none"> - identification on HCV areas, maps, management and monitoring HCV • Pollution prevention and reduction plans (Criterion 5.6); <ul style="list-style-type: none"> - identification of pollutants, management and reduction measures • Details of complaints and grievances (Criterion 6.3); <ul style="list-style-type: none"> - nature of complaints, parties involved, status of case • Negotiation procedures (Criterion 6.4); <ul style="list-style-type: none"> - SOP, consultative, neutral, inclusiveness, timeframe, responsibility • Continual improvement plans (Criterion 8.1); <ul style="list-style-type: none"> - for all elements under 8.1, • Public summary of certification assessment report; <ul style="list-style-type: none"> - follow RSPO format • Human Rights Policy (Criterion 6.13). 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			- policy statement should comply to the requirements of 6.13	
7.7	No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.			
7.7.1	(M) Records of zero burning implementation on land clearing, referring to the ASEAN Policy on zero burning (2003) and recognised techniques based on the existing regulations shall be available.			
	<p>a. Is there evidence of land preparation by burning?</p> <p>b. (The auditors shall conduct site verification of the newly planted site which will include interviews with workers).</p> <p>c. Was land prepared using the burn method due to reasons or specific situations, as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burnings' 2003, or comparable guidelines in other regions?</p> <p>d. If the burn method has been used for land preparation, has the company complied with the requirements of 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions?</p>	Procedure replanting (AA-APM-OP-1100.20-R1)	Land preparation on period 2005 – 2009 during conversion from rubber plantation to oil palm plantation was zero burning.	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	e. Is document showing proper justification for such activity available?			
7.7.2	<p>In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>Specific guidance <i>For 7.7.2 : Fire should be used only where an assessment has demonstrated that it is the most effective and least environmentally damaging option for minimizing the risk of severe pest and disease outbreaks, and exceptional levels of caution are required for use of fire on peat. This should also refer to the ASEAN Policy on Zero Burning (2003) and respective national environment regulations.</i></p>			
	<p>a. In exceptional cases where fire has to be used for preparing land for planting, is there evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions?</p> <p>b. Was the activity incorporated in the SEIA report?</p> <p>c. What were the mitigation measures? Was it implemented?</p>	Not Applicable	Not Applicable	N/A
7.8	<p>Preamble</p> <p><i>It is noted that oil palm and all other agricultural crops emit and sequester greenhouse gases (GHG). There has already been significant progress by the oil palm sector, especially in relation to reducing GHG emissions relating to operations. Acknowledging both the importance of GHGs, and the current difficulties of determining emissions, the following new Criterion is introduced to demonstrate RSPO's commitment to establishing a credible basis for the Principles and Criteria on GHGs.</i></p> <p><i>Growers and millers commit to reporting on projected GHG emissions associated with new developments. However, it is recognised that these emissions cannot be projected with accuracy with current knowledge and methodology.</i></p> <p><i>Growers and millers commit to plan development in such a way to minimise net GHG emissions towards a goal of low carbon development (noting the recommendations agreed by consensus of the RSPO GHG WG2).</i></p> <p><i>Growers and millers commit to an implementation period for promoting best practices in reporting to the RSPO, and after December 31st 2016 to public reporting. Growers and millers</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		<p><i>make these commitments with the support of all other stakeholder groups of the RSPO.</i></p>		
7.8	<p>New plantation developments are designed to minimise net greenhouse gas emissions.</p> <p>Guidance <i>This Criterion covers plantations, mill operations, roads and other infrastructure. It is recognised that there may be significant changes between the planned and final development area, hence the assessment may need to be updated before the time of implementation.</i></p> <p><i>Public reporting is desirable, but remains voluntary until the end of the implementation period.</i></p> <p><i>Once established, new developments should report on-going operational, land use and land use change emissions under Criterion 5.6.</i></p> <p><i>According to the recommendation from RSPO GHG Working Group 2, the total carbon emission (above and below ground) from new development area ideally is not bigger than carbon that can be absorbed in one rotation period of all new developments (i.e. average of oil palm trees, riparian buffer zone, and the set aside forest area). To help achieving this, the plantation should be developed in area with low carbon stock (i.e. mineral soil, area with low biomass, etc) or within area that currently is being utilized for agriculture or intensive plantation whose owner has agreed to convert the areas into oil palm. The agreed methodology to assess and report on carbon stock and emission sources as well as default number for the both estimation is now being developed by RSPO.</i></p> <p><i>As guidance, low carbon stock areas are defined as areas with (above and below ground) carbon stores, where the losses as a result of conversion are equal or smaller to the gains in carbon stock within the new development area, including set aside areas (non- planted area) for one rotation period.</i></p>			
7.8.1		<p>(M) The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.</p> <p>Specific Guidance: For 7.8.1: <i>GHG identification and estimates can be integrated into existing processes such as HCV and soil assessments.</i></p> <p><i>The RSPO carbon assessment tool for new plantings will be available to identify and estimate the carbon stocks. It is acknowledged that there are other tools and methodologies currently in use; the RSPO working group will not exclude these, and will include these in the review process.</i></p> <p><i>The RSPO PalmGHG tool or an RSPO-endorsed equivalent will be used to estimate future GHG emissions from new developments using, amongst others, the data from the RSPO carbon assessment tool for new plantings.</i></p> <p><i>Parties seeking to use an alternative tool for new plantings will have to demonstrate its equivalence to the RSPO for endorsement.</i></p>		
	<p>a. Is there an assessment conducted to identify and estimate the carbon stock in the proposed development area and major potential sources of</p>	<p>Not Applicable</p>	<p>Conversion from rubber plantation to oil palm plantation was done on period 2005 – 2009.</p>	<p>N/A</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>emissions that may result directly from the development?</p> <p>b. What are the tools and methodologies used to identify and estimate the carbon stock and potential sources of emission?</p> <p>c. Has the results of the carbon stock assessment been submitted and reported to RSPO according to RSPO procedures and timeline?</p>			
7.8.2	<p>Records of a plan to minimize net GHG emissions shall be available.</p> <p>Specific Guidance: For 7.8.2: Growers are strongly encouraged to establish new plantings on mineral soils, in low carbon stock areas, and cultivated areas, which the current users are willing to develop into oil palm. Millers are encouraged to adopt low-emission management practices (e.g. better management of palm oil mill effluent (POME), efficient boilers etc.) in new developments.</p> <p><i>Growers and millers should plan to implement RSPO best management practices for the minimization of emissions during the development of new plantations</i> <i>Some efforts to minimise net GHG emissions, but not limited to:</i></p> <ul style="list-style-type: none"> <i>a. Avoiding high carbon stock area</i> <i>b. Enriching HCV</i> <i>c. Improving carbon sequestration</i> <i>d. Minimising use of fossil fuel</i> <i>e. Implementing zero burning</i> 			
	<p>a. Is there a plan to minimise net GHG emissions from new development?</p> <p>b. Does this plan take into account avoidance of land areas with high carbon stocks, sequestration options and low-emission management practices?</p>	Not Applicable	Conversion from rubber plantation to oil palm plantation was done on period 2005 – 2009.	N/A

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

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

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Is there an action plan for continual improvement?</p> <p>b. Describe the main components of the plan.</p> <p>c. Has the action plan been implemented?</p> <p>d. Provide examples of continual improvements that have been implemented.</p> <p>e. Are history records available to develop the action plan?</p> <p>f. Are records of implementation of the action plan available?</p> <p>g. Does the action plan include strategies for:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6)? Is IPM widely implemented? • Environmental impacts (Criteria 4.3, 5.1 and 5.2)? • Waste reduction (Criterion 5.3)? • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8)? • Social impacts (Criterion 6.1)? • Optimising the yield of the supply base? <p>h. Do growers have a system to improve practices in line with new information and techniques, and a mechanism for disseminating this information throughout the workforce?</p>	<ul style="list-style-type: none"> • RSPO internal audit report 2016 and it Corrective action • Field observation 	<p>Several continuous improvement programme especially for environment issue has been developed for year period 2016, some already executed and some still on progress, such as:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides <ul style="list-style-type: none"> ○ Reduction of paraquat use • Environmental impacts: <ul style="list-style-type: none"> ○ Reduction in fossil fuel consume by implementing biogas to supply electricity ○ Reduction hour meter of backhoe loader from 74 HM/month to be 65 HM/month • Waste reduction: <ul style="list-style-type: none"> ○ Recycle the condensate water discharge water dilution • Pollution and GHG emission <ul style="list-style-type: none"> ○ Use of fibre and shells for boiler fuel ○ Reduction in fossil fuel consume by implementing biogas to supply electricity • Biodiversity conservation: <ul style="list-style-type: none"> ○ Planting riparian zone/river border with barrier to erosion plant and native species to conserve riparian zone ○ Monitoring of RTE species regularly to control the population dynamics of wildlife ○ Sign board installation for HCV protection and awareness to conserve biodiversity and HCV area <p><u>Agronomy and best practice plantation :</u></p> <p>The organisation committed that Paraquat only used for specific species: a few species of ferns, such as: <i>Stenochlaena and Lycopodiophyta</i>. Reduction of paraquat consumption.</p> <p>Regular evaluation of plantation was performed through internal and external audits. The above audit reports indicated that any gaps against standard operation procedure of plantation and operation were noted. Corrective action plan was issued and implemented to demonstrate effort for compliance as well as continual improvement.</p> <p>A monitoring action plan has been established after AMDAL/social impact</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>assessment and annual evaluation was also done to monitor result and progress of action. Most of the plans were executed and the result found was as expected (e.g. CSR, local recruitment).</p> <p>The organisation has program monthly briefing to workers for disseminating all aspects in Estate. Sustainability team has program to visit Mill and Estate periodically to ensure that corrective action was taken to all non-conformances to avoid reoccurrence of the non-conformances and assist in external audit preparation.</p>	

3.3.2 Mill Supply Chain Requirements

PART A COMPANY DETAIL

Company Name (covered by certification): PT. SUPRA MATRA ABADI – Tanah Datar Mill	
RSPO member name: PT. INTI INDOSAWIT SUBUR	RSPO member number: 1-0022-06-000-00
RSPO IT Platform Registration number: RSPO_PO1000002144	
Site Address: Kebun Tanah Datar Village, Talawi District, Batubara Regency, North Sumatera IDN	

Management Representative: Martin Luther Limbeng (Mill Manager)		
Site type: Palm Oil Mill		
Site capacity: 30 MT FFB per Hour		
Certified palm product sold: 7,477 MT CPO, 1,399 MT PK		
Certified palm product used: 32,937 MT FFB		
App/Cert No: FMS40021	Audit Type: ASA2	
SAI Global Auditor/Team: Ahmad Furgon	Audit Date: 5 March 2017	Activity/Audit No:
<p>Audit objectives To verify the volume of certified and uncertified FFB entering the mill and sold volume of RSPO certified producers.</p>		
Supply Chain Model:	Module E - CPO Mills (MB) Mass Balance	
Pertinent record period:	January to December 2017	
Estimated tonnage of certified palm product produced:	10,111 MT CPO and 2,156 MT PK	
Estimated of tonnage of non certified palm product produced	18,000 MT CPO and 5.800 MT PK	
String description:	Palm Oil Mill	
Outsource activity(ies) (if any):	None	
Independent third party(ies) performing outsource activity(ies): name, address and Capability	None	

3.3.2.1 Supply Chain Certification Standard

PART B SUPPLY CHAIN CERTIFICATION STANDARD

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
CPO MILLS (MB) MASS BALANCE SUPPLY CHAIN MODELS – MODULAR REQUIREMENTS		
E.1 Definition		
<p>E.1.1. Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>		
E.2 Explanation		
<p>E.2.1. The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p>		
<p>a. Has the estimated tonnage of CPO and PK products (that could potentially be produced by the certified mill) been recorded by the certification body (CB) in the public summary of the P&C certification report ?</p>	<p>The estimated tonnage of CPO and PK products has been recorded by SAI Global, i.e.: Certification audit: Estimated CPO : 8,048 MT</p>	C

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	Estimated PK : 1,858 MT ASA1: Estimated CPO : 8,437 MT Estimated PK : 1,439 MT ASA2: Estimated CPO : 10,111 MT Estimated PK : 2,156 MT	
b. Does the figure represent the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year ?	Yes, the figure does represent the total volume of certified palm oil product (CPO and PK) that the certified mill allowed to deliver in a year.	C
c. Does the actual tonnage produced have to then be recorded in each subsequent annual surveillance report ?	The actual tonnage produced has been recorded in each subsequent annual surveillance report, i.e: ASA1: Actual CPO : 6,881 MT Actual PK : 1,429 MT ASA2: Actual CPO : 7,477 MT Actual PK : 1,399 MT	C

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
<p>E.2.2. The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>		
<p>a. The mill must also meet all registration requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim)?</p>	<p>PT. SUPRA MATRA ABADI – Tanah Datar Mill has met all registration requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform), with register number RSPO_PO1000002144.</p>	<p>C</p>
<p>b. The mill must also meet all reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim)?</p>	<p>The mill also has met all reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</p>	
<p>E.3 Documented Procedure</p>		
<p>E.3.1. The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ul style="list-style-type: none"> a. Complete and up to date procedures covering the implementation of all the elements in these requirements; b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. 		
<p>a. Does the site have written procedures and/or work instructions in place to ensure the</p>	<p>The Site has system documentation available on site to ensure the implementation of RSPO SCC requirements. The</p>	<p>C</p>

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
<p>implementation of all elements specified in these requirements ?</p>	<p>procedures are updated and appeared to be compliance with current standard.</p> <ul style="list-style-type: none"> • AA-MPM-OP-1400.17-R4, dated February 25th, 2015, Procedure of Traceability. The procedure was established to ensure the production of sustainable and non-sustainable CPO/PK/CPKO produced by the Mill and shipped out could be traced to the suppliers of raw material, and also to ensure the palm oil production process could be described. • AA-MPM-OP-1400.18-R4, dated February 25th, 2015, Procedure of Book Keeping. The procedure described mechanism to monitor the supply chain of certified CPO, PK and CPK production are sustainable, from receipt of raw materials to the delivery of mill products (POM/KCP) and to ensure the record of number of "certified" and "non-certified" CPO, PK and CPKO production generated by POM/KCP and shipped out from the mill are "balance" in each 3-months period. • AA-MPM-OP-1400.02-R2, procedure of FFB Receiving • AA-MPM-OP-1400.03-R1, procedure of Sterilizer station • AA-MPM-OP-1400.06-R1, procedure of Clarifier station • AA-MPM-OP-1400.08-R1, procedure of Kernel station • AA-MPM-OP-1400.14-R2, procedure of Storage and Delivery. 	
<p>b. Are procedures / work instructions completely covering the implementation of all the elements in these requirements?</p>	<p>Procedures and Work Instruction are completely covering the implementation of the elements in this requirement, i.e.:</p> <ul style="list-style-type: none"> • FFB Receiving • FFB Processing 	<p>C</p>

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	<ul style="list-style-type: none"> • Production Recording (CPO and PK) • Product Delivery • Mill Daily Report • Three Monthly Mass Balance Report • Certified Product Claim • Record Keeping • Shipping Announcement in e Trace 	
<p>c. Have the site had the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements ?</p>	<p>Based on the Procedure of Traceability Top Management has assigned personnel who having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements, who is the Mill Manager.</p> <p>Weighing clerk responsible for data input and print out weighing card. Receiving of FFB was based on SPB (delivery note) covers whether are sustainable or non-sustainable. If sustainable then delivery note must covers:</p> <ul style="list-style-type: none"> - Estate name and block number - Year of planting - Date of harvesting - Certificate number - Batch number - Transporter identity. <p>All related personnel regarding Mill Manager, Head of Administration, weighing clerk, security, storage keeper etc. has been trained for refreshment of Traceability and Mass Balance on 5 January 2017.</p>	<p>C</p>
<p>d. Is the person able to demonstrate awareness of the site's procedures for the implementation of this standard?</p>	<p>The assigned persons were able to demonstrate awareness of the site's procedures for the implementation of RSPO SCC standard.</p>	<p>C</p>

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	All employees contribute to implementation of RSPO SCC have been trained by competent persons. The latest training was performed on 5 January 2017.	
E.3.2. The site shall have documented procedures for receiving and processing certified and non-certified FFBs.		
a. Has the site had documented procedures for receiving certified FFBs ?	The Procedure of Traceability (AA-MPM-OP-1400.17-R4) and Mass Balance (AA-MPM-OP-1400.18-R4) have mentioned the mechanism for receiving certified FFBs. The system has separated the recording of certified and non-certified FFB.	C
b. Has the site had documented procedures for receiving non-certified FFBs?	The Procedure of Traceability (AA-MPM-OP-1400.17-R4) and Mass Balance (AA-MPM-OP-1400.18-R4) have mentioned the mechanism for receiving non-certified FFBs. The system has separated the recording of certified and non-certified FFB.	C
c. Has the site had documented procedures for processing certified FFBs?	The Procedure of Traceability (AA-MPM-OP-1400.17-R4) and Mass Balance (AA-MPM-OP-1400.18-R4) have mentioned the mechanism for processing certified FFBs. The selected RSPO SC model is Mass Balance, so the mill does not have to separate the process of certified FFBs from non-certified FFBs.	C
d. Has the site had documented procedures for processing non-certified FFBs?	The Procedure of Traceability (AA-MPM-OP-1400.17-R4) and Mass Balance (AA-MPM-OP-1400.18-R4) have mentioned the mechanism for processing non-certified FFBs. The selected RSPO SC model is Mass Balance, so the mill does not have to separate the process of certified FFBs from non-certified FFBs.	C
E.4 Purchasing and Goods In		

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
E.4.1. The site shall verify and document the volumes of certified and non-certified FFBs received.		
<p>a. Does the site verify and document the volumes of certified FFBs received ?</p>	<p>It was verified that receiving of FFB was traceable to the supply base unit. During weighing on weighbridge the FFB sources is identified; whether received from own estate (block number and division) or from third party. Weighing slip and receiving report issued clearly stated the weight off FFB received and its source (certified or non-certified).</p> <p>The documented Mill Operation Summary has recapitulated FFB received from own estate and from third party. Based on the report, FFB received from own estate from January to December 2015 were 58,054 MT (certified), 99,906 MT (total).</p> <p>The site has two weighbridge, which are:</p> <ul style="list-style-type: none"> - Avery Weigh Tronix / 1801 / Serial No. NBD 10265 with maximum capacity of 40 MT. The weighbridge has been calibrated by UPT Metrologi Rantau Prapat based on certificate No.510.3/475/MT.RP/15-TU on July 2016. <p>Records of certified FFB received:</p> <ul style="list-style-type: none"> - Weighbridge card No.A11600027 dated 11 January 2016 described the commodity was certified FFB, sourced from Tanah Datar Estate, Division 1, Block A13g,i,j. Nett tonnage was 9,340 KG. Time in 12.23, Time out 13.28. Transporter: Internal, unit: BM9938TA, driver Sucipto. - Weighbridge card No.A11504803 dated 13 January 2017 described the commodity was certified FFB, sourced from Bahilang Estate, Division 1, Block A02a-h, A95a. Nett tonnage was 13,40 KG. Time in 09.48, Time out 10.55. 	<p>C</p>

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	<p>Transporter: Internal, unit: BM9804TA, driver Sugiono</p> <ul style="list-style-type: none"> - Weighbridge card No.KBLA116L00075 dated 11 January 2017 described the commodity was certified FFB, sourced from Bahilang Estate, Division 1, Block A04f,g,l,j,n. Nett tonnage was 11,290 KG. Time in 16.25, Time out 18.51. <p>Transporter: Internal, unit: BK8854CP, driver Jamidin.</p>	
<p>b. Does the site shall verify and document the volumes of non-certified FFBS received ?</p>	<p>It was verified that receiving of FFB was traceable to the supply base unit. During weighing on weighbridge the FFB sources is identified; whether received from own estate (block number and division) or from third party. Weighing slip and Mill Daily Report issued clearly stated the weight off FFB received and its source (certified or non-certified).</p> <p>Records of non-certified FFB received:</p> <ul style="list-style-type: none"> - Weighbridge card No.PTDA516101433 dated 4 March 2016 described the commodity was 3rd party FFB, sourced from MONAS. Nett tonnage was 3,173 KG. Time in 17.24, Time out 17.42. Transporter BK8854NC, driver Gunawan S. - Weighbridge card No.PTDA516101428 dated 4 March 2016 described the commodity was 3rd party FFB, sourced from DERMAWAN. Nett tonnage was 8,967 KG. Time in 14.00, Time out 14.45. Transporter BK9898TM, driver Muhdi. - Laporan Harian Pabrik (Mill Daily Report) dated 21 January 2017, mentioned: FFB received at the day from third party was 212,340 KG. 	<p>C</p>
<p>E.4.2. The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>		

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
<p>a. Does the site inform the CB immediately if there is a projected overproduction of certified tonnage ?</p>	<p>The responsible personnel (Mill Manager) understood that the site have to inform CB immediately if there is a projected overproduction of certified tonnage. There is no overproduction during last certification period.</p>	<p>C</p>
<p>E.5 Records Keeping</p>		
<p>E.5.1. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.) For further details refer to Module C.</p>		
<p>a. Does the site record and balance all receipts of RSPO certified FFB on a three-monthly basis ?</p>	<p>The site has recorded and balanced all receipts of RSPO certified FFB on a three-monthly basis, which is on documented “Three Monthly CPO and PK Mass Balance Report”.</p>	<p>C</p>
<p>b. The site shall record and balance all deliveries of RSPO certified CPO and PK on a three-monthly basis ?</p>	<p>The site has recorded and balanced all deliveries of RSPO certified CPO and PK on a three-monthly basis, which is on documented “Three Monthly CPO and PK Mass Balance Report”.</p>	<p>C</p>
<p>c. Are all volumes of palm oil and palm kernel oil that are delivered being deducted from the material accounting system according to conversion ratios stated by RSPO ?</p>	<p>All volumes of palm oil and palm kernel delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p>	<p>C</p>

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
<p>d. Is the site only able to deliver Mass Balance sales from a positive stock ?</p> <p>Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p>	<p>The site is only able to deliver Mass Balance sales from a positive stock. There is no delivery of RSPO certified CPO during 2016</p> <p>Delivery records observed are:</p> <ul style="list-style-type: none"> - Weighbridge card No.C11643500 dated 21 January 2017 described the commodity was other scheme certified CPO (ISCC) from Tanah Datar Mill to PT. Musim Mas, Belawan-Medan. Nett tonnage was 25,230 KG. Time in 16.17, Time out 17.52. Transporter: CV. Sejahtera Abadi (SPK #01002/SPK/MM/CPO ISCC/16), unit: BK9235CI, driver Hotbin Doloksaribu. DO number 01007/DA21/02/16, volume 180 MT. - Weighbridge card No.C216100015 dated 21 January 2016 described the commodity was PK Certified RSPO from Tanah Datar Mill to PT. Saudara Sejati Luhur, Gunung Melayu 1. Nett tonnage was 24,820 KG. Time in 09.51, Time out 13.45. Transporter: PT. Prima Jaya Perkasa (SPK #01001/SPK/SSL-JKT/PK RSPO/ISCC/16, unit: BK8827CC, driver Awaluddin. Certificate number FMS40021. DO #01001/DC26/13/16 dated 21 January 2017, 	<p>C</p>
<p>E.5.2. In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</p>		
<p>a. Does the mill outsource activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does</p>	<p>No outsourced activity</p>	<p>NA</p>

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
not need to be separately certified ?		
b. Does the mill have to ensure that the crush is covered through a signed and enforceable agreement ?	No outsourced activity	NA

3.3.2.2 Supply Chain Certification System

Supply Chain Certification System		Status (Yes / No)
5.3.1	Has the client been made aware with necessary information concerning the RSPO Supply Chain Certification and the RSPO Rules on Communication and Claims Has the client been made aware with necessary information concerning the RSPO Supply Chain Certification and the RSPO Rules on Communication and Claims? If potential clients have any further questions concerning the RSPO these shall be directed to the RSPO secretariat.	Yes
5.3.2	Has the client been made aware of the contractual agreement for certification services against the RSPO Supply Chain Standard and maintain a record of any agreement?	Yes
5.3.6	Has the organization been informed about the following items?	Yes
a.	Certification process	Yes
b.	Agree logistics for the assessment and time of exit (closing) meeting.	Yes
c.	Confirm access to all relevant documents, field sites and personnel	Yes
d.	Explain confidentiality and conflict of interest	Yes
5.3.7	Have the management documentation of the organization fully met to the requirements of the RSPO Supply Chain Certification Standard?	Yes
5.3.7	Have any issues or areas of concern been clarified to the organization?	Yes
5.3.7	Have the internal audits against RSPO supply chain standard been fully planned and underway before certification is awarded ?	Yes
5.3.8	Have the organization sufficiently and adequately implemented the organizational systems, the management systems and the operational systems, including any documented policies and procedures, to meet the intent and requirements of	Yes

Supply Chain Certification System		Status (Yes / No)
	the RSPO Supply Chain Certification Standard?	
5.3.8	Have the client made aware that when there is outsourcing process to the third party after certification is granted therefor SAI Global shall be informed and SAI Global decides whether an interim visit is required for the next audit ?	Yes
5.3.9	Has certification audit reviewed pertinent RSPO Supply Chain records relating to the receipt, processing and supply of certified oil palm products?	Yes
5.3.10	Have all activities conducted by subcontractors complied with the intent and requirements of the RSPO Supply Chain Certification Standard	Yes
5.3.11	Have the client made aware that until they receive written confirmation of their RSPO Supply Chain certification registration and its expiry date that they are not certified and can not make any claims concerning registration?	Yes
5.3.11	Have a detail records have been compiled of the entry (opening) meeting including a list of the participants in the meeting?	Yes
5.3.11	Have the client made aware of the findings of the audit team including any deficiencies which may result in a negative certification decisions or which may require further actions to be completed before a certification decision can be taken?	Yes
5.3.11	Have the client made aware that the findings of the audit team are tentative pending review and decision making by the duly designated representatives of the certification body?	Yes

3.4 Recommendation

The recommendation from this audit is your certification continue.

Audit recommendations are always subject to ratification by RSPO.

This report was prepared by: Eko Prastio Ramadhan, Nanang Rusmana, Daniel Sitompul and Ahmad Furqon.

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

- Environmental risk: compliance with regulations, hazardous waste management, RKL RPL reporting
- Social risk: compliance with regulations
- OHS: prevention of hazard and risk
- HCV : compliance with regulations, remediation and compensation, replanting, NPP

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

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

Signed for and on behalf of PT. Supra Matra Abadi – Tanah Datar Mill



Welly Pardede
Head of Environment and Sustainability
Date 29/5/2017

Signed for and on behalf of PT. SAI Global Indonesia



Inge Triwulandari
Technical Manager
Date 29/5/2017

Appendix "A" – Audit Record

Date	Auditor	Audit meetings plus functions/ processes/ areas/ *shifts audited:	# Shifts*	Times* From - To
04.03.2017		6 th day : Saturday		
	Pras, Daniel, Furqon, Nanang	Opening Meeting (Tanah Datar Mill and Tanah Datar Estate)		08.00 – 08.30
		Tanah Datar Estate		
	Furqon	<p><u>Document Review, field visit and interview</u></p> <p>Verification of corrective action on previous non conformity</p> <p>Agronomy Best Practice and Legal Criteria 2.2.1, 2.2.2 Criteria 3.1 (all indicator) Criteria: 4.1.1, 4.1.2 and 4.1.3 for estate, 4.1.4 Criteria: 4.2. 4.3, 4.5 all indicators Criteria: 4.6.1, 4.6.2, 4.6.3, 4.6.4, 4.6.5 Criteria 4.6.7, 4.6.8, 4.6.9 Criteria: 6.10 Criteria: 7.2, 7.4, Criteria: 8.1</p>		08.30 – 17.00
	Daniel	<p><u>Document review, field visit, and interview</u></p> <p>Verification of corrective action on previous non conformity</p> <p>OHS : Criteria: 2.1 all indicators for OHS aspect Criteria: 4.6.11 Criteria: 4.7 all indicators Criteria: 4.8 all</p>		08.30 – 17.00
	Pras	<p>Environment :</p> <p>Criteria: 2.1 all indicators for environmental aspect Criteria: 4.4.1 Criteria: 4.6.6, 4.6.10 Criteria: 5.1, 5.3, 5.4, 5.5 and 5.6 all indicators Criteria: 7.1 (environment aspect), 7.7, 7.8 Criteria: 8.1</p> <p>HCV :</p> <p>Criteria: 4.4.2 Criteria: 5.2 (all indicator) Criteria: 7.3</p>		08.30 – 17.00
	Nanang	<p><u>Document review, field visit, and interview</u></p> <p>Verification of corrective action on previous non conformity</p> <p>Social :</p> <p>Criteria: 1.1; 1.2; 1.3 all indicators Criteria: 2.1.1 for social aspect Criteria: 2.2.3; 2.2.4; 2.2.5; 2.2.6; 2.3 all</p>		08.30 – 17.00

Date	Auditor	Audit meetings plus functions/ processes/ areas/ *shifts audited:	# Shifts*	Times* From - To
		indicator Criteria: 4.6.12 Criteria: 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.11, 6.12, 6.13 Criteria: 7.1 (social aspect), 7.5 Criteria: 8.1		
		Interview with workers union, gender committee and workers		15.00
	ALL	Break		12.00 – 14.00
05.03.2017		7th day : Sunday		
	Pras, Daniel, Furqon, Nanang	Weekend at Kisaran		
06.03.2017		8th day : Monday		
		Tanah Datar Mill		
	Furqon	<u>Document review, field visit, and interview</u> Time bound plan for other management units and Partial Certification Requirements Supply Chain – Mill		08.00 – 16.00
	Daniel	<u>Document review, field visit, and interview</u> OHS and Processing Best Practice : Criteria: 2.1 all indicators for OHS aspects Criteria: 4.1.1, 4.1.2, 4.1.3 for mill Criteria: 4.4.4 Criteria: 4.6.11 Criteria: 4.7 all indicators Criteria: 4.8 all		08.00 – 16.00
	Pras	<u>Document review, field visit, and interview</u> Environment : Criteria: 2.1 all indicators for environmental aspects Criteria: 4.4.1, 4.4.3 Criteria: 4.6.6, 4.6.10 Criteria: 5.1, 5.3, 5.4, 5.5 and 5.6 all indicators Criteria: 8.1		08.00 – 16.00
	Nanang	<u>Document review, field visit, and interview</u> Social : Criteria: 1.1; 1.2; 1.3 all indicators Criteria: 2.1.1 for social aspect Criteria: 2.2.3; 2.2.4; 2.2.5; 2.2.6; 2.3 all indicator Criteria: 4.6.12 Criteria: 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.11, 6.12, 6.13 Criteria: 8.1		08.00 – 16.00
		Public consultation with external stakeholders (village head, contractor, public figure, ect)		10.00 – 12.00

Date	Auditor	Audit meetings plus functions/ processes/ areas/ *shifts audited:	# Shifts*	Times* From - To
		Interview with workers union, gender committee and workers		15.00
	All	Break		12.00 – 14.00
	All	Auditor Meeting		16.00 – 16.30
	All	Closing Meeting		16.30 – 18.00
	All	Travel to Tebing Tinggi		19.00 – 22.00
07.03.2017		9th day : Tuesday		
	Pras, Daniel, Furqon, Nanang	Opening Meeting (PT Nusa Pusaka Kencana, Kebun Bahilang)		08.00 – 08.30
		Bahilang Estate		
	Furqon	<u>Document Review, field visit and interview</u> Verification of corrective action on previous non conformity Agronomy Best Practice and Legal Criteria 2.2.1, 2.2.2 Criteria 3.1 (all indicator) Criteria: 4.1.1, 4.1.2 and 4.1.3 for estate, 4.1.4 Criteria: 4.2. 4.3, 4.5 all indicators Criteria: 4.6.1, 4.6.2, 4.6.3, 4.6.4, 4.6.5 Criteria 4.6.7, 4.6.8, 4.6.9 Criteria: 6.10 Criteria: 7.2, 7.4, Criteria: 8.1		08.30 – 17.00
	Daniel	<u>Document review, field visit, and interview</u> Verification of corrective action on previous non conformity OHS : Criteria: 2.1 all indicators for OHS aspect Criteria: 4.6.11 Criteria: 4.7 all indicators Criteria: 4.8 all		08.30 – 17.00
	Pras	Environment : Criteria: 2.1 all indicators for environmental aspect Criteria: 4.4.1 Criteria: 4.6.6, 4.6.10 Criteria: 5.1, 5.3, 5.4, 5.5 and 5.6 all indicators Criteria: 7.1 (environment aspect), 7.7, 7.8 Criteria: 8.1 HCV : Criteria: 4.4.2 Criteria: 5.2 (all indicator) Criteria: 7.3		08.30 – 17.00

Date	Auditor	Audit meetings plus functions/ processes/ areas/ *shifts audited:	# Shifts*	Times* From - To
	Nanang	<u>Document review, field visit, and interview</u> Verification of corrective action on previous non conformity Social : Criteria: 1.1; 1.2; 1.3 all indicators Criteria: 2.1.1 for social aspect Criteria: 2.2.3; 2.2.4; 2.2.5; 2.2.6; 2.3 all indicator Criteria: 4.6.12 Criteria: 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.11, 6.12, 6.13 Criteria: 7.1 (social aspect), 7.5 Criteria: 8.1		08.30 – 17.00
		Public consultation with external stakeholders (village head, contractor, public figure, ect)		10.00 – 12.00
		Interview with workers union, gender committee and workers		15.00
	ALL	Break		12.00 – 14.00
	All	Auditor Meeting		16.00 – 16.30
	All	Closing Meeting		16.30 – 18.00
	All	Travel to Medan		19.00 – 22.00
	All	Stay in Medan		
08.03.2017		10th day : Wednesday		
	All	Travel Medan – Kualanamu (Airport Train)		08.00 – 08.31
	All	Travel Medan - Jakarta		GA 197 10.10 – 12.30

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

RSPO Principle and Criteria

No	RSPO Criterion	Details	Corrective Action	PIC	Completion Date	Status
1st Annual Surveillance Audit						
1	Criterion 2.2 indicator Minor 2	Maintenance of HGU pegs has not been consistently performed.	Established schedule for pegs monitoring and maintenance, which is scheduled twice a year.	Tanah Datar Estate	6 March 2017	Closed
2	Criterion 4.7 indicator Minor 6	Not all employee been covered by accident insurance.	<ul style="list-style-type: none"> Established program and registration proposal of casual worker (PHL) to accident insurance (BPJS Ketenagakerjaan) Casual worker will always be monitored by KTU although turn over number is high 	Tanah Datar and Bahilang Estate	6 March 2017	Closed
3	Criterion 5.2 indicator minor 4	Recommendations in the report management and monitoring of HCV 2015 do not give the feedback to the Conservation Management Plan (CMP) which was made in 2016.	Establish schedule to compose report of flora and fauna monitoring complete with schedule of report delivery to Pekanbaru Office.	Bahilang Estate	7 March 2017	Open
4	Criterion 5.6 indicator Minor 3	There is no regular reporting of the monitoring outcomes	Carry out training to the site’s sustainability team regarding GHG emission regular reporting to RSPO	Tanah Datar Mill	6 March 2017	Closed

Appendix "C" – Nonconformities and Opportunity for Improvement Summary

RSPO Principle and Criteria, Indonesian National Interpretation

Section 1				Section 2		Section 3	Section 4	
NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
2017-01	RSPO INA-NI 2016 Criteria 2.1.1	Major	<p>Non-conformance : Evidence of compliance of regulation was not available</p> <p>Objective evidence : There was no evidence regarding to annual medical check up to all workers required by Permenaker 2/1980 (Tanah Datar)</p>	<p>Due Date: 7/05/2017</p> <p>SAI Follow up Method: Evidence submitted to Team Leader</p>	Correction : Conduct MCU for workers	<p>Root Cause : Delay in MCU implementation due to operational reason</p> <p>Corrective Action : Company Doctor and operational management collaborate to make program of MCU and ensure that the implementation is in accordance to program</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio R</p> <p>Date: 2/05/2017</p>	<p>Verification of Effectiveness: The MCU was conduct in 5 April 2017 for Tanah Datar by company doctor Dr. Widianty. MCU Program was established</p> <p>Status : Closed</p> <p>Name Eko Prastio R</p> <p>Date: 9/05/2017</p>

Section 1					Section 2		Section 3	Section 4
NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
2017-02	RSPO INA-NI 2016 Criteria 4.4.1	Minor	<p>Non-conformance : Not enough evidence that water management plan conducted in accordance to regulation or local law</p> <p>Objective evidence : Tanah Datar Estate and Mill</p> <p>a. License of ground water utilization expired in 5 March 2017 and must be extend 3 months before expire date based on <i>Petikan SK</i> No.503/ABT/KPPT/III/2014 dated 5th March 2014</p> <p>b. In upstream and downstream river analysis, it was found parameters BOD, COD, Total Coliform and Fecal Coliform are above the minimum standards</p>	<p>Due Date: Next Audit</p> <p>SAI Follow up Method: Evidence submitted to Team Leader</p>	<p>Correction :</p> <p>a. Coordinate with SSL Team in Medan office to extend the ground water license</p> <p>b. Monitoring of river water analysis (upstream and downstream)</p>	<p>Root Cause :</p> <p>a. Delay in extension of license due to no monitoring of license</p> <p>b. Sample were taken not properly</p> <p>Corrective Action :</p> <p>a. Make a monitoring list of licenses so before expire date will be extend. The PIC is Public relations officer (Humas)</p> <p>b. Coordinate with related governance body to monitor, checked and analysed the river water with proper procedure</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio R</p> <p>Date: 9/05/2017</p>	<p>Verification of Effectiveness: Will be checked during next surveillance audit</p> <p>Status : Open</p> <p>Name Eko Prastio R</p>
2017-03	RSPO INA-NI 2016 Criteria 4.7.5	Minor	<p>Non-conformance : First aid kits was not comply to the related regulation</p> <p>Objective evidence : The sterilised water for eyes washing was not available at spraying working area block 14K Division 1 Tanah Datar estate. (Tanah Datar)</p>	<p>Due Date: Next Audit</p> <p>SAI Follow up Method: Evidence submitted to Team Leader</p>	<p>Correction : Give a new sterilised water to spayers supervisor</p>	<p>Root Cause : No monitoring of first aid kits content</p> <p>Corrective Action : Sprayers supervisor monitor and report the content of first aid kits every 3 months and acknowledge by E&S officer and Site Manager</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio R</p> <p>Date: 9/05/2017</p>	<p>Verification of Effectiveness: Will be checked during next surveillance audit</p> <p>Status : Open</p> <p>Name Eko Prastio R</p>

Section 1				Section 2		Section 3	Section 4	
NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
2017-04	RSPO INA-NI 2016 Criteria 5.2.4	Major (Upgrade)	<p>Non-conformance : Conservation Management Plan (CMP) Y2017 can't be shown during audit (Tanah Datar)</p> <p>Objective evidence : HCV monitoring was conducted in semester I and II Y2016. The company has evaluated their HCV management program stated in HCV Monitoring Report 2016 Semester 1 and 2 such as repairing of HCV sign board and nursery for rehabilitation in HCV area. (Tanah Datar)</p>	<p>Due Date: 7/05/2017</p> <p>SAI Follow up Method: Evidence submitted to Team Leader</p>	<p>Correction : Make a CMP for 2017</p>	<p>Root Cause : PIC for CMP arrangement was not appointed</p> <p>Corrective Action : Assign Sustainability Assistant as PIC for CMP arrangement, monitoring of HCV area and riparian area restoration</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio R</p> <p>Date: 9/05/2017</p>	<p>Verification of Effectiveness: The evidences of correction and corrective action was sighted such as CMP 2017 signed by Sustainability Assistant and Estate Manager.</p> <p>Name Eko Prastio R</p> <p>Date: 9/05/2017</p>
2017-05	RSPO INA-NI 2016 Criteria 6.1.1	Major	<p>Non-conformance : SIA document not covered all of requirement of RSPO INA-NI 2016.</p> <p>Objective evidence : Tanah Datar Mill and Estate SIA document not covered some issues such as :</p> <ol style="list-style-type: none"> Other community values, resulting from changes such as improved transport /communication or arrival of substantial migrant labour force. Traditional or customary rights owned by the local community. Welfare of workers/labour and women, children and vulnerable group. Negative impact to local communities, workers and other parties. 	<p>Due Date: 7/05/2017</p> <p>SAI Follow up Method: Evidence submitted to Team Leader</p>	<p>Correction : Conduct and make a SIA Assesment report and added social impacts which not covered in previous assessment</p>	<p>Root Cause : Social impacts in accordance to EIA documents, meanwhile there are others issues that required by RSPO</p> <p>Corrective Action : EMS team collaborate with CSR team to check, monitor and added/revised if there are social impacts not yet identified</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio R</p> <p>Date: 9/05/2017</p>	<p>Verification of Effectiveness: The SIA assessment document was reviewed and covered all requirement of RSPO INA-NI 2016.</p> <p>Status : Closed</p> <p>Name Eko Prastio R</p> <p>Date: 9/05/2017</p>

Section 1					Section 2		Section 3	Section 4
NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
2017-06	RSPO INA-NI 2016 Criteria 6.1.3	Major	<p>Non-conformance : Negative impact not monitored in SIA Monitoring Report 2016.</p> <p>Objective evidence : Based on document review of SIA Monitoring 2016, it was found that monitoring report only covered positive impact. (Tanah Datar).</p>	<p>Due Date: 7/05/2017</p> <p>SAI Follow up Method: Evidence submitted to Team Leader</p>	<p>Correction : Conduct and make a SIA Assesment report and added social impacts which not covered in previous assessment</p>	<p>Root Cause : Social impacts in accordance to EIA documents which not identified a negative impacts</p> <p>Corrective Action : EMS team collaborate with CSR team to check, monitor and added/ revised if there are social impacts not yet identified</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio R</p> <p>Date: 9/05/2017</p>	<p>Verification of Effectiveness: The SIA assessment document was reviewed and covered all requirement</p> <p>Status : Closed</p> <p>Name Eko Prastio R</p> <p>Date: 9/05/2017</p>
2017-07	RSPO INA-NI 2016 Criteria 6.1.4	Minor	<p>Non-conformance : Evidence of stakeholder participation concerning impact monitoring can't be shown.</p> <p>Objective evidence : Tanah Datar and Bahilang Based on document review of SIA Monitoring 2016, it was found that stakeholder participation can't be shown in the report.</p>	<p>Due Date: 7/05/2017</p> <p>SAI Follow up Method: Evidence submitted to Team Leader</p>	<p>Correction : Stakeholder involvement in SIA monitoring</p>	<p>Root Cause : Lack of supervision and understanding from site personnel regarding requirement of SIA Monitoring</p> <p>Corrective Action : CSR team will collaborate with EMS Team to conduct SIA Monitoring and give an understanding to site personnel about the requirement</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio R</p> <p>Date: 2/05/2017</p>	<p>Verification of Effectiveness: Will be checked during next surveillance audit</p> <p>Status : Open</p> <p>Name Eko Prastio R</p>

Appendix “D” – Stakeholder’s issues and comment

Date	Stakeholder	Observation	Feedback / Comment
4 and 7 March 2017	Union Representatives and Gender Committee	<ul style="list-style-type: none"> - Organization has well relationship with union workers and gender committee (<i>komisi perempuan</i>). - Union representatives have been interviewed during the audit, the focus of the interview devoted related payment of wages, discrimination, complaints, employees and communication with the company. - The number of union members at Tanah Datar are 77 workers (estate and mill). - The number of union members at Bahilang are 100 workers (estate). - Union members are still SKU workers, because the membership is voluntary. - The union invited organisation’s management whenever there was issued to discuss. - Wage and overtime calculation has appropriately provided in line with related regulation. - Generally, no conflict found so far and the company has taken actions gradually to response issues addressed in the meeting. - Estate has established gender committee as facilitated by company which comprises members from several female workers in Mill and Estate. - Gender committee has planned activity program in Y2016 such as gender policy awareness, health community female group, socialisation of medicinal plants/<i>apotik hidup</i>, gymnastics for employee’s workers, etc. - The Training Program Y2016 for gender committee has been established and may include training for woman rights. - Regular pregnancy test was also done monthly (January-December 2016) by each estate to ensure no pregnant/breastfeeding workers endangered with agrochemical works. - Menstruation leave for women worker was given. - Based on result from the interview to committee chief, for Y2016 no indication of sexual harassment issues being reported since the committee formed. 	<p>Auditor’s comments :</p> <ul style="list-style-type: none"> - All observation during interview with Union Representatives and Gender Committee have been reviewed with several supporting document at Estate and Mill. - There was no issue during consultation meeting.
4 and 7 March 2017	Employees Representative (sprayer workers, harvester, laboratory workers, security, operator and mechanic)	<ul style="list-style-type: none"> - All workers have been equipped (free of charge) with PPE, working equipment’s, housing, electricity, clean water, medical facilities, etc. - Wages including overtime hours, premium and bonus were also payed according to current regulation. - Day-care was available for employee’s children. - Clean water provided and distributed from mill. - Overall medical expenses covered by BPJS. - Given socialization HCV area protection and a ban on hunting, capture, and maintain 	<p>Auditor’s comments :</p> <ul style="list-style-type: none"> - All observation during interview with Employees Representative (sprayer workers, harvester, laboratory workers, security, operator and mechanic) have been reviewed with several supporting document at Estate and Mill - There was no issue during consultation meeting

Date	Stakeholder	Observation	Feedback / Comment
		protected animals. - There was no complaint and grievance.	
6 and 7 March 2017	Community leaders (Tanah Datar: Sei Mukti Village, Karang Baru Village, Tanah Datar Village. Bahilang; Bahilang Village).	<ul style="list-style-type: none"> - Organization has well relationship with community around estate. - The company has implemented CSR program to support peoples in term of infrastructure development, provision of education and sanitation facilities, heavy equipment support (grader), local economic support (cattle breeding) etc. - KTU / (Public Relation Officer) was assigned to perform public consultation with communities. No land conflict identified where the land was previously granted by government (not taken over from local communities). - Land legality was cleared, there was no land dispute. - The company has been informed to the local community about Conservation Management Plan (CMP) Program. Organization has well protected to the conservation area. - As told by the leaders, there was no air or water pollution caused by the company due to continuous effort in managing the environmental risks. The company has also employed local peoples (in majority) both for Mill and Estate. 	Auditor's comment: <ul style="list-style-type: none"> - All observation and issue during interview with Head of Village (Tanah Datar: Sei Mukti Village, Karang Baru Village and Tanah Datar Village. Bahilang; Bahilang Village) have been reviewed with several supporting document at Estate and Mill. - There was no issue during consultation meeting.

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

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

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

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

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

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

Appendix “F” – Definition of, and action required with respect to audit findings for Supply Chain Certification System:

Major Nonconformities occur when system is failing to implement and/or maintain requirements of Supply Chain Certification System.

Action required: This category of findings requires SAI Global to issue a formal NCR; to receive and approve client’s proposed correction and corrective action plans; and formally verify the effective implementation of planned corrections and corrective action.

When non-conformances rose after the certification, RSPO shall be informed of these non-conformances within 7 days since non-conformance rose. A maximum of one month is given to the certified client to satisfactorily address the non-conformances. The effectiveness of the action taken for the non-conformances shall be assessed before closing out the non-conformances. Should the non-conformances not be addressed within the one month maximum time frame, a suspension or withdrawal of the certificate and a full re-audit may be necessary.

Where objective evidence indicates that there has been a demonstrable breakdown in the supply chain caused by the certified client’s action or inactions, and that palm oil product that has been or is about to be shipped is falsely identified as RSPO certified product immediate action needs to be taken by SAI Global, and the RSPO Supply Chain certification shall be suspended until such time that it has been addressed. The RSPO shall be notified within 24 hours of this occurrence and further impacts on relevant supply chain certifications.

Area of concern issued when there is an area of the system for which the client is required to investigate potential non-conformity.

Action required: SAI Global may require client to formulate preventive action plan for approval prior to next planned audit/certification decision or alternatively may follow up client’s preventive action at the next planned audit. Lack of client attention to such issues implies that a preventive action system is not working effectively.

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